

# ***Affordable Housing Commission***

## ***Meeting Minutes***

May 2, 2019

6:00 p.m.

Present: Isabel Roberge, Steve Mattson, Tina West, Tim Hildner, Carol House, Jason Zelek, and Dave Roberge.

The meeting was called to order at 6:04 p.m.

Jason Zelek was introduced as a new member of the Commission. Minutes from the April 4 meeting were approved.

Review of current units. All households are up to date on payment, except one that was a month behind. Chairperson Roberge will send letters requesting tax returns to be submitted with a deadline of June 1, 2019. Home condition and upkeep will be discussed at next month's meeting.

The selection criteria for new applicants will be covered in a later meeting.

Ground lease review and update. In preparation for a potential revision in our lease agreement for affordable units, Tina West gave a summary of findings from her review of leasing documents from two similar towns. Overall, Tina felt that our existing lease document was generally better for our needs, so she does not recommend a fundamental revision. She did find one section that we may wish to emulate. In the town of Sharon, CT, the lease document states that the occupants will owe the full annual tax on the land unless they request and receive, each year, a waiver based on income level. This approach provides an incentive for the occupants to submit their tax returns to the town in a timely manner. This might be a good change to make in our lease document. A second potential change may in the notice occupants must provide the town if they plan to sell the structure. We currently require a 3-month notice. Sharon requires an 8-month notice. We may want to look at something in between. Tina also said that some of the boilerplate language in our lease document might be modified to read more smoothly. The working group for application revisions to the land lease will meet Monday and report back.

Ruth Young parcel development. Dave Roberge provided a breakout of work needed, and a rough estimated cost, to make the parcel ready for building a dwelling. The work required would be dependent on such things as the amount of rock that must be removed, whether the septic field must be elevated, the depth of the well, and the type of structure that will be built. The preliminary estimate, with assumptions, is in the \$57,000 to \$63,000 range. The town's proposed budget now includes \$60,000 for site development.

Assessment of current affordable housing model. Tim Hildner brought in results of his research to determine whether with the use of Connecticut Housing Finance Authority (CHFA), a buyer with an income level of 80% of AMI (area medium income) can secure a mortgage amount that will be sufficient to finance the purchase of a \$180,000 home (exclusive of land value). Tim's calculations also included a second scenario with a somewhat higher mortgage to include a portion of the site preparation. The Commission reviewed Tim's research, and there was general agreement that the model we are projecting is on target for the current economic conditions. We asked Tim to check whether CHFA will finance construction costs that would then be converted to a 30-year mortgage.

Commission reorganization and search for new members was delayed for a later meeting.

Meeting was adjourned at 7:50 p.m.