



CITY OF GLOUCESTER
Community Development Department
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Affordable Housing Trust
2nd Floor Conference Room
City Hall Annex 4 p.m.

March 2, 2010

Attending:
George Sibley, Chair
Ruth Pino
Mike Luster
Mary John Boylan
Betsy Works
Sarah Garcia

Minutes:

Special meeting to consider the Taylor Street Apartment request called to order at 4:15.

The Trust had received the application from Gardner Company for additional subsidy to a new three unit affordable condominium building on a vacant lot currently owned by the Gloucester Housing Authority. Gardner Company was the only respondent to a RFP issued by the GHA for construction on the site. The GHA would be providing the site at a nominal cost of \$5000. Gardner Company shows a pro forma with a \$140,000 gap between costs and return.

The Trust discussed three areas of concern:

1. The Gardner Company is a for-profit developer. The RFP process is complete, so it is somewhat unusual to be funding a for-profit developer without benefit of competition.
2. The construction costs seemed somewhat high for a three family with minimal land cost.
3. In the current soft housing market, the prices for the affordable units did not seem below the prices for nonaffordables currently available in the city.
4. There was a concern that the developer has no equity in the project.

The Trust also discussed:

1. The benefit of having a new three unit affordable condominium on this vacant lot.
2. The advocacy of the GHA for the project.

In resolution, the AHT wishes to support the multi-year effort of the Gloucester Housing Authority to redevelop the Taylor Street lot. \$10,000 per unit seemed a reasonable local level of support for this project.

Motion Sibley/Boylan to grant \$30,000 for the project subject to the developer obtaining the remainder of the gap funding. 6-0 unanimous in favor.

The next meeting of the AHT is changed to March 23, 2010 at 4 p.m. at Pond Road.

Motion to adjourn – Garcia/Luster – all in favor. 5:15 p.m.

