



## Affordable Housing Committee Meeting Minutes

Date: February 15, 2022

Time: 7:00 pm

Location: Remote

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

**Guests:** Claire Ricker, Real Estate Director, Community for a Better Acre (CBA); Joanne Smith, President of the Pepperell Business Association (PBA)

- **Call to Order**  
7:00pm by Chair, Brian Keating
  
- **Acceptance of Minutes of any previous meetings**  
John Ladik makes motion to accept the meeting minutes of 1/18/2022;  
Tereze Stokes seconded. Vote was 4-0; Renee D'Argento was absent during vote; Motion passed.
  
- **Guest Presentation: Claire Ricker, Director of Real Estate, Coalition for a Better Acre, Lowell**
  - Claire shared her background, the programs and projects that CBA oversees, the purpose of Community Development Corporations
  - CBA is a Community Housing Development Organization (CHDO), which is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. They are membership-based.
  - Most of their projects are Low-Income Housing Tax Credit (LIHTC) (See <https://www.huduser.gov/portal/datasets/lihtc.html> for more information.)
  - Claire explained the difference between affordable (below market) and subsidized (for low-income where tenant pays no more than 30% of their monthly income toward rent and HUD pays the remaining amount) housing
  - Some of CBA's projects included
    - turning a convent into housing
    - historic rehab on 450 Merrimack Street, deed restricted affordable; and Acre High School at 760 Merrimack Street
  - They do not have an adaptive reuse overlay district; they rehabbed the properties by right; never an argument for putting housing in the Acre neighborhood
  - She then showed "ground up" projects:
    - 305 Gorham Street and 555 Merrimack Sober Community

- Veterans' preference means that those that identify as Veterans have preference for housing before going to a lottery
- Claire described project-based subsidy and tenant-based subsidy
  - Project-based - rental assistances comes with the apartment building
  - Tenant-based - tenant has the voucher and selects where they want to live; the voucher moves with the tenant
- When there are tax credits, it is easier for the project to get investors; it means that there is guaranteed rent (income)
- 25% of families that apply for a voucher have them (tenant-based)
- She showed the Haverhill project at the Gerson Building
- She showed the Dracut Project working with Veterans Northeast Outreach Center and Maloney Properties as property managers, including a financial breakdown of the project, which included Community Preservation Act (CPA) funds, state tax credit loan, grants, etc.
- There are no Low-Income Housing Tax Credits (LIHTC) in the Dracut project. The state looks at number of units to be built and tends to prioritize those that build the most units, and the Dracut project only had 9 units. Previous projects that were shared were funded with LIHTC.
- LIHTC starts with a competitive process: budget, town support (money). Can be awarded different moneys from a number of different pools. It's a competitive process that takes a lot of time. Projects that develop a lot of units quickly tend to get funded.
- What can Pepperell do?
  - Request for Proposal (RFP) for all buildable sites
  - Create design guidelines in the RFP
  - Consider phasing of parcels
  - Consider multiple RFPs
  - Develop partnerships with developer or multiple developers with different strengths
    - Could be CBA
  - Try to get your premiere parcels as site ready as possible
    - Westford got an EPA clean up grant
    - MassWorks grant for infrastructure
    - Becomes a public-private partnership
    - Phase 1 environmental, geo tech, historical designation (if you want it preserved, do the paperwork)
- Renee asks: Can an organization like you help with the pre-work? How early to go in knowing that in the future may revisit down the road? Pepperell's public safety complex means that the police station may come available
  - Claire shared that "As soon as you have us, we have you." CBA has grant writing skills and knowledge of resources.
- Renee asks: Do you get involved in brownfield developments? We have a brownfield site from a former papermill
  - Claire said we should pay someone to do the environmental Phase 1
  - There are different programs that offer funding for assessments
- Renee asks: Mixed use overlay district (MUOD) meeting that focuses on Railroad Square to Peter Fitz?
  - Claire said that MUOD is a really good idea (better if attached with 40R)
  - Size of commercial space versus residential units
  - Include 40R as part of the overlay; does need to go through state approval
  - Every unit in a 40R gives the town \$3,000/year
  - 40S – reimbursement from the state for school age children in the units

- Mirror 40R requirements in the overlay
- Brian states: 40R reduces parking requirements. How advantageous to gain densities and reduce parking requirements? Do you need to get variance?
  - Claire shared that Pepperell's parcels are so big compared to an urban area
  - If there is room to build parking, then we'll build it; but there is often not room
  - Pepperell needs some parking
- Brian asks: how much time is needed to go before zoning boards?
  - Claire shared that going before zoning boards is something that will slow down a project
  - We have the room for parking; if you are going to require towns build their fair share of housing then it needs to be in the context of the town
  - Put solar panels on top of surface parking
- Brian asked: Net Zero goal?
  - Claire shared that CBA has found that it is not much more expensive to build passive housing; they got a grant for solar; it's a matter of getting materials that meet the requirements
  - It is not cheap to build and operate net zero buildings
- John asked: how do you get investors and what are their roles?
  - Claire shared that banks are required to invest in communities and affordable housing
  - They get a grade for putting capital into communities
  - If awarded LIHTC then sell them through a syndicator; the investor gets the mortgage or the construction loan
  - They didn't need an investor for their Dracut project because of the CPA funds
  - If you are using LIHTC you sell them on the market for capital
  - Capitol One and Eastern Bank
  - Investors are interested in these projects because they will produce rent; it's a lower risk
- John asked: what is a tax credit?
  - Claire shared: How the federal government funds affordable housing without building new housing
  - Banks buy the tax credits to write off and can claim losses; it decreases their tax liability overall; and it's good for CBA because they are getting cash
  - Usually go for 9% tax credits but are more competitive
  - There are also 4% tax credits that are not competitive; usually used on rehab
- John asked: who oversees the loan and pays the bills?
  - Claire shared that once the building goes into operation, then it goes to the property manager to oversee
  - CBA has a CFO that manages budgets and paying off the mortgage
  - CBA pays the property manager
- Brian stated that CBA is NeighborWorks connected
- Lora asked: How to go from parcel list to deciding how to prioritize
  - EPA wide planning grant – pick out 4-5 parcels for environmental stuff
  - Mass developments has brownfield ready
  - CBA would also help
  - NMCOG for area wide planning, not sure about brownfields
  - Need a site professional in there
  - Prioritize by where do we want to make the parcel to make the biggest difference

- Affordable housing is a good use for ARPA funds
  - Site readiness
- Lora asked: It seems that CBA used CPA funds; how valuable were they to your projects?
  - Claire shared that they are not an entitlement community and the only thing that they can offer developers is CPA
  - “It will be the difference of a project happening or not”
- Lora asked about how AROD has helped their projects.
  - Creates a density bonus
  - Overlay districts if they work toward their project, then they’ll use it
  - Sometimes they require more meetings; meet conditions by right then it comes in once
  - Claire said, that “For Pepperell, overlay makes sense because our zoning strict.”
  - This is the predecessor to a 40R
  - Step in the right direction for signal
- Lora congratulated the committee for drafting the Inclusionary Zoning (IZ) Bylaw.
  - Renee brought up that if we followed the schedule as currently written in the IZ bylaw with 1-3% a year growth of units, then it would take until 2048 to have 10% affordable housing in Pepperell
  - Claire said that the IZ bylaw is not the most effective bylaw to get more units quicker. She continued, “If you want to go quicker, open up the zoning.”
  - The easier you make it to do what you want, then it will happen faster
  - Lora suggested that the committee should send Claire the IZ bylaw draft
- **Inclusionary Zoning Bylaw - Renee**
  - Like to see us go back to 25% affordable rather than the schedule that is currently written
  - Lora asked, “Why did we move away from 25%?” She recalls a prior committee discussion with Town Planner Jennifer Gingras where it was determined that 25% was too high.
  - Lora read the meeting minutes from October 5 where Katy Lacy from Mass Housing Partnership said 25% is too high. It will scare away developers.
  - Renee said that we should go back to Jenny and ask her to ask: What kinds of developments are typically done here? We’d like to revisit the 25%. Talk to developers. Can we add density bonuses for small developments?
  - Brian makes a motion: Let’s reexamine the bylaw to change the schedule to 25% or include a density bonus or both (the motion was not seconded)
  - Renee asked, “Did Jenny do the schedule with 25% in mind, and did she talk with developers?”
  - John would like to see on the schedule past 5 houses state payment of a fee-in-lieu for any additional affordable units created
  - We need to look at zoning bylaw in light of these questions
  - Warrant articles are due by March 18
  - Town meeting is in May
  - John to redraft the IZ with the concerns brought up by the committee and send it to the committee by Thursday morning.
  - Brian to talk to Jenny about it

- Joanne Smith - Thank you people. As a realtor and president of the Pepperell Business association this committee is of interest to me. Let me know if I can help in any way. I am trying to drop in on town board meetings as I can.
  - This committee is of particular interest because of the housing market
  
- **Affordable Housing Project**
  - Brian shared that we should be sticking our toe in the water about RFPs, toss things out see what bites; Is there anything there? Our parcels might be attractive for Habitat for Humanity; Ask them: What do you do on a tiny lot like this?
  - John confirmed that the town has in the past put tax title properties up for sale
  - Find out who the Habitat for Humanity affiliate is – Tereze to follow up – ask them which parcels are attractive to them
  - You need to sell town-owned properties for their assessed value
  - For the viable properties put an RFP together
  - We need to get the phase 1 environmental assessment done
  
- **Next Meeting**

Set for Tuesday, March 8, 2022 at 7:00 p.m.
  
- **Adjournment**

Motion to adjourn made by Lora Woodward; Seconded by Renee D'Argento.  
Voted 5-0; Motion passes unanimously. Meeting adjourned at 9:20pm.