



TOWN OF GROTON
Affordable Housing Trust



Becky Pine, *Chair*
Carolyn Perkins, *Vice Chair*
Phil Francisco, *Member*
Richard Perini, *Member*

Regular Session Minutes

Date: Tuesday, November 22, 2022
Time: 7 pm
Location: Town Hall, First Floor Meeting Room, 173 Main Street
Members in attendance: Richard Perini, Becky Pine, Phil Francisco, and Carolyn Perkins
Finance Committee members in attendance: Bud Robertson (Chair), Colby Doody (Vice Chair), Gary Green, Scott Whitefield
Others in attendance: Patricia Dufresne (Town Accountant), John Sopka (Groton Housing Authority board member)
Handouts: Article 8 from AHT Declaration of Trust, Research on Routine Transfers to Trusts, and 2013 MHP Guidebook to Municipal Housing Trusts (emailed PDF and shared with 1 page summary as a handout)

Becky Pine called the Affordable Housing Trust to order at 7 pm. Trust members identified themselves.

Attend the Finance Committee's regularly scheduled meeting to discuss annual transfers to the Affordable Housing Trust and the determination of an appropriate capital goal. Votes may be taken.

The Trust joined the Finance Committee at its regularly scheduled meeting to discuss this matter with the Finance Committee. Bud Robertson asked Trust members to explain the difference between the Groton Housing Authority and the Affordable Housing Trust which was done. Bud Robertson, speaking about the Trust, said that the ultimate goal is to create housing in town for people who otherwise cannot afford to live in town.

The group then reviewed the current assets available or soon to be available to the Trust:

Squannacook Hills (unrestricted)	\$46,000
Bob Kiley/Hayes Woods donation (for soft costs)	\$50,000
CPC site assessment (usual CPC restrictions)	\$65,355 [spent down from \$75,000]
<u>Restoration Capital/Shepley Hill donation (expected)</u>	<u>\$150,000</u>
Total	\$311,355

The group discussed recent efforts by the Trust which includes investigating town owned parcels for use as the site of new affordable housing. Parcels reviewed and under continuing review include:

- the Surrenden Farm Reserve Parcel (not under present consideration),
- the Hoyts Wharf parcel (single house lot possible),
- Bridge Street beyond the transfer station (too distant from necessary infrastructure),
- The Prescott School (leased for other purposes), and
- the Fieldstone Drive parcels (quite promising, access issues).

Commenting on the disparity between the large acreage at Hoyts Wharf and the limited development potential, Richard Perini noted that 88% of Groton's land is in an Area of Critical Environmental Concern (ACEC) and there is a lot of conservation land besides.

Becky Pine explained that there are many ways that towns have created affordable housing using the mechanism of their municipal housing trust but that the best bet for Groton is to bring land and leverage that land to

encourage a LIHTC development (Low Income Housing Tax Credits). John Sopka added that the Trust has shared case studies of other developments at past housing forums (The Manchon in Swampscott, Shirley Meadows in Shirley/Devens, Benfield Farms in Carlisle, and The Coolidge in Sudbury).

The Trust is interested in annual transfers to build up its reserves. Without reserves, the Trust cannot enter into a conversation or negotiation with a seller if it cannot follow through after an initial expression of interest. The 12-unit apartment building at 22 Adams Avenue that recently sold for \$1.8 million was referenced as an example of a missed opportunity. Gary Green suggested approaching the new owner and partnering with them.

Despite commonly stated views to the contrary, Gary Green clarified that the policy for a suggested capital goal for the Conservation Commission has always been a Select Board policy and not a Finance Committee policy¹. Gary Green said that he has the same kinds of questions for the housing trust that he has had for the Conservation Fund, namely, 'what is your criteria for spending?' and 'when have you spent enough?' Carolyn Perkins referenced the grant agreement idea whereby the Select Board contracts with the housing trust to set parameters for the use of CPC funds. Fran Stanley will share the Community Preservation Coalition's sample grant agreement with the Finance Committee.

The group discussed a possible way forward. Gary Green recommended that the Trust get a success. Focus all of your energy on the best option and then try to deliver on it. Becky Pine said that she sees a consensus of support and is interested in figuring out an amount to request this year and also an ultimate goal. Gary Green said that you might want to seed the fund with a bigger year one amount. Becky Pine said that having more than \$700,000 in our bank account would lend credibility. Richard Perini likes the seed idea and added that the Trust is in the process of getting quotes for engineering services. Phil Francisco said that the Trust can look at comparable costs from other towns. Trust was urged to come up with a number that is what is thought to be needed, perhaps Fieldstone Drive projected costs and a seed dollars amount.

Colby Doody said that from his quick review of tax credit projects, the applicants need to show community support. Having a percentage or a stable figure would represent the requisite community support. Scott Whitefield said, philosophically, if we have a fund we should properly fund it.

In conclusion, the Finance Committee members agree to some funding. They will discuss the matter further after receiving more data. A couple of weeks for the turnaround would be good.

John Sopka asked about the laws that the Trust will be bound to follow, particularly in the context of CPC funding. Fran Stanley can share information with John Sopka on this subject.

Consider recommending Charles Vander Linden to the Select Board for appointment to the vacant Affordable Housing Trust position. Votes may be taken.

Carolyn Perkins moved to recommend the appointment of Charles Vander Linden to the vacant seat on the Affordable Housing Trust. Richard Perini seconded and the motion carried (4:0) unanimously.

Meeting adjourned at 8:25 pm. Notes by Fran Stanley

Next meeting: Wednesday, December 14, 2022 at 7 pm

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For reference: 1 page summary compiled from Chapter 6 of 2013 MHP guidebook

¹ See Select Board Financial Policies – General Financial Guidelines – “6. The Town will continue to maintain a Conservation Fund to be used in part for the purchase of land, or conservation restrictions or agricultural preservation restrictions on lands that exhibit high value for protection because they contain important natural resources. The Conservation Commission is in charge of formulating and prioritizing a list of such parcels so that a plan may be established for future purchases. It shall be the goal to maintain a balance in the Conservation Fund of at least 2% of the Town’s current line item budget, exclusive of Enterprises or Community Preservation Fund; and to the extent possible, deposits to the Conservation Fund should come from the Community Preservation Surtax” (BOA-2019-8, latest revision date February 7, 2022).

Housing Trust options for creating affordable housing

1. Put out an RFP for projects

Yarmouth Affordable Housing Trust (Established: 2007) The Yarmouth Affordable Housing Trust (YAHT) didn't wait for projects to come to them, they actively sought them out. When the YAHT determined that they had a sum of money available, they decided to put out a Request for Proposals (RFP) with the hope that the RFP would result in more opportunities to create affordable housing.

2. Getting started with an action plan

Medway Affordable Housing Trust (established: 2008) Under the direction of the Medway Community Preservation Committee and the Affordable Housing Committee, the Medway Affordable Housing Trust found that having an action plan in place for their activities helped them gain credibility in their community. The action plan, adopted in February 2011, was created with the assistance of a planning consultant. It clearly states their goals and vision and the types of projects the trust will support.

3. Making grants to developers

Stow Affordable Housing Trust (established: 2005) Funded entirely by inclusionary zoning fees to date, the Stow Affordable Housing Trust has put together a grant program that makes small grants to non-profit organizations seeking to create, preserve, or refinance affordable housing units for families earning 80 percent or less of area median income (AMI). The units must be eligible for inclusion on the state's Subsidized Housing Inventory (SHI) and a minimum of 25 percent of the units in a given development must be affordable.

4. Testing the ground—feasibility studies & building support

Carlisle Affordable Housing Trust (established: 2006) In an effort to determine the feasibility of developing affordable family housing on a town owned site in Carlisle, the Carlisle Affordable Housing Trust took a leadership role on the selectmen-appointed task force. Asked to assess the viability of developing affordable housing on the 38-acre Banta Davis site, the taskforce hired a consultant to do a site assessment— reviewing soils for septic and wells, access to public ways and access for utilities.

5. First-time homebuyer programs

Plymouth Affordable Housing Trust (established: 2007) The Plymouth Affordable Housing Trust funds a first-time homebuyer program called the American Dream Buy-Down Program. The program is administered by the Plymouth Community Development Department which qualifies all applicants and markets the program on behalf of the Trust, which approves the loans. Income eligible homebuyers (60 to 80 percent of AMI) ready to make Plymouth their home are able to apply for a 15-year deferred loan from the program of up to \$30,000 to buy down the purchase price of the home.

6. Preservation of affordable units

Newburyport Affordable Housing Trust (established: 2009) When affordable homeownership units that are deed restricted go on sale, the NAHT helps to find eligible buyers. Potential buyers must meet certain income requirements (80 percent of AMI). Applications are reviewed by the NAHT. The NAHT also offers up to \$25,000 for eligible buyers for down payment assistance and/or closing costs for the purchase of deed-restricted affordable units.

7. Acquiring land for affordable development

Bourne Affordable Housing Trust (established: 2009) The Bourne Affordable Housing Trust got the Adams/Shearwater Streets development going by acquiring two pieces of land—one was town-owned tax title land and the other was a privately owned non-conforming lot for which the trust got a variance to allow affordable housing and deed-restricted the land. They then wrote an RFP to develop two affordable homes. The winning developer was deeded the land for \$1. The BAHT also subsidized the units with \$20,000 grants to each home. The three-bedroom homes were sold to families at 60 percent AMI.

8. Habitat for Humanity

Sudbury Affordable Housing Trust (established: 2005) The first project that the SAHT funded was the development of a duplex by Habitat for Humanity on tax-title land purchased at auction by the trust.

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Also for reference:

Excerpt from the Declaration of Trust for the Affordable Housing Trust
[recorded 12/28/2010, 56159/199 in the Middlesex South Registry of Deeds]

Article 8. General Financial Operations

The Town of Groton Treasurer/Collector shall be the custodian of the Trust's funds and shall maintain separate bank accounts for said funds.

He or she shall invest the funds in the manner authorized by M.G.L. Chapter 44, section 55 (Public Funds on Deposit; Limitations; Investments) section 55A, (Liability of Depositor for Losses Due to Bankruptcy), and section 55B (Investment of Public Funds).

Any income or proceeds received from the investment of funds shall be credited to and become part of the Trust. Expenditures by the Trust shall be processed in accordance with the Town's payment warrant procedures, but shall be controlled by the provisions of M.G.L. Chapter 44, section 55C. Any funds provided to the Trust under the annual budget, and any approved budget revisions will be recorded by the Town Accountant in a manner consistent with other fund documentation.

The Treasurer/Collector shall issue checks after approval of the warrant containing the applicable expenditure amount.

In accordance with M.G.L. Chapter 44, section 55C (Municipal Affordable Housing Trust Fund), the books and records of the Trust shall be audited annually in conjunction with the Town's annual audit by an independent auditor in accordance with accepted accounting practices. The results of the audit shall be provided to the Trustees and the Board of Selectmen/Town Manager.

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