

APPROVED

TOWN OF MEDWAY

AFFORDABLE HOUSING TRUST

MEETING MINUTES

Wednesday, June 6, 2012, 6:30 PM
Medway Senior Center
76 Oakland Street
Medway, MA 01053

Call to Order – 6:36 PM

Affordable Housing Trust

Mike Heineman.....Present

Ann Sherry.....Present

Glenn Trinidad.....Not Present

Ralph Caton.....Present

Jim Gillingham.....Present

Also attending: Housing Coordinator Doug Havens, Alison Slack, Affordable Housing Committee Co-Chair, Robert Ferrari, Affordable Housing Committee Co-Chair.

Review of May 7, 2012 Meeting Minutes – Ms. Sherry moved approval of the May 7, 2012 minutes, seconded by Mr. Gillingham, and approved unanimously.

Review of AHC Matters – Discussion of goals and mission of the town website as an educational and marketing tool to display affordable housing that is currently available. Follow up discussion regarding potential technological assistance from C.H.A.P.A., which should have a decision by the end of June.

Review of Affordable Housing Development Projects – Developer Paul Yorkis has contacted the Trust with concerns over financial constraints and also inquiring about the option of making a payment in lieu. Mr. Yorkis requested an answer in writing and Mr. Havens has reviewed this Ms. Kennedy. Allowing a payment in lieu would most likely require additional permits and amendments to the original housing agreement, as a payment in lieu would result in the loss of three (3) units. A meeting will be arranged between Paul Yorkis, Mr. Heineman, and Mr. Havens to review financing and projected timeline of completion.

Discussion regarding Trust purchasing a small single family to convert to Affordable Housing, including concerns over Zoning Board approval, time constraints, and financing. Contacting wait-listed buyers from neighboring towns and utilizing the town website to aid housing marketing and advertising are priorities. Mr. Havens will reach out to potential buyers that have been wait-listed in nearby towns before the next meeting. All members were in agreement that buying and converting a single family into affordable housing is a logical next step for the Trust.

Review of flier advertising low-income Townhouse currently for sale and discussion of the unit. High condo fees, which are set by the builder, are a concern with this specific unit but Mr. Havens will contact surrounding towns and let them know the unit is available for a potential buyer.

Review of Affordable Housing Units in Transition – Review of letter sent to C.H.A.P.A. on June 4, 2012 regarding conditions and strategies surrounding foreclosure on deed restricted housing involving an unpermitted mortgage. Mr. Havens is still waiting to hear back from C.H.A.P.A. regarding this specific issue, and will follow up with them prior to the next meeting. Mr. Havens also suggested organizing an index of statutes, conditions, and laws regarding deed restricted housing.

Discussion of Bylaw Change of Trust Composition and Trust Vacancies – Bylaw has changed that no longer requires Town Administrator to attend meetings, but the minimum number of committee size remains five (5) members. Discussion regarding contacting builders, developers, etc. to fill vacancies left by Mr. Gillingham, Mr. Caton, and Ms. Kennedy. Mr. Heineman will review minimum number with Barbara, and both Mr. Caton and Mr. Gillingham have agreed to stay on until replacements are found.

Date of Next Meeting – Wednesday, July 18th at 6:30 PM

At 7:48 PM, Mr. Caton moved to adjourn. The motion was seconded by Mr. Gillingham and unanimously approved.

APPROVED

TOWN OF MEDWAY

AFFORDABLE HOUSING TRUST

MEETING MINUTES

Tuesday, September 4, 2012, 7:00 PM
Medway Senior Center
76 Oakland Street
Medway, MA 01053

Call to Order – 7:08 PM

Affordable Housing Trust

Mike Heineman..... Present
Ann Sherry Present
Ralph Caton Present
Jim Gillingham..... Present
Glenn Trindade Not Present

Also attending: Doug Havens, Housing Coordinator; Robert Ferrari and Allison Slack, Affordable Housing Committee Co-Chairs

REVIEW STATUS OF OVERLY-LEVERAGED UNITS – As part of his initial review of the registry records for Medway's SHI properties, Mr. Havens discovered that in addition to unit 83 Kingson Rd. unit 7-3 appeared to be overleveraged. Mr. Havens spoke with Lisa Samuels regarding Kingson unit 7-5 and her financing situation. Ms. Samuels claimed that her original mortgage company was bogus and for years has been sending mortgage payments and receiving them back. The original Lender, Agis, went bankrupt and no one knows who currently holds the mortgage note. Payments have been sent and returned for years, and now Ms. Samuels is receiving notices of foreclosure because she owes over \$40,000 on unit. Mr. Havens will follow up with Ms. Samuels and get a copy of the Notice of Foreclosure. Mr. Havens informed Ms. Samuels that she should get an attorney to represent her interests and that he would get her the names of legal service agencies in the area. The status of unit 8/3 remains unchanged; it is currently in foreclosure, but the bank's attorney would like to work with Trust to find a buyer on a first come, first serve basis. Mr. Heineman will put the bank's attorney in touch with C.H.A.P.A.

REVIEW STATUS OF 18 HERITAGE – the property remains for sale with no prospective buyers and the Right of First Refusal expired in August. Owner of property has discussed getting a market broker but has not done so yet. The Affordable Housing Trust offered to pay brokers fees to get the property on a listing and increase visibility. Discussion of whether executive session was necessary regarding financials and purchase options, but decided it was unnecessary. The options discussed at the 7/30/12 Affordable Housing meeting were rejected by the owner of the property. If Town were to purchase the unit, it can remain as an affordable unit. Mr. Havens

reminded everyone that for the resale of units the lottery process would not be necessary. However, other town lottery lists are good sources of potential buyers for future properties. Mr. Havens also reminded the meeting of Department Housing and Community Development's offer to match town funds up to \$7,000 bringing the price from \$126,000 to \$112,000. To effectively implement this option however, it was observed that we would need a seller that would work with us, which do not currently have. If the house sells to a market rate buyer the affordability restriction is lost rendering the unit unavailable low-income households. The Board engaged in further discussion of potential marketing ideas and the costs associated with a typical lottery marketing campaign.

Trust decided that we should offer is to pay both seller and buyer broker fees to keep it affordable so that it can be aggressively marketed. Next step will be to prepare a letter to detail this offer to seller and propose a face to face meeting to discuss terms. Discussion of purchasing property was delayed until after letter has been mailed, as it will be a last resort. Mr. Havens reminded the board that if the house is sold at market rate, it will remain on the affordable housing inventory, since it is HOP financed. It was affirmed that the purpose of the Trust is to not only maintain the current list, but to protect the affordable status of units.

Mr. Heineman motioned that a certified letter will be drafted to owner to increase marketing of unit solely at our cost, and increase in marketing will be borne by Trust if owner will allow us to get unit under purchase and agreement by end of the month. Also to sit down with seller to discuss options and offer to pay for buyer & seller broker, and that the Town would consider buying property at the end of the September if still available. **Mr. Caton seconded, and the motion passed 3 to 1, with Mr. Gillingham voting in the negative.**

RECENT TRUST CORRESPONDENCE – Mr. Havens drafted correspondence to Affordable Housing owners to join the Board and fill vacancies. Mr. Havens also drafted a memorandum regarding payment in lieu option. All correspondence and memorandums will be reviewed by Trust and Mr. Havens asked to be contacted immediately with any changes. Paul Yorkis is waiting on the memorandum regarding payment in lieu and will then be asked to meet again with Mr. Heineman and Mr. Havens to discuss status of project.

CURRENT PROJECTS –

- 1) Fox Run Farms – there is a prospective buyer and Mr. Havens is currently reviewing the status of permits;
- 2) Unit at 15 Barber Street – sale price has been lowered to \$164,000 from \$179,000. This turn of the century home has been unoccupied for 4 - 5 years but has been maintained. Mr. Havens has discussed this property with Habitat for Humanity and suggested their adoption of the project. Medway building inspector thinks the property is sound and Habitat has also done a walk-through. Habitat will contact the Trust in a few weeks regarding project discussion and whether or not it's within their scope. The property is within a historical district but there are no restrictions; and its eligibility for tax credits is meaningless to a nonprofit.
- 3) West Street property – Mr. Havens has helped the owner submit DHCD pre-funding application for this project. Funding 3 out of 90 applications, DHCD's decision was discouraging and uninformative, but our Mass Housing Partnership consultant will be reviewing the strategic implications of DHCD's decision.

ACTION ITEMS – finding new Affordable Housing Trust Board members is a continuing priority.

Mr. Caton motioned to adjourn at 8:27pm, seconded by Mr. Gillingham and unanimously approved.

APPROVED

TOWN OF MEDWAY

AFFORDABLE HOUSING TRUST

MEETING MINUTES

Wednesday, October 10, 2012, 7:00 PM
Medway Senior Center
76 Oakland Street
Medway, MA 01053

Present :

Ann Sherry, Affordable Housing Trust - Vice Chair
Doug Havens, CHC
Bob Ferrari, Co-chair - Affordable Housing Committee
Jack McGuire Maguire (potential member Candidate for nomination to the Board)
Karen Soter (Candidate for nomination to the Board - potential member)
Mike Heineman, Affordable Housing Trust - Chair
Judy McCann LaPan (Candidate for nomination to the Board - potential member)
Alison Slack, Co-chair - Affordable Housing Committee
Paul Yorkis & Kathleen Yorkis, Presenter
Jim Gillingham, Trustee
Glenn Trindade, Trustee
Ashley McQuade, Recording Clerk

Absent:

Ralph Caton, Affordable Housing Trust - Clerk

Materials distributed in advance of meeting:

7-5 Kingson Legal Notice; LaPan Resume; 2013 MAHT Meeting Dates; Assessor's AFFORDABLE PROPERTY LIST; Doug Havens email to Craig Raposa 10/6/12

Meeting called to order @ 7:01pm

Introduction of candidates for nomination to the Board - (Soter, Maguire, McCann LaPan, and the Yorkis') - Discussion of nomination process which involves the trustees forwarding resumes of nominated candidates to the Board of Selectmen for their consideration at their next meeting (Nov. 5). There is no limit on number of Trustee members. Each candidate reviewed their qualifications, supporting their written submissions to the board. (Mr. Maguire submitted his material at the meeting's conclusion.) Chair opened the floor to questions from the potential new members – explanation of what the Trust does and is able to do with the funds accumulated from the Preservation Act. Diversity of members was encouraged as the Chair asked for a motion.

Michael Heineman asked for a motion, Anne Sherry motioned to submit the names of the three nominations candidates for appointment by to Board of Selectman, Glenn Trindade seconded, and the motion was unanimously approved .

Paul Yorkis – Williamsburg project – Yorkis explained the history of the project, which is the first open space residential project with affordable housing component in Medway. Mr. Yorkis supports the Planning Board’s commitment to keep affordable units within subdivisions throughout the town. Mr. Yorkis has encouraged workforce housing and has acted as a real estate agent across the Commonwealth. This project was approved at as 18 units, 3 of which were affordable.

Mr. Yorkis is seeking some mix of financial or procedural assistance in meeting the project’s inclusionary obligation due to drastically different market conditions and increased construction requirements since receiving Planning Board approval. Also, since that time, the PB proposed amendment to the town’s inclusionary bylaw and Town Meeting approved, changed the required affordable units from 15% to 10%. (In this case, from 3 units to 2 units).

As approved, the AH units design did NOT have to include garages and were ideally 3 bedroom/1,600 sq. ft. properties. Department Housing and Community Development required the inclusion of a garage for Affordable Housing units to be considered “indistinguishable” from market rate unit.

Right now there are 4 duplex buildings up, of the 4 there are 8 units, and of the 8 market rate units 7 are owner occupied or under agreement (all are market rate units). The PB desires that at least 1 AH unit starts being built. (Mr. Yorkis provided building plan of a duplex consisting of a market rate & an AH unit and a schedule of cost estimated for the Affordable Housing unit). The Board reviewed the building plan provided by Mr. Yorkis, which reflects that the exteriors of AH & MR units are indistinguishable. The document details specifications and dimensions of units, and also the estimated upfront cost as \$267,655 per unit which includes 1/18th of the land, sewer, and other common expenses but does not include taxes and real estate fees. The AH & MR units are energy efficient as required.

Mr. Yorkis, stated that to break even on the project, he would need some change in the Affordable Housing unit obligation by:

1. approach the PB to reduce the # of AH units from three units to two units;
2. build them as originally planned with NO garages; or
3. seek help from the AH Trust regarding costs.

The real current estimated cost of building these Affordable Housing units in Medway vs. the sale price makes it very difficult for anyone to build an AH unit. There is also a marketing commission with these units, and one problem is that the manner in which AH units are marketed is not effective. Mr. Yorkis expressed concern over finding potential buyers for these units, and is interested in working with the Trust.

Mr. Yorkis’ preference is to build (3) units with the Trust supporting the difference between the real build cost and the mandated sale price of affordable units (\$80k+/unit).

Issues were raised regarding the Trust assisting Mr. Yorkis because when this project began he accepted the terms of (3) three units and there was no AH Affordable Housing Trust. The only condition on which the project he was approved for 18 units was because the inclusion of (3) AH units were mandatory. Mr. Yorkis explained at the time he had a partner to bear costs and their thought was they would only lose \$30-40k per unit, and there was also no stretch code and betterment fees at that time. He has also seen a decline in the housing market, which has dropped the market rate units by \$40-50k.

All (3) units are intended to be in separate buildings, and condo fees are \$200 per month for all units.

Every bank has different policies, but no bank is taking into consideration the cost of energy efficiencies and therefore loan amounts are not supporting total costs of the build. There is agreement that the Trust's goal is to promote development of affordable housing and to attract buyers to Medway, and an unfinished project would detract from that. However, the Trust is in place to do the most with the money that it has, and investing \$267k for (3) three AH units may not be most beneficial. What is the fiduciary duty of the Trust? And should the Trust really take on the responsibility of minimizing profit loss of these units?

Mr. Yorkis would need to speak with lenders before the Board lends any money or provides any grants. Discussion followed regarding garage vs. no garage and how the State would view the AH unit, which would require a special permit. The Certificate of Action would need to be amended in order for only (2) units to be built rather than the (3), however that can be rejected and the PB could require the (3) be built. Mr. Yorkis expressed concern over not finishing the project if the Trust does not subsidize these units. The AH Committee supported the change in number of Affordable Housing units from (3) to (2).

Mr. Heineman lead discussion regarding a scenario of lending \$40-50k/unit rather than \$80k+, since the project originally anticipated absorbing a loss of approximately \$40k. Mr. Yorkis thought this would significantly help the issue. Concerns over the lack of full financial disclosure and the need of a guarantee that the project would be finished were voiced by the Housing Coordinator and Mr. Trindade, respectively.

A decision will be reached at the next meeting. In the interim, Mr. Havens will contact DHCD to see if there is any flexibility with rates, determine an accurate affordable price, and the schedule for determination of new income limits. Mr. Yorkis will run his numbers again with anticipating that the best solutions would be an endorsement from the Trust to the PB to allow only (2) units or and a contribution from the Trust (with an amount to be determined later).

The Trust next regular meeting was moved from 11/7/12 to 10/24/12 to accommodate Mr. Yorkis' schedule and will reconvene on Oct. 24, with the agreement that Mr. Yorkis will get provide as much information as possible to review in advance of the meeting. In strict compliance with the Open Meeting Law's prohibition against quorum discussion without proper public notice, Mr. Havens will coordinate all information requests and distribution.

7-5 Kingson - notice of foreclosure has been filed by U.S. Bank National Association. Barbara St. Andre has sent a letter putting the owner on notice and informed counsel that the units have been over-mortgaged. Mr. Havens anticipates a complex legal case since the case seems to involve charges of a bankrupt mortgagee failing to record a discharge, returned payments, and unpermitted financing.

8-3 Kingson - has moved past FC and is now owned by the Bank under a foreclosure deed and will be sold as an affordable unit. CHAPA is waiting for an appraisal before issuing a price and the clock tolls. Monitoring Agents are well aware of this the issue of not having enough buyers and there is has been discussion over of putting these units on MLS. Owner claims mortgage was discharged but there is no proof, and the Bank is going to foreclose.

18 Heritage has sold – accepted offer of \$196k with a loss as true affordable unit, but will stay on the Subsidized Housing Inventory. DHCD will receive \$70k+ (less broker's fee) since the affordable price was \$126k. Mr. Heineman will speak with Elsa at DHCD regarding some of that money being put back into Medway. Mr. Trindade proposed contacting employers in the area and Mr. Havens will provide draft a notice flyer on where and how to qualify for posting in the area's large employers. This is priority as these properties are not listed on MLS and the process of qualifying can be very difficult and time consuming.

Expiring deed restrictions – this is ruled out as an issue and is no longer a priority.

Affordable Housing Committee - the AH Committee has agreed to review policies in the area to develop our own, and the Trust will look to them for recommendations.

Affordable Housing Trust 2013 Meeting Schedule - Mr. Havens also circulated 2013 meeting schedule.

Mr. Trindade motioned to adopt 2013 calendar, Ms. Sherry seconded and it was unanimously approved.

Action items - are to gather information before October 24th meeting and to have AH Committee gather policies and procedures of surrounding Towns to create our own.

Mr. Heineman motioned to adjourn at 8:53pm, Mr. Trindade seconded, and unanimously approved.

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TOWN OF MEDWAY

AFFORDABLE HOUSING TRUST

MEETING MINUTES

Wednesday, October 24, 2012, 7:00 PM
Medway Senior Center
76 Oakland Street
Medway, MA 01053

Call to Order – 7:00 PM

Affordable Housing Trust

Mike Heineman..... Present
Ann Sherry Present
Ralph Caton Present
Jim Gillingham..... Present
Glenn Trindade Present

Remedial Measures for Williamsburg Project – Mr. Yorkis opened discussion with Planning Board bylaws which require three (3) AH units per project. (See handouts) He is concerned with the ‘open-ended’ way that units can sit on the market after being built at the cost of the builder. He also reviewed the possible options of the Trust purchasing the AH unit or assisting with the cost of building the unit(s). He has approached the Board of Assessors and Planning Board to discuss with the Trust ways in which this can be remedied. Mr. Havens raised questions regarding the purchase of the AH unit by the Trust and whether there are potential buyers. Mr. Yorkis also suggested ways affordable housing can be marketed by the Town so that going forward other developers can be in a better position to understand the risk/cost of building AH units. Mr. Havens has reached out to MCAT regarding whether it is logistically possible for the Trust to purchase units and possible re-sale. Mr. Heineman raised concern over financing the project due to the unknown risk and that it would limit funding to other projects. Discussion continued regarding the housing plan and the development of the Trust and its purpose. Ms. Sherry questioned Mr. Yorkis regarding the initial cost that was built in to the building plan and whether or not the Board should help finance a project that is already in progress. Other developers have approached the Board regarding assistance with building AH units, and the Trust was able to review their entire build plan and financing upfront before the project began.

Mr. Yorkis plans to go before the Planning Board to reduce the number of AH units from three (3) to two (2) and is asking for the Trusts’ endorsement. Mr. Heineman opened the floor to thoughts on this option and expressed concern that this decision would set precedent for future developers. Mr. Trindade also requested a time frame from Mr. Yorkis as to when the units would be built and suggested documentation to confirm that. Mr. Yorkis confirmed that plans would be completed by the end of next week to be reviewed by the engineers and agreed to draft documentation outlining the deadline.

Mr. Heineman motioned to draft a letter to the Planning Board to endorse Mr. Yorkis' request to reduce the number of AH units from three (3) to two (2) upon receipt of his correspondence confirming that the first unit will be built by the end of 2013. Ralph Caton seconded with Ann Sherry, Doug Havens, and Jim Gillingham approving. Glenn Trindade abstained.

Kingson Development - There are currently no new developments with the Kingson units. Mr. Havens has begun to get marketing ideas together and drafted a potential flyer to get names on the housing list with his contact information. He also created a brochure to outline qualifying procedures to facilitate the list. CHAPA is waiting on an appraisal on unit 8/3, and will then issue a sale price for the unit. Mr. Heineman stressed again how important it is for the Trust to have pre-qualified buyers in place for the upcoming AH units that will be open. Mr. Havens will also speak with DHCD over concerns that potential buyers are attempting to contact brokers and are not hearing back from them. Ms. Sherry will also work on revising the flyer and brochure for potential buyers. The Board is in agreement that the mission of the Trust may need to be re-evaluated if these units cannot be filled, and may need to go back subsidizing building rental units rather than attempting to increase home ownership opportunities.

Action items – marketing is priority and Mr. Havens will e-mail blast local business owners and get an ad in the Medway Town newsletter.

Any additional discussion or business before the Board - none

Glenn Trindade motion to adjourn at 8:20pm, Michael Heineman seconded, and unanimously approved.

APPROVED

TOWN OF MEDWAY

AFFORDABLE HOUSING TRUST

EXECUTIVE SESSION MEETING MINUTES

Wednesday, December 5, 2012, 7:00 PM

Medway Senior Center

76 Oakland Street

Medway, MA 01053

Affordable Housing Trust

Mike Heineman.....Present

Ann Sherry.....Present

Jack McGuire.....Present

Bob Ferrari.....Present

Judi LaPan.....Present

Doug Havens.....Present

Alison Slack.....Present

Karen Soter.....Not Present

Glenn Trindade.....Not Present

Mr. Heineman called the meeting to order at 7:02 p.m.

Consideration of Outstanding Minutes -

Mr. Heineman moved to approve the 10/10/12 AH Trust meeting minutes, Ms. Sherry seconded, and the minutes were unanimously approved. Minutes from 7/18/12 and 10/24/12 meetings are still outstanding but will be forwarded for review before the next Trust meeting on 01/02/2013.

Mr. Gillingham and Mr. Caton have submitted resignations, and are no longer part of the Trust as the (3) three new members have been sworn in.

Report of Executive Director - Mr. Havens reported on the marketing of AH units to local businesses that included brochures and fliers. Ms. Sherry suggested forwarding the same brochures and fliers to local banks and her local media contacts as well. Mr. Havens has developed a marketing plan for re-sale of AH units, as well as an eligibility outline for potential buyers. The Board engaged in discussion regarding the Memo specifically regarding 8/3 Kingson and prospective marketing. The first right of refusal expires on 12/09/12, and after that point there is 120 days to find an AH buyer before the unit goes market rate. Ms. Sherry questioned what the stipulations are for using Facebook to market the units, including posting pictures and providing contact information. Mr. Havens plans to reach out to local legislature to advertise on their town websites. There is currently a lottery in Franklin, and there is the possibility of reaching out to them to share their AH list. Mr. Havens will draft a letter to and forward to the

Board of Selectman in response to their request regarding the marketing of 8/3 Kingson unit. Review of press release to attract for potential buyers and discussion of local preference. Units are first come, first serve when doing a lottery. There will be continued revision of the release by Ms. Sherry, and will forward to Mr. Havens to finalize.

Mr. Heineman motioned that if C.H.A.P.A. lists the 8/3 Kingson unit on MLS, the Trust will agree to pay a 2% buyers' broker fee of up to and including \$2,710.00. Ms. Sherry seconded, and the motion was unanimously approved.

Discussion of Affordable Housing Committee Activities – Mr. Ferrari has attended an “Under One Roof” seminar regarding AH housing for seniors, including 40R options. Another way small towns generate new AH properties is by ‘flipping’ non-affordable units into affordable units. The concern is that the Board needs to put everything out to bid, and the costs associated with renovating properties.

Consideration of Post-development Unit Purchase – Brief discussion of Mr. Yorkis' request to lower the required number of units. However there has been no formal request made to the Trust or to the Planning Board. The Trust agreed to come back to the issue at the next meeting, and Doug will follow up in the interim.

Executive Session to Review Policy Related to Purchase of Property – *Mr. Heineman motioned to enter executive session at 7:53 p.m. to consider the purchase, exchange, lease, or value of real property and that open meeting may have a detrimental effect of the negotiating position of this Board.*

Mr. Heineman motioned to adjourn executive session at 8:12 p.m., Ms. Sherry seconded, and was unanimously approved.

Mr. Heineman also motioned to adjourn public session at 8:12 p.m., Ms. LaPan seconded, and the motion was unanimously approved.