

Community Preservation Committee-minutes of meeting on March 22, 2017

Present: Bea Phear, Glenn Hearn, Cheryl Lowe, Scott Stearns, Dale Julier, Nancy Dole and Pam Thors Admin. Asst.,

Absent: Gary Montrowl, Lesley Eaton, Tara Whiting

A quorum being present, Bea opened the meeting at 5:30pm

The minutes of the meetings of Feb 22nd 2017 were reviewed and approved with one correction and one abstention, (Nancy Dole).

The following invoices were approved;

Dukes County Regional Housing Authority Rental Assistance-December-\$4,593.00

Administrative Assistant Payroll-\$ 668.11

Philippe presented a comprehensive project pro-forma and budget updates for Scott's Grove. He stated that all the permits have been granted for the project but that they still have to apply to the Environmental Protection Agency because the project is considered a DEP. He explained that it is a DEP because a "Public Water Supply" is necessary, because there is only one owner and more than 24 people are being served by the water supply. He said that Craig Saunders would be handling that application. Dale asked if a different kind of well is required. Philippe said no, but that a well and a backup well are required. He added that they will need water testing that will cost at least \$30,000 in the first year because it is a public water supply. He stated that the required denitrification system would reduce the load substantially.

Bea stated that the funding for the fire suppression water tank is going to be split between the town and the CPC. The CPC warrant article will be on the ATM warrant but the town will not be presenting their warrant article to the town until a later date. This allows the town to avoid a proposition 2 ½ override, and since the water suppression tank does not, (according to the Fire Chief), need to be installed until just prior to occupancy, the funding can wait until a Fall STM or the following spring ATM.

Philippe went over the project pro-forma, (see attached). He explained that funding not granted by the Feds or State this year, may be available next year, thus creating a shifting financial picture. This discussion helped to present the big picture, including construction costs, management costs, rental income and its coverage of present and future costs. Philippe explained that the whole idea of these projects is to create something that is self-sustaining. He explained that there are operating accounts set up for all DCRHA properties who manage the properties. He further explained that 7-15% of gross rents are transferred to the Reserve Account for future costs. He stated that there is no subsidizing of these rental units. Philippe stated that they have hired Mark Rosenbaum, the foremost energy engineer in the region to oversee the construction details of the project. Philippe stated his goal again; that when he moves on, he wants to know that the project can be self-sufficient. Scott asked about the administration fee being part of the project cost rather than being a line item in the IHT budget. Philippe said that they like the transparency of listing it as a project cost and that the State determines limits of Administrative fees. Philippe ran through the soft costs.

Bea asked about representation at Town Meeting. She suggested that Philippe be prepared to present the project details. She said that Kathy Logue will be present to discuss the bonding and she herself will be available to voice the CPC support of the project. Philippe presented the rendering and the plot plan of the project and answered questions about the construction.

Bea suggested that the members take the information regarding Affordable Housing Restrictions and the Annual Town Meeting handout and review. She asked that all send any corrections/suggestions to Pam.

Bea reviewed the list of CPC reps for the ATM warrant articles.

Scott asked about All Island CPC and Planning Board efforts for Affordable Housing. She explained that the Housing Production Plan (HPP) group is looking at two aspects of the support of Affordable Housing; one being available sites and the other being available funding. She said that she is heading a group that will be meeting to review the zoning issues. Scott mentioned that at the Edgartown Selectmen's meeting, the suggestion to put an article on the warrant asking taxpayers to support an all island fund for Affordable Housing was voted down. He said that CPC funding was referenced as the source of this funding. Pam stated that Tisbury voted to include the article but leave out any reference to CPC funding. It was verified that West Tisbury did the same. Bea brought up the fact that the HPP included the suggestion that CPC designate 80% of funds towards Affordable Housing.

Nancy brought information to the committee regarding CPC funding for open space use of funds to collaborate with owners on installing wells. She stated that she had heard from Rez Williams that the Mill Brook Watershed Study would never result in any recommendations/reports to advise the Town as to what to do about the Mill Pond issue. Bea said she would consult with Cindy Mitchell.

The meeting adjourned at 6:30pm.

Respectfully Submitted,
Pam Thors, Admin. Assistant

Project Summary		Unit Break Down				Rent	
Total Units	9	No. Units	Unit Type	No of BRs	GSF	Monthly**	Annual Total
Total Gross SF of new const	9,994	1	1-bedroom @ 30% AMI	2	982	\$ 1,013	12,156
No. Parking spots	20	2	1-bedroom @ 50% AMI	2	702	\$ 685	16,440
\$/GSF Building (not including site work)	196	1	1-bedroom @ 80% AMI	1	702	\$ 1,124	13,488
\$/GSF TDC	290	1	2-bedroom @ 50% AMI	2	982	\$ 822	9,864
Construction time line, months	12	1	2-bedroom @ 80% AMI	2	982	\$ 1,348	16,176
		1	3-bedroom@ 50% AMI	3	1320	\$ 942	11,304
		1	3-bedroom@ 60% AMI	3	1320	\$ 1,162	13,944
		1	3-bedroom@ 80% AMI	3	1320	\$ 1,550	18,600
		9		18			111,972

**Rents do not include utilities

SOURCES	Status	Total	Per/Unit
Construction Loan		750,000	EDG
Permanent Sources			
Permanent Debt (30 years)		550,000	61,111
DHCD grant		600,000	66,667
IHT fundraising		347,000	private 38,556
West Tisbury CPA		1,400,000	155,556
		2,897,000	321,889

Acquisition Cost		0	-
Hard Costs			
New Construction		1,959,634	217,737
Infrastructure & Site		262,296	29,144
Overhead & Profit		244,000	6 C 15% 27,111
Subtotal		2,465,930	273,992
Architectural & Engineering		60,000	6,667
Survey & Permits		30,000	3,333
Total Hard Costs		2,555,930	283,992
Soft Costs			
Construction Interest	5.25%	30,000	3,333
Admin	IHT	15,000	1,667
Taxes & Insurance	- Builders Risk	24,000	2,667
Legal & Title	Attorneys	15,500	1,722
Marketing		14,500	1,611
Contingency		15,570	1,730
Total Soft Costs		114,570	12,730
Subtotal Development Cost		2,670,500	296,722
Rental Property Reserve		45,000	5,000
Developer overhead		46,500	5,167
Developer Fee	- Contingency	135,000	15,000
Total Development Cost		2,897,000	321,889

OPERATING			
Revenue			
Annual Rental Income		\$	111,972
Vacancy Allowance	3%		(3,359)
Total Income		\$	108,613
Expenses			
Operating Expenses	7,500 unit/annum		67,500
Total Expenses & Taxes		\$	67,500
Net Income		\$	41,113
Debt Service		\$	36,385
Surplus Cash Flow		\$	4,728
Debt Coverage	1.15%		0.115