

# Northgate Tenants Get Bad News From Housing Officials

By ROBERT CAMPBELL

Free Press Staff Writer

Tenants of the Northgate Apartments housing complex were told Thursday night they could face massive rent increases or possible sale of their apartments.

Fifty residents gathered in the complex's community hall to hear federal and city housing officials discuss the possibility of changes at the federally subsidized complex.

Even though any potential changes are at least three years off, residents said they are organizing now to prepare for the worst. A switch to condominiums or non-subsidized housing could mean that 1,500 people would have to move out of the 336 one-, two- and three-bedroom

units.

At issue is the complex's federal Housing and Urban Development low-interest mortgage. The mortgage requires rent control for the length of the mortgage. However, in three years, the owner of the property — the Northgate Association and its principal partner Bernard Gilhooley — has the option to pre-pay the \$3 million mortgage.

According to Raymond Anderson, a HUD loan expert, "If he (Gilhooley) pre-pays it, then HUD's out of it." He explained that would leave the development's owners with the opportunity to raise rents or convert to condominiums.

"People are really upset about this," said Ellie Blais, president of

the Northgate Tenants Association. The association was formed in 1981 "because there was not enough communication between the tenants and management," she said.

Brenda Torpy, Burlington's assistant director for housing, agreed. "I think your concerns are valid and well-founded. The local market has many incentives to sell. If the mortgage is paid, the rent can float to whatever the market will bear."

The apartments, built with federal assistance in 1969 on 32 acres off North Avenue, have an assessed value of \$8.5 million.

Anderson tried to allay the tenants' fears. "It's not likely that he's going to sell, there's just no incentive.

"The owner has three options. To sell the development, to convert to condominiums or to keep it the same. I cannot tell you what choice he will make," he told the tenants.

"His agreement with HUD is to maintain rents for 20 years at low-to moderate-income level," Anderson said. Under the current tax situation and other market factors, the owner of Northgate has no incentive to sell, he said.

Rents at Northgate are among of the lowest in Burlington, with some three-bedroom apartments going for \$236.

"If it (rent) goes to fair market value, rents could jump to \$600," Blais said. "There are very few people here who could afford that."

She described the tenants as mostly low-income, many single-parent families and elderly people.

Torpy called the complex 'ideal for condo conversion.' Her organization is worried that such development could displace a lot of people. "The city's goal is that all who want to stay here can stay here and be able to afford it.

"There's already a shortage of affordable housing and it's not going to get better," Torpy said.

Blais added, "We don't want any last-minute shocks when we've been living here all this time."

The controversy surrounding the sale of the Indian Brook development in Essex Junction last year sparked many of the tenants' concerns. Indi-

an Brook tenants also raised concerns over a plan to convert the apartments to condominiums; the conversion never occurred but rents were raised significantly. The project was partly financed by federal funds through the Farmers Home Administration.