Regular Session

Date: Thursday, May 14, 2020
Time: 7 pm
Location: Virtual meeting to be held via Zoom pursuant to Governor’s executive order concerning the Open Meeting Law

Trust members in attendance: Becky Pine, Colleen Neff, Dave Wilder, Sheila Julien, Stuart Schulman

Other Participants: Richard Hewitt (Community Preservation Committee), Carolyn Perkins (Community Preservation Committee and Housing Partnership)


At 7:25 pm, Becky Pine called the meeting to order.

Becky Pine announced that the Trust was going to take a vote to do three things: send a letter for a demand for accounting, release that letter to the public, and issue a press release.

Stuart Schulman moved to have the Affordable Housing Trust send a demand for accounting letter to Mount Laurel Development, to have the Affordable Housing Trust release the same letter to the public, and to have the Affordable Housing Trust issue a press release. Colleen Neff seconded. The motion carried unanimously (5:0) by roll call vote: Becky Pine – aye, Colleen Neff – aye, Sheila Julien – aye, David Wilder – aye and Stuart Schulman – aye.

Becky Pine read the press release into the record (copied below).

PRESS RELEASE
FOR IMMEDIATE RELEASE
MAY 14, 2020
TOWN OF GROTON – AFFORDABLE HOUSING TRUST – BOYNTON MEADOWS

In 2011, the Groton Town Meeting approved the appropriation of Community Preservation Housing Reserve Funds for the Affordable Housing Trust to invest $400,000 in the Boynton Meadows Development. The Trust signed a preferred investor agreement with Mount Laurel Development, LLC, to participate in funding the project, which included the creation of three (3) affordable housing units. It was anticipated that the Trust would share in the profits of the project and receive a significant return on their initial investment. While the project was completed within the last year and created the affordable units, the Affordable Housing Trust did not receive any return on the investment and essentially paid $400,000 for three (3) affordable units.

The Affordable Housing Trust, in exercising its fiduciary responsibility as Trustees, has been meeting with Counsel and the Select Board to determine how best to understand what happened to its investment. To that
end, and following the terms of the Preferred Membership Unit Investor Agreement between the Groton Affordable Housing Trust and Mount Laurel Development, LLC dated March 22, 2012, the Trust has presented a demand for an accounting of the Boynton Meadows project’s financial performance. The Trust will expect to receive a full accounting, prepared by or on behalf of the Project Accountant, covering the period ending April 30, 2020, by no later than June 5, 2020. Attached to this Press Release is a copy of the Demand notice and a previous letter sent in 2017 to Mount Laurel Development, and the Preferred Membership Unit Investor Agreement.

The Affordable Housing Trust takes this matter very seriously. Actions by Mount Laurel Development with respect to this project have been a source of concern for the Trust. To fulfill its fiduciary responsibilities, the Trust is taking all necessary steps afforded to them by the investor’s agreement to determine how taxpayer funds were expended on this project. The Trust looks forward to receiving that full accounting.

Sincerely,
Rebecca H. Pine, Chair
Groton Affordable Housing Trust

Becky Pine asked for questions and referenced the documents that were also released, some previously, with the press release. She commented that this is a significant step that she is glad the Trust has taken and that she looks forward to receiving the answer.

Emergency Rental Assistance project

Consider out of cycle application to the Community Preservation Committee (CPC) to use community housing funding for an emergency rental assistance project. Votes may be taken.

The Community Preservation Act allows for rental assistance programs to be funded by the CPC so long as the program meets certain parameters. With Governor Baker’s emergency declaration and the prohibition against gatherings of more than 10 people, many people will have lost jobs and have little ability to obtain alternative employment in the current environment. With diminished earnings, some renters will have difficulty affording their rent. Landlords have a continuing duty to provide safe and habitable apartments even if rents are not paid. The idea is that an emergency rental assistance project may provide assistance to Groton renters and Groton landlords during the pandemic.

Richard Hewitt and Carolyn Perkins attended. Although both Richard Hewitt and Carolyn Perkins are members of the Community Preservation Committee, they spoke individually rather than on behalf of the Community Preservation Committee. Richard Hewitt says we certainly have money and that it seems like an appropriate use. His preference is for a short-term project that can be replenished later as needed. Regarding which entity should sponsor the application to the CPC, Carolyn Perkins noted that you as the Affordable Housing Trust have more flexibility.

Stuart Schulman commented that this is an out of cycle application and that everything is out of cycle now. He stated that it is difficult to estimate demand for the money.
Richard Hewitt stated that the fact that the out of cycle aspect is important. Generally, out of cycle applications are not preferred as such applications can be seen as 'jumping the line' since the project is considered in isolation and not competing with other applicants. He agreed with Stuart Schulman that the application needed to show demand.¹

Fran Stanley received data from the state’s RAFT program (Rental Aid to Families in Transition) and the data does not demonstrate any heightened need. Neither of the two organizations who serve our area have completed RAFT applications from Groton households. This was the data even though several households were recently referred by her. The Commonwealth has provided for online applications for RAFT but a number of the employees are working from home and their phone support is limited so some households may be having difficulty following through with the application process.

The Commonwealth’s moratorium on evictions will expire at some point. The added CARES Act financial support that some households have been receiving to compensate for the loss of some self-employment earnings will expire in July which may heighten the need for rental assistance.

Becky Pine commented that there were possible other uses for the CPC funds on the horizon – referencing a project supported by Housing Production Plan conclusions – but that the pandemic raises the possibility that there may be immediate needs.

Regarding questions on administration of the program, Fran Stanley stated that it can be done in-house, or the housing trust could contract with an outside vendor with experience with running means tested programming. Community Teamwork has offered. Community Teamwork, which is based in Lowell, is presently administering a program for the City of Lowell. Fran Stanley did not know this organization’s charges, but one commenter in a recent CHAPA training thought that fees would be in the 12 to 15 percent range.

Becky Pine asked how we get relevant data. As Stuart Schuman stated it, what’s the demand.

The group discussed that the timeline for the project is to put the matter up for a vote in the Fall Town Meeting – which may be held in early October. Carolyn Perkins worked backwards from the Fall Town Meeting date and suggests that an application be submitted at least by early September. The initial application can be short, then receive feedback, make sure the scope of the project is legal. Then, later submit a final application.

On the question of data, Carolyn Perkins stated that if you don’t have the program, then you don’t have the data. She suggested putting out feelers for people to respond with the interest in the program. Carolyn Perkins continued and pointed out that 22.1% unemployment in Groton as of May 2nd is an indication and justification of need. The Affordable Housing Trust will have the advantage that nobody else is competing for this money.

¹ Information collected to date on potential need:

1. **Groton.** Per the 2011 Master Plan, only 12% of Groton residents are renters.
2. **Groton.** The renters with subsidized rents will not need a program, but the other segment of renters in market rate housing will have some need.
3. **Massachusetts.** The Federal Reserve Bank of Boston released a study estimating that 35% of Massachusetts renters will not be able to pay rent. Even factoring in the ameliorating effects of one-time stimulus payment and unemployment insurance, FRB of Boston projects significant shortages.
4. **Massachusetts.** The same study noted that a number of the Massachusetts occupations most impacted by pandemic shutdowns are disproportionately represented in renter households.
5. **Groton.** The Pioneer Instituted examined unemployment data for all municipalities. As of May 2, 2020, estimates 22.1% unemployment in Groton with 1,284 affected individuals.
6. **United States.** Across the entire country, Federal Reserve Chair Jerome Powell has stated that almost 40% of households earning less than $40,000 a year in February lost their jobs in March.
7. Further thought, even if there is moderate demand when the program is rolled out, future economic losses may continue to ripple through the economy and affect more households. Thus, resulting in additional demand.
Richard Hewitt said that the CPC stated at their last meeting that they are interested in reviewing an application. As for himself, he would want to see specific examples of need.

Fran Stanley described elements that the program must have to fit with CPC requirements such as payment directly to the landlord, income verification, payment of rent only and not utilities. Other aspects of the program can be decided by the sponsoring group. Fran Stanley outlined a program helping households earning up to 80% AMI, with a duration of up to four months, with monthly payments tied to apartment size. If $4,000 is the total assistance offered, then $200,000 could help about 50 households. Becky Pine agreed that the housing trust could make decisions on the program specifics later.

Stuart Schulman shared his concerns that starting an emergency program in October would be late. People may be sleeping in the streets. Carolyn Perkins said that the state statute requires funding approval from town meeting, not the CPC. She said that it would take a special town meeting to move faster. Carolyn Perkins agrees with Stuart Schulman in that she would like to move faster.

Richard Hewitt said that part of the problem is that the Town Warrant has to be organized ahead of time. Like the Conservation Fund, the housing trust could ask for unrestricted funds. Richard Hewitt says that he understands what Stuart Schulman was saying, but unfortunately our hands are tied.

Carolyn Perkins suggested one avenue whereby the Commissioners of Trust Funds go first and start up an emergency rental assistance project now and that the CPC monies could pick up when funds are issued and start issuing rental funds then.

Becky Pine said that she was part of an independent group considering raising money to assist and they realized that people may need money later after the initial federal programs run out. Becky Pine said that she thinks the delay will not mean that the money is not needed when it is issued.

Stuart Schulman asked if there can be a special town meeting scheduled for the same date as the June 13, 2020 Spring Town Meeting. For a special town meeting, a whole separate warrant must be mailed to residents. Fran Stanley will ask Mark Haddad about the feasibility of this idea.

Fran Stanley was directed to submit an initial 2-page application on behalf of the housing trust on May 18, 2020. Becky Pine said to start with a project amount of $200,000. David Wilder volunteered to help over the weekend on the application. The CPC's next meeting is thought to be Monday, May 18, 2020.

Richard Hewitt suggest that the project be designed for the short term with any unused funds will be held by the housing trust to continue your goal for more affordable housing. Specifically, take the money and have the money without it going back to the CPC. The housing trust might list several back up initiatives that the funds could be applied to such as buying out affordable units, more rental assistance, or building more affordable housing.

Sheila Julien moved to have Fran Stanley with David Wilder's assistance submit a CPC application for action as soon as possible. Colleen Neff seconded. The motion carried unanimously (5:0) by roll call vote: Becky Pine – aye, Colleen Neff – aye, Sheila Julien – aye, David Wilder – aye and Stuart Schulman – aye.

Sheila Julien was asked by Becky Pine about being re-appointed. Sheila Julien is working too many hours to devote many volunteer hours to the housing trust. Becky Pine stated that the Town is actively seeking applicants to join the affordable housing trust.

Becky Pine said that she would be interested to learn about other towns similar to Groton who are doing this program.


Notes by Fran Stanley