

Meeting of the CICA Housing Committee, Tuesday September 21, 2010 at 7:15 at the Parish House

Present: Mabel Doughty, Frank Durgin, Bob Earnest, Beth Howe, Ruth Slagle and John Wilson.

1. Report on Meeting with Liza Fleming-Ives

Beth explained the State Planning Policy statement on the Growth Management Law. They have decided that neither single-family houses nor duplexes are included in the Law's definition of "growth-related capital investment", 75 percent of which must be located in growth areas in the Town's Comprehensive Plan. This means that the process of applying for the MSHA islands affordable housing grant is decoupled from the completion and approval of our comprehensive plan. Work on both will continue but the housing application can be completed and go to Town meeting before the comprehensive plan does.

2. Contracts

Beth said that the contract for technical assistance from Genesis is one of the two on the table. They have been working hard for us on providing technical advice and "representing CICA to Maine Housing on issues pertaining to grant funding until the time the grant is funded." Bob moved, seconded by John to approve the contract. Passed unanimously.

Bob reported that he had gotten a formal proposal today for developing a site plan for School House Road from Jon Whitten of Terradyn Consultants. He had assumed that Beth would make copies for everyone. She said she had been on the mainland all day. Bob read out the categories covered in the proposal – site plan, grading and utility plan, erosion and sedimentation control plan, construction specifications, stormwater management, MSHA permitting and local permitting. The total would not be more than \$8,000. This seemed to be a more detailed version of the email that Whitten had sent earlier.

The proposal also says that services during construction could be covered under a separate proposal. John said he thought we should hire a local contractor for that, and there is money in the budget for it. The Committee should develop an RFP for this.

Since the committee members had not seen the detailed proposal beforehand, Bob moved, seconded by John that the Committee grant tentative approval for the contract, subject to detailed review by Bob and John. Members should tell John about any concerns or issues they may have by Thursday at noon. This motion was adopted unanimously.

3. Other actions on the MSHA application:

Bob also said that Liza had called today to say that the MSHA staff person who will be working on our proposal is Norm Fecteau, who Jon Whitten has already talked with about the scale of the project. Liza has asked Dan Brennan for dates when he and Fecteau can come to Chebeague for a site visit. They are hoping it will be in September.

Bob also said that he had had a meeting with a representative of Canberry Homes which had done the Todd's house. This meant that they had island experience. However, he said that Steve had said their experience with the company had been mixed. And Bob had not been impressed by the representative at the meeting. He thinks that Keiser is a better modular housing company for our purposes. They are

doing the Peaks affordable housing house and have another that is not “affordable” housing but is a real effort to produce a reasonably priced, energy efficient, attractive, modular house. They also have a duplex that we have agreed would be acceptable. Beth asked whether he could find a second bidder for our project that would be better than Canberry Homes. He said there is a company called Blu Homes in Massachusetts that might be a possibility.

Beth said that since we are moving along faster than previously, we should see if we can get the Town to focus on the MOU for the School House Road land, and the boundary issues related to it. John said he will work on this.

Beth said she will go over the application and see what still needs to be written or revised. One of the items that needs to be included is resumes for committee members. There was a brief discussion of whether they should be short or extensive. Beth said she would ask Liza if she had any sense of what MSHA expects.

4. Rent Calculation for 226 South Road

Beth said that the original information she had used to determine the yearly rent was the tenant’s 1040 income tax form for the previous year. But incomes can fluctuate, and the issue had been raised about whether the rent should reflect past or current income. Beth and John had discussed the issue and decided to base the yearly rent on “regular” [more than one month duration??? And before taxes or other deductions] income of all kinds. The tenant will provide pay slips or deposit records that indicate this income so that the yearly amount can be determined. If the tenant’s income goes up or down for a period of more than one month, s/he should notify the Housing Committee which will adjust the rent accordingly. This means that it is done on an honor system.

Bob suggested that it would be possible to “audit” yearly income after the fact by asking for the tenant’s 1040. He also asked if this change should be included in the lease itself. If the tenant were found to have misled the Committee, it would be grounds for terminating the lease.

He asked whether we should vote on the policy change now. Beth said she would write up the policy, including any changes to the lease document and bring it back to the next meeting for a vote.

5. Inspection of 226 South Road

John said he had done the inspection in August. The house is adequately cared for. The refrigerator died and May bought another and had it installed. It will be paid for by CICA and belong to the house. Then the dishwasher died. May got a used one on the island and had it installed free of charge.

John said there is a problem of mice coming up from the cellar in the downstairs bathroom closet. He said he would fill the voids with expandable foam. Frank and Bob suggested putting in steel wool initially and then using the foam. John said he will also fix a leaky window. He said that even though there is a water treatment system and it has salt, the water is rusty. Beth said she thought the water treatment company in Yarmouth might come over to look at the other components if there are other people who need work, and she does.

Finally John said that the house is needing painting, inside and out. He thinks the exterior could go for another year and then we could paint the exterior ourselves, with other people to help and maybe get free paint.

Beth said that Charles Hall is bringing over the septic pumper to do several houses and suggested that we do 226. Everyone agreed. We will ask Erik where the septic tank access is, or, better yet, ask him to dig it out.

6. Refinancing of 226 South Road

Beth said she had put this on the agenda because we need to keep in mind that we need to decide about it. Beth asked Liza whether Genesis might have a lead to a low-interest, regular mortgage loan. Liza said she would look into it but has not responded yet. John said he has not done any more on this either.

7. PACE

Beth described the program (written description attached to agenda). She said she thought it would be a good thing to recommend to the Selectmen. Adopting an ordinance for the Town to join the program would require action by Town Meeting. John moved, seconded by Frank for Beth to write a short description of the program with a recommendation and give it to the Selectmen.

8. Foreclosed houses and other houses on the market

Bob said there are several young couples looking for houses on the island, so there is interest in those. The realtor for the Campbell house said they are not taking any offers for it at this point. Diane Lukac said she would try to find out more. Bob will see if Bruce Riddle knows anything about the status of Barry and Melanie's house. There may also be interest in Med and Marlene's land, and possibly someone separately interested in the house. Bob said he wondered whether CICA should consider buying any of these houses. There was a brief discussion of this.

John said he thinks that CICA should recommend to the Selectmen that they send the code enforcement officer and the fire chief to inspect the foreclosed houses. They are, effectively, abandoned, and may well have problems of being un-secured, with conditions that would be dangerous to the public. If so, the Town should find out who the owner banks are, describe the problems and tell them to secure the houses and make them safe.

Beth said she would talk with David Hill about putting this on the Selectmen's agenda.

9. Rental apartments in existing homes

John passed out a proposal (attached) for the Town to allow homeowners to construct rental apartments in or added onto their houses. If they are rented at an affordable rent, the homeowner's taxes would be abated until the cost of developing the unit is paid off. John asked initially for comments on this idea. If the Committee thinks it is a good idea, then it could be proposed to the Town. There was some discussion of how it would work and whether the tax abatement would be legal. Members promised to send comments.

Respectfully submitted,

Beth Howe

If you have heard of PACE before, then it is useful to understand the history of the program to understand how it works in Maine today:

It began in local communities and by last year had spread to 25 states. A homeowner could borrow money (generated by state or local bond issues) from a revolving loan fund to make energy improvements to their home. The payments on the loan were added as an “assessment” to the homeowner’s property tax bill, to be paid back over a number of years.

This created major opposition from Fannie Mae and Freddie Mac, because if the homeowner defaulted on the house and the loan, the municipality’s tax lien had higher priority for payment than the mortgage lien. This opposition brought programs in most states under a cloud. When the Federal government made available \$30 million in stimulus money for a DOE/CDBG PACE program, most states could not apply.

Maine adopted the program in the last Legislature. Because of the opposition of the mortgage industry to the property tax assessment payment mechanism, the loans in Maine’s legislation are simply loans, not assessments. So Maine qualifies for a Federal stimulus PACE grant to create a revolving loan fund and becomes the demo program for the “new” PACE.