

# May 20, 2013

## Special Meeting

5:00 P.M.

### PRESENT:

Regular Members: Jack Boyer, Barbara Brown, A.J. DuBois, Michael Jackson and Craig Schoon

Alternates: Liddy Adams and Ted Bent

Selectmen: Mark Lyon, Tony Bedini, Richard Carey

Treasurer: Linda McGarr

Guests: Washington Community Housing Trust: R.W. Fairbairn

Chairman Michael Jackson called the Special Meeting to order at the request of the Board of Selectmen to consider the Washington Community Housing Trust's request for \$250,000 from the Town to be used towards the purchase of the Vincent house and property on Mygatt Road. Finance member Jack Boyer recused himself as a member of the Washington Community Housing Trust and Alternate Liddy Adams recused herself as a member of the Town Housing Commission.

The Town Housing Commission originally submitted a request to the Selectmen for \$50,000 to be used toward repairs to the existing house on the property. The Selectmen felt this was fairly documented. After meeting with both the WCHT and the Town Housing Commission, the Selectmen felt it would be more successfully renovated with the sum of \$75,000.

The Selectmen had originally felt it would be in the best interest of the WCHT to borrow \$250,000 for the purchase of this house and property. This was done with a one-term note that the WCHT has owned for a year. At the end of the year, the WCHT was still unable to raise enough private funds for the project; but they felt they had made a commitment, had borrowed the money, and now needed assistance from the Town.

Michael Jackson questioned why the Trust still wanted the Town's assistance if they were unable to raise enough private money for the project. The WCHT noted that in order to proceed with the project, remortgaging would be required; yet, they were not comfortable with the amount of the payments that would be required. Michael asked if the Town were to provide funding to remortgage when a return of these funds to the Town could be expected.

First Selectman Mark Lyon noted the Trust is in need of a \$50-75,000 infusion of funds. This would allow them to sell the two lots and repair the house. He noted while the Town does not want to be a landlord, this would be a grant to get the project off the ground. He noted they would ask for an extension on this loan. Walter Whitney, Chairman of the WCHT, has secured short-term funding that would bridge the gap. The result would be that the Town would end up with the property as a potential agreement between the two entities.

Michael Jackson still had two concerns: That the Town was being put in a position that if the funds were not raised by the Trust, there would be a financial issue with which to deal, and there could be an assessment of the Housing Trust's decision-making. He noted limited equity housing

is a real issue in the Town; and while the property looks like it might work, he is puzzled why no money has been exchanged.

Bill Fairbairn gave a brief synopsis back to 2001 on the Town Housing Study, including the establishment of the Town Housing Commission and the Washington Community Housing Fund, the understanding that the Town had to come up with a plan for a number of homes and the understanding that there would be an agreement between the Housing Trust and the Town Housing Commission. He noted if the WCHT is able to purchase the property at \$245,000, the Trust would fix up the house and sell it. Funds from the sale of the house would be used to provide the infrastructure for the other two lots.

Michael was still concerned about the sequence of these things – that no one had come forward with funds or real estate information and would it be sold at an affordable price? Bill noted the Trust would continue to own the land and lease the property to the three home owners. He suggested the homes would sell at \$160-\$180,000, 80% of the areas' median income, for a total of \$480,000. Michael questioned if the Town put up \$250,000, where would the proceeds go when they came in. Financial control of the process would need to be reviewed.

It was agreed to take the matter to a town meeting for a decision to be reached. The Board agreed to endorse this proposal and proceed to a town meeting.

The meeting was adjourned at 5:55 p.m.

Respectfully submitted,  
Kathy Gollow, Finance Secretary