

TOWN OF STOW
STOW MUNICIPAL AFFORDABLE HOUSING TRUST (SMAHT)

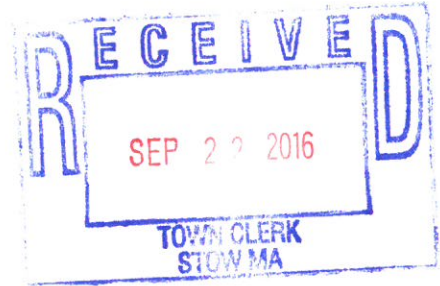
Minutes of the August 3, 2016 SMAHT meeting

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

Housing Consultant: Leonardi Aray

Call to Order

The meeting was called to order at 7:02 PM.



1. Meeting Schedule

August 8 Town Meeting
September 21

2. Minutes Review & Approval

Quince moved to accept the minutes of the July 6, 2016 meeting, and Cynthia seconded. The minutes were approved unanimously.

3. Correspondence, Bills and payments

None

4. Trustee Reports

The video of the July 6 public information meeting is showing quite frequently on channel 33 on Verizon.

Next Wednesday, August 10, in Randall Library is an information meeting about Habitat's Critical Home Repair program.

Cortni Frecha, Chair of the Community Preservation Committee, has been advised by the Attorney General's office to recuse herself from discussion about 241 Boxboro Road as an abutter of an abutter. Bill Byron will represent the Community Preservation Committee in her stead.

Laura will contact Maureen Trunfio to post documents on SMAHT's web page as we do not have the ability to do so ourselves. Laura will request to post the following:

- Latest draft of the Housing Production Plan
- Affordable Housing timeline
- Comprehensive Permit Policy (link to it if posted on another page)
- Land Use Taskforce report (includes Chapter 61 process)
- Updated loan agreement
- July 6 public presentation on affordable housing

Mass Housing Partnership is sponsoring a training on 9/16 for housing trusts.

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Laura had sent out a notice from Boxborough about a 2-bedroom affordable unit that is for sale. The flyer included the eligible income levels.

The next regional housing coordinators meeting is August 19 in Carlisle.

Cynthia asked if the municipal Building taskforce, led by Doug Hyde, includes affordable housing input. That is not known at this time. Ingeborg will look into it.

5. Housing Consultant Report: Leonardi Aray

Update on RFPs

Leonardi stated that the Town Administrator approved the Request for Proposals (RFPs) for the Pine Point parcel and recommended a few additions. The RFPs are now good to go. They specify development for up to 4 bedrooms in a single-family home. A duplex may also be possible. The developer will develop the land, build the unit(s), and sell the unit(s.) and the unit(s) must be on the Subsidized Housing Inventory (SHI.) The RFPs included several criteria.

Leonardi then reviewed the process: Publishing happens on a Wednesday, and we must submit the RFPs 8 days prior to publishing. We can post for 30 days. We will also need to post a legal notice twice in the local newspaper. We can organize an informational session and send the notice out in other ways, but this is our legal requirement. We can also set up a site visit for interested parties, but we'll need to publish it, and we will need to list it on the RFP as this will be the only time all interested respondents can attend. We'll have 5 days to respond to questions and get clarifications.

The Trust discussed the site visit: site visits are typically at 10 AM on a workday. Trust members also discussed various distribution and communication opportunities. We can do this, but the goal would be to funnel all responses to a central point. Our goal would be to submit the RFPs by next Tuesday for publication on August 17.

Laura moved to approve proceeding with submitting the RFPs with the addition of a specific date for a site visit, and Cynthia seconded. The motion passed unanimously.

6. Special Town Meeting Warrant Articles Discussion

a. Presentation

We received a final engineering report from Stamski & McNary. There was a delay due to soil testing and delayed contact with the Board of Health agent.

The engineer did a conceptual plan before doing soil testing and came up with 6 units on Lot 3. After doing the soil testing, the engineering company found issues: The water table is at 24," the perk rate is 55 minutes per inch, and there is some ledge in the back of the lot. The conceptual plan would not work with 6 units for 12 bedrooms or 24 people. It would need special septic treatment and also require a public water supply.

If the design was scaled down to 4 2-bedroom units, then we would have more options. We may be able use a standard septic system, but we'd need more investigation. A smaller number of units may work even better. At this time, the theoretical maximum of units and bedrooms would

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be 8 bedrooms. If the right of first refusal is exercised at Town Meeting, the working group could study this further and define the best solution.

Previous perc testing showed more favorable results, thought to be done 9 years ago. The testing was done more centrally in the parcel. Changes in Title V since that testing may affect those results, but we don't know.

Going beyond a conventional septic system would add cost, and we are unsure as to whether paying for the cost of a packaged treatment may be worth building additional units.

The back of parcel 2 did not seem to have any development potential, based on the engineering study. Mike suggested that we recommend to waive our right of first refusal for the back of Lot 2. To that end, Mike asked Town Counsel if article 3 on the warrant as written in a way that we could focus only on Lot 3. The Town Moderator, who was in the audience, said that this would be acceptable and within the "four corners" of the article.

Mike created a spreadsheet to show different pro forma scenarios in order to get a better understanding of potential financial limitations: one set of cost estimates used a construction cost of \$200/square foot and one set used \$150/square foot. The spreadsheet estimated the maximum subsidy, based on the number of units and bedrooms and the construction costs. Leonardi looked at the costs differently and came up with about ~\$400,000 per unit + cost of the land. Worst case, if the Town had to subsidize all of the units, it could cost up to \$500,000 total. The key point is that we would not be able to afford building a large number of units even if the parcel could support it.

Ingeborg asked about a goal for the Pine Point RFP subsidy. We had left it open and said we would work with the respondent in the RFP. One of the criteria is for a nonprofit to be the developer.

Cynthia asked about the driveway for Lot 3 and how that would fit. That would be part of the study group if Town Meeting exercises the right of first refusal.

If the Town buys the land and we end up not being able to build on it, we can sell it with the proceeds going back to the Trust for affordable housing. If we can develop it, the Town can have complete control over the development and what it looks like.

The bottom line for Special Town Meeting: Is buying 4+ acres at \$140,000 with the intent to develop up to 4 units of affordable housing a value for the town?

We have just shy of \$180,000 in our Trust. We may not be able to fund both Pine Point and this project at the same time. Discussion addressed how the Trust could get funding for both projects if needed at the same time. There are several potential options, including Community Preservation Act funds, fees in lieu, borrowing, and others. The costs may not occur at the same time. Ingeborg asked whether the costs from Mike's spreadsheet were representative of affordable housing development. Laura said that the recent CPA conference on affordable housing showed multiple examples of affordable housing ranging from about \$300K to \$365K

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per unit, not including the cost of the land. Leonardi said this is his experience as well. Mike said that the average costs per unit of affordable housing is about \$317,000, not including the cost of the land and that the Pilot Grove II development cost \$327,000 per unit.

Ingeborg moved to support Article 3 for Lot 3 at Town Meeting, and Cynthia seconded. The motion was approved unanimously.

Mike drafted a presentation for Town Meeting. He created a condensed version of the presentation given at the July public meeting. Ingeborg asked that Mike include information about what was approved previously. Mike will also include a slide from the engineering report and include content from Leonardi's conversation with Stamski & McNary. He will send the draft presentation to the Trust for comments, to be provided back to Mike only.

b. Other necessary meetings

Other organizations are meeting on 241 Boxboro Road: Finance committee, Capital Planning, Planning Board, Board of Selectmen. Mike would like to send a summary of tonight's discussion to these groups.

7. Housing Production Plan: Final Review?

Nathan at MetroWest Community Development sent a final draft of the Housing Production Plan to SMAHT and the Planning Board. There are still some typos and one incorrect statement about accessory apartments. Laura will send these to Nathan.

The Town Planner will try to get the Planning Board to vote on approval at next week's meeting. Nathan also sent a draft to Phil DeMartino at the Department of Housing and Community Development (DHCD) to review. This should help expedite final approval. Once we get comments back from Phil, we will update it as appropriate and send to the Board of Selectmen for approval. They need to submit the final, approved version to DCHD for final approval.

8. Review of Housing Consultant RFP responses

Leonardi left at this time.

We received two RFPs for our Housing Consultant position: Women's Institute for Housing and Economic Development, Inc. and Leonardi Aray Architects, LLC. Both seem to be responsive. The lower-priced response is from Leonardi Aray Architects, LLC.

Cynthia moved that we extend the contract to Leonardi Aray Architects, LLC. Quince seconded, and the motion passed unanimously.

9. Adjourn

Quince moved to adjourn, and Cynthia seconded. The motion was approved unanimously. The meeting adjourned at 9:27 PM.

Respectfully submitted,

Laura Spear, SMAHT member

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