

A special meeting of the Board of Aldermen was held Thursday, April 8, 2021, at 7:00 p.m. via teleconference.

President Lori Wilshire presided; City Clerk Susan K. Lovering recorded.

Prayer was offered by City Clerk Susan K. Lovering; Alderman-at-Large Brandon Michael Laws led in the Pledge to the Flag.

President Wilshire

As President of the Board of Aldermen, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are:

Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:

To access Zoom, please refer to the agenda or the City's website for the meeting link.

To join by phone dial: 1-929-205-6099 Meeting ID: 893 8882 0492 Passcode: 264334

The public may also view the meeting via Channel 16.

We previously gave notice to the public of the necessary information for accessing the meeting, through public postings. Instructions have also been provided on the City of Nashua's website at www.nashuanh.gov and publicly noticed in the Nashua Telegraph, City Hall, and the Nashua Public Library.

If anyone has a problem accessing the meeting via phone or Channel 16, please call 603-821-2049 and they will help you connect.

In the event the public is unable to access the meeting via the methods mentioned above, the meeting will be adjourned and rescheduled. Please note that all votes that are taken during this meeting shall be done by roll call vote.

Let's start the meeting by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.

City Clerk Lovering called the roll and asked them to state the reason he or she could not attend, confirmed that they could hear the proceedings, and stated who was present with him or her.

The roll call was taken with 12 members of the Board of Aldermen present: Alderman Michael B. O'Brien, Sr., Alderman Patricia Klee, Alderwoman Shoshanna Kelly, Alderman Richard A. Dowd, Alderman June M. Caron, Alderman Benjamin Clemons, Alderman David C. Tencza, Alderwoman Elizabeth Lu, Alderman Ernest Jette, Alderman Jan Schmidt, Alderman Skip Cleaver, Alderman Wilshire.

Alderman Tom Lopez, Alderman-at-Large Brandon Michael Laws and Alderman Linda Harriott-Gathright were recorded absent.

Mayor James W. Donchess was also in attendance.

ROLL CALL

President Wilshire

Would the Clerk please call the roll?

Alderman Klee

I am here, I can hear the proceedings, I am alone in my car at the moment and hopefully I will be home soon.

Alderwoman Kelly

I am here, I am alone and I can hear everyone.

Alderman Dowd

I am present, I can hear everyone and I am alone.

Alderman Caron

Yes, I am here, I can hear everyone and I am alone.

Alderman Tencza

I am present, I am alone here in the room and I can hear everyone.

Alderwoman Lu

I am here alone and I can hear everyone.

Alderman Jette

I am here alone and I can hear the proceedings.

Alderman Cleaver

I am present and I can hear the proceedings; I am alone.

President Wilshire

I am here, I am alone and I can hear the proceedings.

Susan Lovering, City Clerk

You have 9 in attendance.

President Wilshire

Thank you. Also with us this evening is Mayor Donchess. I will, as is customary, turn the Public Hearing over to the Chair of Budget, Alderman Dowd.

Chairman Dowd

Ok this evening we are having a Public Hearing on Legislation R-21-118 – “ESTABLISHING A HOUSING EXPENDABLE TRUST FUND FUNDED BY APPROPRIATIONS AND MAKING A SUPPLEMENTAL APPROPRIATION OF \$30,000 INTO THE EXPENDABLE TRUST FUND”. Is there someone here to give an overview?

Mayor Donchess

Yes Mr. Chairman. I will give a brief overview and I believe Director Sarah Marchant is on as well to talk more about the affordable housing situation, especially if you have questions.

Chairman Dowd

Sure, go ahead Mayor.

Mayor Donchess

As we have discussed before, the housing situation is critical in Nashua. We have a vacancy rate of less than 1%. Housing demand is very strong both for apartments and for single family homes. As a result, rents have gone up significantly, and of course, housing prices have as well. The rents, especially in the smaller units, have gone up 40% in the last few years. Believe it or not, the demand and escalation of rents is even greater in a smaller unit range, one bedrooms and studios, than it is in the larger apartments.

As a result of these escalating rents, we have more and more people who are having difficulty paying for a decent living space; people who are paying too much and beyond what they can afford just to have a place to live. So we want to do everything we can do increase the supply of housing in general and particularly the supply of affordable housing. Now as you know, Mr. Chair, we've recently established the Workforce Housing on Marshall Street; that's 150 units. We are currently working with the Housing Authority to finalize a plan to increase the number of affordable units at Bronstein from about 50 to over 200.

Based upon these facts and based upon the activism of a number affordable housing activists in the City and I thank them for continuing to bring this issue to the fore. We want to establish this affordable housing trust fund where we can deposit funds which we can accumulate from various sources, possibly from developer contributions in order to stimulate or help the development of affordable housing. So, as you can see from the language of the Legislation, it enables us to help with lower income housing development including workforce housing, supporting the preservation of affordable units, possibly support a first time home buyer plan, and other steps that would help with the affordable housing issue.

Now that brings me to the initial contribution. We are proposing that \$30,000.00 be the initial contribution into this fund. I'd like to emphasize that this money is not tax money, the initial contribution is not property tax money. This is coming from Clock Tower. The way this is working is when I was Mayor before, we won two large federal grants which enabled the development and the conversion of the mills that are now Clock Tower into 350 units of housing. And as a condition of that grant, there are periodic payments that come to the City from the Clock Tower Development. This \$30,000.00 is coming from Clock Tower. So we are proposing that since it is from that source that we make this initial deposit from the Clock Tower contribution.

If this Legislation passes, we will have the Affordable Housing Trust Fund activated so that if we find additional funds we can deposit those and it makes the initial contribution from the Clock Tower Funds, the contribution we are receiving from Clock Tower. Now I know that Ms. Marchant has more detail and more information regarding the scope of the housing situation. Is Ms. Marchant on here?

Chairman Dowd

Yes.

Mayor Donchess

OK, so I will turn it over to Director Marchant to provide any additional information.

Chairman Dowd

Director Marchant.

Sarah Marchant, Director of Community Development

Thank you so much. If it is OK with you, I'd like to share my screen. I have just a couple slides to put up.

Chairman Dowd

Sure.

Director Marchant

Thank you. Tonight we are here to talk about the Housing Trust Fund as the Mayor has suggested. He outlined the purposes of the fund. The Housing Trust Fund, this idea came about through the Housing Study that Economic Development and Community Development partnered on last fall. It really highlighted the incredible need for doing more to support housing and affordable housing in the City. So I was just going to run through a couple of those stats because it has been awhile since we talked about. But by all means, the full information is in the Housing Study which is available on the website if you want more information.

First and foremost, the median household incomes of and I'm not sure why this isn't full screen, I apologize. Median household incomes in Nashua vary greatly depending on race and ethnicity. If you are White and Asian household, median income that's almost 2 ½ times higher than that of our Black, Hispanic, and Latino populations. A really important thing about future growth and between now and 2030, we are expected to need approximately 4,700 new housing units; that is the very conservative number. Who needs those housing units? And the key thing is if we look at the left side of the screen, this would be keeping today's or the 2018 household composition steady. You can see that 1 and 2 person households make up over almost 65% of all households in the City. That was not the case 10 years, 20 years ago, 30 years ago where there was much higher percentage of larger 3, 4, 5 plus person households.

Based on our growth in the last 5 years or the '13 to '18 period and it has certainly even been exacerbated more so in '19 and '20. The vast majority of our households have been 1 and 2 person sized households and of these 4,700 housing units, we expect over 70% of those to be needed for 1 and 2 person households. So it is incredibly important that we look at the what and what we are encouraging and what we need to have built in the City. 1 and 2 person households don't need very large single family homes which was what we were building through most of the 2000's.

Again, of the new households that we have added recently, the households are growing faster than population and that's, again, because they are 1 and 2 person households. Single households accounted for almost 37% of all households in the new household growth in the five years viewed in this study. In addition, I think it's important to note that our older residents are a huge portion of that 1 and 2 family households, but there are also married couple households. Nashua is unique compared to the rest of the State in that yes, we certainly have a growing population of older households and older householders, but we also have a very large population of 24 to 35 year old's which are our young professionals and our first

time homebuyers. We need these people to fulfill all of the amazing jobs that are open in the City and we need housing options. Those two different age groups are competing for the exact same product; they don't want giant houses, they want smaller houses with accessibility, great locations. So that is making that market incredibly tight.

Affordable rental units are desperately needed as well. The households making 30% of the area median income, there's only about half as many units as there are people who need those units. So you can see here the darker blue shows the number of renter households and the lighter blue shows the number of rental units affordable to those households and there's a giant mismatch. What is unique to Nashua also is the other end of the spectrum that we have a very large amount of people in the highest or the more wealthy area median income over 120% that are renters and enjoy being renters. We have very little product for them, which in turn squeezes our middle units, because they take up units that they can very, very reasonably afford and it squeezes out and helps to rise increased rents on those who have more trouble affording them.

Single family housing is still the dominant type in Nashua. You can see that over 60% of our land area is dedicated to single family housing, all the yellow on the map. And it is also over 50% of all of the housing unit type in Nashua. The red parcels which there aren't that many of are 100 unit plus and those are making up a greater percentage of our units but it is still a very small land area. And those are done in areas with great infrastructure to support them, water, sewer, roads, accessibility and connections. As we all know and the Mayor just talked about, rent is rising substantially; 20% on average over the '13 to '18 time period and it has gone up even more substantially through these last years of COVID. And, in addition, housing sales and the cost of buying a home has gone up and very, very quickly; even more so in the past couple of years. So these increases in pricing are well over 20% and if any of you have tried to buy a house or sell a house recently knows, you are talking about days if you are lucky, you turn a house around. So if you don't know about one coming on the market, it is very, very difficult to get a house.

The last point I wanted to touch on is that Downtown Nashua is very different than the rest of Nashua and we need to think about that when talking about affordable housing and how we are going to make this work going forward. Renter households are much more prevalent Downtown than anywhere else in the City. The darkest color on this map, here is Main Street here, here's our beautiful Downtown Riverfront, is 75 to 95% renter which is not the case throughout the rest of the City. And so that's important because we can add density of housing there and this is where we have infrastructure, we have services to support. But we also have the highest amounts of lower incomes in the Downtown and making sure that we are not concentrating poverty going forward, that we are spreading affordable housing throughout the City and we are balancing out our neighborhoods for the best outcomes for all of Nashuans, is a key part of why we want to move forward with the Housing Trust Fund.

So starting the Trust Fund and the Legislation that is before you, includes the \$30,000.00 initial deposit from Nashua Housing Associates and an older agreement with Clock Tower based on federal grants that they initially got as the Mayor just reviewed. And continuing the \$10,000.00 a year annual payment until the agreement ends in the future. The program initially will be managed by the Urban Programs Department. And for the next steps as this is as woman very eloquently put it at the Imagine Nashua Meeting earlier this week, this \$30,000.00 is creating a tiny, little baby of a trust fund but to do what we need it to do, it has to grow. So it is a very exciting starting point, but we know we have to be looking ahead from here. So next steps would be to focus on identifying and developing additional revenue sources as outlined in the Housing Study which may include inclusionary zoning policies, ways that development fees are paid into the fund or partnerships; public/private partnerships in different ways.

A strong assessment to understanding to create a more detailed structure and administration for the Housing Trust Fund over the next couple of years as additional dollars are going into the fund and we start to see the long-term management of these properties that will be keeping affordable; it's going to need to be a longer term assessment on staffing and management and how all that works. But as we have just a little baby right now, this is more than a sufficient structure to get started. So I am more than happy to answer any questions and I will bring this down.

Chairman Dowd

Are there any questions on what was presented by the Aldermen? Alderman Wilshire?

President Wilshire

Thank you. Through you, Mr. Chair, to Director Marchant. In your Memo to the Board in January, you talked about a termination fee. Is that something, if it is not extended could go into that fund.

Director Marchant

Yes that's a great question. So just to give a little bit more context, the agreement with Clock Tower goes through 2027. At the end of that time there is a \$1.3 million dollar payment due to the fund with an extension clause. The key about the extension clause is that we may extend it to make sure that we are preserving the 29 units of affordable housing that exist through this grant agreement. So that payment could go to this fund or the City could renegotiate it that only a portion of the payment goes to the City and the rest goes to supporting those 29 units staying affordable going forward. But certainly, that is up for discussion.

President Wilshire

Thank you.

Alderman Dowd

Any other questions from the Aldermen? Alderman Klee?

Alderman Klee

Thank you, Mr. Chairman. It's not so much a question it is just kind of a comment. I can tell you from the State's perspective as well as from the City's perspective how incredibly important it is to have this affordable housing in general. But to be able to set up a Trust Fund, and I agree with what was said about a baby growing and so on, and I think we need to start somewhere. It's too small at the beginning to really make a big difference, is that correct Director Marchant?

Director Marchant

It is not intended to be used immediately; it is intended to be used as an investment for the future.

Alderman Klee

So the key here is to get it started and get it moved and make it available so if there are grants and so on, is that what the whole goal is, as you said "other revenue sources". I just want to clarify that, so you are talking about things like that nature?

Director Marchant

The goal is to find additional revenue sources that can sustain this fund and grow this fund over time so it can be used most appropriately going forward.

Alderman Klee

Thank you Mr. Chairman and thank you Director Marchant, I appreciate it.

Alderman Dowd

Any other Aldermen with a question? Seeing none, I'll go right into the Public Hearing.

PUBLIC HEARING

R-21-118 ESTABLISHING A HOUSING EXPENDABLE TRUST FUND FUNDED BY APPROPRIATIONS AND MAKING A SUPPLEMENTAL APPROPRIATION OF \$30,000 INTO THE EXPENDABLE TRUST FUND

TESTIMONY IN FAVOR

Aron Dibacco Yes, can you hear me?

Chairman Dowd

Thank you.

Ms. Dibacco I am Aron Dibacco, I work with GSOP supporting the Nashua Area Chapter. I want to thank the Mayor for acknowledging that this has been ongoing conversation and sometimes quite vigorous. This is a really important issue; we are excited to see the City moving in this direction and we look forward to adding conversations about how to get the financial support that the fund needs to meet the need that Director Marchant so clearly just talked about. Thank you.

Chairman Dowd

Alright, thank you very much. Anyone else speaking in favor? Mr. Keating, you're on mute. Name and address for the record.

Bob Keating The name is Bob Keating, I am from 5 Colburn Woods. I want to echo the remarks of Aron Dibacco I am very pleased about this initial step. So I thank the Mayor and the vast majority of the Aldermen who have endorsed this; I appreciate the efforts from Director Marchant for this. I think this is a very exciting first step here and following the remarks of another advocate that Director Marchant has referenced, I think that often we say that the Devil is in the Details and I want to go to the baby. I think that we've made the initial endorsement here in terms of a baby shower and we are looking to fund for the child's future and I think the number of possibilities from this in terms of developers being a very potential area to look at is an exciting possibility on this. So I just think this is a very good start and that it does reflect, which I have always felt that there was a very, very strong endorsement by this Board and the Mayor to say that we do want to move this in terms of the people who are most stressed by the cost of housing. Those are the people in the 30 and 50% and below in terms of the area median income. So thank you for the steps. I look forward to mechanisms which would allow continuing dialogue from the community into being able to shape this Trust Fund. So thanks again for this step.

Chairman Dowd

Thank you. Would the Clerk please note that we have been joined by Alderman Schmidt and Alderman O'Brien. OK is there anyone else who would like to speak in favor? Reverend Woodward, you are on mute.

Reverend Woodward I live at 36 Hampton Drive here in Nashua. I have been connected with an organization called Family Promise for probably close to 20 years who now are in the City of Nashua at the Church out on East Hollis Street. There's a wonderful thing that they do is to teach people how to manage money and prepare themselves for the challenge of finding housing when they have lost their housing and have to live in a facility that provides an adequate, basic life program for them while they make that transition. And I think this fund would also be helpful to other agencies that provide housing resources to individuals in the community. And that's my words for you.

Chairman Dowd

Thank you very much. Is there anyone else that would like to speak in favor of this Resolution? Seeing no one else, Testimony in Opposition to R-21-118?

TESTIMONY IN OPPOSITION - None

TESTIMONY IN FAVOR - None

TESTIMONY IN OPPOSITION - None

Chairman Dowd closed the public hearing on R-21-118 at 7:27 p.m.

ADJOURNMENT

MOTION BY ALDERMAN O'BRIEN THAT THE APRIL 8, 2021, SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED BY ROLL CALL

A viva voce roll call was taken to adjourn the Board of Aldermen meeting which resulted as follows:

Yea: Alderman O'Brien, Alderman Klee, Alderwoman Kelly, Alderman Dowd,
Alderman Caron, Alderman Clemons, Alderman Tencza,
Alderwoman Lu, Alderman Jette, Alderman Schmidt,
Alderman Cleaver, Alderman Wilshire

Nay:

12
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MOTION CARRIED

The meeting was declared adjourned at 7:29 p.m.

Attest: Susan K. Lovering, City Clerk