

# PLANNING & DEVELOPMENT BOARD MEETING MINUTES

March 5, 2018



## Full Members Present:

Scott Wolf, Chair  
Megan Meirav  
Sonia Parisca  
Chris Steele

## Staff Present:

Rachel Powers, Community Development Programs Manager

Ruthanne Fuller  
Mayor

Barney Heath  
Director  
Planning & Development

Rachel Powers  
CD Programs Manager  
Planning & Development

## Members

Scott Wolf, Chair  
Peter Doeringer, Vice Chair  
Barney Heath, *ex officio*  
Megan Meirav  
Sonia Parisca  
Chris Steele

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### 1. Action Item: Approval of Minutes of February 5, 2018 meeting

Chair Wolf opened the meeting at 7:34 p.m. The motion was made by Chair Wolf and Seconded by Ms. Meirav, and approved 3-0-1, with Ms. Parisca abstaining, to approve the minutes of February 5, 2018.

### 2. Action Item/Vote: Approval of Modifications to the Downpayment/Closing Cost Assistance Program

Housing and Community Development Division staff Ms. Powers presented a proposal to modify the existing Downpayment and Closing Cost Assistance Program. While the program offered an improved and more efficient strategy to assisting low-to-moderate income householders from previous Downpayment and Buydown Programs, the current structure has proven difficult in implementing. Ms. Powers described some of the challenges the Division encountered in holding separate application phases, staff capacity limitations and the substantial amount of review and underwriting required for each application. The Division is recommending several changes that streamline and simplify the program, while still promoting sustainable homeownership, including offering straightforward \$10,000 downpayment/closing cost assistance awards in the form of grants to eligible households and limiting applications to one phase.

Mr. Steele asked for clarification on the definition of liquid assets. Ms. Meirav asked how many projects the Division anticipated assisting each year. Chair Wolf also inquired about the ability to increase awards.

### Public Hearing (7:45pm)

*Bob Kavanagh, 69 Court St:* Mr. Kavanagh claimed it was disingenuous to say money didn't go to the developer. He referenced a letter from SEB indicating they weren't supposed to receive public subsidy and argued that the downpayment/closing cost assistance program provided a subsidy to that developer. He is concerned that information wasn't vetted out carefully enough. He further noted that the purchase prices went up a great deal, while the condo fees went down, prior to marketing. He believes that the developers got more money from the difference in lower HOA fees and the final purchase prices and assistance ultimately benefitted a for-profit company. Mr. Kavanagh suggested that no one asked the developer why a subsidy was needed and would rather have assisted other non-profit affordable housing opportunities.

Ms. Powers attempted to clarify that downpayment/closing cost assistance directly benefitted low-to-moderate income homebuyers purchasing the affordable units and that increases in the purchase price of units were the result of increases in the Area Median Income. Ms. Powers further noted that all purchase prices were reviewed and approved by the Massachusetts Department of Housing and Urban Development.

Chair Wolf briefly summarized the general 40B approval process, but inquired as to how the affordable purchase prices were determined. He conceded that the developer should have lowered the purchase prices, so that subsidies were not needed. Chair Wolf noted that in the future if a developer claims to not want public subsidy, units should be priced so that none is needed.

*Julia Malakie, 50 Murray Rd:* Ms. Malakie is concerned about the Court Street development not having enough HOA fees to maintain property in the long term.

Ms. Powers explained that this program also provided downpayment/closing cost assistance in the resale of affordable units that were once purchased at market-rate with public subsidies. She also noted that not all homebuyers received downpayment assistance; some only received closing costs, which pays for lender fees resulting from the acquisition.

Mr. Steele reiterated the statement, notes Mr. Kavanagh's concern, but knows families will always need assistance in obtaining closing costs, regardless of the offering price, and urges everyone to be mindful of that.

Ms. Powers indicated that the program would seek to assist other deed restricted units in the future.

The motion was moved by Ms. Meirav, seconded by Mr. Steele and approved 4-0-0 to accept the Division's recommendations for the proposed modifications to the Downpayment/Closing Cost Assistance Program.

### **3. Next Meetings**

Staff member Ms. Powers discussed the timeline for upcoming meetings and confirmed the availability of Board members. ZAP Meetings are currently scheduled for 7:00PM March 12<sup>th</sup> and April 9<sup>th</sup>. There was a potential conflict in achieving a quorum at the March 12<sup>th</sup> meeting, but Ms. Meirav offered to attend for the planned votes.

### **4. Action Item: Adjournment**

Upon a motion by Chair Wolf, seconded by Ms. Meirav and unanimously passed 4-0-0, the meeting was adjourned at 8:05 p.m.