

Edgartown Affordable Housing Committee Meeting Minutes October 15th, 2014 at 3:30 PM

*Members in Attendance: Chairman Mark Hess, Tim Rush, Joseph Roberts, Christine White, Christina Brown, Melissa Vincent
Others in Attendance: The Board of Selectmen: Art Smadbeck, Michael Donoroma, Margaret Serpa; Membership Candidates:
Jessica Burnham, Susan Pratt, Sheylah Callen, Caroline Taylor*

Chairman Mark Hess called the meeting to order at 3:30 PM. He stated that it was an honor to have the Selectmen, and the four persons interested in joining the Committee and/or Trust present.

Mark Hess invited the opinion of the Selectmen on the overall direction of the affordable housing programs, thoughts on the Meshacket project, the 6th Street lots and other tax lots, and other concerns about technicalities.

Mr. Smadbeck began by distinguishing that the Committee originally began as the Resident Homesite Committee, and that the name was changed per the request of the then members due to a rise in consciousness regarding the housing crisis. He stressed the importance of providing affordable housing on equal par with market rate housing, to prevent the feeling of second class citizenship. He described homeownership with perpetual restrictions as being a glorified rental program; how it is unfair to the homeowner, since it takes away the feeling of freedom that should come with owning a home. He emphasized that the state does not understand the needs of the island community; that the incomes and needs are very different from anywhere else in the Commonwealth. The Selectmen would like to see homeownership opportunities for individuals who fall in the gap that has been created for those who earn too much to qualify for assistance, but still do not have the finances to purchase a home at market rate.

Mr. Smadbeck stated that he is a huge supporter of Morgan Woods, and is proud of the Town for the effort involved in establishing that entity; however, was disappointed that because of its set-up, there is no legal way to ensure a preference to Edgartown residents. He recognized that while it does service Edgartown residents, it has become more of a regional support, and would like to see other towns actively working to provide rental housing on an equal capacity. Mr. Smadbeck feels that by creating more rental housing, Edgartown is solving an island-wide problem, and has not seen the effort reciprocated by the other towns.

Mr. Smadbeck stated that the Selectmen would like to make the 6th Street lots available to Edgartown residents in a modified resident homesite program resembling the older system. Mr. Smadbeck stated that funding could come from local sources to avoid strict state regulations. Mark Hess stated that the Committee could be open to supporting some type of homesite program. Christine White asked about applicant qualifications and property restrictions. Margaret Serpa stated that the ideal candidate is an Edgartown resident who has been approved for a mortgage. She stated that smaller developments, like these three lots, are not stigmatized the way large rental developments are. Tim Rush asked about deed restrictions. Ms. Serpa stated that 10 years seems reasonable. Tim Rush and Christine White added that their homes are restricted for 30 years.

Melissa Vincent entered at 3:49 PM.

Mr. Smadbeck emphasized that the people who own affordable homes would, at some point, like to know that the property and everything on it is theirs. Christine White stated that she is thankful for her house, but is subject to many restrictions, included not being allowed to rent it for more than two weeks per year. She likes the idea of the old resident homesite program, that there is a feeling of genuine ownership, and that the home passes onto family. Melissa Vincent agreed with the sentiment, but stated that there is not enough physical property available on the island to maintain that program successfully or sustainably, and that she could never agree to a 10 or 15 year deed restriction. Tim Rush stated that there is a system in place for affordable ownership opportunities of a weighted scale that increases over time, so after 10 years the homeowners own 75% of the value of the home, and so on. Mark Hess added that there is a 4-5% increase per year on the property investment. Mr. Donaroma suggested that the Committee offer an opinion on the details of how applicants are chosen for this type of program and suggestions for deed restrictions to be placed on the properties. Mr. Smadbeck continued to state that the main issue is fairness to the homeowners. Melissa Vincent emphasized that the current lack of housing stock is the most important issue at hand, and the focus should be on creating sustainable affordable programs.

The discussed turned to the Meshacket project. Mark Hess explained that it was made apparent at the open forum that the plan sent out in September needs to be scaled back. He suggested a mixed use project with senior housing, rental housing and three single-family homes available to own. The income restrictions will depend on the funding and construction, and will have to be determined at a later point in the process. Mark also stated that the project will likely be added as a warrant article for the annual town meeting to receive input from voters. Mr. Smadbeck liked the idea of a mixed use plan. Melissa Vincent was concerned that no developers would respond to such a complicated proposal, and insisted that developers won't fund something they're not going to profit on. Mr. Smadbeck suggested that the Meshacket project be a multi-developer project, with separate RFPs for each type of housing. He also suggested that the management be taken over by the town. Christina Brown suggested there be broad, general discussions with some developers to receive input on how to complete this type of plan. She stated that there is a lot of work needs to be done to create an approachable proposal.

Mark Hess asked the Selectmen's opinion on condominium ownership options. Mr. Smadbeck stated that he did not have an opinion, since he does not know where the need is.

Christine White stated that the island really needs workforce housing, that rentals are a vital part of the demand for housing, and that the need is increasing. Mr. Smadbeck emphasized that other towns need to participate, that Edgartown cannot create all of the housing. Melissa Vincent recalled statistics from the DCRHA that there are approximately 60 Edgartown residents in need of housing that are currently earning 60% area median income or less, and that most of them are age 55 or older. This statistic strongly indicates the need for subsidized low-income rental housing. A market rate one-bedroom apartment with utilities is currently about \$1,100 per month, while the need dictates a rent of about \$650 including utilities per month. Mr. Smadbeck stated that the DCRHA has a rental subsidy program to help bridge that gap. The Committee stated that only year-round rentals qualify, and the program is greatly lacking participation. As the economy recovers, the market for seasonal rentals improves and there are less year-round rentals available. Mr. Smadbeck requested a breakdown of the housing stock

by town over time. Melissa Vincent stated that the statistics will clearly show that the need for housing isn't changing; but instead that the housing stock is dropping. Michael Donaroma stated that there is a great need for many different types of housing.

The Committee asked what the next steps for the 6th Street lots are. Mr. Smadbeck replied that the town would like to advertise that they are available, and requested the Committee send a list of suggestions for bare minimum restrictions. Mr. Donaroma stated that the banks work with resident homesite applicants for an income qualification. Mr. Smadbeck suggested the Committee and the Board work together to find a bank, and begin work to get the properties back on the tax roll. The Selectmen then exited the meeting.

Christina Brown moved to approve the minutes from October 1st. Christine White seconded and the minutes were unanimously approved.

The next meetings were scheduled for 3:30 PM on the 5th and 19th of November, with the Trust meeting at 5:00 PM on November 19th. The CPC meeting regarding the request for the Meshacket project has been scheduled for October 30th at 4:30 PM.

Mark Hess and the assistant will present the current status of the Meshacket project, and show that the development requires more studies and planning. Melissa Vincent suggested adding that it is likely that the developer will need money; the recent estimate from the Island Housing Trust is that each unit costs approximately \$200,000. There are still lots of developmental costs that need to be covered. Christina Brown mentioned Gary Hebert as a contact for a traffic study estimate.

Caroline Taylor suggested omitting the manager position as a cost-saving technique. Melissa Vincent and Christina Brown explained that large rental properties need a manager for a multitude of reasons, especially to provide support for tenants.

Melissa Vincent expressed trepidations about you-build programs. TRI has recently had to fix or finish three you-build houses, since they were built so poorly or never completed. She stated that the you-build program is innately flawed, and has become a huge problem. The Community Development funds are highly competitive and should be used on houses that are not under the affordable housing program. Affordable homes should be built soundly by professionals.

Mark Hess thanked the applicants for their interest in joining the Committee and/or Trust. The current projects were listed: the Meshacket development is a 4.95 acre parcel under conceptual discussion; the 6th Street lots have a lot of upcoming decisions pending; an inventory program is being developed; the Committee deals with issues from current affordable housing properties; the Field Club makes payments once a year; and website improvements are ongoing.

The scheduling of meetings was reviewed. The Committee typically meets every 1st and 3rd Wednesday of the month, the Trust meets on the 3rd Wednesday, with one meeting per month in the summer. The members of the Trust are more than welcome to attend the Committee meetings.

The Committee will recommend each individual to a position at the meeting on November 5th, and then forward the nomination onto the Selectmen, who will then approve or deny the request. The Selectmen then appoint the applicant to each position.

Mark Hess invited an introduction from each of the applicants:

Jessica Burnham stated that she is an island native and has interest in assisting with the affordable housing efforts because she understands the immediate issues, and would like to help create opportunities for others.

Sheylah Callen stated that she has been living on the island for five years. She and her family are currently tenants in a rental, and she understands first-hand how difficult it is to find stable year-round rental housing in the current market. She has experience with mortgage lending and currently works in real estate.

Caroline Taylor stated that she has lived on the island for long time. She is specifically interested in preserving affordable housing through perpetual restrictions.

Susan Pratt stated that she recently moved to the island from New Mexico, where she worked in real estate, and is interested in creating creative alternatives to help relieve the housing crisis.

Mark Hess thanked the applicants for their interest, and stated that the Committee looks forward to a fresh approach.

The meeting was adjourned at 5:23 PM.

Respectfully Submitted,

Lucy Morrison