

Mtn. Lakes Affordable Housing Advisory Committee Meeting February 15, 2023

Committee members: Mitchell Stern, Borough Manager; Bob Oostdyk, Borough Attorney; Sandy Batty, Community Member; Blair Schleicher Wilson, Community Member, and Committee Chair; Cynthia Korman, Chris Cannon, Khizar Sheikh - Council Members.

Public: Tom Chiang

1. Committee members introduced themselves

- 2. January Meeting Minutes** approved with addition suggested by Khizar for the paragraph under the Affordable Housing Trust Fund, “Bob will look at whether using funds for soft costs such as studies is permitted.” All in favor of accepting the corrected minutes.

3. Discussion Items

ML affordable housing trust fund

The Borough must spend \$20,000 from the trust fund during the current compliance period (2023 and 2024). Funds have come from developer contributions. Our court approval stated that we planned to use the funds to pay participating landlords for creating accessory apartments.

Bob reported on his discussion with Dan Lavin of CGP&H.

- Regarding PILOT agreement with the developer of a 100% affordable project, the Borough cannot use affordability assistance funds to repay itself for lost tax revenue. It can use those funds to subsidize the development of the project if the developer is requesting funds.
- Trust funds can be used for infrastructure improvements serving a 100% affordable project, but they get classified under “housing activity.” But if not specified in the approved spending plan, these could be considered misspent funds and the Borough might need to repay those funds. If the developer made the improvements and the Borough paid the developer, that could be categorized as affordability assistance. We might have to amend our plan to do this, but as we don’t have an actual affordable development to spend on, it’s probably not worth amending the plan.
- We could provide assistance to pay homeowner association fees for those who are living in deed-restricted units and who are income qualified.

Discussion: Our plan said we would spend the funds on accessory apartments, but so far haven’t had any applications. The committee discussed using it on some supportive housing, which would be eligible as an expense, but would probably need more than \$20,000. We can spend more of the trust fund if there’s a need. The amount that we can spend from this fund on administrative expenses is capped.

If we want to use the trust fund money for down payment assistance for affordable housing purchases or to increase the subsidy for rental apartments, we would have to add that to our existing agreement.

Cynthia suggested that we offer the whole \$20,000 to a potential landlord who creates the first apartment. Bob said that the amount would not be excessive and we would not have to amend our plan. The committee agreed that it would be a good idea to try.

We will inform the Borough Council that our recommendation is to use the \$20,000 as an incentive for homeowners to participate in the accessory apartment program. Bob will make it as part of his report for the next Council meeting. This first grant would create a pilot to show how accessory apartments can work in our town. We need to develop a communications plan to promote the offer of \$20,000.

Regarding the idea of supportive housing, we can invite Dan McGuire of Homeless Solutions to the next meeting to discuss. However, Homeless Solutions might not be building any supportive housing at this time.

Other discussion: Cynthia brought up that the Borough Council is looking at conformance with the Highlands Regional Master Plan.

Khizar said that EDAC is looking at rezoning Route 46. We should consider the affordable housing implications. The Planning Board is also reviewing the Master Plan.

Borough's Two Administrative Agent agreements -Blair emailed copies of the two agreements to the committee. We have two agreements because when we signed with CGP&H they didn't do sales of affordable properties, however now they do. Blair recommends we look at the agreements again in the fall and also review their terms.

Veterans project update The PILOT agreement and an agreement on buffering will be on agenda for the next Borough Council meeting.

4. **Comments/questions from the public** Tom Chiang asked for clarification on the \$20,000 and what defines an accessory apartment. Such a unit would be a separate apartment that was part of the main house or garage. It would have to have its own entrance, kitchen and bathroom. We are hoping that existing nonconforming apartments become part of the program and marketed to low-income people and be deed restricted . Tom also asked about the veterans housing. It will be one building with four units for disabled veterans, built with support from state and federal funding.

5. **Adjourn and Next meeting- March 8, 2023 8:30 a.m. – 9:30 a.m.**