

BARNSTABLE COUNTY HOME CONSORTIUM ADVISORY COUNCIL
THURSDAY, MARCH 21, 2013
CAPE COD COMMISSION OFFICE
MEETING MINUTES

Members Present: Richard Carroll, Lorri Finton, Vicki Goldsmith, Jon Holt, Michelle Jarusiewicz, Bernie Kaplan, Gerry Loftus, Elaine McIlroy.

Members Not Present: Lee Berger, Carl Brotman, Jillian Douglass, William Grant, James Kyrimes, Marlene McCollem, Cindi Maule, Sandee Perry.

Staff Present: Paul Ruchinskis, Michelle Springer.

MINUTES-

Vicki made a motion to approve the minutes of January 17, 2013. Elaine seconded the motion, 5 members in favor, 0 opposed, 1 abstained.

Correction to January 17, 2013 minutes- Under Town Reports the amount the Harwich CPC designated was \$530,000 not \$545,000 and the amount going towards the buy-down program is \$75,000 not \$100,000.

HOME Program-

Harwich Ecumenical Council for the Homeless (HECH) Refinancing Request-

Pam Parmakian submitted the request back in August. This is a project we put \$118,000 of our HOME funding into the project. The duplexes were acquired and rehabbed by HECH in 1996 and 1999. The project consists of five duplexes with four of them being in Dennis and one in Harwich. There are five separate mortgages with five different repayment schedules and different lengths of affordability. They are looking to reduce the interest rates from 5.75% to 4.18% which will save them about \$14,000 annually. They have twenty units in the project with ten of them being HOME units. They are going to use the savings for upgrades to the units, regular maintenance, and they will set aside a portion for a replacement reserve.

Paul recommended approving the request as they meet all the criteria. It doesn't appear that you are able to get a fixed rate when refinancing on existing properties. The new rental developments can get fixed rate financing with a twenty year loan and a thirty year amortization.

Richard asked how we guarantee that the money they will be saving will go into the maintenance needed.

Paul responded that we request financial reports from all the rental properties annually. We then review the statements to see how the properties are doing. We wouldn't be able to tell from those but we would be able to see the general health of the property. Paul asked if there were any recommendations as to how we would go about making sure the maintenance was done.

Richard made a motion to approve the refinancing, Gerry seconded the motion, 8 in favor, 0 opposed, and 0 abstained.

There was a correction to Paul's memo. It should have read HECH not CDP.

Federal Fiscal Year 2013 HOME Annual Plan-

Paul reviewed the Annual Plan and highlighted some of the key areas. We have not received the information in regards to the amount of funding that we will be receiving. Paul hopes to have the amount of allocation soon as Congress is getting closer to having a 2013 budget complete, but he assumed about an 8% reduction to \$350,000.

Jon asked about how the housing priorities/objectives (located on page 10 of the Annual Plan) were created.

Paul explained that when he writes the five year plan there is extensive outreach to various groups within the Affordable Housing world. There is also a Public Hearing where we collect comments on current housing needs. It's a combination of both of those things, and then Paul puts the housing priorities/objectives together for the Consortium to decide on.

Richard asked Paul to clarify the need for having both zoning and building permits in place in regards to the threshold project requirements for housing production applicants (page 13). Paul clarified that no, they only need to have zoning permits in place, not building and he would edit that.

Elaine asked where can people go to find out more about the downpayment program and where do they apply?

Paul responded that we have the information on our website. HAC also does marketing for the program, offers homebuyer classes, and the information is on their website. The program has been around for 20 years so there is also a lot of "word of mouth".

He reviewed the 2013 allocations for the Downpayment Program, Housing Production, and CHDO's (page 17).

Administration-\$35,000
CHDO Housing Production- \$52,500
Housing Production -\$187,500
Down Payment/Closing Cost-\$75,000

Paul noted that we would continue to fund just rental projects in Housing Production and that he recommended a larger DPCC allocation along with an increase in the maximum DPCC loan to \$20,000 as a result of the public comments at the February public hearing.

Richard asked if it violates HUD rules if he were to highlight the second sentence about the restriction including both a HOME period of affordability followed by a County period of affordability. Paul responded that it would not be a violation, and that he would underline the sentence in the final plan.

Michelle asked where the 2% resale price came from in regards to the Maximum Resale Formula (page 35).

Paul explained that the 2% is what DHCD uses and that is why we included it, but he is fine with going up to 2.5%, which would be the same as the universal deed restriction.

Michelle asked about cash flow with a resale and how we deal with that here.

Paul responded that we do not get involved with re-sales. unless there was a downpayment loan also included. The Consortium has never been involved in being a re-sale agent and wouldn't be.

Michelle made a motion to approve the draft Annual Plan, Richard seconded the motion, 8 in favor, 0 opposed, 0 abstained.

Regional 2013 Affordable Housing Data-

Paul included in the meeting packet data that he updates on a regular basis in regards to Median Family Home sales on Cape Cod and the Affordability Gap.

We are still about 11% higher than the rest of the State and we have been since about 2005. The Affordability Gap shows two years in a row that the median single family household could afford to buy the \$322,750 median price single family home. This is due to the historically low interest rates.

The average wage for a person to be able to afford a two-bedroom rental at the fair market rent of \$1,267 is \$24.37 an hour.

Announcements/Other Business-

The Mashpee Affordable Housing Committee along with the Cape Cod Commission will be sponsoring a "Cottage Housing" workshop at the West Barnstable Community Center on May 8th at 4pm.

There will be no April Consortium meeting.

Paul announced that the Advisory Council would now vote to go into Executive Session in accordance with Mass. General Law Chapter 30A, Section 21 (a) (1) for the Purpose of Discussing the Open Meeting Law Complaint Dated February 19, 2013 Against a Public Officer, the Barnstable HOME Consortium Advisory Council and that the Advisory Council will adjourn from executive session and not reconvene.

At 9:26am all eight Consortium Members present voted in favor of going into Executive Session:

Richard Carroll, Lorri Finton, Vicki Goldsmith, Jon Holt, Michelle Jarusiewicz, Bernie Kaplan, Gerry Loftus, Elaine McIlroy.

Meeting adjourned: 9:26 a.m.

Meeting Enclosures:

1. Harwich Ecumenical Council for the Homeless Refinancing Request
2. Federal Fiscal Year 2013 HOME Annual Draft Plan
3. Regional 2013 Affordable Housing Data