

Bedford Municipal Affordable Housing Trust
Remote Participation Meeting via Zoom
Minutes
June 1, 2023

PRESENT: Paul Mortenson, Alice Sun, Christina Wilgren (Chair), Colleen Doyle

ABSENT: Shawn Hanegan

ALSO PRESENT: Jeffrey King, Staff, Liz Rust, RHSO

Ms. Wilgren opened the meeting at 6:34 PM via remote participation conference call with a reading of the Governors message on meetings.

A roll call occurred for committee members to announce that they were present. Mr. Mortenson- yes, Ms. Sun- yes, Ms. Doyle- yes and Ms. Wilgren- yes.

Meeting Minutes

Town staff to the Board, Mr. King, volunteered to take the minutes for this meeting.

The meeting minutes of March 29, 2023, were presented. Ms. Sun moved to approve the minutes with minor grammatical changes. Mr. Mortenson seconded. Members were polled individually: Mr. Mortenson-yes, Ms. Sun- yes, Ms. Stanton- yes and Ms. Wilgren- yes. The motion passed unanimously.

Bedford Rental Relief Program Funding

Ms. Wilgren explained that the Bedford Rental Relief Program (BRRP) has encumbered nearly all of the \$60k that the program was initially funded with. Twelve families are being assisted. Mr. King explained that it will take a few months to fully spend down as the rental assistance is for six months. Ms. Rust stated that they had to turn away two families as the funding had run out. Mr. Mortenson asked if the program was first come, first serve. Ms. Rust stated It was. Mr. King stated that RHSO has administered and monitored the program effectively and did a very good job handing off the payment processing back to the Town. Mr. King discussed the table prepared by RHSO of what other communities funding levels were who had a similar program. Mr. King explained the initial reasoning behind the program was unfortunately due to a perfect storm of rapidly rising utility costs, rent increases, inflation and interest rate increases and the cost of labor, created a near crisis for low income families. A second goal of the program was to prevent homelessness. Looking at the 12 applicants, many had rent and utility bills in arrears. Mr. King added the situation has only minimally improved.

There was discussion about the two families that were turned down due to lack of funding. Mr. King added that was only a few weeks ago, so if new funding is passed, RHSO can reach out and retrieve those two applicants quickly. Mr. King was asked about the amount of funds in the MAHT accounts. He added that \$714,00 is in the account but he needs to check if the funds used to purchase 23 Winterberry was properly charged to the MAHT account. So, the true number could be between \$500,000 and \$714,000. Ms. Wilgren stated that there could be two projects that may request MAHT funds -the renovation and affordable re-sale of 23 Winterberry Way and the larger DeVellis project on Carlisle Road.

Ms. Wilgren asked what the Trust Board members thought. Mr. Mortenson said that we should at least fund the two turned down applicants. Mr. King stated that Mr. Hanegan, who was unable to attend this meeting, suggested refunding the program at \$60,000. Ms. Sun asked what the total cost to the program was for the 12 families. Mr. King replied that it was \$59,947. Ms. Rust said that any additional funding would be for new families. Mr. Mortenson asked it was premature to add more funding to the program. Mr. Rust said it was not but you could not just fund the two existing families who were turned down. However, if the program was refunded, RHSO would quickly reach out to the two families. Ms. Wilgren asked if we refunded, the program could we reach out to those two families first? Ms. Rust said yes, the program does not have such rapid demand that funds would be spent in one day or so. Ms. Wilgren asked if we were making a difference. Ms. Rust stated that absolutely, yes. Ms. Sun asked if there was a cap on the amount any one applicant could receive. Mr. King stated that because it was termed a pilot program there was not an absolute hard dollar cap. He said that the most an applicant received in the first round was \$13, 618, another for \$10,000 and a third applicant received \$9,000 but the nine others received between \$2,000-\$4,000. Ms. Rust added that the experience across all communities with a program, it averaged around \$3,000. Ms. Rust explained that the benefit was based on someone paying no more than 30% of their income to rent and a cap on the maximum rent that would be paid on and the rent has to be under a certain amount. Those two items act as a built-in regulator.

Ms. Sun stated that she doesn't want this to be on on-going program for someone. Ms. Rust explained that an applicant can only apply once. If you have received funding from MAHT previously, an applicant is no longer eligible.

Ms. Doyle suggested funding the program at \$30,000 and then come back another time if there is strong demand. Mr. Mortenson asked if the program was funded at \$60,000 and there was little demand would the unspent funds be lost to MAHT? Ms. Wilgren responded that if funds belong to MAHT and if funds were not expended within a reasonable time then the Trust could end the program, take back the funds and put them back in the MAHT general account.

Ms. Sun made a motion to fund the Bedford Rental Relied Fund at \$60,000. Ms. Doyle seconded. Members were polled individually: Ms. Sun- yes, Ms. Doyle- yes, Mr. Mortenson-yes and Ms. Wilgren- yes. The motion passed 4-0.

Response to 23 Winterberry Way RFP

Mr. King stated that that one valid, complete response to the 23 Winterberry Way RFP was received from Habitat for Humanity. The submittal was complete and included ability, background, experience references, project approach, a detailed budget and funding sources. It includes how a family would be chosen to purchase the renovated property. The target income would be 30-65% of average median income (AMI). Mr. King added that that there is a request to MAHT for \$25,000 to fund the discretionary items, mostly energy efficiency items requested in the rfp. Mr. Rust explained that the ask of \$25,000 plus the price of MAHT purchasing the home represent a significant investment in order to preserve the home as an affordable property. Ms. Rust stated that the Habitat for Humanity submittal provided much of what the Trust was asking for, particularly for someone to renovate the property without asking for additional funding other than the discretionary package. The House needs significant repair, essentially a gut repair to bring the property back to saleable condition. Ms. Rust added that she has worked with Habitat for Humanity on three other affordable projects and have never asked for additional funding. They know what they are doing. It is a very solid proposal. In terms of the AMI, Habitat will stay involved with the first low income buyer and also takes on the mortgage for the first homebuyer. Habitat sets up the deed rider for 80% AMI but for the first homebuyer they sell it to someone with 30-65% AMI. After the first homeowner eventually sells the property, it becomes affordable to someone at 80% AMI. The property remains affordable in perpetuity. Ms. Doyle asked if on resale it remains a lottery process. Ms. Rust replied that it would and that RHSO could operate the lottery process for the Town.

Mr. King suggest that for a typical RFP process, the Trust would need to take a vote and on awarding the project to Habitat. He suggested that there first be a one-time interview to discuss the proposal, ask questions, get clarification as needed and make sure everyone is on the same page. The process would ultimately include three items 1. A vote to award the project, 2. A vote for approve the \$25,000 request and 3) prepare and execute and Agreement and a Purchase and Sale. Ms. Doyle asked if anything was missing from the RFP submittal, do we have any questions? Ms. Wilgren said it would be good not to put the cart before the horse and have the interview/meeting first so we could ask questions. Mr. Mortenson was concerned that the Habitat submittal discussed intent not what they will do. Ms. Rust said that during the interview, that question can be asked. Ms. Rust added that when the Trust sells the property to Habitat there will also be an Agreement that has the Trust's requirements and what the conditions are and how the Trust conditions will be enforced. Ms. Wilgren said she had several questions such as if there is enough insulation. Mr. King stated that the interview/meeting could be held in June and a meeting with the Trust meeting held in July to take a vote on the RFP award and the \$25,000 funding request. Ms. Rust stated that she can't imagine another bidder being as advantageous to the Town. This is the most expedient way of returning this property back to the Town's affordable housing inventory.

Ms. Sun asked where is there information on what the \$25,000 request would be used for and the sale of the property for \$1. Ms. Rust explained where in the Habitat submittal that information could be found. Ms. Wilgren stated that she would attend the meeting. Ms. Doyle stated that anyone with questions should forward them to Mr. King. He added that the meeting would be attend by Ms. rust, himself and that it would be good if Trust members could also attend. Mr. King said he would work to set up the meeting. Ms. Sun asked if all the MAHT members could be invited. Mr. King said he would as long as we do not have a quorum. Ms. Rust said the meeting would also be a good time to set up a framework for the process going forward. She added That an Agreement will allow the Trust have some control over the project before it is completed and what does that control look like. What is your control point and how to ensure that the project is renovated to a standard that is desirable and sellable? What is the Trust's ability to complete an inspection? Habitat would also be responsible for the budget and any underruns or overruns would be their responsibility

Ms. Sun asked what Trust paid to purchase 23 Winterberry Way. Mr. King said it was \$271,250. Ms. thought that this was a high price to pay of one affordable unit and that we cannot do this for every project. Ms. Rust stated it has very desirable features with 3-4 bedrooms and 2 car garages. She also added that a timetable with some milestones.

Mr. Mortenson made a motion to adjourn. Ms. Doyle seconded. Members were polled individually: Ms. Doyle-yes, Ms. Sun- yes, Mr. Mortenson-yes, and Ms. Wilgren- yes. The motion passed 4-0. The meeting was adjourned at 7:32 pm.