



Sustainable Housing Work Team July 9th, 2013 – Minutes

Attendees:

NAME	ORGANIZATION
Al May	Maine CDC
Bobbi Harris	Washington Hancock Community Agency
Judy East	Washington County Council of Governments
Mike Sealander	Sealander Architects
Dick Fickett	Fickett Property Management
Matt Lewis	Four Directions Development Corp

Meeting started with introductions.

All agreed that the **meeting minutes from June 18th meeting** properly represented the discussion. They are now posted on www.gro-wa.org One clarification at the top of page 2 – Matt Lewis can obtain the Home Tracking Inventory that contains a 1-5 scale ranking of deficiencies (mostly with reference to health and safety) for Pleasant Point but not for Indian Township. Judy will get housing data for Indian Township as part of the update to their Comprehensive Plan, currently underway by WCCOG staff.

Data Discussion:

- Judy updated the summary of need vs. available funds analysis into a spreadsheet. Posted as: Housing Needs to Fund Availability.xlsx) at www.gro-wa.org/housing-challengeshousing-responses)
- Bobbi indicated she has an additional \$1 million to spend on furnace replacement – this will be incorporated into the spreadsheet.
- USDA could not provide any indication of past or potential numerical amounts for the spreadsheet and can only indicate the following:
 - “Rural Development’s 504 loan program is to provide assistance to elderly and very low income families in making home improvements, repairs and modernization. The 504 grant program is to provide assistance to elderly families in removing health and safety hazards in their homes. For availability of funding, please contact a Rural Development Area Office”
- Judy will follow up to find out how much USDA has spent in Washington County in the past few years – Sean Thibeau indicates the following track record:
 - FY 2011: Rural Development funded a total of 31 repair projects for a total of \$155,368
 - FY 2012: Rural Development funded a total of 14 repair projects for a total of \$ 58,199
 - The difference from FY11 to FY12 is due to a reduction in staff for the Single Family Housing Programs SFH from 4 to 2 and funding cuts for the 504 loan and grant programs.
- **Judy will incorporate this historical information into the spreadsheet**
- **With the updates above we can now conclude that a conservative estimate is that only 4% of the need can be addressed with available funds.** We will continue to update this table if there are additional funding sources.

The Work Team then reviewed the Policy Recommendations Matrix document that included updates from the June 18th meeting in red print.

Updates discussed are now added to the Policy Recommendations with revisions made on July 9th noted in green print and posted in an *updated document* (SustHsgWrkTeamPolicyRecommds&Eval) at www.gro-wa.org/housing-challengeshousing-responses) we did not complete our review of this document; **Bobbi, Judy and Al to meet again in July/August to complete the policy review and circulate to all work team members.**

Follow up questions: ask Lou Esposito if there are many reverse mortgages being used – if so why, if not why not (**Judy will follow up with Lou**)

Here is Lou's follow-up/input:

RM have never taken off as a product and financial advisors often reject them.

No banks in Maine offer them so people have to shop on-line or by phone to find a vendor. When home prices dropped in the recession, even big banks like Bank of America and Wells Fargo got out of the product. We used to have a relationship with Metropolitan and referred people to them...then they got out of it. I rarely get calls for RM. Once a year at most. Older people dealing with a complicated subject and risking their home with strangers is a tough sell. In the early days, some disreputable companies got into them and that probably put a damper on them. There's a lot more regulation now.

Some disadvantages:

They are complicated so not easily understood. Applicants actually are required to take a course now so they know what they're getting into; they're expensive. Since vendors don't collect while the person is alive and in their home, they get big fees up-front.

Many older people own their homes free and clear and simply resist the notion. There is less to leave heirs...often the home is the biggest asset and older people want to leave something to the kids. In Maine especially, homes are often handed down generation to generation. That isn't possible, or likely, in a reverse mortgage situation.

All that aside, it's still a good option for people that have wealth in their home but need income. The monies can be taken in a lump sum, in installments, or used as a line of credit with no payments ever due except when the person dies or vacates. It's possible, with baby boomers aging and being perhaps more financially savvy, and vast wealth in real estate equity tied up, they could become more popular in the future.

Remainder of meeting dedicated to presentation and discussion of public-private business venture concept described by Mike Sealander; Mikes notes are posted to <http://www.gro-wa.org/housing-publicprivate-partnerships> (www.gro-wa.org/housing-challengeshousing-responses); essentially the premise is that there is "money in the system" that a public-private partnership could use to solve some the housing and energy issues. All present agreed that a late October meeting should be planned as a forum to bring together potential Board Members, investors, Efficiency Maine, representatives from our state and federal delegations, and potential vendors to flesh out the idea and see if those present would pursue the partnership.

Note – the specific numbers in Mike's presentations are theoretical but based on knowledge of savings accrued in similar circumstances. Judy noted that an energy auditor could put more accurate

numbers on the assumptions; **Judy will pursue finding/contracting with an energy auditor to vet the numbers in advance of the October meeting.**

After Judy, Bobbi and Al meet again we will canvas the group to attend a pre-event planning meeting, likely in mid-September.

Respectfully submitted,
Judy East