



TOWN OF IPSWICH

IPSWICH, MASSACHUSETTS 01938

Affordable Housing Trust Fund Board &
Ipswich Housing Partnership Joint Meeting
Meeting Minutes
July 13, 2023 7:30 am
Meeting Room C

Ipswich Housing Partnership Attendees: Charlie Allen, John Doonan, Carl Gardner, Michael Jones, Stacey Pedrick, Ken Redford, Patsy Valcour, Jim Warner

Affordable Housing Trust Fund Board Attendees: Jim Warner, Michael Jones, Sarah Player, Michael Schaaf

Other/Guests: Maria Temple

Staff: Mark Godin, Glenn Gibbs

Call to Order: Quorum established for the IHP+AHTFB at 7:30 am.

Citizen Queries: None

Vote to approve Minutes of 6/8/23 Meeting: The 6/8/23 Meeting minutes were unanimously approved by both the IHP and AHTFB.

Property Updates:

21 Leslie Rd. Allen reported that a draft of the RFP to allow IHA to sell 21 Leslie Rd. is currently being reviewed by EOHLC (Executive Office of Housing and Livable Communities, formerly known as DHCD). Several representatives of EOHLC visited Agawam Village and Caroline Ave with members of the IHA and had a favorable impression. Allen voiced confidence that they will approve the RFP.

161 Topsfield Rd. Gibbs informed the group that the results of the wetlands flagging are pending.

Elm St. No update.

Report from workgroup exploring financing options for property acquisition

Schaaf presented the recommendations from the workgroup that met to discuss financing options for property acquisition. The following key points were noted:

Project Concept: the AHTF would help finance property acquisition by an affordable housing developer who packages necessary financing and subsidies for affordability, repaying the AHTF either at construction or permanent loan closing.

Eligible properties would include existing modestly priced housing or land suitable for affordable housing development. Hammatt St. is a good example of a recent project, but it could be a larger 3-20 unit development.

Eligible borrowers would be for profit or nonprofit developers who are capable of such projects and can assemble subsidies. EOHLC can help with funding, but applicants have to get in line to acquire those funds. The loan term would be 2 to 3 years allowing the developer time to obtain their own long term financing and subsidies, and they would then repay the AHTF. Financing could be sole AHTF financing or in concert with other sources.

To proceed, several preliminary steps would need to be taken:

- Conduct an inventory of existing multi-family properties consisting of 3 to 20 units.

- Communicate with town committees that may be aware of or involved with pertinent properties, e.g. Open Space Committee, Planning Board and other town boards.
- Establish working relationship with potential developers such as Habitat and Harborlight.
- Establish working relationship with potential co-financiers for larger properties. Loans could be structured with senior loans provided by a co-financier and a junior loan from the AHTF.
- Contact owners of properties to solicit interest.

Any serious discussions of potential financings should take place in Executive Session as allowed by OML requirements in order to protect the AHTF and town's interests in negotiating for a property.

The AHTF will need to establish its capacity to underwrite proposed financings and will also want to get the word out to developers and market these ideas.

Gardner added that we need to compete in the marketplace and adopt similar strategies that brokers use. We could approach 3 or 4 established and respected contractors with whom we could team up to make small projects successful.

Allen stated that funding a few projects like this could begin to exhaust funds available for this purpose. The window for recovering loan funds could be several years, so there would be a limit to how many could be done. The idea of "marketing" this concept may be more ambitious than the ability to follow through. A less ambitious approach would be to promote these ideas with specific developers and property owners.

Warner suggested the number of these loans for lower scale projects and corresponding funding would be limited if we plan to adhere to the policy to reserve two thirds of the total AHTF for larger scale projects.

Jones raised concern about the ability of the AHTF to operationally handle such loans which involve qualifying applicants, performing appraisals and loan servicing. He stated that the AHTF should only act as a secondary lender given the complexities of taking a primary lending position. Others concurred that taking a second position and providing a non-amortizing 2-3 year loan is preferable. Acquiring control of a property would be the primary goal.

Allen summarized the discussion by identifying what the group is willing to do which essentially includes buying a property option that is low risk while avoiding management issues. Starting the outreach process with property owners and putting together a property inventory can take place with the goal of finding a property to pursue. Allen asked the group about what next steps would be needed to move forward once opportunities are identified. Godin suggested that an "I-Team" be formed to follow up on property leads. Valcour volunteered to be a temporary member and would ask Hackett to take her place. The group would include Godin, Jones, Valcour (temp) and Hackett. Doonan identified an owner in the downtown area with whom he discussed adding a building with affordable units on the existing property. Valcour also cited 2 Leslie Rd. as another possible opportunity. Gardner also referenced the Assessor's inventory of housing units by size and will forward the list to Gibbs and Godin to review and summarize. Once the list is evaluated, properties that may represent opportunities can be identified.

Jones asked about the payment-in-lieu (PIL) formula and if the AHTF might contribute to a project to help buy down the cost so that a builder would choose to make a unit affordable vs. making a payment-in-lieu. Allen stated that if there is awareness of an upcoming project that has affordability issues, the AHTFB could weigh in and offer options to the builder. Player stated she has had discussions with the PB chair and there are no current projects that would represent affordability opportunities. Gibbs stated that Planning does promote creating affordable units as a primary option when developers and builders inquire. Player suggested that the PB make it mandatory that affordability options be reviewed with developers or builders for all new projects. She offered to bring this idea to the PB. Warner suggested that the PIL formulas be reviewed and updated to reflect current building cost levels. There was agreement that using funds to buy down units to create affordability is best used for creating rental units vs. units for purchase.

Zoning Bylaws concerning Accessory Apartments and detached ADUs:

Gibbs presented potential changes to zoning bylaws regarding accessory apartments and detached ADUs that will be discussed with the PB and then the fall Town Meeting.

Accessory Apartments: There are on average 3 accessory apartments that are created each year – the proposed changes would help increase that number. The current bylaw governing accessory apartments requires the owner of the property to reside in either the main property or accessory apartment, and the proposed change would eliminate that requirement. The current bylaw also limits the accessory apartment to 900 sq. ft. and the proposed change would increase that limit to 1,000 sq. ft. A third proposed change would be to eliminate the limit of allowing only one bedroom and one bathroom in the accessory apartment. The changes are, in part, a response to residents who have expressed hesitancy to create accessory apartments due these restrictions.

ADUs: In regard to detached ADUs, there would be a proposal to add a minimum leasing requirement of at least 30 days for ADUs. This addresses the concern that these units can be used for short term rentals such as Air B&B. Also, there is a current restriction that ADUs cannot be attached to a garage. The proposed change would remove this restriction.

New Business:

FTHB Application: Godin presented the First Time Home Buyer loan application for Patricia Olech. The specifics regarding income level, unit cost and financing plan were presented. The group was reminded that this loan, like the others provided to other lottery winners at Primrose Estates, would be forgivable at the end of 15 years if the buyer does not sell or refinance to take cash out. Several members questioned that a single person was awarded a 3 bedroom unit and asked Godin to look into how the lottery was conducted. The AHTFB voted 3-1 (with Schaaf opposed) to provisionally approve the loan contingent on confirmation that the buyer met eligibility for the lottery and that the lottery was performed correctly. Godin will follow up on this with the monitoring agent for Primrose Estates and then update the group by email.

214 High St. Gibbs stated there is potential project at this location that the owner might either pursue as a 40B project or create an agreement with the Town that would include affordability . The owner has been encouraged to come to a future meeting of the IHP+AHTFB to explore this further.

Next Meeting: The next meeting is scheduled for Thurs. Aug 10th at 7:30 AM.

Meeting Adjourned at 9:00 am.

Minutes prepared by Mark Godin

Minutes adopted: August 10, 2023