**Affordable Housing Trust Meeting**

**Wednesday, July 22, 2020**

Virtual “Zoom” meeting at 4pm (slight delay at start)

Hosted by **Gwen Miller, Lenox Land Use Director & Town Planner**

**Trust Members Present**: Chair MaryBeth Mitts

Jackie McNinch, Kate McNulty-Vaughan, Mindi Morin, Charlene Rosen

AH Committee: Fred Keator

Also attending: Linda Shafiroff, Sarah Stiner~~, and CarlyJane Shafiroff~~: 100 Housatonic St. & Hynes St. affordable housing opportunities;

Greg Carlo, Lucy Kennedy, Mike Wilser

**Documents available/shared during meeting**: Assessors’ map and descriptions of Housatonic & Hynes St. parcels

**Minutes: June 15 and July 16, 2020 meetings:** delayed to next meeting

**Opportunity for Affordable Ownership: 100 Housatonic St. & 6, 8, 9, 10, 11 Hynes St.:**

Gwen had spoken with DHCD (Dept. of Housing and Community Development) staff about this opportunity, and a process to get these units counted on the Lenox SHI (Subsidized Housing Inventory). As the units sell, the Lenox Trust would work with DHCD through the LIP (Local Initiative Program) to certify these as “Local Action Units, a “Buydown Program” with outright ownership of the property. For SHI listing, the sale would involve a lottery process and certain criteria. Applicants would need to meet the income limits (80% of the AMI – “Area Median Income”) and be “first time homebuyers.” There would be a deed restriction on the housing unit, and subsequent owners would also be required by the deed restriction to be income-qualified buyers. A concern was raised about displacing current tenants, and whether they would get any preference in a lottery process, if income-qualified. As an example, Gwen clarified that a single person living in a 3 bedroom unit would not be a suitable applicant for that size unit, according to DHCD guidelines, so a tenant in that size unit might be displaced.

Linda and Sarah feel that the easiest avenue is for the Town/Trust to purchase the houses/units and follow the processes required -- without their involvement. Their concern is the timeline and process to meet affordable guidelines, and their lack of experience with establishing housing units’ “affordability.” They advocated that the Town purchase the 4 single family units – on their own lots (following PB and ZBA approvals underway), particularly because they don’t want to see the units sit empty while this process gets up and running. They offered to bring to the next meeting a matrix of the current leases, deadlines, and unit information for the Trust. One unit has been renovated and is largely ready for sale, with no tenant.

Marybeth suggested that the timeline wouldn’t create much of a delay by Lenox partnering with a local agency (Construct, Berkshire Housing, etc.): ads published and applications out and returned by early September. Gwen indicated that for a “buydown model” an applicant for the housing would get mortgage approval (lender of choice) prior to applying, and she explained that a Trust purchase would not be quick – meeting municipal procurement rules and requiring that a Trust purchase opportunity would have to be available to any property, not just these under discussion. All of this would add time, and purchase and sale agreements with milestones, inspections, etc.

Jackie suggested that the Trust has a lot of work to do so that the affordable marketing coincides with the timing of completion of the renovations. Linda offered to do a “walk-through” of the housing units for a Covid-limited number of Trust members as background for a realistic timeline of availability and marketing.

Marybeth sketched out a list of what the Trust has to pull together and what needs to be approved by DHCD:

* Applications for interested, income-qualified buyers for a waiting list;
* Trust application to MA DHCD for “preference list” – for applicants who live or work in Lenox.

She assured Linda that at the next meeting in a week the paperwork would be ready with Gwen’s assistance. Charlene had spoken to Barbara Heaphy (Lenox Housing Authority) who indicated that the Housing Authority would not play a role in this type of affordable housing.

Fred noted that these lists and processes need to apply generally to any homeowner or developer who wants to become involved in creating affordable housing, not just to these units.

Sarah suggested that the Trust consider buying the duplexes and renting them out; those units will be the last renovated so that discussion can wait.

Linda needs clarification on what the income limits are: a chart showing the household size and income caps, so they can gauge whether some current tenants might meet eligibility requirements and qualify. She will provide lease deadlines, and # of bedrooms per unit. Responding to a question from Charlene, she affirmed that the sale price for #8 Hynes St., a 3 bedrm., is $275,000.

Marybeth: templates for the Trust to develop:

* Income limits information/chart;
* Affirmative Marketing plan;
* Buyer application;
* Information on what regulations affect a waiting list for affordable housing;
* RFP process for contracting with Construct or other agency?

Fred initiated a robust discussion to ascertain what the value of a deed restriction is in Lenox. Jackie described this as a question of how to fund the gap between what a person/family earns and what the price of housing is that is out of reach. Gwen provided examples of other towns’ approaches: $50,000, or 35% of the purchase price, or $95,000 or whichever is less. With no examples of buydowns in Berkshire County towns, DHCD recommended that the Lenox Trust members look at Eastham (or Easton?) or Yarmouth (Cape).

Fred asked Trust members to consider whether the deed restriction is worth 1/3 the value of a house, and the sustainability of that if real estate values increase, and whether something should come back to the Trust. Marybeth spoke of the need to provide housing for families, younger earners, who can’t afford house prices in Lenox. Jackie did a quick calculation: sale price of $275,000 + $25,000 (Trust funds), a monthly mortgage payment of $1,300 would work for an income-limited buyer at 20% or 25% for the deed restriction.

**Other citizen/public comment**: M. Wilser approves of Trust’s direction; Lucy Kennedy – interested in historical housing and working on their affordability opportunities.

The Trust agreed to meet next week (Gwen will send Doodle options) for discussion of program details and applications, review by DHCD, etc.

Submitted by: Kate McNulty-Vaughan