



**TOWN OF GROTON**  
Affordable Housing Trust



Becky Pine, *Chair*  
Cynthia Lane-Hand, *Member*  
Colleen A. Neff, *Treasurer*  
Carolyn Perkins, *Member*

**Minutes**

Regular Session

Date: Thursday, October 22, 2020

Time: 7 pm

Location: Virtual meeting to be held via Zoom pursuant to Governor's executive order concerning the Open Meeting Law

Members present: Cindi Lane-Hand, Becky Pine, Colleen Neff and Carolyn Perkins

Others present: Connie Donahue (Executive Director of Chelmsford Housing Authority), David Hedison (Executive Director of CHOICE)

Handouts: Agenda, MCO Housing proposal, Metro West Collaborative Development proposal

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Becky Pine opened the meeting at 7 pm. Becky Pine offered her greetings. She said that, with four members in attendance, all members were present as one member, Stuart Schulman, resigned from the housing trust on October 9, 2020.

**Item 1:** Speak with Connie Donahue and David Hedison of the Chelmsford Housing Authority regarding a low-income tax credit funded development for the Surrenden Farm Reserve Parcel.

Colleen Neff invited Connie Donahue to speak to the Trust when she was touring the Shirley Meadows open house on September 10, 2020. David Hedison, who works with Connie Donahue, was scheduled to speak to the Trust in August and that visit was rescheduled to this evening's meeting. Connie Donahue is the executive director of the Chelmsford Housing Authority and David Hedison is the executive director of CHOICE (Choice Housing Opportunities for Intergenerational and Community Endeavors) which is a nonprofit organization associated with the Chelmsford Housing Authority.

David Hedison explained that each low-income tax credit funded development will have an owner, a partner and a service provider. For Shirley Meadows, a 58-unit senior rental project located on Shirley land within the Devens regional enterprise zone, CHOICE was a partner with Women's Institute. There was also a 20% disinterested partner. Women's Institute acted as the sponsor and lead and CHOICE assists with client services, community outreach and property management. Women's Institute was awarded the rights to develop the parcel by Devens. The Groton Affordable Housing Trust can look at the Devens RFPs and three to four others to get a sense of what a well-designed RFP will contain. David Hedison said that the site will speak to you on how to design/write the RFP.

David Hedison explained that for a tax credit funded development the project can pass through 1 of 4 doors at the Department of Housing and Development (DHCD). There is a private housing division and a public housing division.

Door 1 is a small door for community scale initiatives that are small scale projects.

Door 2 is a larger door for supportive housing, say 20 units, for complicated communities like people with traumatic brain injury (TBI).

Door 3 is the largest door. Examples are a 50-unit Taunton project and an 18-unit Weston project. Applicants may have to apply multiple years to win funding. So, it can take 3 to 5 years after a contract is awarded before funding is assembled and then another 3 to 5 years to construct before the project is complete.

Door 4 is a mini-round big door for people who already had a toe in Door 3.

David Hedison differentiated “wants” from DHCD private housing versus “wants” from the community. For a Groton application, DHCD will ask the applicant ‘have you done any family housing or senior housing?’ and ‘have you seen other things developed in Groton?’

David Hedison suggested that making a master plan may make sense given the large size of the Surrenden Farm Reserve Parcel (14.5 acres). A master plan is a way of describing what the vision is for the parcel down the road. Contrasting with Shirley Meadows which has less acreage than the Groton parcel, the Devens site still has capacity to hold two housing developments. The Women’s Institute won the option to develop a second project in a different area of that parcel.

Regarding the size of a project, David Hedison says that the magic number is currently about 50 units. At a certain number of units, you max out the available pots of money and any more units do not attract any more funding. And, any fewer units will not tap all the funding sources. The Chelmsford Woods project had a mix of 1-, 2- and 3-bedroom units. There were many 1-bedroom units, a number of 2-bedroom units and few 3-bedroom units. This was a development for all ages since many of the 1-bedroom units could be occupied by single adults or seniors. Chelmsford Woods was a two phase project.

Besides LIHTC itself, types of funding in a hypothetical 50-unit project include:

Section 8 vouchers: up to 8 federally funded vouchers could be awarded for use by the elderly or families. There are never more than 8 vouchers because then Davis Bacon act provisions are triggered if a contract has a certain amount of federal funding or federal assistance. If triggered, workers must be paid at the local prevailing wage. [Note: a prevailing wage project may cost 10% more than a project constructed without such labor rates.]

MHVP voucher: Ask DHCD for 8 state funded vouchers.

The remaining 34 units will have affordable rents set at 60% AMI [1-bedroom rent at Shirley Meadows is currently \$1,440/month and 1-bedroom rent at Chelmsford Woods is currently \$1,440.] These projects are mixed income.

That is the way that a project that costs \$15 million to build may end up with only a \$1 million loan. Each nonprofit developer will have a for profit investor to whom the tax credits will flow in order to reduce corporate tax liability and the depreciation in the project will be useful to that for profit investor too.

David Hedison asked if there is demand for 60% AMI rents in Groton now. The Affordable Housing Trust may want to conduct a feasibility study to assess the site in the areas of utilities, access, etc. Under Massachusetts procurement law, a feasibility study costing less than \$10,000 might be obtained by using the standard of sound business practices.

Carolyn Perkins asked if the Community Preservation Committee has \$1 million dollars, for example, then what are we to do with our money to facilitate the creation of affordable housing. David Hedison answered that the developer wants to bring prizes when seeking project financing from DHCD and one prize is demonstrated local support (ex. grants, land, friendly 40B zoning, etc.). The applicant is never awarded 100% of project costs in tax credits and other government subsidies. Out of a \$15 million project, perhaps \$12.5 million will be funded. The investor will not receive rent payments. The applicant will receive tax

credits, vouchers and borrow the remainder with favorable long term loans from the Commonwealth (50 to 90 year term). Massachusetts Housing Partnership and CEDAC will be the Commonwealth loan sources. David Hedison concluded that CPC funds can make the project viable as it helps reduce the amount of long term borrowing.

Commenting on the attractive Benfield Farms development in Carlisle, David Hedison said that he was a peer to peer consultant on this project. He stressed the importance of a harmonious balance for the structure and that the Trust and the Town should spell out what those things are. Benfield Farms has a silo and is highly energy efficient. A structure might be more visually pleasing with 3 stories in the front and 4 stories in the rear.

A Mass Works grant may help the Trust with any necessary infrastructure costs. Fran Stanley noted that because there is so much demand for tax credit funding, Massachusetts can take advantage of that competition by setting additional requirements for certain development types. For example, senior project must have supportive services. Connie Donahue said that Massachusetts is known for its senior supports but that family supports are not as readily available. She said that the Chelmsford Housing Authority and CHOICE have cobbled together services for all ages. David Hedison commented that if supportive services are desired, then the Trust could emphasize this element in the RFP. For example, 15 points might be awarded for a proposal with good supportive services.

Becky Pine noted that the Surrenden Farm Reserve Parcel is just down the road from the Groton School. David Hedison suggested that the Trust may find a connection there in a possible partnership. It helps to put together a plan and tell a good story in hopes of attracting the necessary financing.

Cindi Lane-Hand returned to the issue of supportive services for family housing. Connie Donahue said that the project should set aside \$15 to \$20k for a resident services coordinator. She has seen family self sufficiency coordinators, which is a work-based program, help tenants secure child care funding for example. Also, when coordinated, Mass Rehab can provide special needs supports. So, Connie Donahue sees that generally helping with the access to services rather than the direct provision of services is what can be done.

Trust members thanked Connie Donahue and David Hedison for sharing their expertise and experience with the group.

Becky Pine said that she will be attending an upcoming MHP conference on building senior housing in rural communities. Carolyn Perkins recommended that the Trust conduct a site walk as a committee before it gets too cold. Saturday, October 31 at 10 am was set as the date and time. Fran Stanley will post the site walk and invite the Housing Partnership to attend.

**Item 2:** Selection of vendor to administer the emergency rental assistance program. Votes may be taken.

Fran Stanley stated that MCO Housing and Metro West Collaborative Development submitted proposals. The Regional Housing Services Office was invited, but declined to submit a proposal because the nonprofit was busy. Trust members compared the services promised and the listed prices for each proposal. Colleen Neff commented that with the MCO Housing prices, for example the set-up fee, that you know your fees with MCO but with the per application fees, you really don't know what Metro West would charge. Referencing the \$50 charge per application, Carolyn Perkins stated that she does not think that we will receive hundreds of applications [which would have the effect of increasing the Metro West fees].

Fran Stanley stated that both MCO Housing and Metro West enjoy good reputations. Each entity is experienced with income verification. Each entity runs rental assistance programs for several other municipalities. MCO Housing has had reliable and good performance as a lottery agent for a number of Groton affordable homes. Metro West's executive director led a state-wide seminar early in the pandemic giving advice on best practices for setting up rental assistance programs. Fran Stanley commented that Metro West's proposal looks less expensive than the MCO proposal.

*Colleen Neff moved to have the Trust select Metro West Collaborative Development to administer the emergency rental assistance program. Carolyn Perkins seconded, and the motion carried 4:0 on a roll call vote of Pine – aye, Neff – aye, Lane-Hand – aye and Perkins – aye.*

**Item 3:** Discuss giving invoice signing authority to Town Manager and Housing Coordinator for emergency rental assistance program invoices. Votes may be taken.

As a next step, the Town Manager will seek to execute a suitable contract with Metro West Collaborative Development. The group discussed delegating the approval of invoices to the town manager and the housing coordinator.

Fran Stanley described a path where the invoice may need to be approved by the Trust, then go off to the CPC for its approval. Carolyn Perkins said that you can check but that her understanding is that the funds will be released from the CPC to the Affordable Housing Trust and that the Affordable Housing Trust can disburse those funds and then provide an accounting to the CPC. Becky Pine said that the Trust can still delegate its authority to the town manager and the housing coordinator.

Fran Stanley explained that the delegation would help to shorten the time between receipt of an invoice by the Town and the time by which a check could be sent to cover rental assistance payment or Metro West's fees.

*Carolyn Perkins moved to authorize the Town Manager Mark Haddad and Housing Coordinator Fran Stanley to sign any necessary invoices related to the emergency rental assistance program. Colleen Neff seconded and the motion carried 4:0 on a roll call vote of Pine – aye, Neff – aye, Lane-Hand – aye and Perkins – aye.*

**Item 4:** Discuss plan to submit Two Paged Required CPA Project Summary Form to the Community Preservation Committee by October 29 deadline seeking development funding for the Surrenden Farm Reserve Parcel. Votes may be taken.

Trust members discussed and decided to submit an initial two-page application for CPC funding for development work on the Surrenden Farm Reserve Parcel. Fran Stanley will incorporate some of the suggestions offered by tonight's guest speakers and there should be enough flexibility with this initial proposal for the Trust to shape it as it moves through the CPC's application process. The application may ask for engineering funds, zoning advice, and other initial studies needed to move forward with the project.

Monday, October 26<sup>th</sup> will be the CPC's planned kick off for the rental assistance project. Fran Stanley plans to attend that meeting.

*Carolyn Perkins moved to have Housing Coordinator Fran Stanley submit a preliminary application on behalf of the Affordable Housing Trust for development funding for affordable housing on the Surrenden Farm Reserve Parcel. Cindi Lane-Hand seconded and the motion carried 4:0 on a roll call vote of Pine – aye, Neff – aye, Lane-Hand – aye and Perkins – aye.*

**Item 5:** Discuss vacancy in the Affordable Housing Trust left by Stuart Schulman's recent resignation.

Becky Pine noted the present vacancy on the Trust due to Stuart Schulman's recent resignation. She invited interested applicants to submit a committee interest form to the Town. Fran Stanley directed to place this vacancy on the Town website's larger list of committee vacancies. Becky Pine said that this is a complex process and we need someone with some staying power and hopefully some expertise.

*Carolyn Perkins moved to adjourn the regular session to enter executive session pursuant to Massachusetts General Laws, c.30A, §21(a), Clause 7 – "To comply with, or act under the authority of, any general or special law or federal grant-in-aid requirements." – Purpose – Review, Approval and Potential Release of Executive Session Minutes and also pursuant to M.G.L. c. 30A, Sec. 21(3) to discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares and Becky Pine so declares; and M.G.L. c. 30A, Sec. 21(6) to consider the purchase, exchange, lease or value of real estate, if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body. Specifically, to discuss Mount Laurel Development investment. Becky Pine seconded and motion approved by roll call vote of Pine – aye, Neff – aye, Lane-Hand – aye and Perkins – aye.*

Notes by Fran Stanley.