

Lenox Community Preservation Committee
Meeting Minutes
2/14/2022

In attendance: Tom Delasco, Vice Chair; Neal Maxymillian (BoS), Olga Weiss (Historical Commission), Kim Graham (Housing Authority), Frederick Keator (At Large), Mark Smith (Conservation Commission), Marybeth Mitts (Selectboard, Housing Trust), Kate McNulty Vaughan, Kevin Mitts, Christopher Ketchen (Town Manager), Gwen Miller (Land Use Director/Town Planner)

Absent: Chuck Koscher (At Large), Olga Weiss (Historical Commission)

Project Review and Funding Decision

1. Pennrose, LLC

TD indicated he had been part of discussions with the Town Manager, Marybeth Mitts, Frederick Keator and Ed Lane to review the Pennrose request for \$975,000. He stated the CPC would take all \$975,000 from the community-housing sleeve, not comfortable using open space/rec funding for the project, as the recreation space within the development would be mostly targeted toward neighborhood residents and not the community as a whole.

TD asked Pennrose about the grant—clarifying whether it is truly a loan or a grant. Charlie Adams of Pennrose noted that each entity would have a promissory note, including the Town of Lenox. It is not really a loan, though it is forgivable. The note would be parallel to the terms required by the other funding sources—ranging between 30, 40, 50 –year terms. There will be no debt service, and it is really a “soft loan”.

Marybeth Mitts asked what would happen if in 30 years project isn’t happening...can there be a claw back for the town?

Charlie Adams said the tax credit restriction would be 50 years.

Frederick Keator asked—if any units could ever be ownership, saying he is now familiar with an Eastham project where the units were affordable ownership units.

Charlie Adams stated the way the project was being funded made it only possible to do a rental project.

Frederick Keator supplied details about which funding source is requiring which stipulations, such as income levels. FK also asked about taxes—stating the tax value on the property won’t increase over time though the cost of services is likely to.

Marybeth says there will be incremental revenue through excise, will put an increased number of local students into the school district and reduce the town’s reliance on Chapter 70 aid from the state. FK indicated his concern that often benefits were touted over true costs of projects like this.

Kim Graham asked where would we find the cost over time; FK says it is impossible to say. FK stated he would like an annual contribution to the town from Pennrose to cover the increased cost the development will impose on Town services.

There was some discussion on this, and it was suggested that perhaps concern over the project was not so much the actual cost to town services but over it being a rental project versus ownership.

FK asked what the local preference is (how many of the residential units will be weighted toward Lenox residents, employees or school district students in the housing lottery). Charlie Adams said they would ask for 70% of the units to be local preference units.

Mark Smith expressed overall support for the project, and circled back to open space and how funding works on town side. He wondered how there is specific funding for open space versus the housing component. Frederick Keator explained how the Community Preservation Act surcharge and match goes toward the different categories and the Committee can allocate awards from each category based on project fit. Mark Smith wondered how the project would be impacted by not getting the full amount requested from the Town—which project components might have to be removed, since the site plans and renderings show nice features that will be of benefit to residents.

Charlie Adams said it's Pennrose's job to make project work with resources available. They will go back internally and see how everything fits together.

Tom Delasco suggested reducing the developer fee. Charlie Adams of Pennrose said there is a need for developer fee, and that some of the subsidizing agencies require it.

Kim Graham asked what the goal of the project's community center is, and wondered if the Town's community center could supplant the project community center and help reduce cost. Becca Schofield described the way the community center is used at other Pennrose developments, and said they could certainly benefit from both use of the community center on site and the Town's community center.

Neal Maxymilian brought up the land to the west that could help the town in another way—could there be a land conveyance to the town. Could Pennrose donate it or sell it to the town at a reduced cost for the Town to use for other purposes? TD said he is under impression that entire area is unbuildable.

FK asked about local jobs, and Neal Maxymilian asked about prevailing wage of contractors working on the project. Charlie Adams and Becca described the contractors they planned to work with, indicating there would be some subcontracting available locally, and that they are working with Foresight, a local civil engineering firm.

FK suggested the Committee award \$750,000 to Pennrose and save \$225,000 toward housing sleeve.

Marybeth Mitts then explained that the Lenox Affordable Housing Trust would withdraw their application to leave funds on the table for the Pennrose project.

FK moved to accept the LAHT withdrawal.

FK moves to approve \$500,000 to Pennrose from community housing and unreserved.

MS clarified that next year Pennrose can come back with another application. This was confirmed. MS seconded the motion.

FK will want to know the terms of the MassDoc promissory note.

Through a roll call vote, the Committee approved the award of \$500,000 toward the Pennrose affordable housing development project.

FK moved to transfer \$100,000 from the undesignated balance to future housing efforts in the community-housing sleeve.

FK reiterated that all projects and constituencies need to be treated equally over time.

NM seconds; all were in favor and voted to approve this transfer via roll call vote.

Prior to adjournment, GM noted the Committee should allocate administrative funds toward the administrative function, citing the example of the dues owed to the Community Preservation Coalition annually as an administrative cost incurred by the CPC. She noted that in the previous year, the Committee had voted to not fund the administrative line.

The Committee adjourned.