

Date: November 10th, 2023, 10am EDT

Attendees: Betsey Remage-Healey, Karin Elofson (scribe), Gigi Guyton-Thompson, Bill Hall, Rhonda Berg

1. Welcome to new Board member, Rhonda Berg!
2. Updates on 18 Central Avenue Project
 - a. Andy Jackson prepared an updated pro forma budget, but was unable to present due to a family situation.
 - b. Andy proposes we reduce the 'Misc Soft Costs' line item from \$60K to \$15K to reduce the amount of money Home Start must raise.
 - i. Karin questioned whether that opened the project up to risks associated with this stage of the project, such as an unexpected need to redesign the building.
 - ii. Betsey took the action to contact Andy for his perspective on that question.
 - c. Andy will provide an updated project timeline based on where Maine State Housing (MSHA) is with the loan application process. Once we have the Notice to Proceed, we can apply to the Jill Dusan Housing Trust Fund.
 - d. A modified project summary as prepared for the Jill Dusan Grant application is being added to these minutes to reflect activity over the past year and what is planned for 2024.
3. FY 2024 Budget Proposal
 - a. Bill has provided a budget for FY 2024; it is a working document. Proposed budget is attached to these minutes.
 - b. Bill will add assets and liabilities to the report for a complete picture, including money in the bank and 143 Pleasant Avenue.
 - c. Board voted unanimously to accept working document for FY 2024, 5-0.
 - d. Bill also provided the Income and Expenses for 2023. Those numbers are attached to these minutes.
4. Community Fundraising Status
 - a. Treasurer Report, as of 11/09/2023: Checking - \$109,844.65; Savings - \$120,938.58
 - b. It does not appear that many donations have come through the sandwich board and QR code, so Karin will stop paying QR.io.
 - c. Local Island residents are now voting on the color of the building at the model in the Peaks Island Library.
5. Home Start Bylaw Updates
 - a. The following updates were made and approved by unanimous Board vote, 5-0.
 - i. P.O. Box 174 Peaks Island, ME 04108 added as mailing address
 - ii. Expected term of Director reduced to one year
 - iii. Online meeting options, such as Zoom, added as acceptable meeting format
 - iv. Digital signatures added as acceptable means to approve resolutions and other Board decisions
 - v. Original Clause Article 4.j removed as unclear and unnecessary
 - vi. Vice-president removed as a required Officer
 - vii. Board minutes and annual report shall now be uploaded to the website, www.peakshomestart.org, with proper confidentiality

- viii. Checks greater than \$1000 do not require two signatures
 - ix. Article 11. Dissolution added to Bylaws; these were previously provided to the State in 2005 under separate cover.
 - b. Karin will send the updated Bylaws and these minutes of the Annual Meeting to the State as part of our Certificate in Good Standing.
6. Ratification of Officers
- a. The following individuals are ratified as Officers for FY2024 by unanimous vote, 5-0:
 - i. Betsey Remage-Healey – President
 - ii. William Hall – Treasurer
 - iii. Karin Elofson - Secretary

Other Business

7. Tenant Selection Process
- a. Home Start has begun to receive questions on when the application process will begin.
 - b. Gigi noted that the application process for an affordable living project in Portland did not start until much later, when appliances were being installed.
 - c. It was noted that there is no current process or selection committee for the 18 Central Project; Volunteers of America (VOA) may have templates; VOA will be managing 18 Central once it is ready for rental.
8. Concerns from Central Avenue residents
- a. At least one neighbor to 18 Central has contacted Jess Burton of the PI Council. Jess has requested drawings of the lot and building so that she can provide informed answers.
9. **Adjournment:** 11:12am EST

Prepared for Home Start Annual Meeting, November 10, 2023

Summary of Activities in FY2023 and plans for FY 2024

Background

Each spring comes the sad ritual of saying goodbye to people who have had winter rental housing but must move off the island when summer rents quadruple. In addition are the people who may have grown up on the island, keenly want to move back but cannot afford the housing prices that have soared since the COVID pandemic. A formal needs assessment cannot capture these “invisible” needs but they are there. In addition, there is a hardy group of people who scramble every year to cobble together year-round options, knowing that next year their luck may run out. The waiting list for Fay Garman House senior housing has also grown dramatically, with a waiting list of several years. Finally, there is always concern about keeping our K-5 elementary school open. Educating approximately 100 children in 2000, the census is now 37. While there appears to be more little ones in strollers these days, the need to house families with young children persists.

Home Start is a 501.c.3 organization that has been advocating for affordable housing on Peaks since 2006. As an all-volunteer organization, we have the great good fortune to receive top notch pro bono legal advice (Brenda Buchanan, Esq) and affordable housing technical assistance (Andrew Jackson). This keeps our overhead very low, which helps when faced with the extra costs of building on an island. Our financial position is small but strong, as evidenced by the successful refinancing of our property at 18 Luther St. with Gorham Savings Bank to get lower interest rates and begin to pay down principal. We are proud of our decision to sell that property, including its income-producing ADU to a first-time home buying family with deep island roots. This sale also generated \$125,000 in profits which we are using to help fund our latest project at 18 Central Avenue.

18 Central Project

In August of 2021, the City Housing Department sent out a Request for Proposal (RFP) to develop 3 units of affordable housing at 18 Central Avenue on Peaks Island. It is currently the site of a large abandoned church parish hall. Home Start applied and was awarded the option to develop the property in return for paying back taxes in excess of \$30,000 and also assuming all on-going taxes.

Home Start was delighted to learn of the Maine State Housing Islands Initiative shortly after getting the opportunity at 18 Central. It offers a \$210,000 no interest loan per unit, as long as the units remain affordable for 45 years. This funding is available for up to 4 units - which we had hoped to build - but the residential IR-2 zoning only permits one main unit and 2 accessible dwelling units. This is unfortunate because it contributes one less badly needed unit and increases the per unit cost of each of the 3 units.

Home Start plans to get a mortgage for the maximum that the 3 rents will support. In addition, we have mounted a robust campaign to raise \$125,000 from the Peaks Community. Since starting the campaign in July 2023, over 80% of the goal had been raised by November 1. This is encouraging, but alas, we recently learned that rising interest rates will add \$57,000 to our project budget. Since we are already at the maximum mortgage amount, this adds to our fund-raising challenge.

Additional funding will be requested from the Jill Duson Housing Trust Fund to fill the gap between the cost of the project at \$1.3 million, and revenues from the Maine Housing Islands Initiative fund, a mortgage, and community fund raising. The small size of our project limits economies of scale, and island construction will, by definition, cost more. Therefore, Home Start will request from the Jill Dusan Fund the maximum amount of \$18,000 per unit for a total of \$54,000.

Design Concepts for 18 Central

Several design options were reviewed including renovating the existing building, creating three stand-alone units and the selected option of three attached units. The various design options were reviewed within the Home Start Team and also during two presentations to the public. While there have been a variety of opinions, the current design has been well received by the community and also has the backing of the Peaks Island Council.

Our project will take the current building down to ground level, build a new foundation on the exact footprint of the existing building's remaining lower level, and then put a cluster of 3 modular units – two 2-bedroom and one 3-bedroom - on the foundation. Working with the builders, Backyard ADUs, from Brunswick, we are proud that each unit will have a private entrance, washer and dryer (especially important given there is no commercial laundromat on Peaks at present), be handicapped accessible, and have solar panels to provide virtually all heat and electricity at no cost to tenants. The plan is for it to be a net zero project, including greatly enhanced insulation and well-designed double paned windows. We also feel that the project will

offer an aesthetic improvement to the neighborhood which is all single-family homes other than the big empty brick building at 18 Central.

Home Start is committed to offering the three rental units as affordably as possible; while one of the 2-bedroom units will rent at 80% AMI, we believe we can offer the other 2 bedroom at 60% AMI, which should put it in the range of more Peaks residents. We also intend to work the Portland Housing Authority to find a family with a Section 8 housing voucher for the 3-bedroom unit.

It should be noted that because it is a large building on a small lot, Home Start applied for a Practical Difficulty Variance, as did the builders of the original parish house when it was built in the 1970s. On September 7, 2023, the City of Portland Zoning Board of Appeals unanimously supported the Variance.

Other Plans for FY 2024

Home Start will continue to fund-raise within the Peaks Community and to research other affordable housing grant opportunities.

The rental application process will be defined in early 2024. We will work closely with Volunteers of America, as they will be managing the property once it is ready for habitation.

Plans for the development of 143 Pleasant Street are on hold as Home Start concentrates on the 18 Central Project.

Home Start continues to be extremely grateful to the continued support from local government and the Peaks Island Community!

Prepared by Betsey Remage-Healey, Home Start President, and Karin Elofson, Secretary,
November 2023

Home Start Income and Expense
Fiscal Year 2023
October 1, 2022 – September 30, 2023

Income

Bank interest	120.87
Donations & grants	38,977.70
Fees & taxes (refund)	1,013.35
Insurance (refund)	1,095.92
Total	41,207.84

Expense

Administration	140.00
Architectural services, project design (18 Central Ave)	11,128.61
Fees & taxes	1,327.44
Fundraising	655.70
Insurance (Director & Officers)	1,029.00
Memberships (ME Affordable Hsg Coalition)	400.00
Miscellany	1,634.86
Site preparation (18 Central Ave)	13,799.54
Web site build	1,500.00
Total	31,615.15

Net income 9,592.69

Assets & Liabilities (as of 11/1/2023)

Assets: Checking account	109,844.65
Savings account	120,938.58
Total	230,783.23
Liabilities: Real estate tax (143 Pleasant Ave)	26.51

Home Start Budget FY 2024
October 1, 2023 – September 30, 2024

Income

Bank interest	120
Donations	90,000
Grants	
• Maine State Housing	630,000
• Jill Dusan Housing Trust Fund	54,000
Loan (interest-free)	638,000
Rent*	<u>16,800</u>
Total	1,428,920

Expense

Accounting services	900
Administration	600
Building construction	1,600,000
Fees & taxes	2,000
Fundraising	800
Insurance	
• Director & officers	650
• Property	2,800
Legal services	300
Loan payment	20,500
Maintenance	1,000
Memberships	400
Property management	800
Utilities	<u>350</u>
Total	1,631,100

Net income (202,180)

*Assumption: Property is rentable beginning July 1, 2024