

Bourne Affordable Housing Trust Meeting

Minutes- January 20,2021

Remote Meeting: 3:30p.m.

2021 JUN 11 AM 10:21
TOWN CLERK BOURNE

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Members Present: Susan Ross, Peter Meier, Stephen Walsh, Judith Riordan, Jim Donoghue

Others Present: Kerry Horman, Affordable Housing Program Administrator
James Chapman, Administrative Support

Meeting called to order at 3:01 p.m. by Chairperson Susan Ross.

Agenda #1. Review Minutes of the June 3,2020 Trust meeting: The Trustees reviewed the minutes of the Bourne Affordable Housing Trust Meeting of June 3, 2020. After discussion, there were no changes. A motion was made by Jim Donoghue to accept the Affordable Housing Trust Meeting minutes of June 3, 2020 as submitted. Seconded by Judith Riordan. Roll call: Peter Meier - yes, Stephen Walsh - yes, Judith Riordan - Yes, Susan Ross - Yes, Jim Donoghue - yes.

Agenda #2. Review the Request for Proposals (RFP) from developers to develop a 3 bedroom affordable home on 26 Horne Ave. and vote to authorize the staff to move ahead to advertise for development proposals when the final RFP is ready: (Attached RFP & Housing Program Administrator information sheet & Site Plans). Sue Ross opened the agenda stating that at the last meeting the trust decided to wait on plans for this lot due to pricing. Although pricing is still high the board of realtors sent information stating that lumber prices have leveled off and a lot of the problems were with the supply chain because of Covid - 19. Although still a problem, it appears to be better. Kerry Horman and Sue Ross discussed the fact that it might be time to move forward on this house. Kerry Horman has been working on the RFP and one of the attachments has the questions that need to be addressed to go forward and publicize the RFP. Susan Ross wanted to know what everyone's thoughts were on moving forward. Each trustee felt that now is the time to move forward. Kerry Horman gave a presentation on attachments). He stated, that in the past these homes were priced to the buyer at \$179,500 and the trust made up the difference. The last house on Wing Road cost roughly \$225,000. It is anticipated that current pricing will go up 10 to 12%. So, we are probably looking at around \$240,000. The median household income which is the factor that we determine what the maximum resale of the house would be, went up dramatically in 2019. However, we don't know what it will be in the spring 2021. It may have dropped a little bit because of Covid-19. Based upon low interest rates, the calculation is that the most we could sell this house for and

meet DHCD guidelines is probably between 240,000 to \$260,000. After talking with Gail Kelleher, she currently has nothing on the market. However, she said that she sets prices so that even if one person household income using 30% of their median could afford the home. That works out around what a 4 person family using 30% of their income, at 50% of median income, and would work out just about the same. Subsequently, a household earning \$48,000 could afford the home. Sue Ross asked what price he was talking about. Kerry stated it would be around \$210,000. He also suggested, that when we give a price to a developer, that we will be setting a price between 210,000 and \$220,000. The reason a developer wants to know that is because they are going to be carrying the home until we find a buyer. The lower the price the more people that can participate and the easier it is to sell. If the trustees want to lower the price down to around \$180,000, that is fine with Mr. Horman. Sue Ross mentioned that in Mr. Horman's list of questions, she is concerned that if the median income is going to go down because so many people have lost their jobs, setting the price high for the home might not work out well. Mr. Horman felt that at \$210,000 the trust still has a lot of leverage. We still have room for the income to drop and have sufficient people eligible to buy the home. Mr. Horman was just offering a range that would make everybody comfortable at. Ms. Ross said that if she understands Mr. Horman correctly, he is stating that someone who makes \$48,000 a year can afford the home at \$210,000. Mr. Horman said that is correct. That is assuming they have good credit and don't have a lot of debt on the backside. Jim Donoghue asked what their mortgage would be? Mr. Horman said, assuming they put the 5% down, the mortgage would be \$199,500. Mr. Donoghue asked Ms. Ross what mortgage rates are at the present time? Ms. Ross, said around 3%. Mr. Horman stated that we set these at the Freddie Mac thirty-year fixed rate, plus 1/4 of 1%. That comes out to about 3%. Ms. Ross said the rates are great right now which helps someone who is only making \$48,000. However, she can't imagine what the monthly payment would be for an income of only \$48,000. This amount with a family of 4 for a \$210,000 house would be high. Mr. Horman said that with mortgage, taxes, and interest, it would be about \$1200 a month. Ms. Ross said that would be less than they could find a rental for. Mr. Donoghue felt that amount is what they would pay for traditional rates a year ago. The rates have dropped and the monthly cost would be about the same. Ms. Ross asked all trustees what their final thoughts were. After discussion, it was determined not to price the home any higher than \$210,000. The trustees wanted as many people as possible eligible to buy the home. Mr. Donoghue mentioned 3 versus a 4 bedroom home. After discussion, it was determined that the home be listed as a 3 bedroom home with a walkout basement. There are window restrictions in order to put in a room in the basement. It was also mentioned that the septic system could be put in as a 4 bedroom in case someone wanted to expand the basement. The home will be sold as a 3 bedroom home. Ms. Ross said that she would feel better if the home was listed at \$200,000. She also said that if circumstances change that the amount can be adjusted by a vote of the trust. It was decided to stay at \$210,000 and adjustments to go down could be made with the vote if necessary. Mr. Donoghue stated that any money we can get goes back into helping other people. Steve Walsh wanted to make the point that the last home that was built on Wing Road only had one developer/proposal. Because of current situations, it might be tough for contractors to submit bids at prices they want to compete at. Mr. Horman stated that we actually had 1 proposal last time. One was Valle Group and the other was Dacey. Mr. Meier stated that a lot of people are working on their homes and we are going to have to be patient with professionals like

electricians and plumbers. Mr. Walsh mentioned interest rates and recessions and felt we should move forward with the project keeping in mind the economy and pricing. Ms. Ross asked if the trust felt that we should put in 2 full bathrooms versus the 1 1/2 bathrooms. Mr. Horman checked with a contractor he knows and stated that the difference to convert from 1 1/2 bathrooms to 2 bathrooms is only about \$2500 dollars. All trustees were in agreement to build the home with 2 bathrooms. Mr. Meier brought up the open space style home and privacy issues, due to Covid-19. There was discussion on the open spaces because the houses aren't that big and that hopefully Covid-19 will come under control in the future eliminating a need to change the design of the home. If you have a bunch of small rooms it can be too confining. All trustees felt that the project should move forward as is and make adjustments as necessary. Mr. Horman discussed proposals which originally have gone to the Town Planners Office. This is a problem due to covid-19 and the Town Hall being closed to the public and our unavailability to check the mail. Mr. Meier suggested using the Town Administrators Office/Selectmen's Office as the control point because he reports there twice a week. Mr. Meier will let the Town Administrator know what is transpiring and Nancy Sundman can call and let Mr. Horman know when information comes in. Mr. Horman reminded trustees that they have packets with the site plans which he gave a brief overview on and other packets sent and that he will be working to complete the RFP and other documents needed. The special permit has been approved and ready to go.

Agenda #3. Consider applications for funding to the Community Preservation Committee for programs related to Housing Services; Emergency Repairs; Development of New Housing Units; and for Rental and Mortgage Assistance for low and moderate income residents effected by the COVID 19 pandemic:

Ms. Ross said that CPA applications were late this year. Priority number one is for housing services for \$59,200 which is used for funding the housing program administrator and administrative assistant, along with legal support, marketing, supplies and other operating expenses. (Attached). This is the same amount of money we asked for last year. The second possible CPA request after discussion and approval by trustees will be for the need for rental assistance due to the pandemic. HAC has been trying to help people in these situations for people who are out of work and need to pay their rent. Some towns have programs helping these people with their housing trust. For instance, Mashpee is one of those towns. However, they have a housing assistance person with the administrative capabilities to perform this function. We do not have this position. HAC has provided us with a lot of assistance, and we have had 31 people from Bourne apply. The average amount was \$5000. They believe these situations are going to get worse. Subsequently, we are looking at the possibility of going for a CPA grant to help Bourne residents with rental and mortgage assistance. We would work with HAC because we do not have the resources to do the program on our own. In addition, the state is trying to come up with substantial funds to help with the programs. We would like to put in a CPA request to fund this program. If the state does come through with substantial money, we can always withdraw the application. However, due to time constraints, we have to get the application in by next Friday. Town meeting isn't until May so we will know by then whether the governor will approve the funding. Mr. Horman has talked with both HAC and the Massachusetts Housing Partnership, and the question is whether they actually need the money or not. The state is under the

assumption they have \$490 million coming in. This money would have to be spent by September, but the procedures on how it will be spent is up in the air. One of the problems that they are running into, is that people who are below the 50% of median household income have been helped. A lot of the money coming in from the state they believe is focused on people below the 50% median income level. Our CPA money can be used in Bourne only up to 80% of median household income. State law allows for up to 100%. The state feels that they will not have enough funding for people between the 50% to 80% range. This is for rental assistance and mortgage assistance. The feeling is that people close to 80% have exhausted their credit and their cash on hand. The question is, do we want to do a contingency request for \$60,000 plus 5% for administrative fees for HAC. This program is very complicated with big numbers and far more than we can handle by ourselves. HAC is doing it all the time and is already doing it for three other towns. The towns set aside the money and HAC funds the project, and then gets reimbursed from the town. HAC has suggested that we allocate up to \$10,000 per applicant. Subsequently Mr. Horman is recommending that we allocate up to \$10,000 per applicant for up to six people for a total of \$60,000, plus the 5% which would be 63,000 and have these funds in reserve. State and federal monies are used first. The town money would only be used if they run low on funds or if there is a gap, i.e., If someone is eligible under the town but not the state. The money for Bourne would only be for Bourne residents. If the funds are not used, we can turn it back into housing. Do, to the fact that zoom was running low a motion was made by Mr. Meier to approve the CPA request for \$59,200 for the housing services program. Seconded by Jim Donoghue. Rollcall: Peter Meier - yes, Stephen Walsh - yes, Judith Riordan - Yes, Susan Ross - Yes, Jim Donoghue - yes. The trustees then discussed in length the need for the second CPA request for a rental/mortgage assistance program. It was felt by all trustees that this was a positive request and there is no downside to helping the people in need in the town of Bourne. Ms. Ross felt that the trustees should consider going for \$80,000 plus the 5% administrative fees. She also discussed the difference between the state and local money that would fund the program, in particular the gap between the 50% to 80% median household income. After full discussion by trustees, a motion was made by Mr. Meier to put in a CPA application for \$80,000 plus 5% administrative fees for affordable housing rental and mortgage assistance. Ms. Riordan seconded the motion. Roll Call: Peter Meier - yes, Stephen Walsh - yes, Judith Riordan - Yes, Susan Ross - Yes, Jim Donoghue - yes. When someone needs assistance, they call the town hall who gives them the HAC number.

Agenda #4. Consider status of Calmar Project marketing agreement: Ms. Ross gave a brief overview on the Calmar project and the 10% requirement. However, there has been a lot of problems with the project and it is currently basically at a standstill and unprotected by the weather in certain areas. The regulatory agreement was supposed to be worked on around a month ago. An email to the town planner resulted in no additional information. Information was provided that the project was basically at a crawl with the exception of a few trades people. One of the problems is that Calmar had about 13 to 14 projects going on nationwide. The concern is that the frame of the building has been exposed continuously to the elements due to lack of progress for several months. In spots where there is tyvek covering, it is stripping away and blowing in the wind. It should be replaced. There is serious concern about the safety of the building at this point. It looks to be abandoned. The building inspector and/or the town

administrator should be asked and allowed to inspect the building. If there is insurance maybe the bond can be called in and the building stripped and started over from scratch.

Agenda #5. Housing Administrator's update: (Attached). Mr. Horman briefly discuss the administrator's update. Mr. Horman talked to Canelside Printing in order to get a flyer made for our programs. It is felt that the town website is insufficient. Consequently, it is hard to get information to people. A fold-over flyer would not be expensive at around \$500 to \$600. There is door-to-door every occupant delivery to get the flyers out as an option. A company in Hyannis said that for \$3000 to \$4000 we could get a mailing to everybody in town. Ms. Ross felt that we could do a lot more with that kind of money and she would prefer the flyer for a town meeting. Mr. Horman felt that it was a waste of time to put it in the newspaper and questioned how to get the information out beyond the town meeting. Our programs are diverse and HAC recommends the mailing. Mr. Donoghue suggested a good quality website. There was some disagreement among trustees regarding the website as the best means for communicating the programs. The housing programs are in the current website but it was felt that the town web page is not sufficient. The trustees like the idea of the flyer. Ms. Ross asked trustees to think about how they wanted to proceed with this issue to include websites. Mr. Horman explained the DRI funds and \$120,000 dollar notation on (attached) financial Summary.

Agenda #6. Vote to adjourn: There was a motion made by Peter Meier and seconded by Jim Donoghue to adjourn the meeting at 4:22p.m. Roll call: Peter Meier - yes, Stephen Walsh - yes, Judith Riordan - Yes, Susan Ross - Yes, Jim Donoghue - yes.

Respectfully Submitted,

James Chapman