

Minutes of the meeting of the CICA Housing Committee, Tuesday September 20, 2011 at 7:15 at the Parish House

Present: Donna Damon, Bob Earnest, Beth Howe, Deb Hall (left soon, feeling ill), Ruth Slagle
Absent: Mabel Doughty, David Whiston, John Wilson

1. Update on the construction approvals and next steps for School House Road

There was an email from Norm Fecteau saying that there were only a very small number of things remaining and that basically we are ready to go to MSHA's Finance Committee. Bob handed around a copy of all the plans for the project done by Spring Island from the material supplied by Royal River Survey and Terradyn. These include plans of the building including the foundation, the updated survey with references to the deed exchanges, site plans at two scales and a map of the location of the site.

Beth asked if the plans have gone to Bill Glover. Bob said he thought the etiquette was to wait for Norm to report to Glover, but Beth might ask Liza. It will probably take two weeks to get subcontractor quotes on the specs. The lead time for Keiser is 10 weeks because they have a large order they are getting out. At the next meeting we will get recommendations on materials and finishes. Bob thinks not carpet in the downstairs. Beth said not wood flooring either – to much maintenance.

Bob said that Keiser has been good to work with – they have been both accurate and timely, and their “lean” production process is sophisticated.

Bob said that Genesis is willing to make us a construction loan to make the initial payment to Keiser. We will use the pre-development, interest free loan for the planning expenses.

The estimated cost, not based on bids yet, is between \$362,000 and \$375,000. This compares to the original estimate of \$325,000. MSHA will provide \$350,000. The additional costs come from:

- Having full basements (additional digging, concrete and insulation).
- Having two storage sheds since the basements are not walk-in.
- MSHA's energy requirements
- Wider road and wetland permit
- New septic design and culvert in ditch near septic.

The gap between the \$63,000 for the Town land and the \$70,000 Town match will be made up by volunteer work like painting and landscaping. Even so, if the more recent estimates hold up, it means that we will need to raise money to complete the project. We can do this by soliciting money on Chebeague, or we can take out a 5 to 10 year construction loan for the balance. Donna said she did not want to raise the money on the island because we had promised earlier that we would do the project within the money provided by MSHA. She said that when the building is done, if we have an open house, we can ask people to contribute to the next project.

Bob said we don't know when we are likely to have the closing with MSHA. Now that we are into fall, we will need money for paying contractors like those doing the road and the foundation

well before frost. This may suggest that we put some of these costs on the Genesis construction loan.

Bob said that by the next Committee meeting on October 18 he should be able to provide more exact timing for the project including a move-in date. At the moment he estimates approval of financing by 9/25, placing the order with Keiser then and starting work on the excavation and foundation and driveway. Estimated time of delivery of the building is early to mid December.

2. Eligibility Requirements and Minimum Rent

Beth said that Liza said that MSHA would not disapprove of having a minimum rent. There would be two ways to calculate it – one would be the cost of running and maintaining the building. Our original application would indicate that this would be \$402/unit per month. An alternate method would be to figure that the housing must be available to people who have incomes that are 40% of the Median Family Income adjusted for family size. That would mean that the minimum would range from \$423 for a single person to \$544 for a family of three.

The cost of operation seemed to make the most sense to people. Donna suggested setting the minimum rent at \$500. Bob moved, seconded by Donna to accept this figure. Approved unanimously.

Donna also asked how the incomes of single adults applying together for a single unit would be counted. It was agreed to treat the number of people as a “family” – of two or three, for example. Their incomes would be added together to see if they were more than the maximum rent allowed -- \$70,000 for three people, for example. Then each person would pay 28 percent of their income. If one person had no or little income, they would still have to pay the minimum rent if they wanted to be part of the group.

Ruth asked how we would count income from a child still living at home? There was a discussion about whether the circumstances would make a difference. If the child were living at home and working for a year to earn money to go to college, the income might not be counted. But more than a year might be different.

Donna asked what would happen if one of a group of unrelated people moved out of the house? Beth read the language in the lease that each renter is bound individually by the lease. If someone moves before the end of the lease, the landlord can terminate the lease and enter into a new lease with the remaining people. Bob said that normally if a lease is for a year, each person would be obligated to pay for the full year even if they do not stay that long. This obligation should be made clear in the lease.

3. Stefanilo House Auction

Bob said that this house on North Road had been auctioned recently. The person who had the winning bid could not arrange for the money, so it will be auctioned again soon. Should CICA make a bid for the house? The minimum price may be \$75,000.

Beth said that she had been in the house to inspect the oil tank and she remembered that there were issues with mold. Bob said he had heard about mold and rot from several people.

Everyone agreed that CICA has enough on its plate already with working on and paying for School House Road. It would not be good to take on a fixer-upper. Someone suggested putting a notice on Bev's website saying when the auction would take place. But this might bring out higher bidders than someone with low income could afford. Bob suggested we tell people we know who may be looking for houses about the auction. Everyone agreed to forgo making a bit at the auction.

4.. Aquaculture

Donna asked how CICA has gotten involved in this. Bob said that after the second Aquaculture Committee meeting, the Committee was interested in learning more about Ocean Approved's project. But the Town was reluctant to sponsor a meeting. CICA agreed to facilitate such a meeting without taking any position on the issue. He said he thought the general feeling of the meeting was that there were issues about the lease. In particular it may be in the wrong place. Donna said she thought it was a bad idea to have other groups than DMR holding meetings on the application – it confuses matters. Instead, people should be encouraged to write to DMR to ask for a hearing to be held. And the Town should write. Bob said it was his understanding that only individual people can ask for the hearing, not organizations like the Town.

Beth said she had notes from the meeting and they could be sent to the Town Administrator with a letter asking that the Town urge DMR to have a hearing. This was agreed to. There will be a joint marine committees meeting soon and they might take this up.

Bob said that he would like to have the Harbormaster do more enforcement of things like the clamming and aquaculture regulations.

Respectfully submitted,

Beth Howe