



Affordable Housing Committee Meeting Minutes

Date: January 18, 2022

Time: 7:00 pm

Location: Remote

Attendees: Chairperson, Brian Keating; Clerk, Lora Woodward; Members: John Ladik, Renee D'Argento, Tereze Stokes

Guests: Danielle Johnson, Executive Director, Pepperell Housing Authority; Marilyn Tremblay, former Executive Director, Pepperell Housing Authority; David Hedison, Executive Director, Chelmsford Housing Authority; Mark Mathews, Selectboard, Town of Pepperell; M. Quinton Cutler, Finance Committee, Town of Pepperell; Tony Beattie, Selectboard, Town of Pepperell

1. **Call to Order**

7:01pm by Chair, Brian Keating

2. **Acceptance of Minutes of any previous meetings**

John Ladik makes motion to accept the meeting minutes of 11/16/2021; Tereze Stokes seconded. Vote was 4-0; Renee D'Argento was absent during vote; Motion passed.

3. **Citizen Engagement Night - Inclusionary Bylaw Presentation**

- Draft was submitted to Town Planner Jenny Gingras on 1/14 and has been submitted to Selectboard member Margaret Scarsdale for comments
- Citizen Engagement Night is scheduled for Thursday, February 3

4. **Guest Presentation: David Hedison, Executive Director, Chelmsford Housing Authority**

- David shared his background with the Chelmsford Housing Authority (CHA) and its nonprofit arm, Chelmsford Housing Opportunities for Integrated and Community Endeavors (CHOICE), which consists of over 35 years of experience and establishment of over 4,000 affordable housing units. The CHA started with two staff and now has 50.
- David shared that Community Preservation Act (CPA) funds have been the "life blood" of affordable housing in Chelmsford in Westford. It is "seed money" for getting projects moving, like purchasing land for a 50-unit project in Westford.
- He shared the variety of projects that CHA/CHOICE has in the pipeline in Chelmsford, Westford, Shirley, and the surrounding area.

- He shared how DHCD funding works by describing four doors: Door #1 is for projects with 30-55 units and that are in line with DHCD goals. Funding could be \$15-20 million and may need to be presented to DHCD multiple years in a row. If it clearly matches with their funding goals, it may get funded by year three. Door #2 is considered “supportive housing development”, which is often 12-20 units of housing for a specific population that need housing. It is a “smaller door” and not many projects are funded each year. Often a developer comes forward with a partner; Door #3 is the Community Scale Initiative Program, which is for less than a dozen units; Door #4 is if there is money left over then a mini round is offered to projects that are already site appropriate, like having access to sewer and other utilities.
- David shared that DHCD is never going to fund affordable housing through the housing authority because the housing authority needs to pay prevailing wage, and he’s found it is better to run affordable housing projects through a nonprofit, which is why he created CHOICE.
- David said, “If you engage with the right people and ask good questions, you can make it happen!”
- He shared how important it is to understand the definition of “affordable housing” when speaking with different entities. It can mean 80% of area median income, which for a town like Lancaster is still \$1600 to \$1800 per month for a one-bedroom unit. He wants to see affordable housing built at 60% area median income (AMI) as the high end and 30% at the low end.
- If building rental units, Pepperell is given local preference and CHA can assign up to eight vouchers to an affordable apartment building. The subsidy is for 20 years, so residents are paying just 30% of their income.
- For projects targeting residents at 60% AMI, David shared that the only way it works for a developer is if you are doing a good size project with density bonus, and able to generate enough on market rate rental to offset
- How does the housing voucher system work? We’ve increased our number of vouchers by 20%; need to apply to every single funding round; must be active, can’t expect the government to send them to you; the market is so difficult right now because there are not housing options; project-based subsidies might be better than tenant based subsidies; a voucher may have only gone up to \$1400-1500, he can get it up to \$1900.
- Renee asked about affordable home ownership possibilities. David said they are possible with smaller homes on town owned land. He described a 24-unit condo project in Westford that he encouraged the town not to do, but the town moved forward anyway and now 10 years into the deal, some of the residents cannot afford higher HOA fees for maintenance and snow removal. Four residents that are better off financially are vocal and angry that not everyone can absorb an increase in condo fees and some units are not being well maintained. He said it is a model to be wary of; smaller size units are better than single family for 100% ownership.
- David reviewed the draft Inclusionary Zoning (IZ) Bylaw for Pepperell and felt the payment in lieu was high. He offered other comments to Town Planner Jenny Gingras.
- David described that affordable housing rental restrictions are often written for 20 years and get renewed. The landlord gets full benefit of voucher.

- David described that the Westford Affordable Housing Committee (AHC) has set up meetings that overlap with the Affordable Housing Trust (AHT). CPA funds were the vehicle to fund the trust. Overlapping meetings offered strong communication between the project cheerleaders (AHC) and the banker (AHT). A process could be created where developers that request funding would be asked “did you go to the AHC for support?” The AHT can vote based on a recommendation from AHC.
- Marilyn Tremblay, former ED of Pepperell Housing Authority (HA), asked how the HA could work with AHC. David said that it all depends. For example, if it is a rental project, then the HA could help with referrals; HA may not have experience managing the funding sources, so it all depends on the capacity of HA; they can be a cheerleader of projects that meet the needs of the community.
- Marilyn shared that Pepperell needs more family units; there are currently just seven family units.
- David shared that many communities want to go straight to senior housing rather than family housing, and then miss the real community need.
- Mark Mathews asked what is the secret sauce for finding good quality developers?
- David shared that the town should specify what it is after and to bring together people that can guide the local volunteers and staff that can talk in real terms of what is needed.
- Brian asked about creating a local nonprofit to help with building affordable housing. David shared that if there is a desire for a local nonprofit then they would need to partner with someone who has experience doing the work. He went on to say that 24 years ago they formed CHOICE and it would be next to impossible to redo it again. For some communities, CHOICE is the lead and the local entity that wants to learn comes in as a partner. CHOICE’s dance card is booked for the next five years.
- Brian shared that Pepperell needs to get its AHT going. Mark shared that Town Administrator Andrew MacLean is looking for residents with banking background.

5. Affordable Housing Project Proposal

- Al Patenaude, local contractor and Planning Board (PB) member, met with Brian and Tony recently to share an affordable housing project he is planning for land he owns on Railroad Street near the Town’s main business district, Railroad Square. He would like to build a 33-unit housing rental building of 100% affordable one-bedroom units. He needs a comprehensive permit from the Selectboard. The committee discussed how the one-bedroom unit proposal would help the town towards its need to develop more affordable housing but would encourage Al to consider adding two- and three-bedroom units as well.
- Marilyn shared again that Pepperell needs more family units; Pepperell has 60 elderly units and seven family units; Pepperell only has two state vouchers. (Pepperell Housing Authority’s 67 units are State Subsidized and there are also two state vouchers, which are different than Section 8 vouchers that David was talking about. Those are Federal.) She shared that it would be good if the units Al proposed were section 8 housing. In that circumstance, the landlord needs to agree to accept the vouchers but they would know they are going to get paid a certain amount of money each month (tenant puts in 30% of their income, state covers the rest);
- Renee - What kind of support is the selectboard willing to give at such an early stage? Tony shared that they are supporting his interest in building affordable housing.

- Quinton asked Marilyn what the basis for her claim is that Pepperell needs more family housing. Marilyn shared that the HA has a long waiting list for people that have applied for low income family housing; when units become available, the HA tends to place young families and they stay for 18-20 years; elderly units have more turnover; having just seven units, the HA has families that have been on the list for years; these hundreds of people are mostly local, some are from out of town; veterans are placed first, then locals, then outsiders;
- Renee brought up that the fastest growing population in Pepperell based on her research was 1-2 bedroom then family
- The term “elderly units” also includes the non-elderly disabled and 35% of elderly units need to be rented to non-elderly disabled
- Marilyn shared that Pepperell is considered a “bedroom community” and that people come here to raise their families; low-income family units are essential for Pepperell
- Lora asked Marilyn to read the Housing Production Plan and to add notes to it to help the AHC tell the Pepperell story
- Renee said that residence service coordinators are essential to the success of families in low-income housing.
- Marilyn shared that David Hedison is “unbelievable and good to have on our side”
- Tony shared that Town staff and community members are actively discussing the best distribution of federal American Rescue Plan Act (ARPA) funding for Pepperell. Its purpose is to improve life in our community. Tony asked Marilyn and the AHC if there was a need for ARPA funds to support affordable housing. Can it fund the AHT fund? Brian shared a variety of ideas on what could be covered. \$3,600,000 from ARPA – AHC wants 10% for AHT
- Brian will draft a letter to the Selectboard suggesting ARPA funding be used to kick start the AHT fund; Renee and Tereze to review before it is sent to the Selectboard within the next two weeks.
- Brian shared that affordable housing is as an economic development tool and how it is important to balance low- and moderate-income housing; it will help build Pepperell economically.
- Renee says we need to start with where there is a deficit, referring to the need for one- and two-bedroom units.
- Tereze would like to have a guest speaker from Coalition for a Better Acre attend the next meeting; 7:05pm
- Marilyn brought up that the Old Methodist Church on Chapel Hill Road had approached her for senior housing; Marilyn then reached out to DHDC and they never responded; Tony thinks it is a great opportunity for housing and offered to reach out to his contact; Brian warned that it’s an old building with old equipment, and shared that sometimes its better to use the land
- Brian shared that the next steps are to get a list of town-owned property; town needs to declare it as surplus property; could AHC take access control; create an RFP; see what developers come up with;
- Tax title properties are tiny; take low-hanging fruit and running with it; work with DPW because infrastructure is needed
- John to ask assessor for list of properties – what kind of reception we would have with Maureen Bolger – what could be available most easily?
- Brian to encourage Al Patenaude to attend next AHC meeting and present after the guest speaker

6. Next Meeting

Set for Tuesday, February 15, 2022 at 7:00 p.m.

7. Adjournment

Motion to adjourn made by Lora Woodward; Seconded by Renee.

Voted 5-0; Motion passes unanimously. Meeting adjourned at 9:11pm.