

**TOWN OF STOW**  
**STOW MUNICIPAL AFFORDABLE HOUSING TRUST (SMAHT)**

Minutes of the April 5, 2017 SMAHT meeting

SMAHT members: Ingeborg Hegemann, Mike Kopczynski, Quince Papanastassiou, Cynthia Perkins, Laura Spear

Housing Coordinator: Leonardi Aray

**Call to Order**

The meeting was called to order at 7:08 PM.

**1. Meeting Schedule**

May 1 is Annual Town Meeting

May 10

**2. Minutes Review & Approval**

Quince moved to accept the minutes of the March 8, 2017 meeting, Cynthia seconded, and the motion was approved by a majority. Ingeborg abstained.

**3. Correspondence, Bills and payments**

**a. Legal**

Quince moved to authorize payments for three invoices from Huggins and Witten, LLC, and Cynthia seconded [all had the same invoice number]:

- STOW185 \$1125
- STOW185: \$637.50
- STOW185: \$825

The motion passed unanimously.

These invoices were mainly for work related to the foreclosures of currently certified affordable housing stock in Stow.

**4. Trustee reports**

**a. MAGIC Housing Group Update**

**i. InterMunicipal Agreement**

**ii. Contract & RFP**

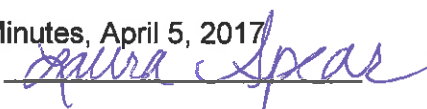
The Intermunicipal Agreement pertains to shared affordable housing services across regional neighbors, managed through the Town of Hudson. The proposal is that the new agreement will be open ended, authorizing the Town to cooperate with other towns as long as the agreement is useful.

The agreement will also include language to allow Devens to participate at some time mid-year should the community choose to join. Devens is obligated to reach 10% certified affordable housing, even though it is not an official Town.

The agreement also includes language about dropping out from the agreement. Five Towns were on the original agreement: Littleton, Boxborough, Bolton, Stow, and Hudson, now with the potential addition of Devens. The Request for Proposal (RFP) will be going out shortly.

SMAHT Minutes, April 5, 2017

Approved



Town funding for participating in the agreement was not in the original draft warrant. Another draft came out today, so we need to review it. SMAHT funding can only be used for certain tasks, and this type of work—monitoring—is an ongoing activity that benefits the Town.

#### **b. Metrowest Community Development**

Mike and Laura met with Planning staff and Metro West Community Development (MWCD) yesterday. SMAHT is funding the work for MWCD for six months, separately from the regional agreement. The Regency development, a 55+ Active Adult Neighborhood, has two tiers of affordable units: 80% Area Median Income (AMI) and 150% AMI. 150% AMI is unusual for developments. There will be 4 units being built at 80% AMI, 3 units being built at 150% AMI, and 3 units worth of fees in lieu. In reviewing the draft documents, meeting participants identified a few areas of concern to address. We also discussed the status of foreclosure units.

Mass Housing Partnership is sponsoring an affordable housing trust workshop on May 6 in Marlborough, featuring Kevin Maguire of Oxbow Partners and a case study for discussion.

The next regional housing coordinators meeting is April 14. Stow is signed up to host in September.

### **5. Updates on Affordable Units Status**

#### **a. Stow Farms**

The current resident will not allow access to the property. Town and the Department of Housing and Community Development (DHCD) attorneys agreed to approach the bank to proceed with the foreclosure under certain conditions, including applying the current DHCD deed rider, which is in perpetuity and would survive foreclosure. After the bank would foreclose, no one should remain in the house, and potential buyers could view the property, including SMAHT. It was recommended to allow a longer period of time (6 months) to find a buyer, and the Town would have the right to purchase at the end of that timeframe. Mike proposed buying the house at 80% of the affordable price with adjustments as needed per the condition of the house. DHCD is dealing with the bank.

#### **b. Villages at Stow**

The Orchard Drive unit is foreclosed and for sale with the bank, which seems to be ignoring the requirements of the Massachusetts deed rider. The bank said that the deed would not survive foreclosure. Town Counsel said it would take about 8 hours of her time at a cost of about \$1500 to initiate filing litigation and record that at the Registry of Deeds, to be used as a warning for potential buyers. The bank is selling it at \$220,000, which is what is owed for the property plus penalties. The maximum affordable selling price would be around \$170,000. When MWCD, the monitoring agent for this unit, contacted the bank, the bank did not respond. MWCD recommended working with Town Counsel to send a letter with a deal structure to the bank.

Laura moved to have Town Counsel initiate litigation, Quince seconded, and the motion passed unanimously.

There are two more foreclosures in early stages. It was recommended to have the Town Social Worker talk to the home owners to see if there can be some assistance.

### **6. Pine Point Presentation and Community Discussion**

(At this point, the meeting was recorded for the StowTV cable station)

Mike introduced this part of the meeting to residents who attended the meeting and referenced a timeline for developing this parcel and that he distributed. As the first affordable housing project initiated by SMAHT, the intention is to create a project that the Town could be proud of and use as a model for future development. Based on surveys conducted in 2011 and 2016, the preference by residents is to do small in-fill development, scattered throughout the Town.

Affordable housing is defined as spending 30% or less on housing-related expenses. The income must be 80% or less of the Area Median Income (AMI). For Stow, the 2016 AMI is \$98,100. 80% AMI for a family of four is \$73,050.

SMAHT members provided an overview of what affordable housing means and where Stow stands today. Stow has 7.1% certified affordable units on the DHCD Subsidized Housing Inventory. The goal is to have enough affordable housing in Town (10% or more) to give the Town control over future affordable housing development, particularly under state law Chapter 40B.

Mike reviewed the timeline of what has happened to date. At this stage in the process, there is not a final plan for review. SMAHT issued a Request for Proposal (RFP) for development, and Habitat for Humanity North Central Massachusetts met the criteria and was selected as the developer.

As SMAHT first formed, the Town asked it to review Town-owned land for potential development of affordable housing. There were about 11 parcels, and that was narrowed down to 5. SMAHT hired Leonardi Aray as a housing consultant to review the 5 parcels, and only 2 were practical for building homes. There was no process for proceeding, so SMAHT drafted a procedure and presented it to the Board of Selectmen (BOS), which approved it.

The BOS asked all departments and committees for potential competing uses for the parcels. There was none. SMAHT then initiated the process for the two parcels in 2012. Annual Town Meeting 2013 granted SMAHT the care, custody, and control of the two parcels for investigating the development of affordable housing.

SMAHT then conducted pre-engineering testing and studies. For the Pine Point parcel, the deep perc test on the lower portion, conducted by the engineers Stamski & McNary, was not successful. The engineers went back and tested the upper part and were successful. The engineers looked at existing locations of wells and the topology to determine whether the parcel was developable. The first perc test was in the 2014-2015 timeframe. The second one was done in June 2015. A perc test indicates how many bedrooms could be built: The results were 4-8 bedrooms, but SMAHT issued an RFP for 4 bedrooms.

Question about the exact date of the RFP: Carolyn reviewed the RFP dates. The information is in the Central Register, and a legal notice was in the newspaper.

Question about a "small number" versus an exact number of bedrooms in the RFP with a follow-up question about why abutters were not notified about the RFP. It is not legally required to notify people directly about an RFP. However, the neighbors were notified by United States Postal Service, using the Assessors' Office abutter addresses. The local paper also featured an interview and a letter to the editor.

How an RFP works is to review the respondents and evaluate how well they meet the requirements. SMAHT received one response to this RFP and did further investigation before

accepting it. Trustees asked for references and followed up with neighboring Towns that worked with the organization. The trustees felt this was a good selection process, as Habitat met the criteria of the RFP, will stay involved with the homeowners, and will keep working with them. Additionally, a large amount of the amount of funds is raised privately, representing a good deal for the Town.

SMAHT uses the assessed value of the land.

Question: There was development nearby called Boon Heights about 15 years ago. The broker told the residents that it would never be developed by the Town. Why didn't SMAHT make arrangements at that time for that land? SMAHT did not exist when that development may have been done. The RFP is advertised publicly. If other developers were interested in the past year, they could have responded to the RFP.

Question: Why are we rushing into this?

The process for now is to get input from other Town organizations to identify potential issues. We are now transitioning to Habitat, and Habitat will have the responsibility for the development.

Carolyn Read, Executive Director for Habitat, spoke about next steps. First is to create a Local Project Committee. There have been two meetings, and the goal is to have Town involvement. About 15 people attended the first meeting, and about 20 attended the second. Habitat will move forward with the agreements and begin the process. Habitat has a full-time construction manager but relies on volunteers to build.

Habitat's site planning committee met today to review comments from the Local Project Committee meeting last night and reviewed the challenges of the site.

Comments: The 2010 Master Plan include language to restrict building in the Lake Boon area. A resident on Lake Boon, but not an abutter, expressed concerns that the hillside would need to be cleared, exposing roots. The land would be unstable, have landslides and flooding, and contaminate wells. She referenced a legal case that was brought against Stow in regards to a Comprehensive Permit for affordable housing. She referenced the Town's legal fees. She recognized alternatives such as the Highway Barn. She also suggested adaptive reuse of the Town Fire Station. She does not think this is thought out well. SMAHT has reached out to the Municipal Building Committee and expressed interest in the available parcels.

Comments about environmental impact and erosion. An abutter has a retaining wall, and the spouts for the retaining walls spew water. How will this be addressed? Two experienced civil engineers on the Habitat board reviewed the plans and continue to look at the land. They are looking at creative ways to build retaining walls. Plans will be shared when they are available.

Question: If Habitat says this will not be a good idea, will money continue to be pumped into it? Habitat is a non-profit and will continue to analyze the site and construction plans throughout the process. This is the type of land that Habitat gets for building. If the land is not buildable, then Habitat will not build.

Question: When will the public have plans for review? Some plans should be available at the next Local Project Committee. Habitat has a great starting point based on the pre-engineering work, including looking at surrounding properties. Habitat will continue looking at the design with as much input as possible.

Comments and questions: Concern about the septic system. How many people can live in a two bedroom house, and how will that affect the septic? Can the house be restricted: over 55, no parties, etc.? The Federal government has laws that prohibit restrictions and is even concerned about 55+ developments. The size of each unit would be about 1100-1200 square feet, as small if not smaller than neighboring homes. Septic sizing is based on bedroom count, not number of people. The Board of Health will evaluate the septic system and will make sure that the system is appropriate. It may or may not have an active or enhanced septic system. An enhanced system has two tanks to leach waste twice versus a conventional system, which has one.

Habitat follows DHCD guidelines, so the Family Selection will be open to anyone who meets the criteria. 2 bedroom units usually are inhabited by a small family.

Question: Is there local preference? It is up to the Town. Local Preference allows 60% of the development for someone who lives, works, or has family in Town, based on approval by DHCD. However, it is becoming more difficult to get approval for Local Preference. DHCD requires extensive data to back up the local need for affordability in order to apply for Local Preference. However, all local residents or employees can apply regardless.

Question: What is the process for getting residents? Habitat advertises extensively, and there are three criteria for the families:

1. Income 30-60% AMI and up to 80%.
2. Willingness to partner: 200 hours of sweat equity or 350 hours for two parents.
3. Need: safety, security, size, and health

Question: What happens in 10 years when the residents make more money? The residents own the house. When they sell it, they need to sell it to another affordable buyer at a price that meets the criteria for affordability. There is a deed restriction in perpetuity. The owners cannot flip it. The goal is to get people out of poverty.

Question: What is the mortgage for this size unit? Habitat used to set it based on the cost of the house. Now it's based on the affordable income level. Payments need to be at 30% maximum of income. The mortgage is based on what the homeowner earns. A silent second mortgage is held by Habitat to make up the difference if needed. The mortgage can be spread out up to 40 years.

Question: What is the monthly mortgage payment? If they can afford \$165,000, the monthly payment would be about \$800, including tax and insurance.

Question: Do they pay taxes? Yes, based on the affordable value of the home.

Question: Will there be a Home Owner's Association (HOA)? Yes, there will be a condo association for the common-wall construction, and it can address the common septic, for example.

Question: Will the home owners pay the lake surcharge? They will pay the affordable value.

Question: Who owns the land? The HOA would own the land just like any other condo association.

Question: Will there be a condo board? Each unit would be a trustee. There will be a master condo deed recorded. In some cases, Habitat is also a trustee. Habitat will be available to help

regardless. Condo docs have consistent language and requirements. This is simply a two-unit condo. The home owners can have specific rights to the land.

Question: Where is the parking, and how much land will be left over? How much parking is required? Habitat is designing that now, but parking will include spaces for two units.

Question: Will there be green space? This parcel is much bigger than neighboring parcels. Even when built, there will be green space. To see how much larger this parcel is in relation to nearby parcels on the lake, residents can look at a map of Lake Boon with all of the parcels on it, including this one, in the third floor conference room by the Planning Board office.

Question: Will there be flat green space? How are you going to fit in everything? Habitat is working on the plan.

We want to build something that the Town will be proud of and be safe. We won't force people to live there, but we want the new owners to be happy and successful.

Question: Why build a duplex if it is a nonconforming parcel? Based on the perc test, we could build one 4-5 bedroom instead. We would be serving more families, and we would get 2 more units on our Subsidized Housing Inventory with two units.

Question: How many duplexes are in town? Unknown, but this is a condo, not a duplex.

Question: What is the permitting process? It will be done through the Zoning Board of Appeals (ZBA) for affordable housing as required by Massachusetts General Law Chapter 40B. The Planning Board approves subdivisions. ZBA grants variances and deals with nonconforming lots. ZBA also is the permit granting authority for Comprehensive Permits for affordable housing.

Question: Are there more restrictions for duplexes near wetlands? It's not what is being built, it's the location near and the impact on wetlands. The Conservation Commission will review plans.

Question: Are there deeds that allow access from across the street? The deed for this parcel grants right of way over Pine Point Road, but we are not sure what that means.

The abutter across the street on Pine Point, Michael Perisho, has a deed that says his property extends over the road. This property's deed says it goes out to the road. The road may not be built where it was supposed to be. We will need to work offline to resolve it.

Question: This lot was not surveyed? SMAHT had it surveyed as part of the pre-engineering work.

If there is an easement that goes through someone's property, we have the opportunity to clean up the deed. This should be addressed separately.

Question: What is the process for transfer? First is a Purchase & Sales Agreement, then a development agreement. Habitat would need to secure permits. If the ZBA does not grant a permit, the property would stay with SMAHT.

Comment: Pine Point Road is a historic district, and housing that is cottage style would be more reasonable.

Comment: Concern about safety issues with a one-lane country road on Pine Point Road. There is a courtesy of pulling over, and that courtesy has decayed over the years. Trees fall down and block the road. Take into consideration the whole neighborhood. Habitat will look at traffic and site lines without doing a traffic study. Habitat could ask the Highway Department to look at it. Development applications typically go to all public safety officials for review and feedback as well.

Question: What is the Town Meeting warrant article for? Habitat has applied for Community Preservation Act funding for \$150,000 at this year's Annual Town Meeting. If the article fails, the Habitat project would continue doing fundraising, and the development probably would take longer. A portion of Community Preservation Act funds is dedicated for affordable housing. A typical affordable housing unit costs about \$325,000 to build. The request is for \$75,000 per unit in addition to the land.

Question: When does the Purchase & Sales Agreement get signed? Soon. In order to continue site work, preliminary studies, and development process, Habitat, as the developer, needs to have control over the land. There is currently a draft agreement with contingencies. The average time to build one affordable unit in Massachusetts is seven years. Habitat thinks we could have families in place in August 2018. Construction takes about 12 months.

Question: Will the units be built at the same time? The two units will be built simultaneously, leveraging the cost of construction.

Question: When will the deed issues be cleared up? The deed issues would need to be resolved by the close of the deal.

Question: Will Local Project Committee notices be posted anywhere? Habitat will try to get notices into the local papers.

SMAHT also has regular meetings that residents can attend. Additionally, people can contact Mike directly. His contact information is on the Town website.

SMAHT has two openings.

The Finance Committee yesterday approved the Community Preservation Act funds for this project.

Mike will post a presentation from Habitat on the SMAHT website.

## 7. Adjourn

Cynthia moved to adjourn, and Quince seconded. The motion was approved unanimously. The meeting adjourned at 9:26 PM.

Respectfully submitted,  
Laura Spear, SMAHT member

 5/10/17

SMAHT Minutes, April 5, 2017  
Approved 