

Affordable Housing Trust (AHT)
Minutes
December 3, 2015

In Attendance:

Members Present: George Sibley, Chair, Michael Luster, Vice Chair & Treasurer, Ruth Pino, Mayor Sefatia Romeo Theken, and CD Director Tom Daniel

Staff: Deborah Laurie, Sr. Project Manager and Emily Freedman, Sr. Project Manager

George Sibley called the meeting to order at 5:35 p.m.

Item 1

First order of business is the proposed project application of 206 Main Street.

George Sibley, Chair, called meeting to order; Mayor had asked for meeting as she was unaware of the last two meetings regarding the above project. Tom Daniel apologized to Committee and Mayor that he did not realize that the Mayor was an Ex-officio member of the Trust and had not been notifying her of their meetings.

This meeting was called in order to reconsider the last motion to award the Harbor Village project proposal \$125K for the affordable housing development at 206 Main Street. The Mayor advised the Trust that she met with Peggy Hegarty-Steck, Director of Action, Inc. to discuss the award. The Mayor asked her what the minimum amount was that could be awarded so the project could continue. Peggy said that \$10K would be the minimum amount they could accept and move forward with the State application for this year and not delay the project another year.

The Mayor stated that she and the City Council would not support the \$125K recommendation from the Trust. Although the State will consider a preference for Gloucester residents, it can't be fully guaranteed at this point. She has other ideas for the Trust's funds and feels they can be successful and directly serve Gloucester residents. She wants to work with the Housing Authority by potentially donating city-owned land to create residential units. She also states that there is a need for veterans' housing. If the city donates land for affordable housing the units can all be given to Gloucester residents.

Discussion continued regarding the project; George Sibley understood that the \$125K was tied to the brick on the proposed building and questioned whether this still would be done. He was surprised that they only need a minimum of \$10K since their proposal was asking for \$125K. He stated that the Trust was sitting on about \$270K and since there was no demand for the funds that the \$125K was reasonable to award.

Tom Daniel explained that the development team was requesting \$125K because they need the money for the project. If it does not come from the Trust, they will need to find another source. However, the \$10K amount is the minimum needed to demonstrate municipal support for their application to the State. Without the municipal support, they will need to wait another year to apply to the State.

The Fuller School project was mentioned.. They are proposing 170 market rate apartments. Rather than waiting until project completion, the Mayor will want any funds for affordable units up front. She noted the city needs more projects like Central Grammar or another over 55+ development. The city has good staff and needs to look at other possibilities throughout the city.

Ruth made the point that she would rather see the money donated instead of units constructed.

Discussion of assisted living facilities was brought up by Mayor. These don't work really with affordability component because Medicare doesn't work for these types of projects.

Tom wanted to mention the Affordable Housing Production Plan that his department is working on. They will be able to tie in some of the ideas the Mayor has been speaking about looking at land that can support affordable housing. Other strategies are looking at the lead program and making those units affordable and offering incentives like \$5,000 to landlords to agree to make their units affordable. These are some of the important pieces that will help us move forward. Since the State is changing their laws and giving us more help the Mayor doesn't want to jump and give a project half of their funding when they can look to the State and federal monies for; it's going to happen, they're going to own it, and they're going to do it and that's fine. She wants to move forward with the Housing Authority, the little bit of leverage that the city has and the funds that are available, so we can move forward and help Gloucester residents.

Ruth comments that she is not opposed to anything the Mayor just said, but because it has happened once in Gloucester, making even one unit affordable in a building diminishes its market value. The Mayor says that's why they want to supplement with funds and help landlords with lead funds. If they don't want to we can go to the State, get a piece of land and work with the Housing Authority and make so many units for Gloucester residents. So when you make it into affordable housing and you use city money and city land and then go to the Gloucester Housing and they do it, no one is going to complain because it's only Gloucester residents.

Ruth then asked the Mayor if that is what this is all about—that because this is not 100% Gloucester residents the City Councilors don't want to support it at the \$125K level. The Mayor replied that was the reason. She noted that 50 percent people liking it and 50 percent not liking it; and then you have no local preference, (Ruth this is their opportunity to say that they don't like it) a 40B is going to happen no matter what. Mayor states we have no choice in 40B's, but wants to make sure that the city's is set up before to someone else purchases land and we have no say. She's tired of threats from developers. She wants the city to be pro-active and be prepared while we have some funding and a little bit of leverage. She wants to start working with the housing authority. They have no place to build; let's help them build it, because the city is not good landlords. Ruth asked what is the least amount of units the Housing Authority would build. The Mayor responds they will do whatever we need. Ruth asks, so they would build basically two family units. Mayor states she isn't looking for two families; she's looking for more than that. Ruth mentioned that in her conversations with Harborlight, financially they don't want to do anything less than six. They have it figured out financially, because they manage them afterwards. The Mayor states that she would work with Harborlights; she has no problem with them.

The Mayor mentioned that she met with Seth Moulton's staff today. They discussed housing for Veterans. She would like to see more housing for our veterans; George couldn't agree with her more. She states that we have a great staff that is working on issues surrounding affordable housing. I have two years; within two years I want to get at least one house done. Everyone is willing to work to create something. Even seniors are waiting to get into housing. Before, it used to be six months, now it's a year to two years wait. McPherson has a unit that's assisted living and we need to expand that. We need more housing for over 55. We need another Central Grammar.

Ruth questions what if we don't give them the \$125K? They're not going to go away. Mayor agrees, they are not going away and that's why we would give them \$10K, so they don't have to wait another year to file their application with the State. She doesn't want to see the building vacant for another year. We are going to work with them. It doesn't matter what the preference is, let them move forward and build. Peggy needs at least \$10k to move forward and not wait another year. Mayor agrees that she can give them \$10k and a letter can go right out.

George asks the Mayor if she foresees other projects coming down the road that they can fund. George says it's been slow. The Mayor says absolutely; these are different times. The prior administration wasn't really focusing on housing. She wants to move Gloucester forward in every which way we can.

Ruth states that the Trust has a fiduciary responsibility for this money and she is ok re-thinking their vote for the \$125K, but wants to feel 110% confident that all these ideas will happen. Mayor states that she will. Ruth also wants to be updated and included in those conversations. Mayor agrees and wants to work with group to make sure projects are feasible and right or if it is not right for a certain area.

The group discussed the Warner Street parcel that is utilized for a parking lot. This could be a good site for a three or four unit housing project.

George mentioned that he doesn't want to pull the rug out from under the Cameron's project. Mayor reiterates that she met with Peggy and they can move forward with the \$10K. Members concerned that they have already told the group they were getting the \$125K, but Tom stated that he pulled the motion and they are aware. Group never issued the letter and they do know that the group is re-convening to discuss a different amount. Tom states again, that the minimum for them to move forward is \$10K. They wanted for the project \$125K, because they could do the rear wall in brick, but they can find it someplace else. Mayor says the worst scenario is that next year we don't have a project, we can always go back and give them more. They just needed the \$10K to indicate that we are partnering with them and she doesn't want to rush into it. Mayor wants to work on getting more one bedroom units. Maybe they can work on a waiver with the State. She thinks that they can get the waiver. You get more money from the state if you do "family" housing vs more one-bedroom units. You get like 80% of the State's money instead of 60%. So it's not that they can't do more one-bedroom units, they want more money for the project.

Tom said the motion is before the Trust for \$125K. Have to rescind that motion. Discussion of how to proceed with motion continued.

MOTION: Tom made a motion for reconsideration, Mike Luster seconded, all in favor. We all agree that we reconsider, yes we do, Mike seconded, all in favor, yes. Now need to vote on the first original motion, again and we all vote no. Tom - So the motion now, that we all voted on last time for \$125K, Mayor votes no, George in light of new information that was discussed today, votes no, Ruth agrees, votes no, Mike votes no. Now a new motion for the \$10K has to be made.

MOTION: Mike Luster made a motion that they award \$10K towards the project at Cameron's, 206 Main Street LLC, Ruth seconded, all in favor, yes.

MOTION: Tom makes another motion for reconsideration with the hope that it will not prevail regarding the \$10K. Ruth seconded, Mayor, George, Mike and Tom all vote no.

George questioned whether the ZBA still needs a letter. Tom yes, they do and also he needs a letter to the Harbor Village letting them know of the award.

Any other business. No.

Motion to adjourn from George, Mayor seconded, all in favor, yes.

Meeting adjourned at 5:59.

Respectfully submitted,
Deborah Laurie, Senior Project Manager

Items distributed at meeting:

1. Agenda