

Affordable Housing Trust (AHT)
Minutes
June 30, 2015

In Attendance:

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

Staff: Tom Daniel, CD Director, Deborah Laurie, Sr. Project Manager and Emily Freedman, Sr. Project Manager

Other: Tim Riley, Executive Director, Action, Inc., Peggy Hegarty, Deputy Director, Action, Inc., Mickey Northcutt, Chief Executive Officer of North Shore Community Development Coalition and Ilene Vogel, Director of Economic Development, North Shore Community Development Coalition.

Mike Luster called the meeting to order at 5:05 p.m.

First item on the agenda was the minutes from the March 25, 2015 meeting. Minutes were reviewed by members; Mary John Boylan made a motion to accept minutes and was seconded by Mike Luster. All in favor, yes; motion passed to accept minutes of March 25, 2015.

Second item on the agenda was the discussion of the proposed 206 Main Street development project. Tom asked first if everyone could introduce themselves. Members, staff and guests introduced themselves one by one.

Tim Riley gave a brief overview of the project. The project is located at 206 Main Street and Action, Inc. is working in partnership with the North Shore Community Development Coalition (NSCDC) to develop affordable housing on the site. The City's Consolidated Plan and Action's Need Assessment Study indicates a great need for affordable housing in Gloucester. Residents can't afford local rents and new housing development is needed. Neighborhoods need economic development and affordable development for housing. The building is under agreement with the current owner and NSCDC and Action, Inc. The property should close within a month or two. NSCDC initiated purchase and will be partnering with Action, Inc. on the acquisition and development of the property. Once purchased, they will move forward with the development and have already spoken to the Mayor and City Council Cox regarding the project. There will be three public meetings to inform the neighborhood and retailers of the project. They will be held mid-July and August. Want to get input regarding design, unit size, etc.

Mike Luster asked if the first floor will be retail space; the existing building will be torn down and a new building will be constructed with retail on the lower level.

Mary John asked who will be in charge of the project. Mickey explained that NSCDC and Action will be working together on the project with the CDC overseeing the day-to-day development. They are working on

making decisions in regard to the architectural design, what the population will be to occupy the building, etc., but both agencies will be involved for the long run.

The NSCDC is a nonprofit developer and own and operate units mostly in Beverly and Salem. They have a few in Lynn and Peabody. They know Action and realize that affordable housing is a big piece of their vision. They have looked at the old downtown study which was very helpful and what's needed and attractive for affordable housing. Good affordable housing is located near amenities, public transportation, etc. They have already chosen an architect who has a lot of experience in affordable housing and larger scale projects.

Mike Luster asked how many units are being proposed. Mickey explained they are not quite there yet; they are looking at other units in the area, but assume it will be approximately 30 units. Depends on financial details, survey, etc.

Mike also asked if the parcel includes the parking lot; yes it does. The project will be a blank slate and they are looking at what will fit on the site including height and number of units.

Mary John asked who the architect was; Icon Architect is the firm that will be designing the project.

Meeting dates have been set for July 15th, July 30th and August 27th. They may need a few more. This will give them the opportunity to meet the team and introduce abutters to the project.

Mary John asked who are the abutters; people who live and work in the area; and anyone who has a direct stake in the area. They want them to think about the site, design and come back with ideas and get feedback by August.

Ruth Pino added that parking will be the biggest concern for retailers in the area and perhaps there can be underground parking.

Peggy Hegarty indicated there are now 18 parking slots in the back of the lot. Parking is a priority for the project and will be required working with the architect to address.

Tim Riley also said prior proposals for the site had 26 parking spots which included underground. Some preliminary work has been done by other groups who have looked at the site for development.

Tom indicated that the Downtown study conducted about two years ago promotes active and mix uses and supports adding housing in the Downtown area. Looked at demo on possible parcels with housing built on top.

Mickey directed the group to their second poster board which included some of their developed sites in Beverly and Salem. The group wanted to know the approximate timeline on these projects. The Cabot Street homes started in 2006 and finished construction in 2009. The Holcroft Park homes were started in 2007 and were done in two phases, the first being finished in 2012 and second phase in 2013. These projects were tear downs and new construction. Several meetings were held. The Cabot Street projects boast an attractive building and are 100% affordable. The second site is family housing with different income levels.

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The third poster board indicated eligible household sizes and incomes (see attached). Discussion regarding this chart continued.

Mary John asked if the units will be different sizes - one, two or three bedroom units. Mickey indicated that there is a huge demand for two bedroom units, but there will be some one and three bedroom units also. The majority will be two bedroom units.

George Sibley asked how many stories the building will be. Either three or four is being looked at.

Mickey continued to explain that the rents will include utilities such as heat and hot water. And there will be tax revenues from the property. Probably three times as much.

Mike Luster added that this project will join the two sections of Main Street; gaps in retail space with Walgreens' parking lot. This will revitalize this corner with businesses on lower level and housing on top. Next door is a new tenant that used to house the old music store. Ruth added that a mix between a convenient store and a dept. store would do well there.

Peggy added that art related businesses are needed and could be viable. Action has two retail spaces that they rent and their rents are very reasonable.

Mike asked what are Action and NSCDC looking for from the Trust. Mickey said just input and information for now. Financial support will be sought sometime in the future.

Ruth Pino asked what DHCD would be looking for? Mickey responded that financial support from AHT, CPA, CDBG and HOME funds usually comes first with general support of project. DHCD application process is only once a year in January.

Ruth asked how much support was given by Beverly and Salem. Mickey indicated that for the Beverly project there was approximately \$200K each and Salem's 27 received HOME funds and their 63 unit project received CDBG, CPA and HOME funds in the amount of \$250K. The State expects to the developer to seek these funds. The amount of funds obviously depends on local resources.

Tom stated that community meetings will need support from the AHT and CPA Committees. The Committees need to be an advocate for this project especially educating those who don't understand what affordable housing really is. Boards helpful in communicating that income levels include like teachers, and blue collar workers.

George Sibley stated that the population ranges from about a quarter being at 30% medium income and the rest at 60%; a few at 50%.

Peggy added that affordable housing stabilizes renters. There is no chance of high rent increases with affordable housing and less stress for families. Rents are kept affordable for 30 – 40 years, if not in perpetuity.

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Ruth asked who would be managing the housing development. Mickey indicated that they would contract out to a management company. They will however, oversee the monthly financing performance of the development. Investors usually take interest and check out the property to protect their investment at least once a year.

Ruth asked if there would be preference given to Gloucester residents. They plan on doing preference for Gloucester residents. The majority of applicants would be residents anyway and not from out of town. As long as the State approves the preference; Mary John indicated that preference is allowable to her knowledge.

Peggy added this is something the management company would be responsible for. It is a different process than Section 8 vouchers through the Housing Authority. They will advertise, review income qualifications, establish list etc.

Tim added that the units and development will be energy efficient, complying with the Green Community initiative and complying with State requirements regarding energy efficiency.

Tom stated that Action and the NSCDC are fabulous community action agencies; they know what they are doing. They are here for the community to produce quality affordable housing and make downtown stronger.

Mary John asked specifically what Action's role is. They will be responsible for services, public meetings, overseeing project finances, and are assisting in the financing predevelopment and acquisition of the project.

Peggy reiterated that the number one goal is jobs and housing for the community. Their priority is to make more happen and committed as a Community Action agency.

Mary John stated that she loves the idea of housing downtown. Europe has it all over the place, with laundry hanging from apartments. Makes for a vibrant downtown and supports retailers and restaurants. Yes to more laundry!

George agreed and added commercial and residential are a good mix.

George also asked if they have spoken with the condo owners next door. Peggy indicated that they have not yet.

Betsy asked Mickey what you would like to walk away with from this meeting. Mickey indicated that they are looking for support at this point and would probably seek AHT funds in the fall. Ruth added that the Trust likes to support something specific. Mickey indicated that shouldn't be an issue since there are lots parts. Could be acquisition, architect costs, etc. Ruth stated that they want to make a "splash" instead of a "ripple", by funding something specific.

Mike asked if they would need a letter of support; Mickey indicated not at this time.

Ruth advocated that the term affordable housing is "work force housing". Need to educate the public and this is not meant to be public housing. Let the community know that tax revenues are being generated unlike a non-profit.

Mary John seemed to think that the Chamber of Commerce would be willing to assist with a public meeting. Host a meeting with the retailers of downtown.

Mickey added that they have positive feedback from the Mayor and Councilor Cox.

Ruth stated that this should be addressed as a “friendly” 40B project.

Peg informed the group that this is a lengthy process with permitting etc. DHCD does not usually fund a project the first time around, although they seem positive about something happening in Gloucester. Community support is very important to DHCD and the application process. Senator Tarr will also speak to the State in regard to the application which is a huge help in the process. DHCD will also conduct a site visit at some point.

General discussion continued with the Trust members and staff.

Mary John indicated that Karen Ristuben would like to attend the next meeting to discuss artist housing. There is a model in New York City that could work here.

Next item was the Treasurer’s Report; Mike indicated as of September 2014, there was \$254K in the fund. He will follow up with the city’s treasurer’s office to get an updated statement.

Tom spoke about the MAPC housing production plan. They were informed that MAPC would be assisting them with a new plan. This will be worked on for the rest of the year looking for new opportunities for affordable housing production and other strategies.

Motion to adjourn by Mike Luster and seconded by Betsy Works, all in favor. The meeting adjourned at 6:06 p.m.

Respectfully submitted,
Deborah Laurie, Senior Project Manager

Items distributed at meeting:

1. Agenda
2. March 25, 2015 minutes
3. NSCDC project information