

MINUTES
Hamilton Affordable Housing Trust
December 2, 2015

Members present: Marc Johnson, Michael Lombardo, Fred Mills, and Peter Britton.

Other people present: Don Preston, President, North Shore Habitat For Humanity, and Dorr Fox, Community Projects Coordinator.

The meeting was opened at 6:05 pm.

270 ASBURY STREET AND 89 ASBURY STREET

Fred Mills discussed the two properties that were under consideration. They are 89 Asbury Street and 270 Asbury Street. He explained that he would like to see two affordable single family homes on each lot.

Don Preston, President, North Shore Habitat for Humanity, discussed 270 Asbury Street. He explained that the house is not serviceable and would be torn down. However, there is a relatively new septic system on the site that complies with Title 5. They would like to build two new single family homes on the site. Each house would be 1200 square feet in size and contain three bedrooms and one and a half bathrooms. Each house would be sold for \$130,000 to \$135,000 to a family with an income between \$35,000 and \$60,000 a year. He explained that each house would cost Habitat for Humanity \$120,000 to build.

Mr. Preston stated that Habitat for Humanity would like to offer \$225,000 for the lot. There was an offer by another person for \$200,000 that was rejected by the current property owner.

The members of the Trust discussed the approval process for the project, noting that the project would not meet the Town's zoning requirements. Marc Johnson noted that the project could be approved as a Comprehensive Permit through the 40B process. Mr. Mills noted that the project could also be approved as a PUD.

Mr. Johnson noted that the project would cost over \$460,000 to complete, however there would only be a revenue of \$260,000 from the sale of the houses. He inquired who would receive the revenue from the sale of the homes. Mr. Mills stated that it would go to Habitat for Humanity, not the Town.

There was a discussion about alternative Town funding sources. Mr. Mills mentioned Community Preservation Act funds. Mr. Johnson noted that CPA funds need to be approved by Town Meeting. Mike Lombardo explained that the Affordable Housing Trust has bonding authority. However, he believes that Town Meeting may need to approve the bonding.

There was a discussion about using funds from inclusionary housing payments. There was a concern that Town Meeting may need to approve the release of these funds.

Mr. Mills asked the other members whether they would support the acquisition of one of the parcels of land if they have the funds. Mr. Lombardo stated that he would like to talk to the Town's attorney about whether Town Meeting needs to approve the Affordable Housing Trust's dedication of some of the funds to the project.

Mr. Preston stated that there would be two mortgages for the property once it was sold. The first mortgage, for the homeowners cost of the house and site, would be held by Habitat for Humanity. The property would have a deed restriction requiring the house to be affordable for a period of thirty years. The second mortgage would be a silent mortgage that would be for the difference between the cost of the house/site and the appraised value of the house/site. This second mortgage would only be repaid if the house was sold to someone who did not meet the eligibility requirements for affordable housing. The second mortgage would generally equal the amount of money for the project's land costs, which would originally be provided by the Town.

Mr. Lombardo inquired whether one property was preferable to the other. The members asked Mr. Preston to discuss 89 Asbury Street.

Mr. Preston stated that Habitat for Humanity has placed an offer of \$225,000 on 89 Asbury Street. They have not heard whether the offer has been accepted. He explained they wish to have two single family homes on this lot. However, in this case, they may be able to retain one of the buildings on the lot and use it for a single family home. The other single family home would be new construction. The homes would be similar to the homes on 270 Asbury Street and have the same financial circumstances as that lot.

Mr. Johnson stated that he is not in favor of using Town funds at this time, however he could be in favor of using the funds if bonding is used to purchase one lot.

Mr. Mills made a motion that if the funding issues can be resolved, the Hamilton Affordable Housing Trust supports the funding of one or two lots. Mr. Lombardo stated that he is not ready to vote until the funding issue is resolved. He would also like to review the agreement between Habitat for Humanity and the Town.

Mr. Preston and the members of the Trust discussed funding issues. Mr. Preston stated that they could accept CPC funds or Home Funds in addition to the funds controlled by the Affordable Housing Trust. It was noted that the project would cost more than it would provide in home sales and that no funds would come back to the Town. However, the Town would gain affordable housing units. It was noted that the release of some funds would require Town Meeting vote. Some members believe that it would be best to use CPA funds.

Mr. Mills stated that the Trust needs advise from Town Counsel. Mr. Lombardo stated he will have a memorandum explaining how the funding will work. The members decided to meet again on Monday, December 7th at 6 pm. Mr. Preston noted that they will know more about whether their offer on 89 Asbury Street was accepted on Monday. Mr. Mills noted that additional sources could be the Highland Street Foundation and the Hamilton Fund.

OLD BUSINESS

The Trust discussed whether the affordable units at the Canterbrook development should be constructed on site, or whether they could give a cash contribution for affordable housing. Mr. Mills made a motion that they preferred to have the affordable units constructed on site. Mr. Lombardo seconded the motion and it was unanimously approved.

MINUTES

Mr. Lombardo moved to approve the minutes of the October 28, 2015 meeting. Mr. Mills seconded the motion and it was unanimously approved.

Mr. Lombardo moved to adjourn the meeting at 6:50 p.m. Peter Britton seconded the motion and it was unanimously approved.