

**TOWN OF GREAT BARRINGTON
AFFORDABLE HOUSING TRUST FUND (AHTF)
BOARD OF TRUSTEES MEETING
MINUTES**

Thursday, August 2, 2018

6:30 PM – Great Barrington Fire Station, 37 State Road

MEMBERS PRESENT: Bill Cooke, Chairman; Fred Clark; Jonathan Hankin; John Katz; Samantha Homeyer; Cara Davis

OTHERS PRESENT: Shep Evans, Administrator; Ellen Lahr.

CALL TO ORDER: Mr. Cooke called the meeting to order at 6:31 PM.

MINUTES: Mr. Clark made a motion, seconded by Mr. Katz, to approve the minutes of July 5, 2018.
Unanimous approval.

Mr. Cooke opened the meeting with a discussion of increasing the amount of the Down Payment Assistance Program and adding a permanent deed restriction requirement. At present, the program offers 5% of the purchase price assistance up to \$15,000 with no "burn off" of the repayment obligation over time. The problem with the program appears to be the short of supply of houses affordable for people at or under 80% of median income. A general discussion followed regarding amending the program to increase the income qualification to 100% of area median income in order to open up the program to more people. **Motion by Mr. Katz, seconded by Mr. Clark,** to approve looking into such an amendment. **Unanimous approval.**

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Mr. Cooke noted that we don't know what's involved in getting CPC to approve raising the qualification threshold to 100% of Median Income, and we must research this issue. Ms. Lahr is holding off on her promotional efforts for the down payment assistance program pending final resolution of the income qualification questions.

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Mr. Cooke acknowledged that the rehab program may have to be sidelined because CPA requires that the Trust can only use CPA money for rehab if the Trust purchases the property with CPA money, and the Trust just doesn't have sufficient resources to pursue rehab projects on those terms.

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The question was raised whether the Trust is receiving inquiries about the down payment assistance program. The answer was "yes" and that people inquiring are directed to talk to their bank to get prequalified. Ms. Lahr asked whether qualification was based on total gross income or adjusted gross income, keeping in mind that self-employed people may be writing off considerable expenses and may appear less qualified than they are.

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Mr. Clark noted that the Trust should accept what the bank accepts. He felt that the Trust should not get into evaluating deductions, and that to do so was a slippery slope toward inventing multiple new programs.

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Mr. Cooke noted that because the Trust must own a house with CPA dollars to do rehab work, perhaps there is a possibility that the Trust could purchase a share of the ownership (25%) which might only cost \$50K per house.

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Mr. Hankin reminded the Board that very often the best "bang for the buck" is to buy at foreclosure.

Ms. Davis suggested that the Board do what it can with the \$100K it has for the down payment assistance program, lifting the income qualification limit, and raising the maximum assistance available.

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Mr. Clark suggested maintaining 10% of the purchase price assistance, raising the maximum assistance to \$25K and require that the buyer contribute at least 5% of the purchase price into the property.

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There then was an extended free-style conversation/brainstorm session about what is affordable for whom.

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Mr. Clark made a motion seconded by Ms Davis: to amend the Affordable Housing Trust Fund program for Down Payment Assistance as follows: Raise the income qualification to 100% of area median income (Contingent upon Mr. Cooke confirming with CPA authorities that they would allow the Trust to raise qualifying income to 100% of area median income); down payment assistance at 10% of purchase price with a cap of \$25K; the Buyer must contribute a minimum of 3% of purchase price to the down payment; upon sale of the property the assistance money will come back to the Trust without interest; and there will be no ongoing deed restriction limiting future sale prices per an affordability calculation. (It was noted that such a Buyer would not necessarily be a first time homebuyer.) **Unanimous approval.**

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Mr. Cooke raised the question of what the Trust should apply to the CPC for on the next round? The suggestion was made that maybe the Trust should "take a pass".

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Ms. Davis noted that the Trust has nothing to show, yet; and Mr. Cooke again asked if the Trust should skip a round?

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Mr. Hankin said he did not want to skip, noting that the Trust only just got its first round money in July.

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Mr. Cooke raised the question of looking into various properties that the Town might soon own.

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Ms. Davis made a motion, seconded by Mr. Clark, that the Trust repeat the first round application for \$100K for down payment assistance on terms as amended earlier (see above). **Unanimous approval.**

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It was noted that per CPA guidelines, money for rehab is available only if the Trust has site control (ownership) purchased with CPA money, and that if the Trust could buy certain Town owned properties for \$1.00, it might well be able to then rehab with CPA dollars.

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Ms. Davis made a motion, seconded by Mr. Clark, to also apply for \$200K from CPC for acquisition and rehab with an eye to purchasing and rehabbing certain Town owned properties, which would be deed restricted as permanently affordable. **Unanimous approval.**

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It was also unanimously agreed that Mr. Cooke would write the grant applications to CPC.

NEXT MEETING: Thursday, September 6, 2018 at 6:30PM at the G.B. Fire Station.

ADJOURNMENT: Mr. Cooke, hearing no objection, adjourned the meeting at 8:18 PM.

Respectfully submitted,



Shepley Evans
Administrative Support