

Minutes of the meeting of the CICA Housing Committee Tuesday January 17, 2012 at 7:15 at the Parish House

Present: Donna Damon, Bob Earnest, Beth Howe and Erin Whetham.

Absent: Mabel Doughty, Deb Hall, Ruth Slagle, David Whiston, John Wilson.

School House Road Schedule

Bob handed out a tentative schedule. The major part of Phase 2 begins at the end of April, with the foundation and septic system and then the concrete work and its associated carpentry. The building is expected to be delivered about May 20. Then the finish work will be done through the middle of June, though the painting will be done the last two weeks of that month. Move-in is estimated to be July 1.

Bob said that Wayne's work on the driveway has revealed that there are springs or very shallow groundwater bubbling up in the low area between School House Road and the rise where the building will be. The pattern in the past is that the water has probably run through the gravel of the rise and into the wetland on the far side. But he rise will now have a building with a basement and a septic system. Bob wants to talk with Dick Sweet about how to direct the water under or around the rise. This work may involve additional culvert work and another DEP permit.

Donna suggested creating a firepond in the area between School House Road and the building. Everyone thought this was a good idea to explore.

There are still some stumps to take out and the driveway needs to be built up higher when material is available from the foundation excavation.

Costs

Bob is hoping to keep the costs the same as or less than the quotes in the fall. The concrete work might be less since there is not the added cost of working in late fall. Other contracts are not likely to be less.

Keiser says they will hold the price of the building if we make a 20 percent down-payment fairly soon. Given the economy, there is always some risk that they might go under, so there would need to be some assurance that if that happened, we would get our money back. 20 percent of \$160,000 for two months would be $\$32,000 \times .065/6 = \347 . On the other hand, if there was a 5 percent price increase, that would be $\$160,000 \times .05 = \$8,000$. There is no certainty that a price increase would be this much, but the down-payment looks like a better deal. We could use money from the bridge loan for this. Or, if the down-payment was made after the closing with MSHA, we could pay with their money and incur no interest cost. Bob will talk with Liza and MSHA about these options.

Finally, MSHA has asked all along for a letter of credit for 10 or 20 percent of the cost of the building. To get such a letter from a bank, you must have unencumbered assets with them, which CICA does not. So it was recommended that we ask CEI if they can do this. They can, so this is in the works.

The Genesis Closing

Beth said the closing had been very straightforward and well organized. Bob said there had been a good deal of work leading up to it. At the last minute the lawyer who had represented Cumberland when it bought the land from Kevin Sharp's bank insisted that the Town of Chebeague Island not be mentioned in the deed. This was finally worked out with the Town attorney. Donna said that in the secession legislation that states that legal references to Cumberland in documents are carried over to the new town.

Rental Policy on Pets

Beth said it would be better to discuss this when there is a larger group. We just need to do it before the applications are finalized, which may be in March.

226 South Road

Beth said that she had sent around the memo that she and David Whiston had written for Cito Selinger. We have not yet met with him. He could not meet before David left, and he wanted to delay until January. So we have not met yet. Bob asked if the meeting could wait till David got back. Beth said that with the delay of the construction of SHR, the timing on this has gotten longer, so that might be the best think to do.

Beth asked if anyone has questions or issues about the memo. Donna said that we have to be sure that the financing for a buyer is not so complex and onerous that it will discourage people. The purpose of the program is to sustain the community and that means attracting young families. There are only two school kids in the pipeline; then it will go dry. If we will have more projects after this, people will remember this one. In any case she thinks that we should have a general policy that after some set period of time the buyer owns the house free and clear. She believes that tying up the houses as affordable houses across several owners is not only cumbersome but also is unfair. She likes the Habitat model which is intended to create wealth for the buyers. She likes the fact that MSHA allows renters of their properties to buy them after 15 years.

Beth asked how much subsidy she thinks would be reasonable to put into a house in this arrangement. Would it make sense to give the owner the \$70,000 we have already raised to buy the house? Habitat does not have much or any direct money subsidy in its units. The subsidy all comes from free labor and discounted materials from suppliers. Bob said the houses also have a higher mortgage payments.

Bob said it is different in terms of making a profit if the owner sells the house in three years or in 30.

Rental Process for SHR

Donna said that she understood that there would be a committee to go over the applications. What would happen if they rent a unit to a single person. That will create talk in the community. Beth said that it was possible. That is up to the selection committee. They have criteria, one of which is the number of people who will live in the unit, and the literature explains that it may be advantageous for single applicants to find someone to share with. Bob said that we need to

explain to the public that it makes much better financial and practical sense to have two three-bedroom units rather than one one-bedroom and one three-bedroom.

Donna said that we should get the publicity on the project out there soon. Beth said that we can have a piece in the *Calendar* in February. Everyone agreed that applications would be available March 15 and be due back on April 15. We can have another piece in the March *Calendar*, and also have a mailing to all island households before March 15. Beth said not just a postcard, but a more detailed explanation of the project. Donna suggested a floorplan. Bob said this would probably do a good job of reaching people on the island and others who might be interested who have connections on the island. He asked if it would make sense to have an ad in the *Forecaster* as well?

Donna said she thought it would be better to have articles in the *Forecaster* and the *Working Waterfront*, and maybe the *Press Herald* if we could get them interested. For the *Working Waterfront*, should someone from the island write the piece or have one of the Island Institute people come down to do it. Donna said she would talk to people at the Island Institute about this. Erin said she knows someone at the *Forecaster* and could see if they would be interested. Beth will write for the *Calendar*.

Respectfully submitted,

Beth Howe