

Affordable Housing Trust (AHT)
Minutes
Meeting of September 12, 2013 March 27, 2014

In Attendance:

Members Present: George Sibley, Chair, Michael Luster, Betsy Works, Mary John Boylan?? and Ruth Pino

Members Absent: Ruth Pino, MJ Boylan

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

Others: David Houlden, Executive Director, Gloucester Housing Authority

The Meeting was called to order at 5:00 10 pm..

First item on the agenda was the minutes from the April 11, January 9, 20134 meeting., ????. Tom informed the Board that the minutes would be available at the next meeting for approval.

Minutes were reviewed by members; Mary John Boylan motion to accept minutes as is and seconded by Michael Luster. All in favor, yes; motion passed to accept minutes of January 9, 2014.

Next item on the agenda was a follow up discussion of Affordable Housing Trust (AHT) and Community Preservation Act (CPA) affordable housing issues and the next steps.

Mary John Boylan questioned the next steps that the AHT should be taking. After Ms. Goehring's presentation from January's meeting, there were many suggested steps that the AHT, working with the CPA could be doing.

Tom Daniel, stated that the CPA and the AHT can keep working together as they have in the past and Shelley's presentation had many different models and examples of how to accomplish Affordable Housing in the Community. There are a host of different ways to develop and preserve affordable housing. The goal is to keep working towards creating affordable housing, looking at what's out there or shift in a different direction if needed.

George Sibley noted that there are not many properties out there for development.

Mary John noted Martha's Vineyard and Carlisle, are great models for affordable housing, however, they are not like Gloucester. We don't have a lot of resources as far as affordable housing developers.

It was noted by the committee that there just isn't much happening right now in housing development, let alone affordable housing development.

Many other factors were discussed surrounding the issues of affordable housing development. One that was mentioned was there is no Affordable Housing Task Force, since Mayor Bell. Also, need to look at zoning issues, homeownership opportunities; Ruth Pino stated that a few years back when the market was high, Firefighters and Teachers could not afford a home at their starting salary in Gloucester. Mary John stated that rents are high; if people find an affordable apartment to rent, they stay. Not much inventory and rents are still on the high end.

Conclusion to discussion was that the Community Development Department is the place to start if a developer was interested in developing affordable housing in Gloucester. Tom mentioned that tax credits are still being offered by the State; both the Trust and the CPA have funds available. Tom also mentioned that the department with their new hire will be looking at Lead Paint funds for abatement. Both the AHT, CPA and the Community Development department, working with other organizations, such as the GHA and Action, Inc. will cooperate and work together to for the purpose of developing Affordable Housing opportunities in the community.

Other Business:

George Sibley reviewed the AHT Year End Report for Councilor Romeo; the committee offered a few minor changes and George said he would submit report as amended.

Michael Luster reported as of December 31, 2013 the Trust had \$253,465.07 in their account. \$752.11 of that amount was interest.

Status of Maplewood Avenue housing project was brought up; It was suggested by the committee members to invite Mr. Kirk Noyes, owner and developer to their next meeting to give the Committee an update on his project. Tom will notify Mr. Noyes.

Next meeting will take place on the April 24, 2014.

Motion to adjourn: George Sibley, seconded by Michael Luster, all in favor.

Meeting adjourned at 5:50 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 most 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