

Affordable Housing Trust (AHT)

Minutes

November 14September 12, 2013

In Attendance:

Members Present: George Sibley, Chair, Michael Luster, Betsy Works, MJ Boylan, Ruth Pino??

Members absent: None

Members Absent: Ruth Pino, MJ Boylan

Staff: Tom Daniel, CD Director, Deborah Laurie, Sr Project Manager

Others: David Houlden, Executive Director, Gloucester Housing Authority CPA members, J.J. Bell, Co Chair; Sandy Dahl Ronan, Co Chair; Bill Dugan, Housing Representative

The Meeting was called to order at 5:00 05 pm..

First item on the agenda was the minutes from the April 11, September 12, 2013 meeting., ????. Tom informed the Board that the minutes would be available at the next meeting for approval.

Minutes were reviewed by members; Michael Luster motion to accept minutes as is and seconded by Ruth Pino. All in favor, yes; motion passed to accept minutes of September 12, 2013.

Next item on agenda was a discussion with CPA members of the possibility of having the CPA housing funds be set aside for the AHT to award.

Mr. Dugan gave a brief overview of what the CPA has funded to date. There have been three cycles of CPA applications, with awarding housing projects a total of \$266,000. In 2010, Central Grammar Apartments were awarded \$50,000 for windows; Gloucester Housing Authority (GHA), \$20,000 for housing counseling; and Carl Gardner, \$110,000 for 10 Taylor Street Affordable Condo project. In 2011, \$86,000 was awarded to GHA, for Sheedy Park Roof repair along with state funds that leveraged the total cost. In 2012 and 2013, there were no applications submitted, except from the Community Development Dept., Sarah Garcia for a Section 8 project that was withdrawn.

Sandy Dahl, explained that 10% is set aside for housing projects; that's about \$50K per year. Along with acquisition and development for housing, you can do support also.

Mr. Dugan explained that the CPA Committee would welcome project based rather than just allocate an amount to the Trust each year. Also explained how the CPA funds can be applied for "off cycle" if a project is time sensitive. Supportive housing would be things like loans, rental assistance, direct assistance to individuals who owns housing, etc.

J.J. Bell had spoken to Stuart Saginor of the Community Preservation Coalition regarding their experience working through public affordable housing trusts. He said many do a good job, but many communities have mixed results. One of the issues is that the money sits and is not utilized quickly, 2nd, the award is used for non-CPA compliance; for example a housing project that contains retail space. This is not allowed under CPA and the CPA Committee would not have approved such a project.

It was mentioned that at this time there are no applicants and no pending applications before the AHT. Leveraging AHT with CPA funds were discussed. Sandy mentioned that the CPA Committee does a great job with promoting CPA. She suggests that looking for projects to fund; maybe state combining historic preservation with housing project.

Kirk Noyes' Maplewood Avenue School project was brought up. It is pending with neighbor opposition. Adaptive re-use is very much encouraged with CPA funds.

Bill Dugan mentioned that he spoke with Shelly Goehring, Community Preservation Program Manager at the Mass. Affordable Housing Alliance. She would be happy to meet with both committees to discuss the best way to collaborate on affordable housing.

Discussion regarding how many applications to date has been awarded through the Trust; there have been four so far.

Barriers of developing affordable housing such as zoning issues and no available land was discussed. Lead paint is also another barrier to affordable housing. AHT funds could be utilized to de-lead homes and maybe support the First Time Homebuyers Program.

It was suggested that the two groups should work collaboratively by finding applicants, promoting housing development and leveraging their funds. However, CPA Committee would prefer not to fund the AHT unless there is a project on the table. Work on promoting the AHT funds; not everyone knows about the funds. CPA is very proactive in their PR.

J.J. suggested that both committees continue their conversations and make something work. It was suggested to invite Shelley Goehring to their next meeting which would be on December 12th.

Motion to adjourn by George Sibley, seconded by Ruth Pino, all in favor.

Meeting adjourned at 6:15 pm.

David Houlden was asked to speak to the Committee regarding affordable housing. First off, he thanked the Trust for their contribution for the 10 Taylor Street Condo project that developer Carl Gardner completed. It was a high quality and a very successful project even though it was a difficult process. It was a great addition and improvement to the neighborhood. The two upper units sold for \$125K and the lower handicap unit sold for \$90K; their appraised value was \$189K and \$125K, respectively, which is a 60% discount.

The project also received HOME funds for down payment assistance which made the project for the buyer even more affordable. CPA funds were also awarded to the project for \$110,000. David mentioned that given the market and the deep subsidies needed, for a project like this was unlikely to happen in the near future.

David informed the Committee that Kirk Noyes had purchased the Maplewood School and plans to do affordable Senior, over 55, homeownership units. Over 55 elderly homeownership units is a need identified in the five year plans for the Housing Authority and the City's Consolidated Plan.

Also, the Housing Authority's has two affordable housing projects that are in great need of capital improvements, however, the State has not been able to set aside funding for capital improvements. The authority has applied for a feasibility study funding from DHCD.

These two elderly housing projects lack any handicapped units and all are in need of modifications. They were built in 1969 and have not been updated to date since they were built. New bathrooms, kitchen and complete electrical upgrades are needed. As of now the repairs exceed 30% of the value of the housing. Lincoln and Poplar Park are most in need of the upgrades. These are elderly housing with 13.5% units for handicapped clients.

David handed a section of their housing report which spoke about the basic housing needs in Gloucester. Page 3 of the report in the box to the right identifies the housing needs for the period 2010-2014 (see attached report). Three areas in particular are in shortage: affordable rentals, barrier free units and 1-2 bedroom units.

Most clients have to relocate in order to receive a unit that fits their needs. Housing authority has no preference or ranking for disabled individuals. The average wait for a handicap unit is five years.

Two bedroom units are in shortage. There is a large stock of 3 to 4 bedroom units which are no longer in demand due to size of families from previous generations being larger than those of today's average family size. Great need for moms with one or two children.

Third most needed is Affordable Assisted Living units. People go from independent living to a nursing home; there are no in between affordable options. This has been an identified need going back 10 years. Sam Park, owner of Gloucester Crossing, has plans for an Assisted Living; however, a number of issues including the economy have delayed this project.

On the market rate side, it is very difficult to get financing coupled with the issue of deep federal cuts for housing. Another option section 8 project based affordable housing was also closed out by the feds. There are a couple of project based projects in Gloucester; Pond View Village and Action's shelter addition.

Tom asked Mr. Houlden if it was difficult to receive funding for project based units. David informed him that HUD requirements were not as difficult compared to other federal funding sources.

General discussion among the Trust members regarding assisted living and how Gloucester again lacks affordable units for this type of housing. Gloucester has over 55 housing but it is too expensive and too large. Most elderly people are looking to downsize, not increase their living square footage. Units between 900 to 1300 sq. ft. and approximately between \$250K and \$400K would be most desirable. They spoke of the units in Rowley which are approximately \$150K less than Gloucester. Also, Gloucester lacks one level units for clients with mobility issues.

The question was raised "how can Gloucester fill the gap".

The consensus is that it will take public, private and nonprofit agencies to work together and the community consensus to make a project viable. Harborlight is one agency that has made it work in other communities. Partnering with the Housing Authority and the Conservation Agency to make the process of developing easier and other agencies such as Greenbelt could help.

Among the benefits of the Housing Trust are that there is a degree of flexibility and also when a project is awarded funds it helps leverage at least five times other the funding. Local commitment is very important when seeking other grants and funding to make a project viable.

Discussion of how the CPA and the Housing Trust could work together to make the process a little easier. If the CPA 10% of housing funds was given over to the Trust, it would streamline the process due to the fact the Trust only takes approximately two to three months to approve a project, compared to the CPA's process, which can take at least nine to ten months. By funding the Trust with CPA funds, more funds could be awarded to a project and it would be a time saving process and would cut down on the overall cost of the project. As it stands now a developer would need to go before both committees and the City Council with the same application and project, which is very time consuming and costly.

It was asked of the Committee if Mr. Bill Dugan, CPA member and representative for housing on the committee could attend the next Affordable Trust meeting to discuss this option of receiving CPA funds on a yearly basis. Secretary Debbie will invite Mr. Dugan to the next meeting.

Also, Mr. Sibley will pursue applying for CPA funds in the next round and requested that a CPA application be sent to him.

Other possible project sites and potential projects were discussed.

Meeting adjourned at 6:20 pm

Respectfully submitted,
Deborah Laurie, Senior Project Manager for CDBG and CPA