

TOWN OF STOW
STOW MUNICIPAL AFFORDABLE HOUSING TRUST (SMAHT)

Minutes of the July 11, 2018 SMAHT meeting

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

Housing Consultant: Leonardi Aray

Call to Order

The meeting was called to order at 7:01 PM.

1. Meeting Schedule

September 12

2. Minutes Review & Approval

Quince moved to accept the minutes of the May 16, 2018 meeting as amended, Ingeborg seconded, and the motion was approved unanimously.

3. Correspondence, Bills and payments

Laura moved to pay a bill from Leonardi Aray Housing Consultants, invoice #160710 for the amount of \$2560.00, Quince seconded, and the motion was approved unanimously.

SMAHT was copied on a letter from the Board of Selectmen, accepting the deeds to the Kunelius property.

On June 26, SMAHT received an email from the Massachusetts Municipal Association about the zoning bill in the legislature. Ingeborg said that the Board of Selectmen would like to discuss this at its next meeting. Our state representative may not be in favor of it. SMAHT was not asked to provide input.

SMAHT received flyers about the first affordable unit at Regency of Stow. The open house was today from 5-7 PM. The affordable pricing is \$181,400 for a 2-bedroom unit.

SMAHT received copies of letters of approval for the Local Action Unit (LAU) program and the signed regulatory agreements, including for the middle income units, for Regency of Stow. That closes the approval process for getting the affordable units on the Subsidized Housing Inventory (SHI). The deed restriction for the medium income units will exist in perpetuity, even though they will not count on our SHI. The Town will be the monitoring agent for the medium income units and will need to assign them to someone for monitoring. We should discuss with the Planning Board and/or staff about who the monitoring agency would be for the middle income units. MetroWest Collaborative Development (MWCD) could be a candidate. Mike will reach out to Jesse, the Town Planner.

Villages at Stow has its first resale for 42 Cortland, and we received related information. The owner went into assisted living, and the children are going through with the affordable housing resale process. MWCD is handling the resale.

We still have three issues at Villages at Stow. The Condo Association started foreclosure proceedings on two units, and one unit was foreclosed by the lender. Two owners were not

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paying the condo fees and faced foreclosure. Since then, one unit's payment was made, and the issue was resolved. However, there was a question about whether the original buyers are occupying the unit – they may be renting it. They can rent the unit, but they need permission first from the monitoring agent, which is MWCD. Permission was not requested, and there is little enforcement action that the monitoring agent can take. The original purchase was not made through a mortgage, so there is little leverage from a lender.

The second unit facing nonpayment of condo fees may be resolved, and the Town social worker has been in contact with the family. Although the issue seems to have been resolved, we may have uncovered that the owner may not be living in the unit as well.

A third unit went through foreclosure, and the bank owns it now. It was listed on MLS and now appears to be available for rent. MWCD is looking into whether the bank is renting the unit, which is illegal.

4. Trustee Reports

Ingeborg reported that Board of Selectmen was interested in the status of affordable units at Villages of Stow as well as the proposed zoning changes per our earlier discussion.

Leonardi's contract ended in June but can be renewed. Our next agenda will include this topic to be voted on.

5. Kunelius Land Updates and Actions

SMAHT needs to secure the structures on the Kunelius property: There are two barns, a cottage (caretaker's building), and a trailer on the parcel for affordable housing. We need to contact the Town's insurance company to add these buildings on the rider for liability. We should also ask the Building Inspector what appropriate action should be taken. The Trust discussed various options, including taking down the buildings. The sense is to investigate knocking them down, but it would cost more now and come from SMAHT's funds versus having a developer absorb the cost.

Laura moved to appoint the Chair to contact the Building Inspector to get his opinion on the best actions for securing the structures on the parcel for affordable units and to investigate estimated costs for securing the structures, Ingeborg seconded, and the motion passed unanimously.

Mike wanted to acknowledge Quince's work on this project, and the Trustees concurred.

6. Pine Point Update

Cynthia said that Habitat asked for an extension for the mediation date as part of its appeal of the comprehensive permit decision. Habitat's engineer thought he could find a new design that meets the 150% septic requirement in the decision. The Board of Health's Health Agent, Nashoba Associated Boards of Health, said it would approve the new design if Habitat added a wall. Habitat is now assessing the cost of a wall. Things are slowly moving forward.

7. iSHOPP

Leonardi reviewed the updates he made to the iSHOPP program, based on SMAHT's last meeting in May. He reported it was difficult to find sales figures for one-bedroom units. The average sales for three-bedroom units was about \$400K and for two-bedroom units a little less than \$375K.

The grant is to fill the gap for what people can afford and what is available in the market. For three-bedroom units, the maximum price would be about \$217K at this time. The difference is \$182,500. Leonardi is using that scenario in calculating all other units. That is, the grant is up to \$182,500 for all sizes of units.

The maximum affordable price for a two-bedroom unit is \$193,800, which means the market rate is \$376,300 if you apply the grant of \$182,500. The average sales price for two-bedroom units is \$256K.

Additionally, we should estimate about \$1000 for an inspection and \$4000 for marketing and outreach. With about \$250K in the budget, we could afford to sponsor one affordable unit under this program.

Ingeborg asked why we would have a minimum affordable sales price. Leonardi said he was working backward from the grant price and wants to minimize the risk.

Affordable prices would be calculated at the time of the grant, as interest rates can change. Leonardi is using 4.5% plus a quarter as an estimate.

This program would not apply to a home that already has a restriction. The units under this program would require a new deed restriction based on approval from the Department of Housing and Community Development (DHCD). The goal is to take existing moderate homes and make them affordable.

The household size is estimated to be the number of bedrooms plus one. For example, a unit with three bedrooms assume a household of four. The Trust discussed whether this restricts the number of household size. The restriction is set by the sanitary code.

Leonardi has had conversations with DHCD, so they are aware of the proposed program. He has a draft LAU application. We need to identify various contacts as part of the program. We would need evidence of funds from the CPC, and this has been requested several times. We also need an Affirmative Fair Marketing plan, which is very important for DHCD approval. We could use various resources to create and manage this function.

The tax rate would apply to the affordable sales price, not the market rate.

This is a complicated program. There was a request for a good infographic or visual that can explain the program more simplistically, based on similar programs across the Commonwealth. The program is complicated, but we need something soon, especially as the Board of Selectmen needs to sign off on it. Leonardi will look into a visual.

8. Work Plan for FY 2019

Mike suggested a few items to consider for this coming year:

- Form a working group for the Kunelius land to gather public input and get consensus on funding the units.

The Trust discussed having a working group, not SMAHT, investigate the development of the Kunelius parcel. There have been other projects that had working groups or subcommittees to focus on municipal building projects, such as the school. Leonardi proposed starting on pre-engineering work for the parcel.

- Special Meeting in October: We had delayed consideration of the old Highway Barn. Should we ask for care and control of the Highway Barn? September will be too late to discuss. The warrant will close in August. If we proceed, we may be accused of trying to do too much at the same time. We may need to pace projects. The alternative is for the parcel to be turned into a parking lot.

The consensus was not to address the Highway Barn at Special Town Meeting, but we should express our interest in the parcel for future affordable housing. We need to pace our projects so that they roll out smoothly over time with the resources that we have.

- Gleasondale mill development: Planning staff has indicated they would like to revisit development opportunities.

Mike asked the Trust to think further about what projects we should be addressing in FY2019.

8. Adjourn

Ingeborg moved to adjourn, Quince seconded, and the motion was approved unanimously. The meeting adjourned at 8:35 PM.

Respectfully submitted,
Laura Spear, SMAHT member

Laura Spear
9/12/18