

**TOWN OF FRANKLIN
MUNICIPAL AFFORDABLE HOUSING TRUST**

**December 14, 2021
10:00 AM
Meeting Held via ZOOM**

Meeting Minutes

Members Present: Chris E. Vericker(10:05), Maxine Kinhart, Judy Pfeffer, Susan Younis,

Members Not in Attendance: Mary Ann Bertone, Christopher Feeley, Jamie Hellen

Others Present: Bryan Taberner, Director of Community Planning and Development, Jon Juhl

As stated on the agenda, due to the ongoing concerns regarding the COVID-19 virus, the Municipal Affordable Housing Trust will conduct a Remote/Virtual Meeting. In an effort to ensure citizen engagement and comply with open meeting law regulations, citizens will be able to dial into the meeting using the provided phone number, or citizens can participate by using the Zoom link also provided on the agenda.

Ms. Kinhart called the above-captioned Remote/Virtual Meeting to order this date at 10:00 AM.

1. Update on Franklin Ridge Senior Housing – Jon Juhl

Mr. Juhl reviewed his update on the Franklin Ridge Senior Housing Community. The preliminary design is scheduled for February and concerns the pumping station. There is also progress being made on the final design, which has critical cost implications in terms of the entire project, but CDM Smith still has work to do before it can reach that finalization. Mr. Juhl then updated the Trust on recent and upcoming work around the Franklin Ridge, including blasting and trench work, and the concluded from the progress report that it is overall good news. Mr. Juhl then explained that he and Mr. Taberner have been working on a grant application over the previous several months. The Town of Franklin received the grant for the Housing Choice Initiative Program because of the application submitted by the Town and the Municipal Affordable Housing Trust. The grant has helped with construction costs, as those costs have been an issue over the past 18 months due to inflation, supply shortages, and shipping difficulties. As such, Mr. Juhl wants to ask DHCD if there is any way that local commitments can be increased to offset the increased costs. Mr. Juhl's latest estimates on development costs are estimated \$26 Million, of which \$21 Million is hard construction. It is difficult to predict whether costs will increase or decrease in the future because of the recent fluctuations in different supplies and expenses.

Ms. Kinhart asked if it was likely that costs would decrease, to which Mr. Juhl said it is more likely that costs will level off. Right now, construction firms are already factoring inflation into their costs. The skilled labor shortage will also be exasperated by the recent federal infrastructure bill which will keep skilled workers busy on public infrastructure projects. Mr. Juhl said that he is hoping the backlog on materials will decrease and the project will be alleviated of that issue over the next several months. The strong market for single-family homes is also playing a key part in driving demand right now. Ms. Kinhart asked about the \$500,000 earmarked for the project by the MAHT at its beginning, and what the original cost of the project was at that point. Mr. Juhl answered that it was estimated to have been \$16 Million at that point for hard construction, \$5 Million less than current estimates. Overall, estimates are constantly changing, and they are speaking with multiple contractors to find updated prices on construction costs. About 40 percent of the plans are complete, and the specifications 100 percent are complete, but right now they are

working on the pumping station component. Ms. Pfeffer asked if the fact that the pumping station was incomplete might interfere with funding and grants given to Franklin by the State and Federal government. Mr. Juhl answered that the pumping station is tied to MassWorks funding. Other than that, the Town has been looking at ARPA funds, which are a federally funded component, as well as CPA funds. Mr. Juhl has kept in contact with the Town Administrator Jamie Hellen, as well as the DHCD to keep everyone aware of potential incoming funding that will be needed for these projects.

Ms. Younis asked if Mr. Juhl is anticipating a funding gap, to which Mr. Juhl answered yes because he does not see costs levelling off any time soon. Chair Vericker asked Mr. Juhl when the funding gap arises and whether or not the funding caps are fixed, to which Mr. Juhl answered that the value of low income housing tax credits that the town is using could increase as institutions start buying tax credits again. Mr. Juhl believes the support and cooperation demonstrated by the town could convince the DHCD to help cover the remaining required funding. Chair Vericker asked if Mr. Juhl could provide brief updates on the cost situation in future meetings. Mr. Juhl agreed, and explained that he is working with two construction lenders, Rockland Trust and Mass Housing Partnership to obtain a \$7.15 Million permanent development loan for thirty years at 4.25 percent. He continued by discussing other tax credits that he has used in the project, and concluded that he has maximized the loans and credits to reach the \$26 Million total construction cost. Ms. Younis asked if Mr. Juhl had considered Federal Home Loan Bank funds, to which he answered that Federal Home Loan Bank requires a very low-income housing component, and he could not meet the requirements to borrow the \$7.15 Million loan without making it more difficult to meet that very-low income housing component. Mr. Taberner asked how much of the project is concerning the road construction along with sewer and waterways. Mr. Juhl answered that \$2.5 to \$3 Million, with the length of the trench lines from the road up to the site being a major part of the costs. Mr. Juhl then added that he is grateful for the support from the town towards this project. Mr. Taberner was asked if he had any news about the affordable housing market in general, to which he said that the outlook is not great. Mr. Taberner said that they can only hope for more state and federal funding for affordable housing, and that affordable housing is needed everywhere in the country. Mr. Juhl agreed with Mr. Taberner's take on the situation and said they must keep pushing along with this project. Ms. Kinhart told Mr. Juhl that she had a letter to Jennifer Maddox that Mr. Juhl had said he wanted Chair Vericker to sign. Mr. Juhl then left the meeting.

2. Affordable Housing Update – Maxine Kinhart

Ms. Kinhart asked if anyone had questions about the handout she included with the packet to Trust members for the meeting. The handout provided updates on current Housing Trust finances, as well as the status on four properties: 5 Mark's Way, 38 Stonehedge Rd, 24 Shayne Road Unit 111 and 144 Grey Wolf Drive.

Chair Vericker asked what bank was involved with the property at 38 Stonehedge Rd, which is in foreclosure, as the bank will not speak to Ms. Kinhart in response to her inquiries on the foreclosure unless she is a party in the mortgage. Ms. Kinhart said that, because the attorneys represented Santander Bank when they told her the bank would not speak with her, she is assuming that Santander Bank is in control of the property.

Ms. Pfeffer asked about 144 Grey Wolf Drive, and said she found that the property had a mortgage to DHCD, which she has never seen a property have. Ms. Kinhart explained that it is not an actual mortgage but a "zero dollar mortgage" and indicates the homeowner likely paid cash from selling her previous home, so a mortgage needs to be put on the property in order for a deed to be attached. Ms. Pfeffer also noticed a lien against the property from MassHealth, and Ms. Kinhart answered that they do not yet know the situation with that lien and the late homeowner may take all of the lien from MassHealth at the end of this matter. Chair Vericker asked if Ms. Kinhart had been able to contact the daughter of the late homeowner, to which Ms. Kinhart said she had not. Chair Vericker

followed that question by inquiring about the daughter being an heir to the property, but Ms. Kinhart reminded him that MassHealth's lien on the property would mean that they could take everything on the property.

Ms. Kinhart then brought up 24 Shayne Road Unit 111, which has been sold to the third qualified buyer 10 months after the first buyer had made an offer on it. Chair Vericker then asked to confirm that the property is removed from affordable housing, to which Ms. Kinhart told him that the property is in fact still affordable housing because of a deed rider that made it through the foreclosure. Chair Vericker asked then why the Town received \$3,760 as a result of the matter, which Ms. Kinhart answered that it was a resell fee that the Trust receives for every house it sells. Ms. Younis asked Ms. Kinhart about 144 Grey Wolf Drive and if it was becoming an affordable housing unit, and Ms. Kinhart answered that it would in fact become a 55+ affordable housing unit.

Approval of Minutes

Minutes: October 12, 2021

Motion to approve the October 12, 2021, meeting minutes by Feeley. Second by Pfeffer. No discussion. Unanimous Vote: 4-0-0.

Next Meeting

Chair Vericker said he would want to discuss taking properties that are not making progress in being sold on the market, buy and mortgage the property as an entity, and grant it as an affordable. Ms. Kinhart explained that the town can purchase it at the maximum resale price, and are under the same restrictions of the deed rider that everyone else is. As such, the town must find a buyer for the property within 90 days, but Ms. Kinhart would have to look into what they could do if they cannot find a buyer. Chair Vericker clarified that he was interested in the possibility of holding the property and renting it out as an affordable housing unit, to which Ms. Kinhart said they could not do that, unless they fail to find a buyer within 90 days and then they may be able to rent the house. Ms. Younis asked what the maximum resale value on the house is, and the answer was approximately \$200,000. Ms. Younis then remarked at the likelihood of potential buyers making an offer on the property to be high, given the price relative to high demand. Ms. Kinhart responded that she has received multiple calls on the property already, including from the daughter of the late homeowner. It was then clarified that MassHealth will take what they are owed in outstanding debt from the property, including possibly the entire housing unit.

Mr. Taberner told Chair Vericker that the Town is currently working on a zoning project with MAPC (Metropolitan Area Planning Councils) that will be worked upon over the next 6-8 months before any zoning amendments are drafted as a result from it. The preliminary date on one of the hearings is January 31, 2022. Mr. Taberner added that focus groups are being assembled, and they are looking for advocates for affordable housing, including members of the MAHT, to attend and discuss ways to expand affordable housing. Chair Vericker said he would be willing to attend, but Mr. Taberner will reach out again as the meeting date gets closer.

Motion to adjourn by Kinhart. Second by Younis. No discussion. Ms. Pfeffer left the meeting prior to vote to adjourn, Unanimous Vote: 3-0-0.

Meeting Adjourned at 10:55 AM.

Minutes prepared by: Tyler Paslaski

Minutes submitted by: Maxine Kinhart, Trustee