

Minutes of the Regularly Scheduled Meeting of the Affordable Housing Trust held on July 28, 2011 at Lobsta Land.

In attendance: members George Sibley, Michael Luster, Ruth Pino and Sarah Garcia; plus Sandy Shea, City Project Manager, David Holden from the Gloucester Housing Authority and Peggy Hegarty-Steck from Action, Inc. Carl Gardner arrived at approximately 5:25.

The meeting was called to order at 5:10 PM by Mr Sibley.

The first order of business were the approval of the minutes from the March 24 and May 26, 2011 meetings. Ms Garcia moved to accept the minutes of the March 24 meeting, which motion was seconded and it was so voted. Ms Pino moved to accept the minutes of the May 26 meeting, which motion was seconded and it was so voted, with the suggestion of Mr Luster that the Annual Report be attached to the minutes.

The next order of business was the the update by Mr Sibley and Ms Garcia of their June 15th meeting with Ms Hegarty-Steck, Maggie Howard and Tim Riley of Action at the Action offices, at which Ms Hegarty-Steck and Mr. Riley responded to questions of the AHT on Action's Marsh Street project, including the population to be served, how its needs will be addressed, and what will be the level of staffing. Mr Sibley and Ms Garcia reported that, in their opinion, as a result of the meeting the concerns of the AHT had been assuaged.

The meeting then turned to the consideration of Action's Marsh Street project. Mr Sibley asked Mr Holden for the Gloucester Housing Authority's position. Mr Holden gave a history of the GHA's involvement with the project, and with its funding. He stated that the McKinney-Vento Funds have been re-routed so that for this project they can be applied to homeless, and not (as such funds usually are) targeted to the chronically homeless, and that here they will be used to support a home-based program, not a shelter.

Ms Pino asked whether the project will be peopled by two parent or single parent families, and Mr Holden said it would be likely mostly single parents.

Ms Hegarty-Steck then spoke of the funding, that they've got about half of what they need from Home Consortium funds.

Mr Holden then stated that it's one of the largest grants Home's ever made, "because of the strength of the project." He said that the GHA is fully supportive of Action's Marsh Street plan.

Ms Hegarty-Steck continued that the project is fully permitted, and that Action has actually scaled it back – they could have put in more units and more parking. She said that Action will have a facilities person and a case manager dedicated to the project, who will be on site multiple times each week.

Mr Sibley asked where the residents will come from. Mr Holden said it depends on the funding, but that in any event it will be at least a 50% Gloucester preference. It could be a 100% Gloucester preference, depending on the funding.

Ms Garia noted that the \$40,000 requested will be directed to architecture and engineering.

On a motion of Ms Pino, duly seconded, the application of Action, Inc. for \$40,000 for its Marsh street project was passed unanimously.

The next item on the agenda was the request of Carl Gardner to have the AHT execute a contract whereby the already-approved \$30,000 awarded to his 10 Taylor Street project would be paid out earlier in the process, in order to satisfy the wishes of his lender, Bank Gloucester.

There followed a detailed enquiry led by Ms Garcia - in her role as financial manager - of Mr Gardner's costs, management fees, profits, and pricing. Mr Gardner showed a breakdown of his costs, and at what stage the various funding sources would be tapped. Ms Garcia said she was not comfortable with the AHT funding Mr Gardner's profit.

Ms Pino said that the \$300,000 Bank Gloucester loan amount could be reduced if costs are less. Ms Garcia said we're all agreeable to Mr Gardner's share (his management fee), but she was less so with the notion of his potential profit.

At this point Mr Holden said that the GHA will be overseeing the 10 Taylor Street spending and will provide the AHT with a recapitulation. Ms Garcia proposed that Mr Garner and the AHT split any profit.

Ms Pino enquired about Mr Gardner's workers - will they be Gloucester folks? Mr Gardner listed the subcontractors he uses, and it appeared some are from Gloucester, most not.

Ms Garcia said she had assumed the AHT funds would be committed at the end of the project, after the Bank Gloucester funds had been fully applied. Ms Pino stated that it was her understanding that the GHA had instructed Mr Gardner to lower his unit prices, which Mr Holden verified. Mr Gardner said that Bank Gloucester is holding off its funding until the order of allocations is adjusted to its satisfaction.

There ensued a discussion of whether to hold off the AHT vote until the next meeting. Mr Luster then suggested that rather than the 10% holdback as stated in the contract, it be increased to 20%. He then made this a motion, seconded by Ms Garcia, which was approved unanimously with the proviso that if the \$300,000 Bank Gloucester funding is not exhausted, the AHT retains the holdback.

By motion made by Mr Luster and duly seconded, the meeting was adjourned at 6:10 PM.