

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

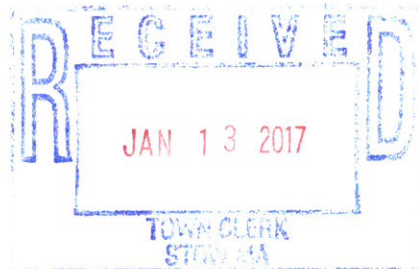
Minutes of the December 14, 2016 SMAHT meeting

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

Housing Consultant: Leonardi Aray

**Call to Order**

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



**1. Meeting Schedule (11 January 2017)**

January 11  
February 8

**2. Minutes Review & Approval**

Quince moved to accept the minutes of the November 21, 2016 meeting. Laura seconded, and the minutes were approved unanimously.

**3. Correspondence, Bills and payments**

We received a letter from the Department of Housing and Community Development (DHCD) with the latest Subsidized Housing Inventory (SHI). It shows us with 185 affordable units or 7.4% affordability, but it may not be accurate.

**4. Trustee reports**

Mike reported that a resident in an affordable unit on Golden Drive would like to refinance. Because his son has allergies, the owner ripped out the carpeting and installed wood floors when the unit was purchased. He would like the refinanced value to reflect the improvements. The value is limited to the affordability level, regardless of how much expenses in home improvements were added. Mike would like to send him an official statement about the valuation and is working with Reiko from DHCD.

The inter-municipal agreement (IMA) and contract we had with Metro West Community Development (MWCD) for regional housing monitoring and services are expiring at the end of this month. A new RFP is required. Mike attended the last meeting to discuss a new IMA, which will include what happens if a town drops out of the agreement and will extend the IMA beyond 3 years. It will also include a deliverables section with priorities.

The IMA and contract, which is between the Town of Hudson and the vendor, will be effective at the beginning of the fiscal year, leaving six months without support. It was proposed that each town contract with MWCD for continued monitoring services for the next six months. It will cost about \$3000 for the six months of monitoring, well below the requirement for a Request for Proposal (RFP). We could fund the six months but would like to include this service in the annual Town budget, starting in FY18, as it is in the Town's best interest to have continuous monitoring.

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The Town Administrator said we should work with one of the Town departments to include the regional housing services as a line item in its annual budget. The Planning Board is not interested. We may need to include it in the Board of Selectmen's budget. It could also be funded by Community Preservation Act (CPA) funds, but many potential projects may request CPA funding soon. We have a little more than \$200K in unrestricted affordable housing CPA funds. The Stow Housing Authority also has \$60K. We estimate that we would need \$15K for three years. Mike will talk with the Town Administrator again.

Laura attended last week's Planning Board meeting for a discussion on increasing the number of Active Adult Neighborhood units. The Planning Board is open to discussing it but has some reservations. The discussion will continue.

The Planning Office drafted a Local Preference narrative for Local Initiative Projects (LIPs) for review. Laura will provide feedback as needed. The Trust discussed the need for Local Preference.

#### **5. Housing Specialist Report – activities in other towns?**

Sudbury announced that it should exceed 10% affordable housing by 2018. The Town gets funding for affordable housing from CPA funds and revenue from providing services as a lottery agent. The Town has a 250-unit private development (Avalon is the developer) underway. The Town also offered a home owners' grant for down payments, currently at around \$180K per home. It also has a fairly new 64-units senior rental development.

The Trust purchased a property known as Maynard Road in 2008. The Trust was working with NOAH but the development stopped, and they parted ways. The Trust had to identify a new developer to take over. The Trust has set aside \$293K for subsidizing the 3 units under construction in addition to the \$325K already paid for property acquisition [\$234K for permitting with NOAH], for a total of +/- \$850K for 3 units. The developer failed to meet the project deadline, and the bank foreclosed on the property. The auction was today, and a buyer purchased it for completion.

Westport has a Housing Purchase Program. The first year had 10 applicants, but only 3 were eligible. The second round had 3 applicants, but only 1 was eligible but withdrew from the program to buy a home in another town. Leonardi is fine-tuning the program and increased the grant to \$125K per unit. The funding comes from CPA funds. The Town's SEED housing program is similar to our grant program. It is based on guidelines from State Affordable Housing Trust Fund to select projects and provides grants up to \$20K per unit, capped at \$200K total. There have been 2 rounds: round 1 had 5 developers but no projects. This year, 1 developer is interested and may have land. Westport also has various large senior housing developments. An ongoing development has received an average of \$25K per unit for 50 units, and the Trust has gained control and custody of the land formerly under the Board of Selectmen. The larger the development, the smaller the subsidy per unit, but we have to consider how large a development the Town may accept.

Housing rehab programs: Leonardi is trying to start one in Westport, which formerly had a similar Community Development Block Grant (CDBG) program that closed. When the units were sold, the loan was paid back, and there is funding in an account. Westport is using that funding for a new rehab program. Sudbury has a repair program, but this is not related to units on the

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SHI. Bourne also has a housing rehab program, using United States Department of Agriculture (USDA) funds.

## **6. Community Preservation Committee deadlines & process**

The Community Preservation Committee (CPC) had a December 1 deadline for applications, and Mike spoke with the CPC Chair about potentially increasing the Affordable Safeguard Program (ASP). We have \$225K available now, but we are now facing three foreclosures at the same time.

Mike and the CPC Chair discussed how policy decisions affecting the three areas should be made. For example, the Board of Selectmen could sponsor a group meeting with representatives from each of the three areas to determine how to allocate CPA funds. The Trust discussed how that could help or hinder affordable housing.

## **7. Updates on Affordable Home Sales**

### **a. Arbor Glen**

Regular sales and marketing efforts have begun, trying to find an eligible buyer. DHCD is the monitoring agent, and Maureen O'Hagen of MCO is handling the marketing. If there is no buyer at the end of the process, the Town has the right of first refusal.

### **b. Elm Ridge**

During the 2008 financial crisis, if a home owner was in a subprime or predatory loan situation, Massachusetts law protected the owner. Those special protections do not apply to this unit. Related notification to the Town is the first step in the process. The property was refinanced 2 times after the original financing without permission from the monitoring agent. The sales price is \$190K, and the current note is for \$215K. The timing is probably 4-5 months before foreclosure could happen.

### **c. Villages at Stow**

Mike attended the foreclosure auction. Only one other person attended, but he knew it was an affordable unit and only wanted to observe. The starting bid was \$229K, which is above the affordability level. The realtor/auctioneer said no one was there because it is known that the unit has restrictions. The bank now owns it. We could potentially buy it, using CPA funds or by getting a loan to buy it and resell it. We need to review the deed rider to see if there are income limitations. A conversation with Maureen O'Hagen could give us a better understanding of the demand for affordable housing in this region and may present a pool of potential buyers as part of the overall marketing outreach. The Stow Housing Authority is the monitoring agent. Quince will investigate more information about the bank that owns the unit.

## **8. Pine Point/Habitat update**

Mike sent a letter to Habitat for Humanity North Central Massachusetts, notifying them that we selected them for the "Pine Point" parcel. He spoke with the Executive Director, Carolyn Read, and is still looking for an attorney. Leonardi recommended Kathleen O'Donnell. The LIP must be signed by the Board of Selectmen, so they should be notified as well. We need a task list with timeframes. Leonardi will put one together, and he will speak with Kathleen.

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**9. Adjourn**

Ingeborg moved to adjourn, and Quince seconded. The motion was approved unanimously. The meeting adjourned at 9:14 PM.

Respectfully submitted,  
Laura Spear, SMAHT member

*Laura Spear 1/11/2017*

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