

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

Minutes of the November 29, 2017 SMAHT meeting

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

Housing Consultant: Leonardi Aray

Guests: Doug Hyde, Building Department; Carolyn Read, Habitat for Humanity North Central Massachusetts

1. Call to Order

The meeting was called to order at 7:07 PM.

2. Meeting Schedule

December – no meeting

January 10, 2018

February 7, 2018

3. Minutes Review

Quince moved to accept the minutes of the October 11, 2017 meeting, Cynthia seconded, and the motion was approved unanimously.

We have Executive Session minutes from the October 11 meeting. We will review them in Executive Session at our next meeting.

4. Review invoices, correspondence

Kathleen O'Donnell submitted two invoices for work associated with the Pine Point Road parcel and the Queen's Lane parcel. We had previously approved authorizing expenditures up to \$3000. These invoices are within the approved amount. No further action is required.

Cynthia moved to approve and pay invoice #708 for \$1,325 and invoice #741 for \$405 from Kathleen M. O'Donnell, Esq., Quince seconded, and the motion was approved unanimously.

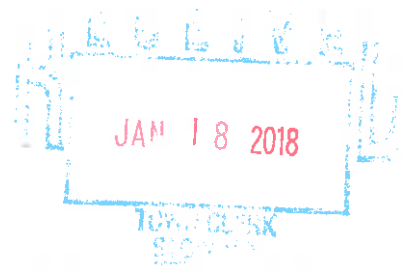
Cynthia moved to approve and pay the invoice from our housing consultant, Leonardi Aray Architects, invoice #160707 for \$1920, Quince seconded, and the motion was approved unanimously.

Cynthia moved to approve and pay the invoice from the Town of Hudson for MAGIC Regional Housing Consultant Services, invoice #ST-Q1-2017 for \$560 for July-September billing, Quince seconded, and the motion was approved unanimously. Note that this funding was approved as a Town expense at the May 2017 Annual Town Meeting and will not be paid from SMAHT funds.

We had no other relevant correspondence. Also, the Housing Trust and Housing Authority now share the same mailbox in the Town Building.

SMAHT Minutes, November 29, 2017

Approved 1/18/2018



5. Trustee reports

Laura shared a message from the Town Planner, Jesse Steadman, that the Housing Fair is now being planned for early spring 2018.

At the last regional housing coordinators' meeting, discussion included the impact on affordable housing from the proposed U.S. tax changes. Laura will send to the Trustees a follow-up email with a link from Carol Marine of the Citizen's Housing and Planning Association (CHAPA).

The last regional housing coordinators' meeting also included a reference to a new Metropolitan Area Planning Council (MAPC) research study on new housing and its impact on school enrollment. The research showed that new housing in Massachusetts is not having a significant impact on enrollment in suburban towns such as Stow. Laura will forward an email with the report to the Trustees.

The regional housing coordinators also had an email thread that started with a message from the housing consultant for Bourne. Bourne is interested in downtown revitalization with mixed-use zoning for commercial use and housing, requiring 10% affordable housing in the revitalization zone. The concern was that a higher percentage of affordable housing would inhibit commercial development. Additionally, the housing consultant wondered whether the town should pick up the costs associated with getting the units on the Subsidized Housing Inventory. As part of the email thread, the housing consultant for Groton mentioned that the town had permitted an ownership housing development. The town then bought some units and rented them out as affordable units through its Housing Authority. The deed restriction would have to change and would require the Department of Housing and Community Development (DHCD) approval. The town and DHCD would act as the monitoring agent. This could be an interesting strategy to investigate.

Mike learned today that the topic of the executive session from the October meeting is proceeding. It would be helpful to have SMAHT be part of the conversation with the Chair engaged in the negotiations. Mike met earlier today with the Town Administrator, who said that as long as all of the Trustees know the topic, then we can address this at tonight's meeting and designate the Chair to participate in the negotiations without discussing the topic. If authorized, the Chair would not make binding commitments during the discussions. Additionally, there will likely be a Community Preservation Act (CPA) funding request made to the Community Preservation Committee (CPC) this week for this project.

Quince moved to authorize the Chair to represent SMAHT in the discussions for the project to move it forward productively and have the Chair report back at the next meeting in Executive Session, Cynthia seconded, and the motion passed by all members except Mike who abstained.

5. Town Building Space Use Committee

Doug Hyde, Assistant Facilities Manager in the Building Department, joined the Trustees, representing town facilities. We have an excess municipal building that is declining and could potentially be used for housing. He advised SMAHT to let the Board of Selectmen know whether we are interested in that piece of property. The Town could tear it down potentially, but if the town removes it, does it affect current zoning? It would be treated as a friendly 40B, and it would require a Public Hearing from the Zoning Board of Appeals (ZBA).

SMAHT has a process for presenting a request for municipal land that no one wants, and we will follow the process. We'll plan on asking at the Annual Town Meeting in May 2018 for the

care and control of the parcel if we're interested. We expect pushback from neighbors. Do we have the appetite to deal with opposition? Based on experience over the past couple of years, we would get pushback for affordable housing located anywhere in town. We have to persevere, as that is our charter.

6. Pine Point project update

Cynthia recused herself from this agenda item and the following agenda item.

Carolyn Read, Executive Director for Habitat for Humanity North Central Massachusetts, joined the Trustees. She distributed a summary of the project from the Local Project Committee. Habitat has been before the ZBA multiple times and was asked to fund a peer review. Habitat has responded to the peer review comments, responded to Planning Board comments, and is addressing the third set of Board of Health comments. All of these activities have resulted in changes. The Planning Board is set with its comments and can request conditions. The Highway Department and the Conservation Commission are set. The Board of Health still has significant requests. The requests all have additional expenses. For example, the peer review required \$8-10K incremental funding. The Board of Health now wants another perc test, which will cost more as well.

Habitat has already paid \$6K with another \$4K in expenses from its engineer, and more engineering expenses are expected. Habitat has now attended two additional meetings past its normal process. The Habitat's Board is concerned about the cost and the fact that an abutter has hired an attorney, which could result in more costs. Any money spent on this application means it is not spent on another house, and Habitat is a non-profit.

Habitat still has some waivers. There are no issues with the setback for a well. However, Habitat needs a waiver from the side yard setback. This is not an unusual waiver request for the ZBA.

SMAHT has a history of defending an approved comprehensive permit. The engineer, Stamski & McNary, thinks the second perc test will be required in order to obtain the permit, even though the Board of Health has already approved the first perc test. If the ZBA denies the permit, Habitat could go to the Housing Appeals Court to appeal the decision. However, it may be prudent to proceed with the additional perc test.

Leonardi recommended that the Town consider applying for technical assistance from the Massachusetts Housing Partnership (MHP) so that the ZBA has a better understanding of its role with 40B applications.

The Chair also needs to sign the extended Purchase & Sales agreement, which has been drafted.

7. Habitat for Humanity grant application

Because of the peer review and reserve requested by the ZBA, Habitat has applied for a SMAHT grant of \$13K. The second perc would cost extra along with additional engineering and potential legal fees. The second perc test could be done this week.

SMAHT now has ~\$251K in its Trust fund. Additional investment would still be within a standard subsidy range per unit.

There is no restriction on how much funding SMAHT can grant under its grant program. To cover unanticipated expenses, SMAHT felt that the original request was inadequate. These expenses include the peer review and reserve requested by the ZBA, a second perc test, and potential legal fees. Trustees agreed that Habitat has the right to hire its own attorney, regardless of who that may be and whether SMAHT is working with or had worked with the attorney in the past.

Quince moved to approve a grant of up to \$25K for Habitat for Humanity North Central Massachusetts, Ingeborg seconded, and the motion was approved by all members who participated in the discussion.

8. Housing Consultant report

• Buyer assistance program options

Leonardi presented a proposal for a buyer assistance program called i-SHOPP, i-Stow Housing Opportunity Purchase Program. The concept is to offer a grant to qualified income buyers to buy a house in Stow and bring down the purchase price to an affordable level.

Highlights:

- The applicant still has to qualify for and obtain a mortgage at the affordable sale price.
- The maximum affordable sale price is estimated to be \$194,800 for a 2-bedroom unit (3-person household) and \$218,700 for a 3-bedroom unit (4-person household).
- There is a minimum sale price for applicants: \$155,000 for a 2-bedroom unit and \$175,000 for a 3-bedroom unit. The Trustees discussed what this means and whether it may be needed, as the actual sales price will determine the minimum, and the buyer would still need to qualify.
- Leonardi reviewed actual sales for the past two years to understand the median and average sales prices.
- For a 2-bedroom unit, the median sale price was \$330,000, and the average sale price was \$349,192, leaving an estimated funding gap of \$145,000 per unit.
- For a 3-bedroom unit, the median sale price was \$390,000, and the average sale price was \$382,067, leaving an estimated funding gap of \$168,000 per unit.
- Condo sales were not researched. Feedback was to include them in the research and program.
- The need for home repairs would be assessed. The repairs themselves would be covered under a different program.
- We need to adhere to Fair Marketing requirements and put a deed restriction on the home. DHCD would have to approve the applicant and the home.
- The biggest question is the grant amount. We can estimate the funding gap based on recent sales and can set a maximum grant value.
- The homeowner must ask monitoring agent if he or she wants to build an addition.
- Funding for the program could come from CPA funds, estimated to be \$350K to fund 1 2-BR and 1 3-BR unit. This amount represents the estimated difference from market rate sales plus additional costs for inspection, the marketing plan, conducting the lottery, and legal fees.

Ingeborg moved to request from the CPC \$350K in CPA funds for the i-SHOPP program, Cynthia seconded, and the motion passed unanimously.

9. Potential CPA requests for May 2018

CPA requests are due this week to the CPC. Other than the i-SHOPP request, Trustees did not anticipate other CPA requests.

10. Adjourn

Cynthia moved to adjourn, Quince seconded, and the motion was approved unanimously. The meeting adjourned at 9:11 PM.

Respectfully submitted,
Laura Spear, SMAHT member

Laura Spear
1/18/2018