

Hamilton Affordable Housing Trust
Teleconference

April 23, 2020

HAHT Members Present: Chair Russ Tanzer, David Smith, Rosemary Kennedy, William Massos, and Marnie Crouch

Town Manager: Joe Domelowicz

Other Town Staff Present: Director of Planning & Inspections Patrick Reffett

**All of the above participated remotely. This meeting was teleconferenced via Zoom with all board members and others remaining at home.*

CALL TO ORDER – ROLL CALL

Russ Tanzer opened the online meeting of the Hamilton Affordable Housing Trust (HAHT) at 6:03 p.m. with a quorum present. He took roll call. All HAHT members were present.

MINUTES—APRIL 2 & APRIL 9

Marnie Crouch noted a typo in the April 9 minutes on pg. 2: “\$36K” should read “\$35K.”

William Massos made motion to approve the April 2 and April 9 meeting minutes as amended. Rosemary Kennedy seconded the motion. A roll call vote was taken with “ayes” from Mr. Tanzer, Ms. Crouch, Mr. Massos, Ms. Kennedy, and David Smith.

REVIEW/APPROVAL OF FUNDING COMMITMENT LETTERS FOR HABITAT FOR HUMANITY ASBURY STREET PROJECT AND TRAGGORTH COMPANIES WILLOW STREET PROJECT

Don Preston and Bill Brauner of Habitat for Humanity were present online for this discussion. All participants had read the commitment letter draft. Mr. Smith noted he didn’t see a beginning and end date included as he did with the letter for Traggorth Companies. Director of Planning and Inspections Patrick Reffett said he didn’t put any time limits in to recognize that Habitat will likely need to expend a fair amount of time pursuing outside funding, an open-ended effort; but he said he would happily accept suggestions. Mr. Smith, Mr. Massos, and Ms. Crouch responded they were then OK with the draft. Mr. Tanzer said they had discussed that this [the \$35K approved funding] will be the deposit for the Purchase and Sale of the property at 434 Asbury St. Regarding whether they needed to vote on both letters, Town Manager Joe Domelowicz said he’d confirmed with Town Counsel

they should vote on approving the two letters and they could vote authorize Mr. Tanzer to sign the letters so the whole board wouldn't have to sign.

Decision 1:

Mr. Smith made a motion the HAHT approve the letter to Don Preston, Habitat for Humanity, dated April 23, to be signed by Mr. Tanzer committing the HAHT to the funding of \$35K toward the purchase of the property at 434 Asbury St. Mr. Massos seconded the motion. A roll call vote was taken with "ayes" from Mr. Tanzer, Ms. Kennedy, Mr. Massos, Ms. Crouch, and Mr. Smith, (5-0) unanimous.

Mr. Tanzer thanked Mr. Preston and Mr. Brauner and said it was a great step forward. Mr. Tanzer said he will get a signed hard copy to Mr. Reffett. It was decided the HAHT should also vote to give Mr. Reffett approval to work with the Accounting Department to have a check cut.

Decision 2:

Mr. Tanzer made a motion that the HAHT authorize Patrick Reffett to start the process for having a check cut to Habitat for Humanity for \$35K. Mr. Massos seconded the motion. A roll call vote was taken with "ayes" from Mr. Tanzer, Ms. Kennedy, Ms. Crouch, Mr. Massos, and Mr. Smith, (5-0) unanimous.

Mr. Preston noted his deadline is April 30, so he will need the check before then because he has to cash it and turn it into a bank check. The money will be held in escrow. The check will come from the HAHT as a grant award to Habitat. Mr. Domelowicz and Mr. Reffett said they'll work on getting it done. Mr. Preston and Mr. Brauner left the online meeting.

Mr. Tanzer introduced the next discussion—the funding commitment letter for the Willow Street project. Hamilton Development Corporation (HDC) President Rick Mitchell had joined the meeting for this discussion. Mr. Tanzer said that while the "nuts and bolts" were in the letter, he had spoken with Mr. Domelowicz about a need for tweaking and fine-tuning. Mr. Tanzer said the letter did not mention the name of the developer and thought it should because the money was going to the developer, not the HDC. The money is subject to a grant agreement, and Mr. Tanzer thought verbiage such as what's been used in past grant agreements should be cut and pasted in.

Ms. Crouch said the developers had said in their proposal they would subordinate the \$500K, so it would be a debt instrument. She read the proposal aloud and said she thought the Trust would have to add conditions that would need to be met by Traggorth prior to receiving the funding. She said Eastern Bank was requiring guarantees from the principals, so David Traggorth and Dan Hubbard will be personally responsible. She said she wanted to make sure all of Traggorth's financial resources were lined up prior to receiving the Trust's funding.

Mr. Tanzer talked about the possibility Traggorth may not receive DHCD (Department of Housing and Community Development) funding on the first round. Ms. Crouch read aloud information provided by Traggorth about its plan, including the application process for various potential funding sources and their timelines. Mr. Massos and Ms. Crouch elaborated on possible scenarios and outcomes.

Mr. Reffett said he would work to incorporate the Trust members' comments into the letter. Ms. Crouch reiterated it was the HAHT's intent to award the developer the \$500K, but wanted to safeguard the money until the project is a go. Mr. Tanzer confirmed with Mr. Mitchell that Traggorth would like to have control of the property by April 30 and that they'd also be seeking a thumbs up from other Town authorities, such as the Board of Selectmen (BOS).

Mr. Domelowicz asked Mr. Mitchell if they are on track to have control of the property by April 30. He replied they were working toward it. Mr. Domelowicz said once there was site control, they could have the HDC and Traggorth appear before the BOS in May to discuss the project. They might also want to have pre-construction meetings with the Public Works and Public Safety departments. He summarized this document was a commitment letter from the HAHT to fund the \$500K through a mortgage agreement and subordinated debt agreement once all the other funding pieces are in place.

Mr. Tanzer asked Ms. Crouch if she would work with him on the document; she agreed. Mr. Tanzer asked whether the Trust could approve the letter tonight with changes as noted. Mr. Massos cited they might need to paraphrase what the developer had said about the debt instrument and add that in, and he suggested other steps they might need to take and things to include.

Ms. Kennedy pointed out the sunset clause citing the project was set to start by Oct. 1, 2020 and be completed by July 30, 2022. She said she worried about current state of uncertainty economically speaking and how it might impact the project. Mr. Tanzer said maybe the sunset date should be stretched out a bit in case something happens, for example, if the developer doesn't qualify for the first round of DHCD funding. Mr. Domelowicz said they could add the following qualifier after the sunset: "unless mutually agreed to by the Affordable Housing Trust and the developer." Mr. Mitchell said the developer had said they could close and take possession of the property by November and start construction by spring. He suggested they note the closing would happen in November and construction is expected to start in May of 2021. Ms. Kennedy said they needed some contingency clause that protects the funding so if something happens it isn't held in limbo. Mr. Tanzer said the money pledged isn't going anywhere. If they come to the finish line of the closing and there's a glitch, the developer does not get the money. Mr. Mitchell cautioned that putting in a hard stop could prevent the developer from going to the second round to apply for

funding. Mr. Massos said the purpose of the letter was to allow the developers to obtain site control. They don't want to put anything in there that undermines their credibility or the Trust's support, but do want to add something to say if the developer doesn't get full funding, the Trust will get its money back. Mr. Reffett suggested language to the effect that should the project not be completed, all funds would be returned to the Trust by the grantee.

Ms. Crouch suggested adding the precise trigger for when the Trust would release the funds. Mr. Mitchell suggested adding that the Trust's funds would not be released until the other sources of funding required to complete the project have been procured. Mr. Reffett suggested saying "and the Town having been provided with evidence of their funding partners."

Ms. Kennedy asked whether they would include a sunset. Mr. Massos said they should set dates realistic for the developers if they make the first round. It was discussed that if they don't run the letter by Town Counsel, it was a good idea to circulate it for their collective suggestions. Mr. Domelowicz suggested the Trust go through Mr. Reffett to work on the letter and make their individual comments to him without using "Reply All" so as not to violate open meeting law. It was agreed they would do that. Ms. Kennedy asked if they should have a short meeting to make final comments/changes and make sure they were all in agreement. Mr. Domelowicz suggested meeting via Zoom on Tuesday, April 28. Mr. Massos asked that they have the document in hand ahead of the meeting.

Decision:

Mr. Tanzer made a motion that the HAHT will get a second look at the funding letter for Traggorth Companies/HDC for the Willow Street project and meet again on Zoom next Tuesday to work together to fine-tune the letter. Ms. Kennedy seconded the motion. A roll call vote was taken with "ayes" from Mr. Tanzer, Ms. Crouch, Ms. Kennedy, Mr. Massos, and Mr. Smith.

Mr. Domelowicz said he will draft the one-item agenda and have the Town Clerk post it so they can meet the 48-hour posting requirement. The meeting time was set for 5:30 p.m. Mr. Smith said he would not be able to attend due to another scheduled meeting, but thought the others well-versed in the subject and they would have a quorum without him.

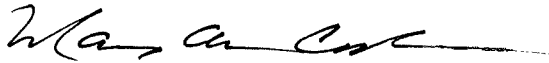
NEW BUSINESS

Ms. Kennedy said she had items for future discussion but not for this evening.

ADJOURNMENT

Mr. Tanzer made a motion to adjourn the meeting at 6:48 p.m. Ms. Crouch seconded the motion. A roll vote was taken with "ayes" from Mr. Tanzer, Ms. Kennedy, Ms. Crouch, Mr. Massos and Mr. Smith, (5-0) unanimous.

Prepared by:



Mary Alice Cookson

6-4-2020

Date

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