

NEEDHAM AFFORDABLE HOUSING TRUST

* MINUTES *

August 11, 2020

5:34 p.m. A meeting of the Needham Affordable Housing Trust was convened by the Select Board Chair Moe Handel as a virtual “Zoom Cloud Meeting”. Present were Mr. Matthew Borrelli, Mr. John Bulian, Mr. Dan Matthews, Ms. Marianne Cooley, Town Manager Kate Fitzpatrick, Housing Trust Member Avery Newton, Community Preservation Committee members Peter Pingitore, Laura Dorfman, and Rick Zimbone, Assistant Town Manager Kathleen King, Director of Planning and Community Development Lee Newman, Director of Finance and Administration for Public Services Carys Lustig, and Community Housing Coordinator Karen Sunnarborg.

Approval of Minutes –

Motion: Mr. Bulian moved that the Minutes from the June 23, 2020 meeting be approved. The motion was seconded by Mr. Borrelli. Unanimous: 7-0.

Possible CPA Fund Application for Emergency Rental Assistance – Peter Pingitore, the Chair of the Community Preservation Committee, indicated that the Committee had been alerted to Emergency Rental Assistance Programs that were being implemented in other communities. He stated that there was overwhelming support from CPC members for funding a similar program in Needham. Ms. King then summarized the work that has been done to date regarding research on various Emergency Rental Assistance Program models and referred participants to meeting materials. She then summarized recommended requirements for a program in Needham and offered an estimated timeline for implementation.

Mr. Borrelli expressed a concern that the intent of the program to keep people in their homes might not be effectively realized. He also suggested that a lease should be required for participation and perhaps the amount of funding should be lower.

Mr. Bulian asked whether the payments would support any rent arrearages and could be used for tenants in the 40B developments. He also inquired as to whether we had reached out to the property managers of the 40B developments to see how they might be helping tenants during this period. He was favorably inclined to the concept but noted that this would be a departure on how the Town has allocated CPA funding in the past which has largely focused on capital investments. He also asked how the Needham Housing Authority felt about the program.

Ms. King responded that the payments would be for a temporary three-month duration. She further pointed out that there was a balance between how much would be allocated and how many could be served under various levels of assistance, making a reference to page five of the program overview. Ms. Sunnarborg indicated that most programs have only supported rental payments going forward following the execution of agreements with both the tenants and

landlords. Additionally, the property managers have maintained rents at 2019 levels and acknowledged that some tenants are confronting problems in paying rent due to the pandemic, one indicated that they were trying to negotiate payment plans.

Mr. Bulian asked about whether you can require landlords who receive payments to forego any eviction process. Ms. Sunnarborg said that the state's eviction moratorium was extended through October 17th, and it would be important to introduce the program as quickly as possible after that date.

Mr. Pingitore stated that he was no longer an NHA Commissioner but has been in contact with the NHA concerning this potential funding proposal. The NHA has not voted on the program to date as it has been waiting to learn more about what will be finally recommended by the Town. He added that there is about \$2.5 million in the CPA housing reserve fund and the NHA hopes to use all or most of this funding in the spring of 2021 or maybe in 2022. They are about ready to issue a Request for Proposals to bring on a development consultant to help them obtain financing for a major modernization effort.

Mr. Matthews noted that any funding is time-sensitive given the timeline for CPC review and approval as well as Town Meeting. He questioned whether the Newton model was the best fit and whether a three-month period of payments would significantly help. He mentioned that perhaps the Town should think more on a longer-term basis regarding renter affordability issues. He also suggested that lower payment amounts could support a greater number of applicants and hopefully avoid a lottery. He recommended allocating a lesser amount of funding and see how it works. Moreover, he wondered whether the Town should be committing funding for this use given its historic focus on capital projects sponsored by local entities.

Mr. Handel expressed his concern about the short timeframe with Town Meeting scheduled for October 4th. He suggested that there might be a need for another meeting to fully work out a CPC application and specific program recommendations.

Ms. King mentioned that the longer-term sustainability of Needham renters is an important issue, the funding would be for a unique program for a unique moment. She agreed that there is a trade-off between the numbers that can be served and program assistance models, adding that Newton was able to use both CPA and CDBG funds. She pointed out that while some programs base payments on percentages of HUD-issued Fair Market Rents (FMRs), these FMRs are well below actual market rents. The most common income limit is 80% of area median income (AMI) although CPA funding can be applied to those earning up to 100% AMI.

Ms. Cooley expressed concern about tenants with arrearages and suggested that the program stipulate that no evictions will be allowed. She also questioned whether the program should require a one-year lease as it might leave out those who are tenants-at-will but still experiencing problems paying their rent. She acknowledged

that the program addresses a current need but is also conscious about the Housing Authority's needs.

Mr. Borrelli mentioned that he had concerns about the agreements with landlords and the Town's ability to monitor compliance, especially with evictions. He added that the Housing Authority is a proven landlord and perhaps the Town should consider giving funding to the Housing Authority for this purpose.

Mr. Bulian expressed support for the comments that have been made and once again wanted to hear NHA views of this proposal. He was concerned that there would not be enough funding to cover future NHA development plans and perhaps the recommended amounts are too high.

Mr. Matthews stated that the needs of NHA tenants are already being addressed. He recommended an initial allocation of \$100,000 without a lottery. He further suggested that the income limit be decreased to 50% AMI and the maximum benefit decreased to 50% of rent.

Mr. Zimbone pointed out that the intent of the program is to address a short-term need, and there is very little time available for program review. Besides the CPC, the Finance Committee will also need to be brought into the process. Town Meeting is not that far away.

Mr. Handel suggested that the meeting has provided enough comments for staff to revise the proposal. Ms. Lustig added that the CPC is meeting tomorrow when it would review the funding application for this program. It will hold another meeting on September 2nd to vote on eligibility. CPC would need a final application for the meeting tomorrow, not a finished proposal. Funding amounts can be modified prior to the September 2nd meeting.

Ms. Fitzpatrick asked if the Housing Trust could agree on submitting the CPA funding application for CPC review tomorrow and then meet again about program components. Mr. Handel agreed that this was a sensible approach.

Mr. Borrelli stated that he felt the proposed funding amount was too high and a \$100,000 allocation directed to those earning at or below 80% AMI would be considered. Mr. Bulian agreed on the \$100,000 funding level and emphasized the continued need for NHA support.

Motion: Mr. Matthews moved to approve the CPA application for a \$100,000 allocation, an income limit of 50% AMI, for three months of payments at 50% of a household's monthly rent. The motion was seconded by Mr. Borrelli. Mr. Handel asked if there was any discussion of the motion.

Mr. Pingitore questioned how many eligible applications were likely to be submitted with the lowered income level. Ms. Newman added that initial staff

thoughts were to put the income limit at 80% AMI with a preference for those earning at a lower income level. Mr. Matthews expressed his concern that there would be too many applications if the income was at the 80% AMI level and thus a lottery would be required. Ms. Cooley also wanted to avoid a lottery and prioritize applicants based on need. Ms. Dorfman added that perhaps there was a way to have some extra consideration for those who are physically challenged or experience language barriers. Mr. Borrelli mentioned that he was concerned about having too many buckets regarding eligibility and priority. Ms. Cooley wanted eligibility clearly tied to the impact of COVID-19. Mr. Bulian indicated that he would accept payments of a percentage of rent but not full coverage.

Ms. King suggested that the staff take another look at the application and make changes based on comments.

Motion: Mr. Matthews moved to amend his motion to approve the CPA application for a \$100,000 allocation for households with an income limit of 80% AMI, with preference given to those at or below 50% AMI. The maximum benefit would be three months of payments at 50% of a household's monthly rent. Mr. Borrelli seconded the motion. Unanimous: 7-0

Small Repair Grant Program – Ms. Sunnarborg indicated that there were 12 applications for the second round of funding and of these three were finally determined to be over income. She is still awaiting specific documentation from several of the applications in order to verify their eligibility although they are likely to qualify. She further mentioned that most of the proposed work items were for exterior repairs which is not surprising given the pandemic. The applications reflect a need for \$51,550 in funding which is \$1,550 over the \$50,000 total application. Ms. Sunnarborg pointed out that without finding another resource to cover the overage, it would be necessary to eliminate an applicant from participation.

Motion: Mr. Matthews moved that the Trust approve up to \$1,600 from the Affordable Housing Trust Fund, if necessary, to cover the possible extra funding need. The motion was seconded by Mr. Bulian. Unanimous: 7-0.

Mr. Handel asked when another funding round might take place. Ms. Fitzpatrick suggested that the Trust consider asking for another allocation of funding during the upcoming budget process for another round. Mr. Matthews indicated that he was fine with this proposal.

Small Repair Grant Program Modification Options – Ms. Sunnarborg suggested that the Trust consider some changes to program requirements including increasing the maximum grant amount from \$4,000 to \$5,000. Given the low incomes of the participants and the fact that most proposed spending more than \$5,000, this small increase could be very helpful. She also proposed eliminating the 2% of assessed value requirement that is added to income in determining eligibility. Mr. Matthews stated that he was fine with the grant increase to \$5,000

but was in favor of keeping the 2% requirement given that folks who have considerable equity in their homes should have access to equity financing to support needed repairs. Mr. Borrelli also supported the grant increase but wanted to keep the 2% requirement. Ms. Cooley also agreed with Mr. Matthew's comments.

Motion: Mr. Matthews moved that the Trust approve an increase in maximum grant funding from \$4,000 to \$5,000. The motion was seconded by Ms. Newton. Unanimous: 7-0.

Ms. Fitzpatrick once again brought up the issue of further funding for the program, and that the Trust consider requesting an allocation of \$50,000 during the upcoming budget process.

Motion: Mr. Matthews moved that the Trust request another \$50,000 in the FY2022 budget process to continue the Small Repair Grant Program. The motion was seconded by Ms. Newton. Unanimous: 7-0.

Other Housing Issues – Ms. Sunnarborg raised the issue of insufficient monitoring documentation from the managers of the Wingate development despite ongoing requests. Ms. Newman stated that compliance with monitoring requirements is a condition of the project's special permit, and she is reaching out to a senior company official to see if they can ensure that we receive the necessary income and lease materials.

Ms. Sunnarborg also indicated that the property owners of the three large Chapter 40B rental developments have adhered to the Town's request to defer rent increases for the tenants of affordable units during the COVID crisis. All three developments are still using 2019 rents and are thus are in compliance with the Town's request.

Ms. Sunnarborg also recognized that Mr. Matthews was unable to adequately discuss his work in updating the Town's Local Chapter 40B Guidelines given time constraints at the end of the last meeting. He offered that now that the Town has surpassed the 10% affordability threshold as part of Chapter 40B, it makes sense to revisit the Guidelines and make changes based on current conditions.

7:03 p.m.

Motion: Ms. Newton moved that the meeting be adjourned. The motion was seconded by Mr. Bulian. Unanimous: 7-0.