

## **Community Preservation Committee**

April 12, 2011

Police Station Conference Room

Meeting Minutes

### **1. Call to Order**

A special joint meeting of the Community Preservation Committee and the Newburyport Affordable Housing Trust was called to order by Chairman Mike Dissette at 7:05 p.m.

### **2. Roll Call**

In attendance were CPC members Mike Dissette, Paul Healy, Judith Grohe, Margaret Welch, Don Walters, Don Little, Mary Lou Gagnon and Jane Healey and Affordable Housing Trust members Madeline Nash, Judy Tymon and Karen Wiener. Also in attendance were Emily Wentworth and Andy Port.

### **3. 2011 Applications for Community Preservation Funds**

#### **• Newburyport Affordable Housing Trust**

#### **Down Payment Assistance and MLS Input-Only Listing Services**

#### **\$75,000**

Karen Wiener said the Affordable Housing Trust is encountering difficulties in both creating new affordable units and retaining existing units. With the downturn in the economy eligible parties are either unable to obtain financing or do not have the necessary down payment. Because banks are requiring very good credit scores and stricter underwriting standards are being used, fewer buyers are qualifying for mortgages. The Affordable Housing Trust has begun a down payment assistance program. In addition, sellers often cannot afford real estate commissions and traditional methods of advertising have not been successful in attracting prospective tenants. With input-only listing, a realtor will list the property for a fee of \$500 and will not be involved in the remainder of the process. A seller participating in the program agrees to extend the period of time the property must be offered only to income-eligible parties. The Affordable Housing Trust will also contribute \$1,000 toward a buyer's broker. The two programs were begun with existing funds and have been successful. They were created in response to an urgent need. Mary Lou Gagnon asked if the \$15,000 offered under the down-payment assistance program is adequate as a 20% down payment, around \$40,000, would be needed to avoid costly mortgage insurance.

### **4. Discussion**

Mike Dissette said the CPC and Affordable Housing Trust must develop a process to work together to assess housing needs and promote affordable housing. Creating affordable units is a complicated process and cities are now allowed to create affordable housing trusts to address the issue. The CPC awards grants rather than initiating programs. It has the power to recommend to award funds to the Trust without having overseeing their use on a project-by-project basis. The CPC may wish to award more than the required 10% to affordable housing. A suggestion was made that all affordable housing applications be submitted to the Trust. The Trust could review the requests, bundle them and submit one application to the CPC. Paul Healy said the Trust has the expertise to determine how funds would be best spent. Madeline Nash said the limited funds of the CPC and the Trust might go further if pooled. She said the Trust could implement its own

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grant cycle that begins in the fall in order to submit an application to the CPC by its February deadline. She said the CPC could award the Trust a set percentage each year and the Trust could handle all of the applications. Paul Healy said an automatic award could be given to allow the Trust to pursue its strategies and progress reports could be made to the CPC. He said that while he would prefer the applications to go directly to the Trust, not all applicants might wish to follow that course. The YWCA has applied to both groups for funding. Also, some applications are filed under both the historic preservation and affordable housing categories. Any applications filed with the CPC would have to be heard by that group. The CPC could not simply forward an application it receives to the Trust. Mike Dissette said he would favor the delegation of evaluation to the Trust. Andy Port pointed out the CPC would have the responsibility of voting to recommend the funding of the project to City Council. The Trust has funds of its own that can be spent without City Council approval. Madeline Nash said the CPC would have to weigh the amount awarded to affordable housing projects against the other applications it receives. She said the Trust could accept applications in the fall and use them as the basis for request funding over the required 10%. Mike Dissette asked if the CPC should award funds to the Trust and the Trust be the party responsible for reporting or if the money should be given to the applicant directly. Emily Wentworth said a step could be added to the process in which the applicant must first discuss the project with the Trust, just as the Historical Commission reviews the historic preservation applications.

Mike Dissette summarized the conclusions drawn from the discussion. The CPC would receive applications directly, but the applicant would first present the project to the Trust. The Trust would analyze the proposals and make recommendations to the CPC based on the needs and overall strategy of the City. Unlike the Historical Commission, the Trust would prioritize the projects. The Trust could also submit its own application for projects it would like funded in the upcoming year. The Trust will submit a letter to the CPC for the May meeting that provides input on current projects. Paul Healy moved to amend the application process to require that the Affordable Housing Trust review affordable housing applications before they are submitted to the CPC. Don Little seconded the motion. The motion was unanimously approved.

## **6. Adjournment**

Paul Healy moved to adjourn the meeting at 8:20 p.m. Don Little seconded the motion. The motion was unanimously approved.