

Oak Bluffs CPC Meeting  
11/06/07  
Oak Bluffs Library 2<sup>nd</sup> floor conference room

Members Present: Stephen Durkee, Chairman, James Westervelt, Joan Hughes, Harvey Beth, Cheryll Sashin\*, Peter Martell, Alison Shaw\* and Mike Marchant.

Also present: Adam Wilson, Zoning Administrator and Administrative Assistant to the CPC

\*Arrived shortly after meeting began.

The meeting began at 10:00am

Minutes from October 16<sup>th</sup>'s meeting were motioned for approval.

**The Committee voted 5 – 0 – 1 to approve 10/16 minutes.**

1<sup>st</sup> to meet with the Committee was David Vigneault with the Dukes County Regional Housing Authority (DCRHA). He 1<sup>st</sup> updated the status of the rental conversion program as it relates to residents island wide. He handed out a flyer showing how half of the money from last year's approved funding has already been used. He stated that the 24K funding given for the Rental Conversion Program (RCP), translates into about six thousand in rent subsidy for 4 residents in Oak Bluffs. Overall the Housing Authority receives 300K from the Island Affordable Housing Fund (IAHF), of which approximately 104K goes towards 16 families in the Oak Bluffs community.

-Peter asked why the request for funding goes from 24 thousand last year up to 42 thousand. David stated two reasons:

1. The Housing Fund wants the DCHRA to look for alternative sources of funding for the transitional program because it is anticipated the IAHF will need to reallocate its funds for other upcoming affordable housing projects;
2. The demand for rental assistance and the potential for more landlords are up as well.

David stated that the 25% increase in his request from last year is based on the possibility that his organization might receive less from IAHF or demand for assistance could grow across the board – island wide. The increase is calculated on the 6K subsidies the RCP is currently working with.

-Peter asked if the program will be looking at 25% increases each year. David said it's a possibility because it's a strong way to keep families on the island. He said there could be decreases in demand as more of the affordable housing projects come on line. David said there are 35 households on the wait list for OB.

-Committee members and David discussed the parameters of the conversion program and how many people, tenants and landlords, are involved and how each qualifies for the program.

The next meeting was with Philippe Jordi of the Island Housing Trust (IHT). Their application deals with a property at 27 Sunset Road in Oak Bluffs. The requested amount is \$7,243. He explained that IHT was asked by the Town to look into purchasing a house built back in 1995 that was on a resident home site lot. The owners had overleveraged the property to the point where it was being foreclosed on. IHT was asked to step in financially so the property could remain affordable. Philippe told Committee members a deal was made for IHT to buy the house for what the owners still owed on it (\$328K). Arrangements were then made with the town for property to be resold affordably to an OB resident and it was for a resale price of 298K. The Town's resident home site fund contributed 35K towards the project. Additional expenses were absorbed by the IHT to cover two closings, financing for two months while the property transferred ownership and a home inspection that resulted in some improvements that had to be made. Philippe stated that IAHF provided low cost loans to the new owners to help them get through closing costs. He also said the amount requested represents "out of pocket" expenses his organization has had to pay. He told Members the IHT contributed just over 100 man hours to the project as well.

-Mike asked about the original mortgage amount. Philippe didn't know but Peter said all the Sunset Road home sites were sold back in the '90's for 5K each and owners spent 75 – 100K to build homes on them.

Mike asked what's in place now to prevent owners from a repeat of overleveraging. Philippe said the IHT owns the ground lease and approved the mortgage with a condition that any changes have to come back to them.

-Committee Members reviewed the history of the property as it related to the Homesite Committee, the former owners and banks on the island. There was considerable discussion on who was at fault in allowing the former owners to keep borrowing money based on the value of the home. Peter made a point that instead of the funds for reimbursement to IHT come from the CPC, it should come from the Homesite's account. He also didn't think it was right that a deal had been made for IHT getting control of a ground lease that had been under the ownership of the Town of Oak Bluffs.

The Committee heard the 3<sup>rd</sup> presentation given by Selectmen Ron DiOrio who is also Chairman of Oak Bluffs' Affordable Housing Committee (AHC). Ron spoke to the Committee first about the Bradley Square Affordable Housing and Community Development Project. The application asks for \$400,000. Ron told Committee Member's that the AHC is still planning to go forward to establish a town affordable housing trust but the AHC wants to move forward with the projects they already have in the planning stages. He talked about the Denniston residence's history as the 1<sup>st</sup> African American Church and learning center for Portuguese immigrants. He said that there is a large coalition of interest groups, neighbors and town government officials affiliated with the property that are working together for the project. Ron said the project is designed to enhance an established arts district in town as well as provide affordable housing. He said the property was bought by the IAHF for over 900K.

-Pat Manning from the IAHF spoke next. He talked about the great potential the existing structure had and the many people involved in transforming it into both a cultural center and a place for affordable housing. Pat spoke of the design having 13 units; five in each of two new buildings that would be closest to Dukes County Avenue and 3 in the renovated Denniston structure. That structure would also be completely renovated to have as well a cultural center and community space and be relocated to the other end of the lot. He talked about the housing being "infill" housing that doesn't eat up a lot of land and puts people back into a community. He said the renovation of the existing structure historically preserves what it was. The Arts District will be strengthened economically with the property's enhancement and the proposal does include a provision to include an area of the lot as open public space. He told Committee Members he has a goal of breaking ground for the project next spring and getting occupancy a year after that.

Pat said the renovation of the existing structure alone will be over a million dollars. The entire project is projected to cost 4.7 million. The 400K request would be used as a match for other sources of funding as well as being able to show private donors the commitment the town is making as both a historical preservation and affordable housing project.

-Matt Cramer of Hutker Architects spoke on the design of the property. He spoke of how his firm wanted to renovate and create distinct buildings for their specific purposes and how they would fit in with the settled community. He presented a site plan that had 3 buildings on the lot.

-Committee Members discussed each of the buildings in terms of height, square footage and cost. Questions about parking were discussed at length. Matt stated that one of the earlier designs had plans for a café to be included but that proposal had been eliminated. Ron added that clearly the project has been designed to fit in with the Town's established arts community and every participating group that's been involved in developing the project has done so with that in mind.

-In the Q & A session Committee Members had with the presenters, subjects such as qualification for the housing, "Live/Work" spaces, the project going out to bid and the property's "attractions" were discussed at length. Ron said that he expects it will go to the MV Commission. He also told the Committee that there has been plenty of open invites for department heads and the general public to

speak on the design and concept of the project. It is his hope that full participation by the community will prevent any surprises once the project is completed.

-Ron said another important aspect of completing the project will be to raise the town's percentage of affordable housing units over 10% which will prevent any future projects going through the town under 40 B guidelines.

-Pat Manning took another turn talking to the Committee about the \$50,000 request IAHF had in for the Helm Home Loan. The loan originated from a private foundation started by an Aquinnah resident in the 50's that provides funds to the affordable housing group in a restricted manner. The Fund uses the loan for "soft" or 2<sup>nd</sup> mortgages individuals needed to secure primary loans. He stated that the restrictions were as follows:

1. Loans could only be up to 25K and applicants had to be pre-qualified;
2. The primary loan had to be from a local lending institution;
3. Out of the 5% down payment needed for the primary loan, the applicant had to show 3% of it came from their own funds;
4. The loan is not intended to be used for closing costs.

Pat said the foundation gave the IAHF 100K for the program. The average loan was about \$12,400. Interest on the loan is 1%. There are currently 10 loans out from the program. Most of the fundraising for the Helm Foundation had come from private donors.

But the Helm Foundation itself has "aged out". The benefactors of the Helm inheritance have dispersed the remaining funds from the foundation. Pat reported that the IAHF's efforts to fundraise through private donors has nailed down a commitment of matching dollars, provided the six towns will lend their financial support to the program. He told Committee Members that if the CPC recommends the 50K request, the money would be earmarked for Oak Bluffs residents.

-Several Committee Members had questions about how the loan could potentially work for town residents and the projects that are in the pipeline. Pat said it would be used way before the larger projects go online. Other financial aspects of the loan were discussed. Pat finished his presentation by saying the loan is at a zero amount and any current fundraising goes right into it and then right back out again.

The final project review was Ron speaking about the AHC's application for The Old Library Conversion - three affordable housing units and retail space for a pharmacy. The requested funding amount is \$24,000. Ron said that with the allocation of 50K given to the AHC at June's Town Meeting, work has already moved forward to the design stage. The Committee has notified neighbors and abutters, had a public meeting with the selectmen and has completed preliminary engineering and environmental reports. Ron said that as a member of the community he has heard a lot of positive feedback for the idea and none that's been given that's negative.

Ron told the Committee that once the project is completed, the management of the building will go to DCRHA for a fee. He told Members he expects there will be annual revenue from the rentals between 50 and 60K. Ron said that by making this project a restoration and renovation, instead of a new construction, it can acquire additional matching funds. Because the project will be looking for residents earning 80% of median income or below, other grant funding will be available as well. Ron said the types of grants available from the state are now called "per unit" grants. Originally it was thought the AHC could get a 700K State grant for the renovation project but the rules have changed and the AHC would be working to get grants of \$125K for each of the 3 affordable units proposed to be built within the structure.

-Architect Doug Ulwick next spoke to the Committee about his role in the design of the building. He showed pictures of what the structure used to look like and how it was used.

He showed the 1<sup>st</sup> and 2<sup>nd</sup> floor layouts. He said the building had good spaces to work with. The 1<sup>st</sup> floor will have retail space for a pharmacy that has toilets and handicap access. A new basement will be

included to provide storage for the retail unit. The rest of the back wing will be a 2 bedroom, handicap accessible unit that's designated as affordable. It will have 870 sq feet. The 2<sup>nd</sup> floor would have both a one bedroom and studio apartment. He showed elevations and what the building will look like from both Pennacook and Circuit Avenues.

-Joan asked about how engineering and moisture reports are coming back to support the three different foundations that currently exist under the building. Ron said a civil engineer had also been hired to look at the overall foundation and reported back that structurally the building is sound.

-Peter asked the total square footage the building will have. Doug stated it would be 3,910 square feet of habitable space.

-Mike asked for total cost of renovation. Ron said it would be 750 to 800K. Questions were asked about how the AHC was going to find funding sources if they couldn't get matching grants.

Ron told the Committee Members that the AHC was only going to work with restoration and renovation projects. Various professionals have already inspected and run tests on the building and it has been determined that the structure is presently suitable to be renovated for affordable housing as well as providing space for a commercial endeavor.

-Ron said it was very important that this project has the necessary funds so that it can move forward and asked that the Committee vote to recommend the 176K go to the AHC for this project that still is in the affordable housing pot so it can be voted on at the planned December special town meeting. Ron stated that if a total of 250K is committed for the Library project, he does not expect the AHC to come back to the CPC with a request for any more dollars.

Committee members talked with Ron about cost saving measures. Ron stated that if there is still a shortfall, long term revenue from the rents could lead to a satisfactory loan arrangement to close the gap on overall project cost. The commercial space will be promoted for health care so that if a pharmacy doesn't work, a dentist or doctor's office could be used instead.

Stephen asked Ron once again what funding he was looking for. Ron said he'd like to have the 176K available for a vote at a planned December Town Meeting. The application that is currently being reviewed is for 24K. The AHC already has 50K voted for design and planning work that is nearing completion.

-Committee members thanked both Ron and Doug for their presentation

Board Members began to talk about the legal status of the Committee with regards to the Veira Park Project. A rousing discussion was enjoined by all members as to who is getting sued.

Mike made a motion to adjourn. Joan seconded. There was no discussion.

**The Committee voted 8 – 0 to adjourn.**

The meeting ended at 12:10 am.