

July 13, 2017
West Tisbury Affordable Housing Committee
Minutes

Present: Larry Schubert, Mike Colaneri, Susan Feller, Glenn Hearn, Ted Jochsberger and Vickie Thurber

Absent with Regrets: Angela Prout

Also Present: Rhonda Conley, William Brine and abutters to the Huseby Meadows Development

Mike made a motion seconded by Ted to accept the 6-27-17 minutes as written.

VOTE 5 YES 0 NO 1 ABSENT

INVOICES

Town Counsel: Rhonda presented the invoices pertaining to the Scott's Grove Project (\$370.50) and Capece loan (\$36.75). *Mike made a motion seconded by Glenn to pay invoices totaling \$407.25 to Reynolds, Rappaport, Kaplan and Hackney.* **VOTE 5 YES 0 NO 1 ABSENT**

ONGOING BUSINESS

Huseby Meadows Development: Larry stated that Cumming has spoken with IHT Ex. Director Phillippe Jordi about his work Force housing idea (see attached) and that Jordi would like to address the committee on the subject. Susan stated after a short discussion that AHC should start with the presentation from Jordi and react with questions. It was decided to put the Huseby Meadows presentation on the Aug. 8th agenda.

Rhonda stated that the Town Clerk asked that the town seal be removed from the presentation. The committee stated to the abutters this is not a town project and have requested that Mr. Cumming remove the town seal from his presentation.

Abutters voiced their disapproval of this development stating the Planning Board and MVC decisions on the Huseby Meadows Development which divided the 31.1 acres into five building lots. This decision stated that there would be no further subdivision of the land with other conditions. They stated their dis approval of Cumming's actions with abutters to his lot. Larry told the abutters that this is not a town project and the development idea had a long way to go before any development could occur if at all. On this note, Vickie asked that no letter of support be sent to Cumming as it would premature to support such a development.

Old Courthouse Rd. Town Property: Larry stated that the committee has not received an official letter stating the property is too used for affordable housing from the Selectmen though they have voted to do so. He asked Rhonda to request a letter of such. He informed those present that there would be public meetings on the possible affordable housing use in the future and would be posted as such.

Refinance Forms: The committee had a short review of the forms and made a few changes to numbers and such (see attached). *Mike made a motion seconded by Vickie to add a \$500.00 fee for subsequent refinancing after the first refinance mortgage.* **VOTE 6 YES 0 NO** Susan and Vickie talked about the confusion of having 2 forms and the discussion of combining the 2 or creating one for an initial mortgage and one for refinancing. Susan stated she would review, edit and send her ideas to Rhonda to incorporate into a form.

NEW BUSINESS

Affordable Housing Flyer: Mike would like to create a flyer stating the various affordable housing development possibilities via the Zoning bylaws and do a mass mailing of them. The committee thought this a good idea and gave him the okay to work on such a flyer.

Brine Affordable Housing Idea: William Brine presented the committee a development idea for 16 Edgartown-West Tisbury Rd. He explained that this property was a group of many small parcels that he acquired totaling 45.6 acres. He is calling the land 12 Watcha Lot. His idea is to do Professional offices (4) each with 2-2 bedroom units above in the front (main road) section of the property. The back portion of the property would 45-2 bedroom units. Total number of bedrooms would be of 106. Brine stated he would like the committee's ideas and suggestions. He is not looking for funding and does not wish to do the project nor does he want to give the land to the town for the project as he has invested a lot of money into purchasing the small parcels. Larry suggested that Brine speak with a developer to work on the project with Brine. Larry stated he will take the maps and speak to the different boards and get their ideas of the development.

Adjourned at 7:45 PM

**The next AHC meeting is July 25th at 6:30 PM in the Town Hall 2nd floor conference rm.
The AHT meeting for July 25th is cancelled.**

Respectfully submitted by Rhonda Conley

ATTACHMENTS

From: Philippe Jordi <pjordi@ihtmv.org>
Sent: Monday, July 10, 2017 3:49 PM
To: Larry Schubert
Cc: Angela Prout; Glenn Hearn; Mike Colaneri; Rhonda Conley; SUSAN FELLER; Ted Jochsberger; vickiescoot@gmail.com; Derrill Bazy
Subject: Re: Huseby

Hi Larry,

Derrill and I have meet with William Cummings, visited the Huseby property that he's purchasing this week, and met with Adam Turner at the MVC. William left at the end of last week and will be out of the country for the next several months.

When you have time, I'd like to speak with you and your committee about William's proposal to create workforce rental housing for West Tisbury's teachers and other municipal employees.

We have also gotten back four bids from GCs for Scotts Grove project that we'll be reviewing in order to make a recommendation later this month to our board.

Please tell me if you'd like me to attend your meeting tomorrow night.
Philippe

From: William Cumming [mailto:williamcumming@hotmail.com]
Sent: Thursday, June 29, 2017 9:22 AM
To: Rhonda Conley; Philippe Jordi
Cc: Angela Prout; Glenn Hearn; Larry Schubert; mike colaneri; Susan Feller;
TJOCHSBERGER@aol.com; vickiescoot@gmail.com
Subject: Re: Huseby

Rhonda,

I have copied Philippe Jordi from Island Housing Trust. Philippe and I had planned to meet the morning after my meeting with the Committee to discuss the Huseby Meadows project. Based on the information from the committee and my meetings since then with Philippe and the IHT team, IHT has agreed to support the project to develop the additional density for the purpose of affordable workforce housing. Two things are clear to me: 1) the dire need for affordable workforce rental housing, 2) IHT's invaluable experience in being able to make the affordable workforce housing a reality.

On that basis, we would like to accept the July 11 invitation so we can update the Committee and address any questions as we move forward together. As I will be traveling, Philippe will be attending without me. I am also attaching the presentation. There was one or two typo changes, but please accept this as a working draft.

Thank You
William

West Tisbury Affordable Home Mortgage and Property Loan Procedures

The West Tisbury Affordable Housing Committee (WTAHC) wants to make sure you are aware of the **obligations if or when you** request a loan against your affordable home. The Affordable Housing Covenant that is included in your deed documents and recorded at the Dukes County Registry of Deeds states that you must receive approval from the WTAHC before you may refinance, **encumber, or mortgage**. Please make note of your present covenant or deed rider of the restrictions within dealing with the refinancing of the property. This clause of your covenant may be found in the preamble as well as under the clause Resale or Transfer Restrictions. **The West Tisbury Affordable Housing Committee does not approve of equity or "line of credit" loans as these have adjustable interest rate and no fixed time frame.**

The homeowner is required to have an appraisal of the home as stated in the covenant by an independent inspector approved by both the homeowner and WTAHC.



The WTAHC loan policy will only allow fixed rate loans.

All affordable homeowners should be aware of the Maximum Resale Price clause in their covenant. This set maximum resale price is subject to change. It may not necessarily increase by the 3% or what percentage is stated. It may become a lower figure or remain the same. The clause states that the maximum "resale price shall not exceed an amount established so that a household earning a Base Income of ___ (each covenant states the specific percentage) for a household size appropriate for the premises would pay no more than 30% of gross income..." This maximum resale price is figured using HUD income tables. **The clause may also state the debt (mortgage rate) plus loan rate percentage.** This may vary depending on your covenant. Both these figures are considered when determining the maximum resale price. This maximum resale price is used to calculate the value of the home and the sale

price may not exceed this amount. Therefore this restricts the amount of money that may be loaned as the premises may not be valued or encumbered above this maximum resale price. The homeowner should also be aware of need for an appraisal of the home. The covenant states that an independent inspector approved by both the homeowner and the Town must be required. WTAHC staff is available for assistance at any time to answer questions and assist during this process.

1. When the Owner of a West Tisbury property under a Housing Covenant or Deed Rider preserving long term affordability wishes to refinance or receive a loan on their property, the Owner shall notify the WTAHC and the monitoring agent (The Dukes County Regional Housing Authority (DCRHA) is the agent for many West Tisbury properties) as listed in the covenant preamble in writing.. The notice should **state** the Owner's intention (the Refinance "Notice"). **This notice should state the full name of the property owner, physical and mailing addresses, phone number and email if applicable. If known the lender and homeowner's attorney names and addresses and emails to be used should be included to speed the process. This notice may also be presented as an email to affordhouse@westtisbury-ma.gov.**
2. Upon receipt of the Notice, staff of the WTAHC and monitoring agent shall confer and determine the current Maximum Resale Price of the Property based upon the terms of the existing Covenant or Deed Rider and allowable loan debt upon the property. **This will be presented at the next available meeting to the WTAHC for review and confirmation of calculated resale value.** The Owner will be notified by phone or email of the meeting and are encouraged to attend. The WTAHC will answer questions at this time. Presently WTAHC meetings are held on the 2nd and 4th Tues. of the month at 6:30 PM in the Town Hall conference room. on the 2nd floor. The Homeowner shall be informed of the current maximum resale value and allowable loan debt by phone, if possible, followed by written confirmation within **30 days** of the WTAHC review.
3. At this time as stated in the covenant, the Homeowner may pursue a lender based on WTAHC approved loan figure.
4. Upon location of a lender the Homeowner shall inform the WTAHC and Monitoring Agent and have the lender make contact with both parties. The Homeowner may also have an attorney whose contact information should also be relayed to WTAHC. The WTAHC will send to the chosen lender, attorney and homeowner the documents (Certificate of Approval, present Affordable Housing Covenant, Town Mortgage, Permitted Mortgage Agreement) required by the Town to purchase an affordable home. These **current** required documents are for the Homeowner, lender and counsel to review. **It should be noted in that a fixed interest rate and fixed years of mortgage loan is required and no adjustable interest rate loans will be approved.**
5. Upon receiving the Loan information from the lender the WTAHC shall determine whether the terms of the loan meet their requirements and decide against or for the loan at the next available meeting. The Homeowner will be informed of the meeting time and date by phone and/or email.
6. After approval of the loan Town Counsel shall handle the closing process and attend the closing on the Town's behalf. Town Counsel will confer with Homeowner's attorney and/or lender to complete the signing and recording of such at the loan closing. WTAHC's counsel shall gather the necessary town officials' signatures within 30 days of

receiving all necessary information from the Homeowner's counsel and/or lender and WTAHC. To keep the process in motion all parties should be kept abreast of any developments involving the Town participation in this loan process by homeowner, lender and attorneys.

At no time is WTAHC's counsel to be considered the Homeowner's counselor or used as such. WTAHC's counsel is only involved to facilitate the processing of the WTAHC's required documents.

QUESTION FOR AHC MEMBERS

DOES THE AHC WISH TO PLACE A FEE ON SUBSEQUENT LOANS, REFINANCE? Say after more than 1 in 10 yrs.? There is a fee of \$500.00 for all subsequent refinancing loans by the WTAHC.

Please feel free to contact the WTAHC by email or phone to ask any questions or discuss any issues you may want brought to the WTAHC's attention.

West Tisbury Affordable Housing Committee
affordhouse@westtisbury.ma-gov
PO Box 278
West Tisbury Ma 02575

Dukes County Regional Housing Authority (DCRHA)
www.vineyardhousing.org
PO Box 4538

West Tisbury Affordable Housing Refinancing Policy

{Date}

Dear (Homeowner):

Thank you for contacting us to inquire about the process to refinance your affordable home. As the town of West Tisbury representative for affordable housing, the Affordable Housing Committee must review and approve all requests to refinance in writing before you may close on a new loan.

Submittal Requirements

To begin the review process, please provide us with a letter requesting approval to refinance or obtain a second mortgage. The letter should state the full address of the property, the amount of the refinance or second mortgage requested, a phone number and/or email address where you can be reached during the day, the full name of the lending institution and the name and contact number for the loan officer.

You will also need to submit the following;

1. A copy of your complete loan application to the lending institution.
2. A copy of the commitment letter from the lender, outlining the terms of the loan.

3. A copy of the Good Faith Estimate provided by the lender outlining estimated closing costs.

We may also require the following depending on your particular situation:

- A copy of the Affordable Housing Restriction (also referred to as the Deed Rider or Covenant). The Affordable Housing Restriction is the document signed at closing which was recorded with your deed that describes the resale and refinance provisions for your particular property. The Affordable Housing Committee Admin. Asst. may help you with this. It also will be listed in the Dukes County Registry of Deeds.
- A complete copy of an appraisal report for the property, completed by a certified residential appraiser within the last 120 days. The home should be appraised as a market-rate property.
- Information on your monthly condominium fee (if any), your town's current tax rate per thousand, and your monthly homeowner's insurance amount.

Your proposed new first or second mortgage should meet the following guidelines:

- For the first mortgage refinancing the loan amount **cannot exceed 90%** of the Maximum resale Price, as determined by Mass Housing guidelines.
- For a second mortgage financing, the combined amount of the first and second mortgages may not exceed **90% of the Maximum Resale Price**, as determined by the Mass Housing guidelines.
- Must be fully –amortizing, fixed-rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
- Must be by an institutional lender.
- Must have a current rate fair market interest rate.
- **Must not have more than 2 points.**
- **May not be co-signed by non-household members, including relatives**

We may deny your request to refinance, or require that you consult with a non-profit credit councilor if the benefit of the loan is unclear. Examples of this may include loans with a high closing costs, a higher interest rate than you currently hold, **adjustable rate loans**, or loans that roll in unsecured debt into your mortgage. Additionally, we strongly suggest that you compare rates and loan costs from several lenders.

Sincerely,

West Tisbury Affordable Housing Committee