

**NORTH SALEM TOWN HOUSING BOARD
MEETING MINUTES**

**November 23, 6:30 p.m.
Lobdell House**

Members Present: Michael Palma
William Monti
Lori Ferguson, Co-Chairperson
Anthony Navarro, Co-Chairperson

Member Absent: Janet Capolino

Others Present: Janice Will, Secretary

Lori Ferguson opened the meeting, and the secretary handed out draft public hearing notices and a draft bulletin for the property at 5 Livery Lane (MIH unit to be sold).

Approval of November 4, 2009 Meeting Minutes

Motion by: Anthony Navarro

Seconded by: William Monti

Minutes unanimously approved.

The members discussed pricing and income-eligibility for the 5 Livery Lane property as well as the approved methods for determining these amounts. The formulas are as follows:

For income eligibility – average annual salary paid to full-time Town employees (\$64,320.69 in 2009), times an income factor of 1.7 for a 3-bedroom (3-6 people) MIH unit = \$109,345.

For maximum sale price – up to 2 ½ times the maximum eligible family income for the maximum size family eligible (\$109,345 x 2.5) = \$273,364.

Agreement on maximum eligible family income for a family of 3 to 6 members (\$109,345) and maximum price for the 3-bedroom house at 5 Livery Lane (\$273,364) based on the required formula described above.

Motion by: William Monti

Seconded by: Anthony Navarro

All in favor.

Ms. Ferguson asked if the THB should try to set a time-table for advertising and selling 5 Livery Lane.

Mr. Monti pointed out that they first need to inform the Matoses of the maximum permitted sale price for their property, adding that they could decide they don't want to sell.

Mr. Monti asked if the owners list the property with an agent or sell it one on one/who handles the sale.

It was initially agreed/understood that an agent may not be employed, and the Town advertises any MIH units itself. It seemed the Town Attorney would be the attorney for the seller of an MIH unit (secretary to check).

Mr. Navarro suggested that if the property owners wanted to pay a real estate agent, they could probably do so, although a realtor could only show the house to people who filed applications with the Housing Board.

Ms. Ferguson said it seems that the THB advertises the unit, provides applications, receives and evaluates completed applications and then recommends applicants.

The Board would like to include a "no brokers" statement" in the public notice and the bulletin.

Everyone felt that applicants could seek mortgage approval at any time in the application/review process.

Mr. Navarro said he would hope that approved applicants would already have secured mortgage approval, and Ms. Ferguson asked if they could at least recommend that as part of the application process.

All agreed that this should be included in the application packet, but not in the Public Notice.

Mr. Monti said the owners of 5 Livery Lane are in a strange position, having to leave both the asking price and the sale of their property up to the Housing Board.

Mr. Navarro commented that the owners have also benefited from getting their house at a very low price.

The members expressed interest in seeing the deed to determine just what the restrictions are (secretary to get deed).

Mr. Navarro asked about the homeowners association fees in Salem Chase.

The secretary said she called the management company and was informed that all households pay the same amount (\$220/month).

It was agreed that the proposed flier should give the actual sale price, but not describe it as a maximum price. It was pointed out that the owners can take less if they want to, but they may not ask more than the maximum price.

Mr. Navarro said it is important to request that applicants get pre-qualification for mortgages, adding that pre-qualification takes less time than pre-approval.

The members agreed to include a statement in the application that strongly recommends that applicants be pre-qualified before submitting their applications.

Mr. Palma pointed out that the owners would probably prefer to proceed with a pre-qualified applicant.

Mr. Navarro said that is true, but the THB will decide which applications are advanced and the sale will be one approved applicant at a time.

Mr. Palma said it is very possible that 2 applications will have the same point value.

The secretary stated that there is a lottery system to be used in the event of a "tie".

Ms. Ferguson asked about the application fee.

The secretary explained that there is no fee for the Town's rental MIH units, and the last time there were houses for sale, the application fee was \$25. She further stated that the Board might consider the cost of running public notices in numerous publications when deciding on the application fee.

Ms. Ferguson asked if the Housing Board would be responsible for holding an open house.

The secretary said she did not know, but she wondered how else the Board would be able to show the house to people without escorting individual applicants to see it.

It was agreed that it would be better to state that qualified applicants will be invited to see the house than to advertise an open house in the notices/bulletins.

For insurance purposes, Mr. Palma said a Town employee should probably be present at the open house. The secretary will ask the Town Attorney about this.

Returning to the subject of notifying the owners of the maximum permitted price for 5 Livery Lane, it was agreed that they should be asked to return the notice (sent to them Certified/Return Receipt Requested), signed, to indicate both their desire to sell and their acceptance of the price as set by the requirements of the Zoning Ordinance. The owners will be asked to return the signed notice by December 10.

The Board discussed the possibility that the Matoses might not want to sell at all when they learn what the maximum permitted price is.

Ms. Ferguson asked if the Board should table the discussion until after they hear from the Matoses.

Mr. Palma said they could still discuss the procedures for selling an MIH unit.

Mr. Navarro said the owners might rather leave the house vacant than sell it, but in fact they may not do that; it must be their residence.

Mr. Palma thought this would be an important point to include in the public notice, as well as the fact that an MIH unit may not be rented. He said making these and some other pertinent points up front would prevent some would-be applicants from filing applications and deluging the secretary with questions.

It was agreed that the notice should also include a statement that applicants may not own any other residences.

Mr. Monti wondered if MIH owners need to periodically re-establish their income eligibility.

The secretary said she believes that renters of MIH units must re-qualify when their leases expire (after 1 or 2 years) but is unsure about MIH owners, although it would make things very difficult if an increase in income would render them ineligible for their MIH homes. (Question for Roland Baroni.)

Mr. Navarro asked if applicants' assets count, and the secretary said 10% of non-income assets are counted toward eligible income.

It was suggested that the application fee for the MIH house be non-refundable, and everyone agreed that \$50 would be fair.

The secretary will have the letter to the Matoses ready for Ms. Ferguson to sign on Wednesday, November 25, and it will be mailed right away/due back to the THB by December 10, 2009.

The Board members felt that if they receive no response from the Matoses, they cannot proceed with the sale of 5 Livery Lane. (Secretary to check).

Mr. Navarro asked if the existing application for MIH units gives points for North Salem residents and Town employees, and the secretary answered that it does. She will provide copies of the existing application at the next meeting.

Mr. Navarro adjourned the meeting at approximately 7:30 p.m.

Respectfully submitted,


Janice Will, Recording Secretary