



The Town of Barnstable
Affordable Housing Growth & Development
Trust Fund Board
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Mark S. Ells, Chairman

Friday, March 26, 2021
Affordable Housing Growth & Development Trust Fund
Fund Board Meeting APPROVED Minutes
9:00 A.M.

As a result of the COVID-19 State of Emergency, this meeting was closed to the public to avoid group congregation.

Alternative public access to this meeting was provided by utilizing a Zoom link or telephone number, both provided in the posted meeting notice.

Board Member Attendees: Andy Clyburn, Acting Chairman, Laura Shufelt, Mark Milne, Wendy Northcross, Mark Ells (Absent)

Other Attendees: Ruth Weil, AHG&DTF Staff; Attorney Charlie McLaughlin, Senior Town Attorney; Elizabeth Jenkins, Director of Planning & Development; Arden Cadrin, Housing Coordinator, Planning & Development; David Anthony, Director of Asset Management; Councilor Gordon Starr; Councilor Paula Schnepp, Jake Dewey; Ellen Swiniarski, CPC Coordinator, Planning & Development.

Call to Order

With a quorum present, Chairman Clyburn called the meeting to order at 9:00 a.m. and stated that today's meeting is recorded and in accordance with M.G.L. Chapter 30A, s 20 he must inquire whether anyone is recording this meeting and to notify the Chairman that a recording is being made. No one came forward.

Member Introduction

By roll call (present): Wendy Northcross, Laura Shufelt, Mark Milne, Andy Clyburn.

Topics for Discussion

1. Public Comment

Jake Dewey, Hyannis resident, made the following comments:

- The Trust should also consider at how to create funds that are not restricted by the Community Preservation Act (CPA) in order to be able to be more reactive to the needs as they arise.
- Mr. Dewey expressed that the housing crisis is truly the worst he has ever seen. He received a dozen phone calls yesterday from people who do not know what to do or where to go and has resulted in them looking off Cape. He said that he does not know

how to support people to keep them in their homes, or prevent people from selling their homes because this is caused by the economics we are experiencing. Jake thanked the Trust for their work.

2. Approval of minutes for the 3/5/21 meeting.

Motion was made by Laura Shufelt, and seconded by Wendy Northcross to approve the March 5, 2021 meeting minutes as submitted. Roll Call Vote: Wendy Northcross (yes), Andy Clyburn (yes), Laura Shufelt (yes), Mark Milne (yes). Motion carries.

3. Continued Application:

Continuation of the review of, and possible vote on the conditions of funding to be included in a Grant Agreement relating to the revised application submitted by Standard Holdings, LLC for a project identified as “Residence @ 850”, a proposed multifamily housing development applying for \$1.4 Million Dollars of Trust funds to create 10 units of affordable rental housing, to be affordable to individuals and families whose income is 50% of the Area Median Income (AMI), to be located at 850 Falmouth Road, Hyannis, MA. *The Trust voted on March 5, 2021 to approve the application for funding subject to a review of and an affirmative vote by the Trust on the conditions of funding to be included in a Grant Agreement to be executed by the parties.*

Chairman Clyburn read into the record an e-mail from the applicant, Tim Telman, requesting a continuance of review of “Residence @ 850” application to the next Affordable Housing Growth and Development Trust Fund Board’s meeting scheduled for April 9, 2021. A motion to continue review of “Residence @ 850” application to the Trust’s April 9, 2021 meeting was made by Wendy Northcross and seconded by Laura Shufelt. Roll Call Vote: Wendy Northcross (yes), Laura Shufelt (yes), Mark Milne (yes), Andy Clyburn (yes). Motion carries.

4. Preliminary discussion of the possibility of the Trust partnering with the Massachusetts Housing Partnership (MHP) under MHP’s ONE Mortgage Program to provide housing support to qualified first-time homebuyers earning 100% or below of the Area Median Income (AMI) through a program that provides mortgage interest rate write-downs.

Laura Shufelt stated that she had provided a preliminary overview of this program at the March 5, 2021 meeting and that she will now go over the parameters of the program. Laura shared her screen depicting a slide for the ONE +Boston program explaining that Massachusetts Housing Partnership (MHP) has piloted this program in Boston working with Boston Community Preservation Committee (CPC) and local banks. Laura explained that the program combines Community Preservation Act (CPA) funding and MHP’s ONE Mortgage program. A comparison depicted on a chart identified the buying power of a 1st home buyer using ONE Mortgage over a conventional mortgage, and the increased benefit by also utilizing ONE + Boston, adding a total of \$144,000 to the buying power with the same monthly payment. Laura explained as an example, that by utilizing both programs, the required down payment is reduced from \$15,306 to \$6,750. ONE Mortgage buyers are required to have 3% down payment, and of that 3%, 1.5% has to be their own funds. However, the other 1.5% could be a gift but in most cases it is provided by down payment assistance from another source. The interest rate is written down to 2% and ONE Mortgage already represents an interest rate reduction of .5%. There are no points, no private mortgage insurance. as MHP maintains a loan loss reserve account in case of default. Laura noted that MHP’s ONE Mortgage, and predecessor, Soft Second, have a

default rate below 2% which is better than conventional mortgages. Laura said that overall, the interest rate subsidy that is asked from CPA is 1% over a 30 year mortgage term. This represents much less funds from the Trust than the Trust had previously been considering for down payment assistance, noting that the beneficial effect to the borrower is much greater. Laura said that after piloting the program for a year and a half in Boston, MHP has found it to be a very successful program with other communities hoping to replicate it. She explained that after significant technical efforts to accommodate, it is now standardized. She noted that the first group expressing interest are municipalities in Gateway Cities. There is a meeting set up inviting CPCs in Gateway Cities to discuss this program scheduled for June 9, 2021 and will make sure that the Trust also receives notice. Laura expressed hope that the Trust would look at participating as part of a Gateway City, with a countywide program having a greater impact using local Cape banks that already offer ONE Mortgage. Laura noted that it would be best for her colleague, who has been working with the Director of Home Ownership, Elliot Schmiedl, to market this program to other areas besides Boston, to meet with the Trust, perhaps before the June 9, 2021 meeting. Laura noted that the June 9 meeting will be recorded and that the Trust members will have the option to attend or watch a recording, and suggested another option for requesting a separate presentation perhaps pulling in some other towns on the Cape. Laura further explained that because this program would use CPA support for affordable housing funds, through the Trust, there is no deed restriction, and eligibility is up to 100% of AMI. This is a way for 1st time homebuyers to not only get into a house, but to also start building wealth.

In answer to Trust members questions, Laura provided the following information: one of the negatives for the program is the down payment requirement which is a barrier to some people. MHP is looking at programs like United States Department of Agriculture (USDA) that have 100% mortgages, roll in closing costs, however these mortgages are only available in rural communities. She explained that Boston has expanded their down payment assistance program and uses Community Development Block Grant (CDBG) funds so there would not be a deed restriction which has helped the ONE + Boston program, but said it is a question that MHP is receiving from the gateway cities where down payment assistance is not as readily available. Laura explained that leveraging all of the towns on the Cape would be an option for each town, not a requirement to participate in a ONE+ program and depending upon where the house is located, that municipality's CPC would fund that part of it. Laura noted the possibility that the County could administer the ONE+ program.

In answer to Councilor Gordon Starr's question, Laura said that the Area Median Income at 100% for one person in the Town of Barnstable is \$63,000 and for a family of 4 at 100% AMI it is \$92,000. Mr. Starr noted 100% AMI in Boston is \$83,000 AMI for a single person and disparity between Boston and the Cape.

Mark Milne inquired if under the program, CDBG funds could also be used to augment Trust funds and Elizabeth confirmed that it would a logical pairing for the down payment. She did however note that CDBG funds would not work for everyone as there are some limitations, such as the age of the home that could exclude some people.

Charlie McLaughlin asked Laura if there has been any discussion in the Boston program regarding minimum holding periods in light of the dramatic upshot in valuations, there could potential temptation to take the money hold it, and turn it around for a flip in a short period of time. Laura explained that the subsidy is provided monthly, not as an upfront expenditure. She further explained that down payment assistance has payback requirements on a prorated basis, but the subsidy from CPA fund is a monthly subsidy equaling approximately \$100 per month.

Laura said that she would check as to if the subsidy needs to be repaid if the property is sold. As a part of the eligibility, the house must be maintained as a primary home which is certified annually. Laura also confirmed that she would look into setting up a future meeting with the Trust and her colleague, Shelly, who can provide detail and answer questions regarding the program.

5. Discussion of the next steps to evaluate the parcel located at 34/45 Mitchell's Way, Hyannis, MA. Map 308, Parcels 273/001 and 273/002, for development.

David Anthony, Director of Asset Management, explained that this property was reviewed at an earlier Affordable Housing Trust meeting and the general consensus was that the Trust would focus on the 1200 Phinney's Lane, Hyannis property formerly owned by the Disabled American Veterans (DAV). He noted the reality that the two parcels might produce only one unit, given some of the limitations associated with proximity to the water and potential encroachment on the east side, resulted in the group deciding to focus efforts on something that was going to bear more fruit. He asked for direction from the Affordable Housing Trust whether to set the property aside for future consideration, or abandon this property given some of the complications and move it through some other channel. He noted that any time there is vacant property, there are liabilities. Trust members recalled discussion was not to dedicate a lot of effort at this point to this particular parcel, however would want to be able to reassess should sewer come to this location. The Trust members generally agreed that although the parcel is difficult, there still is potential beyond a single house should sewer be brought to this area and the parcel should be held for the Trust for at least 6 months. It was also noted that there had been interest in the parcels by abutters in the past and it is possible that the property may need to go out to bid. David said that he would remove the parcel from any of the lists currently going through Asset Management's traditional path for consideration for sale.

6. Discussion of the next steps to evaluate the parcel located at 109 Sea Street, Hyannis, MA (Map 307, Parcel 080) and the next steps to evaluate the parcel for development.

David Anthony, Director of Asset Management, explained that there is not an update for this particular parcel at the present time and an update will be provided once information can be provided.

7. Correspondence:

Monitoring Report submitted by the Housing Assistance Corporation (HAC) for the period from December 1, 2020 through February 28, 2021 for the temporary emergency rental assistance program.

Notice from the Housing Assistance Corporation (HAC) that it is the recipient of a new source of funding for rental assistance from the Emergency Rental Assistance Program (ERAP), which are federal funds distributed by the Department of Housing and Community Development (DHCD).

Ruth Weil explained that the HAC Monitoring Report reflects the fact that no Trust funds were expended for this period. However, 65 Barnstable residents were served by \$320,000 worth of rental assistance mainly under the Residential Assistance for Families in Transition (RAFT) program. Ruth explained that when the Trust awarded the rental assistance funds, the contract began June 1, 2020 and the outlook on what other funding would be available was unclear at that time. The Trust structured the grant so that if there were other State, Federal or County funds

available for qualified applicants, those funds would be used first. Ruth noted that HAC has been honoring the contract terms resulting in only \$4,600 of the \$300,000 Trust allocated funds to be spent to date with one or two applicants having been served. Ruth said she wanted the Trust to be aware that the contract with HAC will expire as of July 1, 2021. State funding also received by HAC also has a time limit in which funds need to be expended as well. Laura noted that the new Federal funds available distributed to the state are \$487M that landlords can apply for with the approval of their tenants. She explained that it works easiest for arrearages but can apply forward in three month increments with recertification required every three months. The funds can be used for utilities, rental down payments (1st, last, security deposit) and noted its flexibility. Improved guidelines will be forthcoming. There is a lot of money available and the ability of landlords to make application will open the door to those not aware. Laura said that the Federal Center for Disease Control (CDC) eviction moratorium is in effect till the end of March and there is hope that it will be extended. If not extended, courts will inform parties of the funds available to bring arrearages up to date.

Ruth Weil asked the Trust members if there was a benefit to having HAC come to a Trust meeting or to let HAC hold the money till the end of the contract July 1, 2021. Ruth noted that in accordance with the contract, unexpended funds will need to be returned 30 days after the expiration of the contract. Ruth explained that because the Trust had structured the grant correctly, the Trust funds are the funds of last resort which was the intent. Laura Shufelt said that she would support letting the contract go to July 1, 2021 even though there is a lot of available Federal money explaining that Federal money has some restrictions that State and Trust money do not, specifically for undocumented individuals. Laura said that the Federal money was originally supposed to be expended by September, however, this has been extended.

8. Discussion of topics for future meetings.

Continued item Residence @ 850 will be placed on the April 9, 2021 Affordable Housing Trust agenda as requested by the Applicants.

1200 Phinney's Lane, Hyannis site update will be included on the April 9, 2021 Affordable Housing Trust agenda.

Laura Shufelt said that she would like to have discussion at the next meeting regarding the Affordable Housing Trust's criteria and funding limits. She said that if not adhering to the criteria, there should be a reason and expressed her concern regarding possible precedent setting for future applicants.

Laura said that she would check with her colleague, Shelly, regarding her availability to attend a Trust meeting to discuss One Mortgage + prior to the June 9 meeting for this.

Laura said that she saw a Capital Improvement Plan (CIP) for the Marstons Mills Elementary School and asked if an update could be available from Asset Management regarding this.

Adjournment

Motion to adjourn was made by Laura Shufelt and seconded by Wendy Northcross. Roll call vote: Laura Shufelt (yes), Wendy Northcross (yes), Mark Milne (yes), Andy Clyburn (yes). Meeting adjourned.

List of documents/exhibits used by the Board at the meeting:

Exhibit 1 – Affordable Housing Growth and Development Trust Fund Board Agenda 3/26/21.

Exhibit 2 – Draft minutes for 3/5/21 Affordable Housing Growth and Development Trust Fund Board meeting.

Exhibit 3 – E-mail from Tim Telman, Applicant for Residence @ 850, requesting continuance to the April 9, 2021 meeting.

Exhibit 4 –Monitoring Report by Housing Assistance Corporation for temporary emergency rental assistance program from 12/1/2020 through 2/28/2021

Exhibit 5 – Notice from Housing Assistance Corporation regarding the Emergency Rental Assistance Program (ERAP) to be distributed by the Department of Housing and Community Development (DHCD).

Respectfully submitted,

Ellen M. Swiniarski
CPC Coordinator
Planning and Development Department