

Date: January 10, 2018

Time: 6:20 PM

Location: Town Hall, Room 5

Present: Trustees: Muffin Driscoll, John Feuerbach, Nancy Hammond, Joan MacDonald, Sarah Mellish, Chris Olney, Connie Sullivan,

Technical Support Staff: Sue Brown

1. Executive Session for Discussion of Potential Project

John framed the discussion by noting that the Trust may have a unique opportunity to take part in the purchase, rehabilitation and resale of a two family home on Lincoln Street.

Connie shared a site plan of the property from a recent Planning Board application.

The property came to the attention of Connie and Joan as it is being sold and has recently been permitted for lot division and curb cuts. The purchaser of the property, Mr. McNiff is a developer that intends to build a new house on half of the site (now a new lot) and resell the existing two-family after the owner moves (anticipated to be in a few months). Each unit has two bedrooms, though one unit needs a wall replaced to restore it to a two-bedroom.

At Connie's request, Mr. McNiff agreed to consider working with the Trust to sell the two-family home with a deeded income restriction to income eligible households. The idea Connie, Joan and Mr. McNiff discussed was for Mr. McNiff to make necessary improvements to the units to bring them to an acceptable standard for sale and the Trust would find eligible buyers and move them through the appropriate process to purchase the units.

Connie and Joan feel the house is structurally sound, but needs considerable aesthetic improvements.

The anticipated asking price for the home is \$600,000, resulting in a \$300,000 per unit cost. Connie noted that Mr. McNiff is willing to discuss working with the Trust, but does intend to sell the property at its true market value.

Connie noted that based on Planning Board research into pricing for affordable units, the units could be sold for as high as \$328,000 based on a family of four with 80% area median income.

Trustees posed questions, noted opportunities and challenges and discussed various ideas and options.

The two-family home would need to be converted to two condos before resale. There are legal costs associated with this work.

Improvement costs could be substantial, though at this time are unknown. What are the standards that need to be met?

Can the Trust purchase the property given it may incur debt, borrow money, grant mortgages, and pledge Trust assets only in an amount not to exceed 80% of the Trust's total assets. Current Trust assets are only around \$100,000. Does the bylaw language anticipate that the mortgaged property would count as a trust asset in this case, or does the Trust need to have roughly \$720,000 in assets before assuming a mortgage of around \$600,000?

If the Trust cannot purchase the property, what type of agreement would allow the Trust to work with the Seller to find an income qualified buyer?

What steps does the Trust need to take with DHCD to assure the units qualify for inclusion on the Subsidized Housing Inventory?

Does the seller's motivation and schedule allow time for the Trust to work through the many technical issues the Trust is faced with to assure compliance with DHCD, fair housing, etc.?

Should the Trust work with a development partner in addition to the seller? What value might a partner bring?

Sue shared information from Norfolk Housing Director that administers a "Scattered Sites Program" that buys and sells single family homes to income qualified buyers. Their typical purchase is no more than \$330K with a typical rehab cost of \$20K and a resale price of \$150K to \$160. This means that each unit costs the Trust about \$200,000. The units are sold via a Fair Marketing Pan by an authorized Lottery Agent. Typical cost for this service is around \$5,000 for a single unit.

Trustees agreed that John, Connie and Joan would discuss potential next steps with the seller while Sue confirms next steps with DHCD.

Trustees will hold another executive session on January 16th if needed.

2. End Executive Session

Chris moved to end Executive Session at 7:15. Sarah seconded.

A roll call vote was taken to end the Executive Session.

Muffin – yes, John – yes, Nancy – yes, Joan – yes, Sarah – yes, Chris –yes, Connie – yes.

Minutes recorded and submitted by: Sue Brown