

ICDC Board of Directors Meeting
9/14/10
7:00pm

Directors in Attendance: Al, Ellard, Steve, Judy, Morgan, Landon; Jerry and Gail by phone

Observers: William Landers, H. Louise Bernstone, Bill Clark, Luther Smith, Gerry Wurzburg, and Robert Lingley (phone)

I. Maine Housing Grant update:

Shortly before the meeting, Al received the news that the restrictions in the affordable housing grant regarding "growth areas" and public sewer service will not apply to the islands. This means that ICDC could potentially build new houses with the grant money, rather than only being allowed to bring town houses into its ownership to refurbish.

There was a review of the grant's request caps and requirements:

- The money would have to fund a minimum of 2 housing units.
- The maximum funding per unit is 175k.
- The grant would fund up to 400k for 2+ units.
- There is a 20% match requirement: this could be in cash, labor, real estate, etc...
- The units funded would have to be affordable rentals for 15 years.
- There are some green requirements.
- ICDC must have "site control"- e.g. a purchase and sale agreement for the property.

II. Discussion to define housing project:

Bill Clark brought in the parcel map for the Coombs Mt. lots, so that we might discuss available town land. ICDC already has the right to purchase Lot C. One half of the Donny Furrow property (Lot A) will be available once the property is surveyed and divided. Beyond Lot C, there are approximately 14 acres of town property that have yet to be planned for or defined.

The board discussed the feasibility of the Furrow property, which is already cleared and accessible by road. The sale price will be approximately \$25,000. It was suggested that ICDC might approach the town about donating the piece of property: that money would help ICDC meet the matching requirement. There was some talk about how ICDC might later pay the town back, to help the town invest in planning the undefined acres for future development.

The board then consulted Luther Smith regarding the potential costs of building a basic 3-bedroom house on IAH. In his opinion, a 3-bedroom house with a driveway, septic and well would require more than the 175k the housing grant would make available. Luther estimated a new house would cost in the ballpark of 250k; that refurbishing a house would cost about 100k. This means that to build new homes with the grant, ICDC would have to raise about 75k per new unit.

Given the estimates, the board turned back to discussing potential homes for refurbishment: the teacher's house, possibly the small blue house on the Keidel's property? Gerry Wurzburg inquired if it was possible to build a 2 family unit, and Bill Clark informed the group that multi-family dwellings are disallowed by current IAH zoning.

The following ideas were raised regarding how to close the gap between the grant money and the actual cost of constructing a new home:

- Look for more grant money, and use the Maine Housing grant as a "base." The major concern is whether or not Maine Housing would need us to prove we have the money needed above their 175k before they would approve our application.

- Find grants to fund the repairs to houses #2 and #3, so that some of the sale money from house #1 could go toward building costs. Possible grantors: US Dept. of Agriculture, and Efficiency ME. Brenda Clark has a contact in the USDA. Applying for Efficiency ME grants would require energy audits for the two houses.

- Might ICDC look into prefab houses? Peaks Island may be using prefab for their affordable housing, and we could contact them for info.

The board decided that Al would continue to focus on the Maine Housing grant, while Judy, Gail, and Landon would target the weatherization (repair) grants.

The group came to consensus that they should pursue the Maine Housing Grant.

To move the definition of the project forward, Al moved that ICDC build 2 new units: Jerry seconded the motion.

Discussion:

Al and Judy voiced a strong desire to focus on new units, rather than refurbishing homes that are already occupied, since the goal is to bring in new residents.

Steve brought up the fact that given the financial issues (ME Housing wouldn't cover all the costs of new construction), it might be best to refurbish: existing homes already have driveway access, septic, and wells. The teacher house, in particular, is badly in need of repair and sits right in the center of town. The board discussed the obvious issue, that the house is currently occupied by Luther. The major concern

would be displacing him during construction, and then whether or not he would fit the income requirements set forth by Maine Housing. Would he be allowed to move back in after the renovations? The board obviously doesn't want to leave Luther homeless. If ICDC moves forward with refurbishing that house they will have to carefully examine both the income levels considered "moderate to low" and the ultimate rates at which they will have to set the rent. The affordability requirement of the grant says "Up to 120% of Area Median Income," but there was some confusion as to what that meant.

Morgan urged the board to consider applying for the grant in order to build one house on the Donny Furrow lot, and to refurbish the teacher's house. That way one project would be "shovel ready," and one project would provide a new, empty house. She thought that, given the time crunch, it seemed a more feasible goal to raise the extra 75k for one new unit, than to have to raise 150k for two. In the longer term, ICDC could look to develop Lot C and work with the town to plan the undefined acreage.

Al amended his motion:

Ask the town to give/sell the teacher's house and one half of the Donny Furrow property to ICDC, so that it might refurbish the existing house and build on the Furrow Lot.

Jerry accepted the amendment. The board voted unanimously in favor. Al will request the town meeting.

III. Hiring GENESIS

Liz Fleming-Ives with the GENESIS foundation is working with the islands to apply for the Maine housing grant. ICDC already has \$2,000 from a prior grant (from GENESIS) that could go toward this work. GENESIS would charge ICDC \$80/hr up to \$5,000 (60 hours). This would be payable when the application was funded, and could be paid from the funds. ICDC would not have to pay if the application was denied.

Al moved that ICDC hire Genesis, Judy seconded the motion. The Board voted unanimously in favor.

IV. Miscellaneous

Albert and Judy raised the possibility that the community might pull together to start a Habitat for Humanity project to help Kirsten get on the land she is leasing from the town (Coombs Mt. Lot B).

There was also a short discussion about the possibility of housing projects on the church land: the church property is currently not covered by the DSL service, and having just sold a lot to the Stavenger-Steisslingers, they would have to create a subdivision.

Al gave the repair report for houses #2 and #3. In house #3, he and Landon fixed the sink, and are slated to fix the shower and refrigerator. He got a price of \$130 to fix the broken window. The board said he should get a couple of more quotes and then go ahead with the repair. For house #2, the tenants requested that the doors be the priority rather than the windows. He will talk to Efficiency ME about weatherization funds.

The rest of the original agenda for the evening was tabled until the next meeting, on 9/28/10.

The board adjourned at 8:37pm.