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AFFORDABLE HOUSING TRUST BOARD

MINUTES

March 15, 2022

4:30 PM

The Affordable Housing Trust Board (AHTB) held a hybrid meeting on Tuesday, March 15, 2022 at 4:30 PM in the Nauset Room at Town Hall and via Zoom. Real-time public access was provided by Orleans Channel 18 on the Town website.

Meeting attendees: Chair A. McClennen, Vice Chair A. Mathison, Clerk W. Ghory, M. Herman, K. Wibby, D. Landreth in the room with G. Meservey also present. On remote connection: M. Cole, H. Brehm representing the AHTB. Affordable Housing Coordinator M. Allgeier and Affordable Housing Committee Chair N. Renn also in attendance. Apologies for absence: Ms. A. Reed. Invited Presenter: David Quinn, Housing Assistance Corporation Director of Housing Development Director of Planning and Community Development

1. Call to Order. The Chair called the meeting to order at 4.34pm.
2. Public comment. There were no presenters for Public Comment.
3. Update from Housing Assistance Corporation (HAC) re: 107 Main Street: David Quinn from HAC provided a brief update about progress on the development at 107 Main Street. Mr. Quinn said the LIP was submitted to the State for 40B eligibility review, and a site visit is anticipated in April. Mr. Quinn explained an appraisal may be waived because the developer is taking a reduced fee from the project. There is an upcoming Project Design meeting with the architect and the passive house feasibility consultant to explore energy efficiencies. There is still no update on when ARPA funding is forthcoming.
4. Meeting with Orleans Fire and Police Chiefs. Mr. McClennen updated the committee on a February meeting with AHC Chair N. Renn and the Chief of Police and the Fire Chief regarding the impact of the cost of housing in Orleans on the ability to hire and retain staff. The starting salary for many police or fire employees in less than 80% AMI. Mr. McClennen asked the chiefs to determine how other communities deal with similar problems and how they handle determining both the initial need for affordable housing and the transition once salaries exceed the maximum limit for affordable housing. Ms. Renn added that housing, compensation, and way of life were all factors affecting the ability to hire police or fire rescue employees. She said a public/private partnership might be needed to find a solution. She also noted that the Governor Prence development could provide an opportunity to help this group find housing.
Mr. McClennen reminded the committee there are challenges when the Town provides housing, but it might be possible to find donations of support as the issue

becomes better recognized. Mr. Brehm supported the idea of creating a tax-exempt organization with clear policies regarding qualifications for housing and a compelling case for support. A discussion of the difficulty of prioritizing one set of Town employees over another (for example, police / fire compared with educators or Town Hall employees) concluded with Ms. Mathison's comment that every role brought value to the sector it served and to the community as a whole.

Discussion followed regarding the nature of a possible new non-profit and how its focus might be similar to or different from AHTB. Mr. Meservey pointed out that legislative approval would be needed to alter the mandate for the AHTB to provide for those earning more than 100% of AMI.

5. Betterment discussions with the Select Board and impact on affordable housing: Mr. McClennen flagged the discussion in Orleans about ways to pay for the second phase of the new sewer system and the implications of various payment strategies on the creation and preservation of affordable housing. The discussion centered on the way betterment charges could increase the cost of ownership making affordable housing more expensive to produce or maintain. For example, for owners of rental projects housing people whose rent levels are set by government standards, betterments could create a dilemma. The single owner of Rock Harbor Village might face as much as \$1.25 million in betterment charges which cannot be passed on to residents as a rent increase if these charges raised rent over the prescribed legal limit.

A lengthy and probing discussion followed exploring ways to equalize the impact of betterments and connection costs for property owners in the Downtown and the Meetinghouse areas of the new sewer system. The complexities of distributing the charges were discussed as well as the implications and challenges of various solutions. The Select Board will be considering another option this week (see Scenario 6 attached to these minutes for reference). Their goal is to bring a payment plan to Town Meeting for approval this spring.

6. Update on planning for Governor Prence site: Ms. Wibby said the Public Forum for the future development at the former Governor Prence site attracted an audience of about 75 at its peak last night. Breakout sessions tackled subtopics. The meeting was successful and helpful. A design workshop is schedule for April 11, 2022.
7. Update from the Affordable Housing Committee: An update from AHC chair N. Renn is attached to these minutes in the form of a letter and notes.

8. Review bylaws change at Old Colony Way and vote: There are four amendments to the bylaws to Old Colony Way described as follows:
 - A. A minimum term for leases will be 6 months.
 - B. The limit for total number of leased units will be 25.
 - C. There will be a limit of 2 units per owner.
 - D. Timeshares shall be prohibited.

Ms. Mathison moved that the AHTB as a unit owner at Old Colony Way vote YES/AYE to the first bylaw amendment limiting the lease term to 6 months. Mr. Herman seconded. Mr. McClennen, Ms. Mathison, Ms. Wibby, Mr. Herman, Mr. Ghory, Mr. Cole, and Mr. Brehm voted AYE. Mr. Landreth abstained. Motion passed 7-1-0.

Ms. Mathison moved to vote NAY to the second bylaw amendment limiting the total number of leased units to 25. Mr. Herman seconded the motion. Mr. McClennen, Ms. Mathison, Ms. Wibby, Mr. Herman, Mr. Ghory, Mr. Cole, and Mr. Brehm voted AYE. Mr. Landreth abstained. Motion passed 7-1-0.

Ms. Wibby moved to oppose the third amendment regarding the limit to ownership of units. Mr. Herman seconded the motion. Mr. McClennen, Ms. Mathison, Ms. Wibby, Mr. Herman, Mr. Ghory, Mr. Cole, and Mr. Brehm voted AYE. Mr. Landreth abstained. Motion passed 7-1-0.

Ms. Mathison moved to approve the final amendment prohibiting timeshares. Mr. Herman seconded the motion. Mr. McClennen, Ms. Mathison, Ms. Wibby, Mr. Herman, Mr. Ghory, Mr. Cole, and Mr. Brehm voted AYE. Mr. Landreth abstained. Motion passed 7-1-0.

9. Financial report. Mr. McClennen updated the committee on the minor expenses of the month and the fact that the unit at Old Colony Way had already paid annual fees and was showing a small positive balance.

10. Minutes to be approved:

Mr. Ghory moved to accept the minutes of Feb 15, 2022 as written. Ms. Mathison seconded the motion. All present voted AYE. The motion passed: 8-0-0.

11. Adjourn.

Mr. Ghory moved to adjourn the meeting. Ms. Mathison seconded the motion and noted she will be absent from the next meeting on April 19. All present voted in favor of the motion. Motion passed: 8-0-0.

*Respectfully submitted,
Jennifer W. Fountain and Ward Ghory*

Scenario #6

90% Total Costs on Tax Rate
10% Total Costs as Betterments

Includes \$1.5M annual appropriation from WW Stabilization Fund

Description	Downtown Area	Meeting House Pond Area	Total Costs
SRF Eligible Costs	\$ 59,409,200	\$ 32,906,000	\$ 92,315,200
Less:			\$ -
Grant Subsidy (25%)	\$ 14,852,300	\$ 8,226,500	\$ 23,078,800
Net SRF Eligible Costs (0% Interest)	\$ 44,556,900	\$ 24,679,500	\$ 69,236,400
Ineligible Costs :			\$ -
inelig construction costs	\$ 85,000		\$ 85,000
inelig design/plan/pre-const	\$ 12,295,345	\$ 2,358,800	\$ 14,654,145
Total Ineligible costs (mkt int rate)	\$ 12,380,345	\$ 2,358,800	\$ 14,739,145
Total Costs	\$ 56,937,245	\$ 27,038,300	\$ 83,975,545
Estimated Costs on Tax Rate (50%)	\$ 51,243,521	\$ 24,334,470	\$ 75,577,991
Estimated Costs on Betterment (50%)	\$ 5,693,725	\$ 2,703,830	\$ 8,397,555
Average Annual Tax Rate Impact:			\$ 0.28
Average Annual Cost per \$500K Home			\$ 138.98
Average Betterment per connection (per AECOM):	\$ 5,153	\$ 5,633	
Sewer Unit Cost (per AECOM):	\$ 2,365	\$ 3,595	

Summary of Scenarios

	Current Policy		Modified Current Policy		Scenario #3	
	100% Treatment Costs on Tax Rate 100% Construction Costs via Betterment		100% Treatment Costs on Tax Rate 100% Construction Costs via Betterment		100% All Costs on Tax Rate	
Average Annual Tax Rate Impact:	\$ 0.28		\$ -		\$ 0.34	
Average Annual Cost per \$500K Home	\$ 140.50		\$ -		\$ 172.24	
	Downtown	Meeting House Pond	Downtown	Meeting House Pond	Downtown	Meeting House Pond
*Average Betterment:	\$ 20,159	\$ 56,330	\$ 20,159	\$ 56,330	\$ -	\$ -
Sewer Unit Cost (per AECOM):	\$ 9,252	\$ 35,951	\$ 9,252	\$ 35,951		

	Scenario #4		Scenario #5		Scenario #6	
	80% Total Costs on Tax Rate 20% Total Costs via Betterment		50% Total Costs on Tax Rate 50% Total Costs via Betterment		90% Total Costs on Tax Rate 10% Total Costs via Betterment	
Average Annual Tax Rate Impact:	\$ 0.21		\$ 0.01		\$ 0.28	
Average Annual Cost per \$500K Home	\$ 105.35		\$ 5.98		\$ 138.98	
	Downtown	Meeting House Pond	Downtown	Meeting House Pond	Downtown	Meeting House Pond
*Average Betterment:	\$ 10,305	\$ 11,266	\$ 25,763	\$ 28,165	\$ 5,153	\$ 5,633
Sewer Unit Cost (per AECOM):	\$ 4,739	\$ 7,190	\$ 11,825	\$ 17,975	\$ 2,365	\$ 3,595

*Average Betterment calculation is based on # of connections: 1,105 for Downtown; 480 for Meeting House Pond

Town of Orleans, MA								
Summary of Betterment Scenarios								
Description	Current Policy		Scenario #3		Scenario #4		Scenario #5	
	100% Treatment Costs on Tax Rate		100% Total Costs on Tax Rate		80% Total Costs on Tax Rate		50% Total Costs on Tax Rate	
	100% Collection Costs via Betterment		70% Total Costs via Betterment		70% Total Costs via Betterment		50% Total Costs via Betterment	
	Phase 1: Downtown	Phase 2: Meetinghouse Pond	Phase 1: Downtown	Phase 2: Meetinghouse Pond	Phase 1: Downtown	Phase 2: Meetinghouse Pond	Phase 1: Downtown	Phase 2: Meetinghouse P
Total Betterment	\$ 22,275,512	\$ 27,038,900	\$ -	\$ -	\$ 11,397,449	\$ 5,407,660	\$ 28,468,623	\$ 13,516
Number of Connections	1,105	481	1,105	481	1,105	481	1,105	
Average Betterment	\$ 20,159	\$ 56,213	\$ -	\$ -	\$ 10,305	\$ 11,243	\$ 25,763	\$ 28
Flow in one Sewer Unit (gpd)	55	90	55	90	55	90	55	
Number of Sewer Units	2,408	752	2,408	752	2,408	752	2,408	
Betterment Per Sewer Unit	\$ 9,252	\$ 35,951	\$ -	\$ -	\$ 4,730	\$ 7,190	\$ 11,825	\$ 17
Residential								
Minimum Betterment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Betterment	\$ 14,673	\$ 53,299	\$ -	\$ -	\$ 7,501	\$ 10,654	\$ 18,752	\$ 24
Maximum Betterment	\$ 1,260,157	\$ 528,984	\$ -	\$ -	\$ 644,204	\$ 105,797	\$ 1,610,510	\$ 264
Residential, Condo								
Minimum Betterment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Betterment	\$ 11,816	\$ 38,762	\$ -	\$ -	\$ 5,631	\$ 7,752	\$ 14,078	\$ 19
Maximum Betterment	\$ 402,307	\$ 419,088	\$ -	\$ -	\$ 205,663	\$ 83,818	\$ 514,157	\$ 205
Residential, Non-Condo								
Minimum Betterment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Betterment	\$ 36,203	\$ 55,740	\$ -	\$ -	\$ 18,507	\$ 11,148	\$ 46,268	\$ 27
Maximum Betterment	\$ 1,260,157	\$ 528,984	\$ -	\$ -	\$ 644,204	\$ 105,797	\$ 1,610,510	\$ 264
Non-Residential/Mixed Use								
Minimum Betterment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Betterment	\$ 34,649	\$ 81,129	\$ -	\$ -	\$ 17,713	\$ 16,226	\$ 44,282	\$ 40
Maximum Betterment	\$ 620,832	\$ 506,352	\$ -	\$ -	\$ 317,375	\$ 101,270	\$ 793,438	\$ 251
Total Summary								
Number of Users without a Betterment	321	48	1,105	481	321	48	321	
Number of Users with Betterment	784	433	0	0	784	433	784	
\$1-\$4,999	0	0	0	0	439	0	0	
\$5,000-\$9,999	444	0	0	0	147	286	0	
\$10,000-\$24,999	183	0	0	0	110	113	586	
\$25,000-\$49,999	09	286	0	0	47	26	93	
\$50,000-\$99,999	48	92	0	0	26	6	48	
\$100,000-\$199,999	26	44	0	0	10	2	35	
\$200,000-\$299,999	5	4	0	0	3	0	12	
Greater than \$300,000	9	7	0	0	2	0	10	

Rev. March 11, 2022

Note: Data provided should be considered preliminary and is based on the following data and assumptions:
 • Betterment values based on water usage from 2018-2019 and associated information available at that time.
 • Betterment values based upon an assumed project cost. Actual betterment values will be based on final project cost.
 • Vacant properties are assumed to utilize 1 sewer unit unless the vacant property is undevelopable or currently abandoned.
 • Town owned parcels are included in the sewer unit calculation but the betterment value would be paid by the Town 00021000.

Attachment to Minutes: Update from N. Renn re: Affordable Housing Committee:

Good morning,

In anticipation of your update AHC section on the agenda, I am sending this information since Katie was unable to attend our March meeting. We spent a good bit of time reviewing the comments and communications received following the Feb. 1 housing presentation. I have attached this summary.

During our discussion, we came up with several areas which would benefit from a joint meeting with the committee and trust:

- consider creating 501C3 for gifts of cash or land or houses to increase funding and housing stock
- fund a consultant so the AHC can analyze current data, needs, and projections for next ten year plan
- prepare a snapshot of where we are in the process of building and providing housing and utilize the new town website

- determine if there is any need for community outreach/flyer for May Town Meeting and 107 Main

If you have any questions or comments, just let me know.

Best,
Nancy

Feedback from Meeting

The February 1, 2022 AHC Housing Presentation by Andrea Aldana and Marsha Allgeier was positively received. Seventy-eight people from the community and town committees logged into the Zoom conference and it was also watched on Channel 18. Following the live forum, both presentations were uploaded to the Affordable Housing Committee page on the Town website so that people could easily review the data and concepts presented.

Emails, conversations, newspaper articles and an interview on Cape TV followed the presentation. Our goal as a committee was to share information, spark conversation, and encourage continued dialogue among various town committees. This has happened. Our task today is to review what has been shared and to plan for our next steps.

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Responses following Presentation

Q&A on February 1st:

Consider climate change and good building practices- realize it can add 3-4% to the general cost

Accessory Dwelling Units- short term vs. long term rental choices

Need for universal design, mixed housing, and mixed generation housing

Housing stress is increasing daily

Greater density is more cost effective and easier on environment as work toward net-zero

Increased funding is needed by the Town to meet the cost of creating housing

Sewer availability is crucial/ contrast Gov. Prence vs. 107 Main

Difficult to keep police, fire and emt when cannot afford housing. Town invests significant money in training and notes concerns for public safety and dwindling number of applicants and competition from other towns.

Suggestions and Questions from Emails and Conversations after February 1st:

think how to reach seasonal homeowners to be sure they are aware of the housing issues (PSA's shown at summer events, Fourth of July Parade, donations to a special fund for housing)

consider subsidies to police, fire and emts; build affordable homes for entry level employees

respect both seasonal non-residents and full time residents and recognize what they both bring to the economy

consider continued clarification of housing terms and explain how projects, locations, and needs are selected

determine how housing can be more included in town budget and planning

regulate or tax seasonal rental market to increase availability of affordable year round rentals

incentivize builders, employers, landlords to ease rental and home ownership costs

investigate buy down programs

consider establishing a charitable trust for police and fire housing

investigate creative financing toward future home ownership

investigate two dwellings on one lot zoning

Upcoming Actions to Consider:

Alan and Nancy had Initial brainstorming meeting with Police and Fire Chiefs

Finance Committee meeting scheduled in April -determine focus for discussion

Decide on any needed action for Town Meeting (CPC funding and bonding)

Be pro-active in tracking progress of Underground Mall plans and concerns

Be pro-active in tracking progress on Gov. Prence re: housing design, funding, and engagement

Be proactive in tracking progress of Economic Development as it relates to housing

Update community - where we are on timeline for Pennrose and 107 Main. When and how does housing planning become reality.

Consider additional ways to supplement housing and rental stock while waiting for major units to be built.

Decide on data needs and resources for the next ten year plan