

Minutes of the virtual meeting of the Affordable Housing Committee, Town of Oak Bluffs, held on Feb 1st 2022 at 5pm.

Present:

K. Mark Leonard, Chair
Jim Bishop, V/Chair
Peter Bradford
Mark Crossland, V/Chair, Planning Board
Katherine Donahue
Garri Saganenko

Attending:

David Vigneault, DCHA
Philippe Jordi, IHT
Derrill Bazy, IHT
Craig Nicholson, AI
Liz Volchok, IHT
Ewell Hopkins, Chair, Planning Board
Melissa Vincent, TRI
Lou Rogers
Pat Ingalls

1. Call to order

Chair Mark Leonard called the meeting to order at 5.03pm.

2. Minutes of the last meeting of Jan 18th 2022

Were passed, as proposed by Peter Bradford, seconded by Mark Crossland, and approved of by all members.

3. Updates from the AHC Chair

- i. Chair met with Mass Housing's Paul McMorrow together with Town Administrator Deb Potter and Selectboard Chair Brian Packish on Jan 26th 2022; discussion was about State/DMH property over by the Town's Police Barracks; Town is looking for flexibility over the use of the property, in addition to the Affordable Housing piece; could the rest be used for workforce housing, DMH housing, or market rate housing? Paul McMorrow will follow up and get back to us.
- ii. Annual Reports are due soon; Chair is working on the AHC report, and if time allows will circulate same to members for comments.

3. Southern Tier 40B Letter

Chair informed that the 40B packet had been sent out earlier in the day to all members; it explains the 40B comment period; the Town has 30 days to respond. The Selectboard discussed this and voted to endorse the 40B request; Chair, Deb Potter & G. Barmakian will work on the response letter. IHT has revised its unit figure of 25 to 47, and Chair has invited IHT to share its perspectives, intending that salient points captured may inform the 40B Letter.

4. Southern Tier Phase 1 Update with AI/IHT

Chair's introduction to this item was met with a question from Jim, referring to the numbers for 1,2 & 3 bedroom units and wanting to know how that had come about; Chair suggested that the meeting move into an IHT presentation so that it could hear intent, goals and direction and how IHT proposed to get there.

4.1. Philippe Jordi expressed gratitude for the partnership opportunity with the Town of Oak Bluffs; the Town's letter to DHCD is pending; the State will respond with an Eligibility Letter so that IHT can file its development plans under a 40B; IHT will apply to MVC for DRI in early March and then to the Zoning Board of Appeals.

The number of units projected has increased from 25 to 47 and this will make the project more viable, providing for more families on site; the KleanTu denitrification system will clear between 80 – 90% of nitrogen ; existing Title V systems will be upgraded, in line with MVC water quality policy. IHT has met with MVC on water quality policy issues and discussed wastewater management strategy; MVC has indicated that IHT's approach is in line with what MVC's water quality policy allows. Next is a meeting with the Town's Board of Health.

The IHT plan responds to the nitrogen issue and to measures needed to manage water quality as part of an affordable housing project. Wastewater management will cover both onsite and offsite aspects; onsite management will use the Kleantu system and its denitrification technology; offsite management will upgrade existing Title V systems in the Sengekontacket watershed area. Philippe stressed that this strategy serves to meet the need for Affordable Housing that AHC is aiming for, and to work on water quality in the area's watershed.

Philippe also stated that IHT has given careful consideration to Oak Bluffs requirements and the State's guidelines on development practices for 1,2 and 3 bedroom unit numbers, so that its project design is consistent what is being asked and required.

Jim: has the design accounted for couples with children and couples without? We have 5 x 3 bedroom apts; 32 x 2 bedroom apts, and 10 x single bedroom apartments. How exactly did we get these figures?

4.2 Derrill Bazy: 2 bedroom apartments in a development provides the greatest flexibility possible, and the number of 2 bedroom units needed is a State requirement.

4.3. Craig Nicholson: DHCD regulations target what we are allowed - a sustainable mix of unit sizes; with the general lack of affordable housing, folk who move in do not tend to move out; there needs to be flexibility. If a family in a 3 bedroom downsizes and no longer needs it, they can move to a 2 bedroom within the same development.

Jim: folk can get to stay in a 3 bedroom unit whether they need to or not?

Craig Nicholson: yes. If they no longer qualify for a subsidy, they will have to pay more; but unless we have somewhere else to put them, they won't be forced out.

Jim: what about moving to similar developments?

P. Jordi: rentals from other portfolios are possible; there are 6 rentals in Edgartown; these may provide opportunity for lateral movement.

Chair: to D. Bazy – could you lay out the wastewater plan, briefly?

Peter Bradford: what's the offsite mitigation?

D. Bazy: IHT seeks to work with the Town's needs; the State will allow use of an in-ground septic system like KleanTu, which is both cutting edge and affordable and can cover up to 89 bedrooms; once we cross the 90 bedroom line, we will have to deal with a 10,000 gallons per day requirement. Then we will have to look at a treatment plant, which is expensive to install and maintain. But with a good system on-site, we can bring nitrogen levels down by 85% and do the same with nitrogen systems off-site as well; there are outdated systems that will come up, the closer we get to the Pond; our work will be of immediate benefit to the Pond and the Majors Cove area. A key move will be to identify houses closer to the Pond that need a wastewater system refit, the costs of which IHT will cover.

Chair: So with the on-site system, if we're above 90 bedrooms, we'll need one that can handle a flow of more than 10,000 gallons a day?

D. Bazy: We're under the cut-off and intend to keep it that way. Kleantu has done a 6000 gallon a day system for Cape Lite Aqua Company on the Cape with good success. As the system gets larger, it gets more efficient; and there will be a rigorous testing regime employed at the Southern Tier site.

Chair: Again, for the on-site system, how many homes do we expect to retrofit?

D. Bazy: About 6 three bedroom homes; but these are preliminary numbers; MVC's policy will determine the exact number.

Jim: So the project is looking at spending some fifteen to twenty thousand on each retrofit?

D Bazy: This is where the financial benefit of doing more units also comes in; it will help us to balance out, since our budget had been based on 25 units.

Jim: has anyone talked with Melissa Vincent? Her work with PAL/TRI has some 7 Grants available, each coming to about \$35,000.00 per unit, which might be the way to go.

P. Jordi: I spoke with her with last week; TRI is in a good position on watershed issues and we are working with her on the connect to CWMP and the concerns of G. Barmakian about flow set aside for affordable housing; we can do 47 houses with on-site septic facilities; this is workable; and with a possible hook-up to the Town's system in the future.

Pete: the original proposal was for 25 houses; a greater number of houses will create greater requirements; the Selectboard has mentioned that the CWMP's nitrogen mitigation requirements exceed those of MVC; and your goal is a net zero nitrogen goal...

Chair: CWMP has set aside flow provision for some 47 units on-site for future hook-up to the Town.

D. Blazy: We should be okay; most of the flow is gravity dependent. These are the issues we will refer to a civil engineer, especially since we have settling tanks ahead of us and may consider needing to bypass them; we will work on this down the road. We will outperform what we were able to commit to MVC for; on that basis, the numbers for the actual outflow of 110 gallons per day is more than what we actually expect, in order to get to net zero on the site; by meeting MVC's requirements we shall be

surpassing them; we will be more specific when we get actual performance numbers. Does that make sense?

Pete: it does; so we will be able to do a hook-up to the Town for an additional amount of some 18 units in Phase II of the project.

D. Bazy: Yes. And it's actually 13 units now; and we will have 2 options then – to add them to the front or to the property behind.

Jim: We need to talk with the Land Bank about nitrogen credits transfer.

Pete: I've sent an email to Chris Alley about it; the idea discussed was to transfer those credits to the Bellevue Ave lot.

Chair: their estimate is at 19 bedrooms.

Pete: that was my estimate; and I have asked Chris to give us an idea of process and cost.

Chair: any other questions?

Garri: I have some questions, not all of which are project specific; will units have dishwashers?

D. Blazy: no. refers to Nicholson & Jordi.

Garri: dishwashers are an asset for working folk with children; can we revisit this?

C. Nicholson: dishwashers are certainly water efficient, yes; we may be able to revisit, but we have to consider cost efficiency.

Chair: Some of the units will have washers and dryers?

D. Blazy: an expensive process; shared laundry facilities on the property, perhaps; and the use of energy saving options.

C. Nicholson: All 'accessible' apartments will have washers and dryers, as required.

Jim: we will have high efficiency systems, yes?

D. Blazy: yes, in whatever we supply, we will go for the high efficiency option eg combo units – we will use air source heat pump dryers for a laundry facility - tenants can't afford such on their own.

Garri: moving on to rent – how rents are set, and how much people have to pay for this and other similarly structured projects on the Vineyard. What's the estimated figure for 60% of the AMI?

P. Jordi: at 60% of AMI, it would be 46,200 for a single family; 52,800 for a family of 2; and 59,400 for a family of three.

Garri: so at \$1237.00, including utilities?

P. Jordi: no. but there would be a utility allowance i.e. when utilities are not covered, there will be lower rent; we are also looking at generating solar power on site; what we've found is when folk don't have to pay for utilities there is less incentive to conserve energy.

C. Nicholson: with rent at \$1237.00, including utilities – and we will pay for water; or if not, rent reduced by utility cost, a single bedroom’s utility bill would come to somewhere between 40 – 60 dollars a month.

P. Jordi: it comes down to energy modeling, and the more efficient the unit, the less energy it will need; with each unit separately metered to figure what the average would be like.

Garri: so where rent is calculated and on how much people pay each month, IHT’s goal is to get to a 25% figure of their monthly income?

P. Jordi: it’s more like 30%, which is the affordable percentage.

Garri: my point is that it still seems high, with a studio apt at \$1,155.00; and what about non-married folk in a relationship, for example?

P. Jordi: more of a property management question; according to HUD, 2 unrelated adults can share a unit.

C. Nicholson: but both incomes will total up in determining rent and eligibility.

Pete: can I interrupt ...and if in a year a qualified family’s income goes up, then what happens?

P. Jordi: Good question. housing authorities would make the adjustment so that 30% of their income would go to rent as per policy; if the income keeps going up, they would ultimately have to find a new income qualified place once they exceed the eligibility limits of their current situation.

C. Nicholson: there is some flexibility here before relocation goes into play; it’s a multi layered question.

Jim: if an individual, or one with a child, lives in a unit; then the ‘significant other’, with additional income, moves in – who’s tracking the income i.e. that of the 2nd person in the household?

P. Jordi: another good question. we can invite TCB, The Community Builders, to attend the next meeting to share their experience about income qualifications on an annual basis, which is a process that applies to the entire household.

Jim: yes, but who checks it out? Who asks?

C. Nicholson: that is the property management company’s job; for eg, in the case of an additional resident/s living in a unit who are not on the lease, that would become a lease violation.

Chair to Ewell: you wanted to speak..

Ewell: this is a value proposition; we are contemplating professionally managed development; Habitat for Humanity runs into this problem all the time, with no easy answer; individuals are found to be qualified, but then their status changes; this project demonstrates that we are putting disciplines in place; we’ll be setting the bar, going forward; it will be a good model.

Jim: probably a good idea to have professional management; there are enforcement issues; if we put together a good model there will be no issues going forward.

Chair: and we continue with Garri’s questions...

Garri: one more question - if you consider 80% of the AMI – what rate is used to determine rent?

C. Nicholson: commensurate with 30% of their income.

Garri: if you're at 51% of the AMI, can you end up paying rent at a 60% AMI rate?

C. Nicholson: we must look at the funding sources and regulations; and there are other mechanisms to make sure that tenants do not have to pay more than they should.

Garri: but it is possible that they can end up paying more?

C. Nicholson: it would be more of a fraction at that point eg it could be 32% instead of 30%.

Chair: the goal is to have 30% of your income, and no more, go to your rent; above that, any increase in rent is always proportional; IHT's management company will handle it.

Garri: right. I'm just wondering whether in reality it works out so that people can actually save and not just subsist.

Chair: when we keep rent at 30% they can, theoretically, save money. IHT's management company will also offer both counselling and classes on these aspects.

Melissa Vincent: income increases are okay up to the ceiling of the median rate; if a person is within the median rate of 50 - 60%, rental rates are set accordingly; we have a 3 bedroom in Falmouth amongst our other projects; the tenant pays \$1129.00 and that includes utilities, with an annual requalification; the tenant can make up to 80% of the median and still pay rent within the 60% rate; it depends on project funding; an affordable rental is a good start; the challenge for some will be to manage to save in order to go into the home ownership possibilities available.

Pete: a double edged sword? the purpose here is stability for folk just starting off - in income and quality of life; then they can consider expansion options as their income increases; on the Vineyard however, if other issues limit the options, then upward mobility is discouraged; for example, a spouse will not work in order to keep family income under Mass Health eligibility levels; for those getting into the 120 – 150% levels, they could move out, but have nowhere to go.

P. Jordi: our goal is also to manage shifts internally, so that folk can move upwards to a 3 bedroom but also downwards into a 2 bedroom; we can ask TCB about issues and questions on Morgan Woods for eg

Chair: all these are big questions on property management; but specific project questions?

Garri: perhaps 30% for Dukes County is too high?

Chair: Dukes County's AMI is higher than other places.

Pete: everything is more on the Vineyard, including salaries; so 30% in the end is balanced

Ewell: I support Pete's point about CWMP involvement and support, and sooner than later; talk to the Board of Health, yes; but ensure contact is made with CWMP; their participation in the process is essential.

Chair: good point!

Ewell: I would be happy to help facilitate CWMP involvement in anyway.

P. Ingalls: concerning houses that need retrofitting to deal with wastewater efficiently that are not in the scheme, could they also 'apply' to get this done if they are willing to bear the costs?

P Jordi: yes; we can take an existing Title V and retrofit; homeowners are encouraged to do this.

Chair: if there are no further questions, let's move on.

5. Member Updates

Jim: the Jessica Lane veterans' situation is coming together nicely, and donations are coming in; we are working towards doing a Grant Application from the Veterans Association to cover facility expenses; closer to the RFP issue, we will do more work with locals on design.

And the Noyes project will have cost estimates ready by this Friday.

Katie: Letters for Jessica Lane abutters will go out in the mail tomorrow.

Chair: We have invited the abutters to our next meeting on Feb 15 so we can talk about presenting issues as perceived; Mark Crossland has spoken with Richard Combra and they prefer not to have an additional curb cut on County Road; the highway department could maintain Jessica Lane if we get the easement; our thanks to Katie for the help.

Garri: a PSA mention – in the Gazette, that there is funding available for rental assistance/rental relief for those in need.

No other updates.

6. Public Comments

Ewell: the Planning Board has written to MVC over the Compliancy Hearings on the lamp post issue, expressing concerns and requesting to be included before final decisions are reached; Ewell also appreciated seeing young folk on the Committee and encouraged them to consider running for Office.

7. There being no other issues, Chair looked to a motion to adjourn; so proposed by Jim Bishop, seconded by Katie Donahue, approved of by all members present, whereupon Chair Mark Leonard declared the meeting adjourned.

R G Eli, Secretary
Affordable Housing Committee
Town of Oak Bluffs