

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

Minutes of the March 14, 2018 SMAHT meeting

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

Housing Consultant: Leonardi Aray

Conservation Commission Coordinator: Kathy Sferra

Call to Order

The meeting was called to order at 7:05 PM.

1. Meeting Schedule

April 11, 2018

May 7, 2018 – Annual Town Meeting

May 16, 2018

2. Minutes Review & Approval

Cynthia moved to accept the minutes of the February 7, 2018 meeting, Quince seconded, and the motion was approved unanimously. .

3. Correspondence, Bills and payments

Mike said that the grant check was cut for Habitat for Humanity.

The Trust received a copy of the Notice of Decision for the Special Permit Minor Modification 12 for the Regency at Stow Active Adult Neighborhood. The applicant requested two amendments to the original Special permit based on the Department of Housing and Community development (DHCD) denial for making the affordable units eligible on the Subsidized Housing Inventory (SHI). This is a 55+ development that prohibits children. DHCD has since changed its mind for this particular development, and the affordable units will be included on the SHI after all. The delay affected the building schedule of the market-rate units.

The Planning Board granted the request for the Special Permit modifications. The requirement that affordable units be constructed on the same schedule as the market-rate units was removed. The Planning Board also conditioned that DHCD provide written confirmation that the low or moderate income units be eligible for the SHI by the issuance of the 25th certificate of occupancy and that Section 7.35 of the original decision shall be amended to:

“Upon issuance of the 25th Occupancy permit, from that point forward the seven (7) required low and moderate income units shall be constructed at the same rate as the market rate units. This calculation requires that every fifth Occupancy Permit issued after the 25th Occupancy permit, shall be for a low or moderate income unit.”

4. Trustee Reports

Mike said that Aimee Lindenboim from Metro West Collaborative Development, Inc.

(MWCD) was reviewing the final paperwork for the Local Action Units for the Regency of Stow development and found some minor errors. The Town Planner and Mike will meet with Aimee to review the wording. The developer, Toll Bros., had mixed up the terms for moderate and low

SMAHT Minutes, March 14, 2018

Approved 4/11/18



income and said that DHCD would be the marketing agent for the moderate units, which is not the case.

33 Elm Ridge, a foreclosed unit, is going forward with the bank trying to find an eligible affordable buyer. The deed rider has been changed to be in perpetuity. If the bank cannot find an affordable buyer, the Town can buy the unit under the Affordable Safeguard program funded by the CPA. The bank has 90 days to find an eligible affordable buyer. The affordable price would drop if the unit needs maintenance.

45 Orchard is "stuck in the water." The bank and the lawyers representing the bank are not responding to inquiries and apparently believe that they do not need to follow the foreclosure procedures. The deed rider said that the unit could only be sold to an affordable buyer. Mass Housing is responsible for the unit, and MWCD is the monitoring agent. Town Counsel said that no injury has occurred as it has not been sold as a market rate unit yet. Town Counsel and MWCD are addressing this issue.

The issue for the unit on Cortland for nonpayment of condo fees seems to have been resolved privately.

23 Golden is a new affordable unit that has an issue due to lack of payment for condo fees. The condo association did not notify the Town, and the Town Planner found out about it through the Assessor's office. A new process was defined: The Town Planner will call the SMAHT Chair, agree on a plan, and then review it with Town Administrator. The three will then instruct Town Counsel to follow the normal deed rider process for foreclosures. The general opinion is that when a condo association exercises its right to foreclose, then it takes on the same role as a lender.

Cynthia reported that the Zoning Board of Appeals had until March 17 to its decision for the Habitat application, and they asked for an extension of 30 days. Habitat agreed but is hopeful that the decision can be made before the end of the 30 days.

Laura attended the February Housing Coordinators meeting. CHAPA has hired a person for community outreach. Acton produced a handout on the need for affordable housing in that community. Stow's Planning staff is working on something similar for the April 5 housing fair.

5. Regional Housing Services Meeting

The last regional housing services meetings were affected by weather. The meetings are scheduled for during the day when most Trust members are working and unable to attend. Mike would like to invite the regional housing services group to our next SMAHT meeting.

Reminder: The housing fair is on April 5 from 5-8 PM at the Stow Community Center. SMAHT will sponsor a table.

6. Community Preservation Committee update

The Community Preservation Committee (CPC) consulted with Town Counsel in regards to an article for the proposed iSHOPP program. The CPC wants to cover the program under the previously approved "deed restriction" program. Town Counsel thought the article for the deed restriction program was broad enough to include the iSHOPP program. However, in further discussion, it was decided to be more transparent by expanding the original article at Town

Meeting to include this program. The CPC is drafting the warrant article. The original deed restriction program has \$250K reserved in funds.

7. Kunelius Land

- **Deal particulars**
- **Funding**
- **Pre Town Meeting Activities**

Bob Wilber from the Stow Conservation Trust and Kathy Sferra, the Stow Conservation Commission Coordinator, met with the CPC, which agreed to provide funds for appraising the parcel on Red Acre Road. The current parcel will be broken into two smaller parcels and appraised separately: one for open space and one for the development of housing. The housing lot would be appraised as a single family lot.

The overall lot has been drawn and will be used in the appraisal evaluation. There is 200' frontage on Tuttle Road for the open space parcel.

Kathy is currently getting an estimate for the survey. Assessors say that the parcel is 46.5 acres, and geographic information system (GIS) system identifies 49.75 acres. The parcel for housing is roughly eight to nine acres.

The CPC voted to approve the request for \$215,875 for the acquisition of the open space: parcel plus related fees. The purchase price for the entire parcel is \$450K. The price for the affordable parcel is proposed to be \$225K.

An environmental review of the housing parcel was conducted, and it looks clean. There was some, minor asbestos in the window glazing, which is common for a structure of that age.

The Trust reviewed proposed terms and deed restriction requirements.

- A recommendation was to reword a bullet to:
"Limitation six affordable dwelling units developed via 40B or a maximum of two single family market rate dwellings as of right (pending zoning change) should affordable housing provide infeasible"
- Instead of the siting bullet, perhaps the deed restriction could reference "southwest of existing residences" or require a 50' buffer from existing residences.
- Dwelling design requirements may better be included in the memo of understanding (MOU) instead of the deed restriction.

The design goals are to minimize disturbance and the removal of trees and have the units fit in the character of the neighborhood. The Trust wondered if there a way to influence the design without over constraining the site through the deed, preventing flexibility and good design that could work for the site.

The recommendation was to place much of the proposed deed restriction information into the MOU instead. If a request for proposal (RFP) goes out to a developer, the RFP would include those items.

Mike looked into the possibility of borrowing funds to make this purchase. A couple of banks were positive about the possibility. One bank was very positive and said it would probably pre-approve a loan, contingent upon the acquisition being passed at Town Meeting. The bank would need a copy of the Purchase and Sales agreement, due diligence, an appraisal, SMAHT financials for the past couple of years, and the Trust's governance documents (bylaws). Funding would be up to the full purchase price, based on the appraisal. Additionally, the bank may need to do its own appraisal. The interest rate would be the prevailing rate. At this time, we can only borrow a maximum of \$200,000 according to our bylaws. We have a proposed warrant article to increase the borrowing cap to \$400,000.

A question was asked about which Purchase and Sales agreement would be needed. The assumption is that Stow Conservation Trust and the Conservation Commission would purchase the open space land, and SMAHT would purchase the housing parcel.

We need to understand the long-term implication about what the interest rate would be, how much regular payments would be, and so on.

Mike asked whether the Trust was willing to spend Trust funds on this project, regardless of whether we can get financing. We have about \$346,000 in the Trust account.

Quince moved to purchase eight-to-nine acres of the property known as the Kunelius parcel on Red Acre Road, subject to the Board of Selectmen's approval. Ingeborg seconded, and the motion passed unanimously.

Quince moved to authorize the Chairman to enter into discussions with a lending institution to borrow funds for the acquisition cost, up to our legal limit as defined in our bylaws. Cynthia seconded, and the motion passed unanimously.

We will target the April 24 meeting of the Board of Selectmen for their approval.

Leonardi shared potential concept plans for development, showing both single-unit cottages and duplexes. The cottages echo the original development of the neighborhood after World War II. Duplexes would be more compact, larger buildings, farther away from the abutters. Each unit would be about 1200 -1500 square feet in internal space and would likely not have a basement. No garages are planned. Kathy thought it would be good to meet with the abutters to review some concepts.

Mike asked about having a small community room on the site. Feedback was not supportive.

The Trust discussed the merits of single units versus multiple units. Leonardi said that duplexes in Acton have not been selling. More than two units triggers fire suppression, which is expensive. Leonardi thinks the location of the buildings will help influence the design.

8. Annual Town Meeting Warrant Articles review

Mike spoke with the Town Administrator and the Finance Committee, and their guidance was to modify the proposed cap to \$400,000 instead of our previous recommendation of \$500,000. Two articles were proposed.

Article ##. Municipal Affordable Housing Trust Governance

*Sudbury
were
hard
to sell.*

To see if the Town will amend Article 18, Section 3, Article Third, of the Town of Stow General Bylaws by a changing the number of trustees from seven to five, and delete the words "The chairman of the Town of Stow Local Housing Partnership shall be an exofficio member with no right to vote."

REVISED Article 18, Section 3 Article Third, to read as follows:

"Article Third: C. Tenure of Trustees There shall be a Board of Trustees consisting of ~~seven~~ **five** Trustees who shall be appointed by the Board of Selectmen. One of the Trustees shall be a member of the Board of Selectmen. Only persons who are residents of the Town of Stow shall be eligible to hold the office of Trustee.

Article ##. Municipal Affordable Housing Trust Governance

To see if the Town will amend Article 18, Section 3, Article Seventh, of the Town of Stow General Bylaws by deleting the number "\$200,000" and adding the number "\$400,000", and deleting the words ""(capped at \$200,000)".

REVISED Article 18, Section 3 Article Seventh, to read as follows:

G. Acts of Trustees A majority of Trustees may exercise any or all of the powers of the Trustees hereunder, unless otherwise provided, and may execute on behalf of the Trustees any and all instruments with the same effect as though executed by all the Trustees. No Trustee shall be required to give bond. No license of court shall be required to confirm the validity of any transaction entered into by the Trustees with respect to the Trust Estate. Any expenditure by the Trust to any one party in a cumulative amount exceeding ~~\$200,000.00~~ **\$400,000**, or any borrowing, (~~capped at \$200,000~~) or donations to any charitable organization by the Trust shall also be approved by a majority vote of the Board of Selectmen prior to finalizing the transaction. Any single borrowing shall be capped at ~~\$200,000.00~~ **\$400,000**.

(Municipal Affordable Housing Trust)

Ingeborg moved to approve the warrant articles as written, Cynthia seconded, and the motion was approved unanimously.

Kathy needs to understand what language she should use for a warrant article for the land acquisition and how to reference the housing parcel. She will work with Town Counsel.

9. Adjourn

Cynthia moved to adjourn, Ingeborg seconded, and the motion was approved unanimously. The meeting adjourned at 9:16 PM.

Respectfully submitted,
Laura Spear, SMAHT member

Laura Spear
4/11/2018