Minutes of Affordable Housing Trust/Committee meeting

Wednesday, Nov. 9, 2020 6:00pm via Zoom

Attending: Julie DiGrigoli, Frederick Keator, Marybeth Mitts, Donna Lefkowitz (no audio responses viable from DL, video was working), Mindi Morin, Jackie McNinch, Charlene Rosen.

Jane Ralph, Construct, also attending.

Not Attending: Gwen Miller (another meeting scheduled simultaneously), Jon Gotterer, Chris Fenton, Olga Weiss, Kate McN-Vaughan.

1. The meeting was called to order by MM at 6:04pm. There were no minutes from previous meetings in the packet, so no minutes were approved.
2. Construct’s Jane Ralph provided an update to the AHT/C on the progress and expenditures of the Town of Lenox’s COVID-19 rental assistance program. This program helps income eligible households pay their rent to their Lenox landlords, ensuring tenants stay safe and healthy in their homes and making landlords whole on their monthly rental payments. So far, Construct has billed the Town of Lenox for administering the program $4,700 through the month of May and $2,300 for the month of June. The additional rental assistance expended was captured in the report Construct sent over which will be appended to these minutes in the file. The Lenox Affordable Housing Trust initially voted to allocate $45,000 for rental expenditures and program administration available through the month of June. We were to evaluate the program in July and vote to extend it, which we did. We did not expend the entire $45,000 amount, even through the reporting that Jane Ralph provided on this Nov 9, 2020 call.

JD asked JR to confirm that in accordance with CDC (Center for Disease Control) eviction Order, landlords can still institute eviction proceedings against tenant but the landlord can obtain possession of the housing/tenant cannot be evicted from the housing until December 31st  .  Also, the CDC Order does not relieve a tenant of the obligation to pay his or her rent (or back rent). Landlords may apply as well as tenants for rental assistance to avoid eviction proceedings in order to keep both parties whole (tenant & landlord).

RAFT funds, allocated through DHCD, are provided as come the landlord agrees not to evict. There have been other winter rental relief funds allocated by the state (through DHCD) in the past; some of these funds will not be available this year as state and federal funds have been reprogrammed as RAFT and other funding sources to assist in keeping tenants in their units through this winter.

JR stated that Construct is scrambling to determine if additional/other funds will be available. Berkshire Regional Housing Authority may have access to FEMA funds passed through as additional funding resources. JR left the Zoom call at the conclusion of her report.

1. Next was the Bid Opening for administering the Affordable Homeownership Program. There were no proposals returned to the Lenox AHT for consideration. FK asked who RFP information was sent out to. MM stated that a number of local and eastern MA based firms were sent RFP information as well as the RFP being posted in conspicuous related sites available to intended vendors. MM stated that Construct had not responded as the Trust hoped they might. In an effort to gain some responses, MM will consult with GMiller regarding extending the proposal period and which firms were contacted and sent the RFP information directly.
2. CR was asked if the Housing Authority had the expertise to administer the program, she had spoken with Barb Heaphy directly regarding their potential expertise in this type of program administration. Ms. Heaphy stated that the HA has no experience with property acquisition and CR explained that the Trust would be the purchasers and the HA would be responsible for program marketing, application distribution, intake and determining income eligibility of applicants. However, the HA did not express interest in responding to the RFP.

MM stated she would ask GM for the list of the firms GM sent RFPs to directly.

CR made a motion to reissue or extend the RFP based on GMiller’s recommendations moving forward regarding state procurement laws. JD seconded the motion.

Roll call vote:

MM - yes JM - yes JD - yes

CR - yes Mindy Morin - yes

The motion passed unanimously.

1. Next discussion was around an off-cycle CPC application. MM prepared an off-cycle CPC application in an effort to obtain additional funds for acquisition of optioned single family homes the Trust has an option to purchase in January, February and April for resale to low and moderate income households with deed restrictions in order to improve the Town’s subsidized housing inventory as stated goal in the Town’s Housing Production Plan.

JM pointed out that this off-cycle application subverted a subcommittee of the Trust’s goal to speak with and secure relationships with local banks by JM, CF and FK. MM apologized; she’d forgotten that those actions had been taken and JM informed the Trust that Adams Community Bank and Lee Bank were interested in participating in assisting income eligible, credit worthy households in obtaining mortgage financing for the Trust’s Affordable Homeownership Program. FK stated that Greylock Federal Credit Union and Pittsfield Cooperative were also interested. CF was not in attendance, but had been tasked with speaking to Mountain One and Salisbury Bank.

CR asked about the legality of the Trust entering into certain financial agreements, obtaining lines of credit and at 6:40pm the call was dropped by Zoom due to the 40 minute time limit on non-professional accounts.

At approximately 6:55pm a new call was initiated by MM. MM sent invitations to all those in attendance at the meeting when it was called to order at 6:04pm. At 6:55pm, JD, CR and FK and MM were back on the call.

There was no longer a quorum, but the discussion continued that for the CPC application, the Trust should enumerate what the Trust had accomplished in the previous FY.

The Trust:

1. Had acquired one home and had an option agreement with Blackwater Realty Trust for 3 more houses on Hynes St. in Lenox.
2. Intends through an RFP process, to initiate an affordable homeownership buy down program.
3. Had successfully instituted a COVID-19 rental housing assistance program.

It is possible these housing activities may continue into 2021 and are eligible CPA funded community housing activities. The CPC application prepared should reflect that and be available at the next meeting for the Trust’s support and filing with the CPC in the normal funding round the deadline of which is November 30, 2020.

FK said he wished that JM had returned to the call as it would have been constructive to design a term sheet for the affordable homeownership program during the call.

As the total acquisition costs for the 4 houses is greater than $900,000 and the Trust has less than $400,000 currently, the Trust requires upwards of $500,000 in borrowing to acquire and resell units to income eligible households. FK enumerated various terms; letter of credit, straight borrowing, collateral with various rate possibilities; prime +/-, equity in the unit, 80/20 financing with 20% as buy down from Trust as potential financing options.

CR asked whether the Trust is indeed a quasi-municipal organization. CR had asked GMiller about this through a separate inquiry and the answer, according to Town counsel, is complicated. Given that counsel termed the answer “complicated”, CR asked if Town counsel might be invited to a future meeting to discuss the various factors. MM said that counsel would be invited to attend a future meeting for purposes of discussion. MM to coordinate with GMiller.

Also, the group generally discussed whether SHI housing or workforce housing should be the primary focus of the Trust’s activities. Given the current fiscal and political climate, which is largely volatile, the group conceded that we need to consider both going forward as funding sources are largely unknown/unstable at the state and federal levels. CPA funds can provide leverage for other funding sources, but are not primary in achieving larger goals.

CR moved to adjourn the meeting at 7:34pm and JD seconded. The motion passed unanimously (CR, JD, FK, MM).

Respectfully submitted,

Marybeth Mitts 11/17/20