



TOWN OF GROTON
Affordable Housing Trust



David A. Wilder, *Chair*
Joshua A. Degen, *Vice Chair*
Stuart M. Schulman, *Treasurer*
Fredrick J. Dunn, *Secretary*
Allen B. King, *Member*

Meeting Minutes

Date: January 23, 2014
Time: 6 p.m.
Location: 1st Floor Meeting Room, Town Hall, 173 Main Street Groton, MA
Attending Members: Stuart Schulman, Fredrick Dunn, David Wilder, Joshua Degen
Others: Halsey Platt, Chris Brown, Michelle Collette
Meeting handouts: agenda, December 12, 2013 draft minutes, memo on affordable rentals

David Wilder called the meeting to order at 6:15 pm. Joshua Degen participated via speaker phone initially, but later joined the meeting in person.

Agenda item: Meet with Halsey Platt and Chris Brown of Platt Builders regarding creation of affordable rental unit at Squannacook Hall.

Halsey Platt and Chris Brown described the proposed project. The septic will support 5 bedrooms. Four apartments could be created in the rehabilitated building – three one bedroom units and one two bedroom unit. The financials for the project seem to work long term (20 years out) for rentals whereas the magnitude of renovation costs may not provide an adequate return on investment for a condominium project. The discussion centered on ways to buy down and create affordability for a single one bedroom apartment. The project's financials are not complete due to the fact negotiations are still underway with abutters at the Christian Union church. The results of those negotiations may create additional costs for the project to absorb. A newly finished, well insulated one bedroom apartment may rent for \$1,200 to \$1,250 per month. With the allowable affordable rent for a one bedroom in Groton set at \$874 per month, this leaves a monthly gap of \$350 to \$400.

The initial affordable rental lottery would cost about \$4,500 (Chelmsford Housing Authority). The annual affordable rental manager costs would be about \$350 (Groton Housing Authority).

The group discussed its goals with Stuart Schulman and Joshua Degen expressing interest in participating in a plan that would result in 4 units counting on the SHI. To achieve these numbers, the project would need to be permitted as either a comprehensive permit or a LIP. The LIP route is a collective effort between the developer and the municipality (the Board of Selectmen). The LIP would probably be more advantageous to the developer and so this is the probable route if the project moves forward.

The housing trust members expressed reservations about asking for CPC monies until the Trust's Boynton Meadows project is concluded. Hopefully, Boynton Meadows will conclude profitably which would result in a return of principal and profits to the Trust. The trust holds about \$12,000 of residual funds from the initial CPC grant and about \$36,000 more is trickling in to the trust accounts from Squannacook Hill's payments to the Town as compensation for the impact of market rate units at that site. So, about \$50,000 is available to create an affordable rental at Squannacook Hall. Michelle Collette commented that the rationale nexus resulting from Squannacook Hill proceeds 'staying' in West Groton to be spent on the refurbishment and re-use of the historic Squannacook Hall may appeal to observant West Groton residents.

Michelle Collette spoke to the Town's experiences with the Sandy Pond apartments. The down payment for the loan was drawn from an account holding developers' past payments in lieu of creating new affordable units. Those payments were for developers who opted out of building and instead paid into an affordable housing fund as was allowed by zoning provisions then in place. The financing was low interest. David Moulton built 'turnkey' units that were then turned over to the housing authority to own, manage and rent. Robert Collins, Esq. represented the developer and MHP's Rita Farrell provided technical support.

Joshua Degen explained that he would like to see how a present cash value might benefit the project by an early triggering of a profitable ROI. For example, if in a 30 year rental project, profits are made after year 13, an up-front payment by the housing trust may avoid financing costs and allow the project to produce profits sooner. What is the value to the project of shortening that wait? In the discussion, several questions were raised that require further research and attention:

1. How do utilities impact allowable affordable rents?
2. How exactly does the 10 percent limitation of developer profit work?
3. Would project ever have to pay for another lottery after the initial offering?
4. Any other extra compliance costs to be factored in for an affordable unit? For example, are extra accounting costs, appraisals are needed to comply with profit limitation rules?
5. Are there any Commonwealth incentives for creating a low income affordable instead of a moderate income affordable?
6. Does 40B LIP require minimum square footage or a minimum bedroom count to ensure acceptance by Commonwealth?

Fredrick Dunn will inquire with his contacts at DHCD. David Wilder will investigate low interest project financing from MassHousing. Fran Stanley will look to other towns' experiences with rental LIP developments. Answers to questions raised by the group will be distributed as the answers are found. Halsey Platt, Chris Brown or a Trust member can request another meeting when enough information is obtained to warrant a second look.

Agenda item: Discuss proposed increase in hours for housing coordinator position.

Michelle Collette addressed the group, stating that there is a pending CPC application to fund the housing coordinator position for FY15 with an increase in hours from 19 to 25 hours per week. Michelle Collette asked the housing trust to send a letter in support the pending CPC application. Previously, the position has been funded via the CPA tax surcharge with money drawn from the administrative costs category (annual cost circa \$22,000). This application proposes to draw from the designated community housing category. Michelle Collette explained that the job has evolved since it was originally created as a 19 hour per week position. The housing coordinator position supports the housing trust, runs housing lotteries, supports local actions units, monitors current SHI inventory and addresses emergency housing needs. The increase in hours would enable more work to be done in these areas.

The proposed increase from 19 hours per week extends benefits to the position. The costs of projected benefits have been included in the application. FY15 wages are projected to be \$31,407. Adding wages to benefits, the total cost of the position is estimated at \$47,668.

Joshua Degen moved for the housing trust to send a letter of support to the Community Preservation Committee in support of the increase in housing coordinator hours from 19 to 25 hours per week consistent with the current CPC application. David Wilder seconded and motion carried 3:0 (Allen King absent).

Agenda item: Review of past meeting minutes.

Joshua Degen moved to approve drafted minutes for December 12, 2013. David Wilder seconded and motion carried 2:0 (Fredrick Dunn abstained and Allen King absent).

Agenda item: Review draft housing production plan.

Joshua Degen thought the plan could have been better, but that it is still good. Because of the 40B safe harbor provisions that are only available to towns carrying a current certified housing production plan, Joshua Degen views it as very important for the Town to have a plan in place. Keeping the Town's plan current can be a responsibility of the housing coordinator position.

The Planning Board is holding a hearing on the Housing Production Plan next week (Thursday, January 30th at 7:30 pm) and members are invited to attend or send comments.

Fran Stanley directed to invite developer Chris Ferris to the next meeting to explore affordable rentals at 128 Main Street (site of the former Groton Inn).

Next meeting: Thursday, February 27, 2014 at 7 pm [regular 4th Thursday of the month schedule]

Joshua Degen moved to adjourn the meeting at 7:30 pm. Fredrick Dunn seconded and motion carried 3:0 (Allen King absent).

Minutes by Fran Stanley.

Meetings Overview

Meeting Date	Status	Town Website
September 8, 2010	Final	Posted
October 13, 2010	Final	Posted
November 17, 2010	Final	Posted
December 20, 2010	Final	Posted
February 2, 2011	Final	Posted
April 6, 2011	Final	Posted
April 25, 2011	ⁱ	n/a
May 18, 2011	Final	Posted
June 27, 2011	ⁱⁱ	n/a
July 27, 2011	Final	Posted
August 24, 2011	Final	Posted
September 13, 2011	Final	Posted
September 26, 2011	Final	Posted
October 6, 2011	Final	Posted
October 17, 2011	Final	Posted
November 3, 2011	ⁱⁱⁱ	n/a
November 9, 2011	Final	Posted
November 10, 2011	^{iv}	n/a
December 14, 2011	Final	Posted
January 25, 2012	Final	Posted
February 23, 2012	Final	Posted
March 22, 2012	Final	Posted
April 26, 2012	Final	Posted
May 24, 2012	Final	Posted
June 28, 2012	Final	Posted
August 23, 2012	Final	Posted
September 27, 2012	Final	Posted
November 15, 2012	Final	Posted
January 10, 2013	Final	Posted
March 14, 2013	Final	Posted
May 2, 2013	Final	Posted
May 23, 2013	Final	Posted
June 12, 2013	Final	Posted
July 25, 2013	Final	Posted
September 26, 2013	Final	Posted
October 24, 2013	Final	Posted
December 12, 2013	Final	Posted
January 23, 2014	Draft	In process

ⁱ 2011 Spring Town Meeting. See record of 2011 Spring Town Meeting

ⁱⁱ Board of Selectmen Meeting. See Selectmen’s minutes.

ⁱⁱⁱ Planning Board and Conservation Commission meetings. Housing Trust lacked quorum. See Planning Board and/or Conservation Commission minutes for more information.

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