

Affordable Housing Trust  
Minutes - Meeting 3 - November 18, 2008

**Attendees:**

*Members of the Trust:* George Sibley, Chair, Michael Luster, Vice-Chair, Betsy Works, Ruth Pino, Mary John Boylan, Sarah Buck, CD Director.

*Guests:* Kirk Noyes, Gloucester Development Team (GDT)  
Jim Perrine, The Community Builders Inc. (TCB)

**Minutes**

Motion to approve the minutes of 10-21-08: Ms. Boylan /Ms. Pino, 6-0-0 approved.

**Presentation by Mr. Perrine and Mr. Noyes**

Request for \$50,000 funding for Central Grammar Apartments.  
Written proposal distributed at the meeting to AHT members. Copy in file.

TCB has been involved with Central Grammar since inception (approximately 30 years ago.) TCB manages Central Grammar under contract with GDT. Joe Poirier, the building manager works for TCB.

GDT Inc. has been the owner since that time as well. Mr. Noyes listed the board members for the AHT – Mark Sandler, David Babson, Tucker Vye (now retired from the board), Pat Salony, also now retired from the board. The building has been operated as a nonprofit venture. The current mortgage is about to expire.

GDT had the concern with how to preserve the long term affordability of Central Grammar. The board members were aging, the building needed capital reinvestment. GDT is bringing on new board members.

With the mortgage requested from the Mass Housing Finance Agency, the affordability will be guaranteed through the 30 year life of the new mortgage. The rents from the 80 apartments (100% affordable, elderly) will subsidize the approximately \$2 million mortgage. The rents are \$545 (1 br) -\$630 (2 br) minimum including utilities.

The federal Housing Bond Bill passed last spring, funding the Capital Improvement and Preservation Fund. This fund provides grants for reinvestment in expiring use affordable housing projects. The Fund requires local funding support. The proposal for the new grant funding also includes Low Income and Historic Tax Credits for further financing of the additional millions of the renovation costs. The board reviewed the written grant proposal with the applicants.

\$2 million mortgage + \$2 million CIPF + \$5.9 million tax credit equity.

The applicants have a letter of commitment for the tax credit equity.

Part of the deal includes selling the property to a new nonprofit entity, so that the acquisition costs of the property can be included in the tax credits.

The board inquired into the tenant selection process. The applicants stated that they maintain a regularly updated waiting list and that there has not been a need to advertise. The question of eligibility requirements elicited information regarding discrepancies between the Section 13A guidelines under which the apartments were originally funded,

and the Section 8 guidelines that are more usual in the marketplace. Mr. Noyes stated that to stay competitive with the Housing Authority locations, they wish to use Section 8 guidelines. The new funding will allow for that.

Board members asked if there were a possibility of adding more units to Central Grammar. Mr. Noyes replied that it was possible, and that he had considered it. The difficulty is that it would trigger the requirement for a new Special Permit under zoning, and parking could be an issue with the neighbors. Mr. Noyes explained some innovative ideas that he had had for additional parking. Some discussion revolved around the drainage that travels beneath the building.

Mr. Noyes also mentioned an idea he had had for parking at the lot adjacent to the library wherein a parking garage for 70 cars would provide the below grade parking for Noyes' project and the library would have deck parking. Ideally further housing development along School and Mason Streets would fund the library addition itself.

When asked about other sources of local funding, Ms. Buck mentioned that the Community Development Block Grant (CDBG) is doing First-time Homebuyers and currently the additional focus is on economic development.

Board members told the applicants that Central Grammar has been a gem for the city. The applicants thanked the Board for their time and left the meeting.

The AHT discussed the application and the positives of Central Grammar: 100% affordability and serves a great need. Board members discussed how the local funding supports a much greater investment in preserving this for the City.

Motion to grant \$50,000 to the Gloucester Development Team, Inc. Ms. Boylan/Ms. Pino. 6-0 in favor.

**Other Business:**

Ms. Buck mentioned that the \$350,000 would be given to the City the following week from Mr. Brian Lever for the Village at West Gloucester.

Ms. Buck asked if the board would like to discuss Maplewood Avenue School with Mr. John Dugger at the next meeting. Ms. Buck will extend the invitation.

Ms. Buck asked if we should look into the situation at Pond View Village at the same time. Ms. Pino filled the Board in on the status of Pond View. Nearly 50% of the units have been sold. This is a significant number because many of the banks would not provide mortgages there until 50% were sold. Two are currently in the process of being sold. They are cash sales. Mass Housing Investment Corporation has been the interested investor in the back building awaiting rehab. It is slated to be 100% rental. Seven affordable units are now available at Pond View.

Ms. Buck asked if board members would like a copy of the Subsidized Housing Inventory for the City. She will have copies made for the next meeting.

Motion to adjourn: Ms. Boylan/Ms Buck. 6-0 in favor. Meeting adjourned 5:15 p.m.  
***Minutes approved 12/16/08.***