

Affordable Housing Trust

Executive Session - Meeting Minutes of March 4, 2024 10:00 am

Hybrid meeting on Zoom and attended in-person in Hudson room, Cary Hall

Affordable Housing Trust Board Members present: Elaine Tung, Chair; Mark Sandeen, Tiffany Payne, Linda Prosnitz, William Erickson

Staff present: Carol Kowalski, Assistant Town Manager for Development; Liz Rust, RHSO Director; Ragi Ramachandran, Administrative Assistant

Other attendees: Lester Savage, Bob Burbidge, Sarah Morrison, Tara Mizrahi, LexHAB
Ms. Tung chaired the hybrid meeting and called the meeting to order at 10:05 am.

1. Executive Session

Exemption 6: To consider the potential purchase of real property.

Ms. Tung requested a motion for the Affordable Housing Trust to go into Executive session under Exemption 6 to consider the potential purchase of real property. Mr. Sandeen moved. Ms. Prosnitz seconded. The Trustees voted in favor of the motion 5-0-0, by a roll call vote (Payne – yes, Sandeen – yes, Prosnitz – yes, Tung – yes, Erickson – yes).

50 Valleyfield Street Lexington

Mr. Savage stated that the single family four-bedroom, one and half bath house was built in 1937. There were two bedrooms on the first floor and two on the second. The building is 1,680 sq. ft the lot size is 28,568 sq. ft. The owners would like to see the house go to affordable housing. The house is in walking distance to Lexington public schools making it ideal for a family with school age children, is close to a bus line, open space and walking paths. The planned renovations include changing oil heat to electric heat pumps.

Ms. Morrison explained that there are only two regulated four-bedroom units in the inventory, and it is challenging for larger families to find a four-bedroom affordable rental unit in Town. Once purchased, this regulated unit will be advertised and will go through the lottery process. The demand is in general higher for one-bedroom and two-bedroom units however it is also extremely difficult to find larger units to rent. Ms. Rust shared that there aren't any restricted four-bedroom ownership units in Town.

LexHAB was planning to make an offer for \$760,000 to purchase the property. LexHAB will contribute up to \$280,000 to purchase and improve the property, and requested the Affordable Housing Trust to fund \$600,000 for the purchase. LexHAB will work with Mass Saves to fund \$35,000 for increasing energy efficiency and transitioning the building from oil heat to electric heat pumps. Ms. Morrison detailed the renovation estimates.

LexHAB shared that the property is unique for many reasons, including size, location, below market price, and off-market acquisition. Ms. Rust asked if the house is vacant. Ms. Morrison responded that the unit will be delivered vacant, the owners are in the process of cleaning it out. There was discussion on AMI, and the criterion for a family to qualify to rent the unit.

The Trust reviewed and discussed LexHAB's funding request. The Trustees felt the property has great potential in the long term. Mr. Erickson expressed concerns that the Trust may be short of funds once they allocate for this purpose as they don't know the outcome of the CPC funding

request. Ms. Prosnitz felt it is a large amount to fund one property. Mr. Sandeen would like to review the formal documents from LexHAB to be able to decide. Ms. Payne acknowledged the challenge with the unavailability of larger units to rent in Town and felt the Trust should support this purchase to the extent possible.

Ms. Tung agreed to reach out to LexHAB for the documentation, a memo outlining LexHAB's funding request, pro forma, photos of the property, floor plan, a response to the Affordable Housing Trust's funding criteria, and the sale prices of comparable homes in town.

The Trustees agreed to discuss the request further after reviewing the documents from LexHAB.

Ms. Prosnitz moved to adjourn, which was seconded by Mr. Sandeen, and on a roll call vote: (Erickson – yes, Prosnitz – yes, Sandeen – yes, Tung – yes, Payne – yes), the executive session adjourned at 11:15am.

The Affordable Housing Trust reconvened in the open session at the conclusion of the Executive session.

List of documents reviewed:

50 Valleyfield LexHAB AHT 3.4.24 slides presentation