

READING HOUSING AUTHORITY
MINUTES OF THE SPECIAL BOARD MEETING May 2, 2018

A special joint business meeting of the Reading Housing Authority and the Reading Board of Selectmen was held on Tuesday, May 2, 2018 at the Selectmen's Meeting Room, Town Hall, 16 Lowell Street, Reading MA. Chair, Diane Cohen, called the meeting to order at 8:22 p.m.

Members Present: Diane Cohen, Richard Robbins, Timothy Kelley

Members Absent: Kevin Mulvey, State Tenant Representative - Vacant

Others Present: Julie M. Johnston, RHA Executive Director; For Board of Selectmen: Barry Berman, Daniel Ensminger, John Halsey, Andrew Friedmann, Vanessa Alvarado; For Town of Reading: Robert LeLacheur, Town Manager, Jean Delios, Asst. Town Manager, Elizabeth Rust, ECR Enterprises/Housing Consultant; Julie Mercier, Community Development Director; Laurie Stanton, Housing Coordinator; David Traniello, Attorney for the Seller

Affordable Housing Update/Joint Meeting with Reading Housing Authority:

The Reading Housing Authority (RHA) Board was recognized by the Board of Selectmen (BOS) for its efforts to work collaboratively with the Town on very complex affordable housing issues. There are very specific requirements that must be met before the state determines whether a unit can be added to the SHI. The willingness of the RHA and BOS to work together is key to success in this endeavor to increase the SHI for the Town and potentially set precedent to get future units on the SHI in partnership.

At issue is the resale of an affordable unit at Gazebo Circle that was purchased in 1997 under the Reading Affordable Housing Program which names the RHA as monitoring agent. This unit has never been listed on the SHI. RHA and Town staff have worked together to determine the feasibility of registering this unit on the SHI at resale, making it affordable in perpetuity.

All parties agree that the language in the Deed Rider for this unit is complicated and subject to different interpretations. One interpretation lends itself to a selling price above the affordable price making it ineligible to be counted on the SHI, and another interpretation would restrict the price to an affordable price.

RHA is proposing to purchase the unit and could consider offering the owner \$268,000, or 80% of the discounted rate of the appraised value of \$335,000. However, RHA is requesting funds be disbursed from the Affordable Housing Trust Fund to offset the difference of approximately \$60,000 to \$70,000. Once purchased, the RHA would sell the unit to an affordable buyer at the affordable purchase price of \$205,000 thus allowing the Town to put it into their LIP (Local Initiative Program) and add it to the SHI. However, if the RHA and seller cannot settle on price, the seller may sell at full market price and the RHA would get the difference.

Attorney David Traniello, representing the seller, stated that the owner is not interested in complicating the situation. She merely wants to move out of state to be with family. She has sought an independent appraisal that indicates the property value is higher than anticipated. Although the Deed Rider is vague, the seller realizes that she received a benefit in 1997 and wants to work with the RHA and Town to come to a fair conclusion to benefit everybody. She is not obligated to sell at \$205,000, she is obligated to sell at market rate. If allowed to sell at market rate, after broker's commissions, she will return the proceeds to the RHA.

BOS discussed potential issues with setting precedent for subsequent similar units and the impact of investing \$60,000 of AHTF to get one condo on the SHI that was not on the SHI before. BOS understood that by letting it go the proceeds would go back to the RHA.

Town Manager will speak to Town Counsel to determine what options are available for this property along with

other options for using AHTF as well as augmenting the AHTF budget to generate more funds. He further indicated that there are many other affordable housing issues to consider to be presented and discussed at future meetings. The BOS may meet in May or June to further discuss this matter.

Board Schedule

BOARD MEETING: Next Regular Board Meeting scheduled for Monday, May 14, 2018 at 5:30 p.m.

18-079 VOTED TO ADJOURN: 9:17 P.M. Move Timothy Kelley Second Richard Robbins Vote 3-0

Respectfully submitted,

Julie M. Johnston

Julie M. Johnston
Secretary/Executive Director