

# April 15, 2013

## Special Meeting

**Present:** First Selectman Mark E. Lyon, Selectmen Richard O. Carey and Anthony J. Bedini.

**Press:** Rick Harrison – Waterbury Republican.

**Public:** Murray Haber, Liddy Adams, Richard Sears, John and Jane Boyer, Walter Whitney, Kathy Coe, Tom Hollinger, Leslie Anderson, Lisa Lundberg, Susan Bishop Wrabel, Gene Wrabel, Michael and Nelly Condon, Mark Showalter, Sally and Robert Woodruff, Kathy Gore, George Krinsky, Charles LaMuniere, Eileen Kelly Aguirre, John Millington, Terry and Wanda Tiernan, Ted Bent, Deborah Swigart, Joe Mustich, Bill Fairbairn, Chris Charles, Andrew O'Hazo.

### Call to Order:

First Selectman Mark Lyon called the meeting to order at 5:30 p.m.

### Discussion with the Housing Commission and the Washington Community Housing Trust regarding funding from the Town's Affordable Housing Fund:

Mark Lyon thanked all those in attendance and explained the purpose of this evening's meeting was to review the Housing Trust's request for \$285,000 from the Town's Affordable Housing Fund for the Vincent Farm Project and the Housing Commission's recommendation to the Board of Selectmen, that \$50,000 from this fund be given to the Housing Trust. Once the Board of Selectmen accepts the recommendation of the Housing Commission, or determines a larger amount to be more appropriate, they make a recommendation to the Board of Finance. If the Board of Finance is in agreement, the disbursement of these funds would be voted on at a Town Meeting. Mark further explained that the Selectmen may not come to a decision this evening.

### Highlights of the discussion:

#### Liddy Adams, Chairman of the Housing Commission:

The Housing Commission was established seven years ago to act in an advisory capacity involving the spending of the Town's Affordable Housing Fund monies. The Commission feels they are the stewards of the taxpayers' money that has been allocated for this Fund. The Commission listened to the Housing Trust's presentation, which was thorough and informative. The Commission is in support of the Vincent Farm Project and the Housing Trust's mission. They felt that by recommending \$50,000 from the Affordable Housing Fund-which has approximately \$309,000 available, the project could possibly "get off the ground" and the Fund would not be nearly depleted. The Commission feels that other projects and needs may arise which they would also feel appropriate for the Town to fund. There is no indication when the Town will be adding more to the Affordable Housing Fund. Mark Lyon asked if the Housing Commission would consider recommending more funding to this project at a later date, once it was started. Liddy felt they would.

#### Walter Whitney, Representative for the Washington Community Housing Trust:

The Housing Trust, a non-profit 501-c-3, was established twenty-five years ago to promote housing

for persons of modest means. They currently have built and manage 37 properties and the Vincent Farm is their newest project. The farmhouse would be renovated and two additional modular houses would be built on the three-acre property, which was purchased one year ago. This will be a limited equity project in which prospective homeowners would buy the house(s) and lease the land on which the house sits from the Housing Trust. The amount of the lease would be determined by the amount of the property's (land) tax plus \$50 per month administrative fee. The Trust has done the necessary soil testing, applied for and been approved for the necessary land use permits. The Trust feels it has proven itself with its years of experience in building and managing its properties-the latter is now handled by a professional management company. The financial aspect of the Trust is handled by Connecticut Business Systems and is audited by Charles Heaven and Company.

Mr. Whitney received an email from Ray Underwood, Housing Trust Board member, which he asked to be read into the record: "Real estate values today are at their lowest point in many years. When they begin to rise we are unlikely to see another economic downturn and decrease in real estate values for another ten to fifteen years. From my point of view, this means that now is the time to take advantage of property valuation by utilizing "limited equity housing". By doing so we will have lowered the capital required to purchase properties as well as a lower baseline price for us to offer "moderate income" homeowners for all properties included in this type of program. The real advantage of "limited equity housing" to our town is that these properties will remain much more affordable than similar properties that will appreciate at market rates. Fast forwarding as the real estate cycle ramps up and makes purchasing properties for this purpose unaffordable, we will have a stock of affordable houses, which we will be able to offer to potential candidates. If we choose not to act at this opportune time, I believe we will have a vastly different community and social make up ten to fifteen years from now. Homeowners are stakeholders in the communities and our community is in need of more "moderate income" families that own their own homes to maintain our social diversity (little league coaches, teachers, volunteers on many levels, etc). Will we put our heads in the sand, as politicians in Washington are very good at? Or will we take advantage of a genuine opportunity we may not see again for many years? My hope is that little Washington CT can show Washington DC how people and groups can work together with passion and insight to address an issue before it is too late."

There was further discussion of a loan from a private individual in the amount of \$245,000, which the Trust used to purchase the property. This will need to be paid back. It is estimated that to repair/renovate the farmhouse it will cost \$50,000. The hope is to be able to sell the farmhouse for \$200,000. The Selectmen had questions regarding the condition of the house, the actual estimates for repairs, driveway placement, upgrading of septic systems, comparison of modular home companies, etc.

The Trust feels if the Town does not approve the \$285,000 requested, the project will not be able to proceed. The question was asked by the Selectmen if it could proceed if a figure somewhere between the \$50,000 and \$285,000 was arrived at and approved by the townspeople – perhaps by delaying the purchasing of the modular homes and necessary site work. The Trust does not believe it could.

Comments were made about the Town's Plan of Conservation and Development and the need for affordable housing, existing homes at Myfield, residency requirements, financing from Litchfield Bancorp for prospective buyers, etc.

The Selectmen are in support of the project concept and the end result. They do, however, wish to discuss the funding request further, and tour the farmhouse and property. The Trust offered to be available to answer questions.

**Adjournment:**

Motion:

To adjourn the meeting at 6:48 as there was no further business for discussion.

By Mark Lyon, seconded by Dick Carey and unanimously approved.

Respectfully submitted,

Mary Anne Greene

Selectmen's Secretary