

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~

Thursday, February 11, 2021

Remote Meeting *via* Zoom – 3:30 pm

Trust Members: Brian Sullivan (Chair), Brooke Mohr (Vice-Chair), Penny Dey, Kristie Ferrantella, Reema Sherry, Dave Iverson, Allyson Mitchell

ATTENDING MEMBERS: Brian Sullivan, Brooke Mohr, Reema Sherry, Kristie Ferrantella, Allyson Mitchell

ABSENT: Penny Dey, Dave Iverson

STAFF IN ATTENDANCE: Tucker Holland (Housing Specialist); Ken Beaugrand (Real Estate Specialist); Eleanor Antonietti (Land Use Specialist); Vicki Marsh (Town Counsel)

Public Present on Zoom: Anne Kuszpa (Housing Nantucket); Keith Berman; Robert Liddle; Pete Kaizer; Arthur Reade; Billy Cassidy; Howard Dickler; Dave Armanetti (Richmond Great Point); Jerry Vigil; Bo Sasomsin; Susan Campese (NILB)

I. Call Meeting to Order

Brian Sullivan called the meeting to order at 3:37 pm

Brian Sullivan announced that this Open Meeting of the Nantucket Affordable Housing Trust is being conducted remotely via Zoom, consistent with Governor Baker's Executive Order of March 12, 2020, due to the current State of Emergency in the Commonwealth due to the outbreak of the "COVID-19 Virus."

II. Approval of Agenda

Brooke Mohr **moved to approve the agenda.** Kristie Ferrantella seconded the motion.

ROLL CALL of those participating:

1. Brooke Mohr Aye
2. Kristie Ferrantella Aye
3. Reema Sherry Aye
4. Allyson Mitchell Aye
5. Brian Sullivan Aye

Agenda adopted by **UNANIMOUS** consent.

III. Approval of the Minutes

▪ February 2, 2021

Reema Sherry **moved to approve the Minutes as amended for the meeting on February 2, 2021.** Brooke Mohr seconded the motion.

ROLL CALL of those participating:

1. Brooke Mohr Aye
2. Reema Sherry Aye
3. Kristie Ferrantella Aye
4. Allyson Mitchell Aye
5. Brian Sullivan Aye

Minutes adopted by unanimous consent.

IV. Request from NHA Properties Inc. regarding 31 Fairgrounds Road

Tucker Holland explains that 31 Fairgrounds Road is the first project that we are able to bring forward with regard to the \$25 million. Gives overview of project. This project will exclusively serve the year round (“YR”) community. We are partnering with Housing Nantucket on the project. All units will be income restricted at tiered income levels. It is important that it serve a mixed income range of YR residents between 30-200% AMI (Area Median Income). Other important considerations are that this will count on our SHI (Subsidized Housing Inventory) list and potentially contribute to our Safe Harbor period.

Brian Sullivan clarifies that this is the second deployment of the \$20 million, the first being Orange Street.

Tucker Holland yes and there are other projects in the works.

Anne Kuszpa thrilled to have this opportunity to partner with the Trust and the local developer, Billy Cassidy. This is a rental housing project with 22 units at the tiered income levels, 100% deed restricted, and 100% for YR residents. Affordable rents will be calculated based on income levels and bedroom size. There will be mix of 1 to 3-bedroom units.

Billy Cassidy this has been great collaboration. Andrew Vorce helped tremendously navigate the process of how to do a flex development. Emily Molden at the Nantucket Land Council has also been very instrumental.

Vicki Marsh Deed will run to NHA Properties. We have had a title exam and title insurance commitments have been issued for the transaction. We have agreements with NHA Properties and Billy Cassidy’s LLC to be able to develop the property. Gives overview of closing documents. Few minor tweaks have been made to documents since posting but nothing substantive.

Brooke Mohr asks Tucker to explain the structural components of the transaction to explain how this was put together so public can understand.

Tucker Holland There is in total \$10.35 million associated with this project. \$3.6 m. is a grant to Housing Nantucket (“HN”) for the acquisition of the property. \$6,750,000 is a long term loan with 50-year maturity and nominal interest to be used for the construction of the housing. All parties want to make this a big success and the numbers need to work for that. We have worked closely with HN and Mr. Cassidy.

Brooke Mohr Important detail is that our subsidy is \$3.6 m. and the remainder is a loan to be returned back to the Trust so that about 2/3 of the total project cost will be available in future reinvestment in affordable housing efforts.

Tucker Holland The work of the Neighborhood First Advisory Committee (“NFAC”) was focused on the need to optimize the \$25 m to create affordable housing for the YR community. This collaboration with HN and Mr. Cassidy will result in something good and significant with the NFAC and CPC (Community Preservation Committee) funds and the majority of those funds will be available again to create more affordable housing.

Brian Sullivan per unit cost going into the deal is \$470,000, but at the time the loan is paid off, the per unit cost will decrease to \$163,000. This is a low figure in looking at long terms solutions.

Tucker Holland We appreciate the role of the Land Bank (“NLB”) in agreeing to hold the Conservation Restriction which is a requirement for doing a flex development.

Kristie Ferrantella this is a win-win for affordable housing and for the community.

Brooke Mohr appreciates the vision of the Planning Board in approving this flex development.

Howard Dickler acknowledges hard work of Staff in putting this project together.

Jerry Vigil asks how this development aligns with the Mission Statement of the Trust.

Brian Sullivan the mission is the creation of affordable housing units with affordability restrictions, whether newly constructed, existing, or to be developed.

Jerry Vigil there is about \$20 m. allocated to the Trust of which it appears that you are going to take about ½ for this project. Wouldn't it more appropriate to allocate funds for the purchase of the property and have the developer self-fund the work so you could use the funds to buy other properties such as the Orange St.?

Brian Sullivan the Orange St. property is a project that will have an RFP issued for the development. This project uses \$3.6 m. as a grant and the remainder is a loan to be paid back over time.

Jerry Vigil does that loan tax the Trust Fund?

Brian Sullivan in the near term yes.

Jerry Vigil how can you move forward with other developments if you vastly diminish the fund

Brian we are continuously looking for future funding opportunities. There are multiple funding articles at the 2021 Annual Town Meeting ("ATM").

Jerry Vigil you are depending on ATM to approve future funding.

Brian our funding will be obtained from Town budget and additional funding mechanisms going before ATM.

Jerry Vigil how do you guarantee long term commitment of the LLC?

Vicki Marsh NHA Properties LLC has agreed to sign a Promissory Note and we have security on the property in the form of a mortgage. If, for unforeseen reasons, the project is not realized, the money loaned is protected and the grant of the money is an investment that will remain. The value of the property is protected. There is also a grant and a loan agreement signed by NHA. The Town will get an affordable housing restriction in perpetuity. This property can never be developed for other purposes which is of great value to the Town.

Jerry Vigil How does this activity with the Trust affect future decisions of other agencies?

Vicki Marsh NHA has agreed to assign a Promissory Note for the loan. We also have security with the mortgage. This project will also be reviewed by DHCD to make sure it meets all affordability requirements. The project will have a lot of review and a lot of approvals are needed. It is being reviewed by other state and local entities.

Jerry Vigil if there are significant changes, how would that affect this agreement today? For instance, if HDC says they need a complete re-design, how would that affect the loan and grant agreements? Who has oversight regarding further disbursements?

Vicki Marsh it will not be constructed until approved. There is an initial disbursement, but the remaining disbursements will not take place until the needed approvals are granted. These funds are to be disbursed by the Trust. The Land Development Agreement has a disbursement schedule attached to it. The builder will have to meet certain milestones such as construction of the units or plumbing. As the project progresses, the disbursements are made.

Jerry Vigil your organization is the clerk of the works?

Vicki Marsh no. The disbursement schedule governs this. We have to make sure that the work is done in compliance with Town requirements.

Anne Kuszpa thanks Mr. Vigil for giving a lot of thought to the project. If there are cost over-runs, we have an agreement with the Developer. We have a fixed price. It is a turn-key development.

Jerry Vigil as these are public funds, the construction would have to abide by public bidding laws.

Vicki Marsh this project is not being constructed by the Town or the Trust. This project has been designed between the builder and NHA Properties. We are supporting the project with funding.

Jerry Vigil feels that since public funds are being used, it would be appropriate that prevailing wages govern. He will email Tucker and Vicki with follow-up questions.

Kristie Ferrantella acknowledges that it helps to have public engagement. In terms of how this relates to our mission, part of this funding comes from Neighborhood First designed to get a year of Safe Harbor. We are meeting our fiduciary responsibility in terms of getting as many affordable units as possible toward that goal.

Jerry Vigil if you build, they will come. With reconstruction of the Bourne and Sagamore Bridges, more people will come. We need to preserve the fragility of the island. Our water is being attacked. He is a concerned citizen who is unofficial spokesperson for his neighbors.

Brian Sullivan explains that we are updating our Housing Production Plan (“HPP”). Asks Tucker if we can include Mr. Vigil in upcoming focus group sessions.

Tucker Holland unfortunately, the remaining focus groups are full. He will inform consultants and see if they can outreach to him. He will send him the survey once he receives email from Mr. Vigil. There is a lot of sensitivity to some of his remarks. We are working on projects that fit within existing zoning. This is one of the projects that does so. We are very conscious of doing things that fit into character of surrounding neighborhood which is a principle of NF.

Jerry Vigil points out that the Orange St. project was known as a car-free project. Traffic and parking should be a big point. Everyone has a car.

Robert Liddle as a member of Housing Nantucket Board, he is thrilled with this. Board of Directors met today with unanimous support. There has been remarkable collaborative spirit. Commends open and honest work with Billy Cassidy in working on the details. Thanks everyone for this opportunity for our YR community.

Brook Mohr moved that we authorize and approve of the expenditure of a sum of money not to exceed \$10,350,000.00 of the Town of Nantucket Affordable Housing Trust funds appropriated by the Votes of Article 28 and Article 37 at the 2019 Annual Town Meeting, as follows: a grant of \$3,600,000.00 for the purchase of the land at 31 Fairgrounds Road, Nantucket by NHA Properties, Inc., and a loan of no more than \$6,750,000.00 to be secured by a mortgage granted by NHA Properties, Inc. to the Town of Nantucket Affordable Housing Trust Fund on said property for the construction of affordable housing units eligible for the Town of Nantucket’s Subsidized Housing Inventory in exchange for a perpetual affordable housing restriction on said property to be held by the Town of Nantucket; and further to execute any documents necessary to effectuate the funding for the acquisition of said property and the construction and use of the housing units for affordable housing purposes and any closing documents as may be required for said property acquisition; and further to authorize Brian Sullivan, the Chair and Brooke S. Mohr, the Vice-Chair to execute on behalf of the Board of Trustees any and all documents as authorized herein. Reema Sherry seconded the motion.

ROLL CALL

1. Brooke Mohr Aye
2. Reema Sherry Aye
3. Kristie Ferrantella Aye
4. Allyson Mitchell Aye
5. Brian Sullivan Aye

The MOTION carried UNANIMOUSLY.

V. Financial Discussion

Tucker Holland brief update following planned discussion of Housing Articles at Select Board (“SB”) meeting last night. They did not go too deep into the housing discussion, but they did end up voting on the inclusion on the warrant of the \$475,000 operating budget as well as the \$7.5 m. debt exclusion toward Safe Harbor maintenance. They will have a more thorough discussion about all of the different housing articles at a future meeting, and we will be returning to discuss and present.

Kristie Ferrantella SB supported 3 to 1 the \$475,000 budget line in the General Fund and the \$7.5m

debt exclusion to be on the warrant. Hope to have Tucker and Brooke return to talk about all of the different funding streams that may be available.

Brian Sullivan would make sense to have a comparable presentation meeting here.

Tucker Holland points out that SB had only 4 members at 9:30pm when this was discussed. All 4 approved the \$475,000, but the vote was 3 to 1 in favor of the \$7.5 m. debt exclusion.

VI. Other Business

▪ Next Meeting

- Regular February meeting: Tuesday, February 16, 2021 at 1:00 pm

Tucker Holland The Housing Consultants have requested to meet with the Trust on March 9th. We will meet then rather than meet on March 2nd.

Brian Sullivan on that agenda we can go through various funding articles.

VII. PUBLIC COMMENT (for items not otherwise on the agenda)

NONE

VIII. BOARD COMMENTS

Brian Sullivan thanks everyone for years of hard work to get us to this exciting day.

Tucker Holland it has been a great collaboration with all involved parties. We are off to a good start.

Brooke Mohr acknowledge 18-mo.s of work by NFAC to interpret the warrant articles and to determine the strategies and priorities for the expenditure of the \$20 m. which has been pivotal in guiding us to this project. A high priority determined by NFAC is to keep us in Safe Harbor. This project satisfies that.

Ken Beaugrand this is a situation where a family that has owned the property for many generations is excited about we are going to do with this in terms of shaping it to serve affordable housing needs of YR community.

Anne Kuszpa encourages public to follow Housing Nantucket on social media throughout the roll out of the project.

IX. Executive Session, Pursuant to MGL C. 30A § 21(A)

- Purpose 6: To consider the purchase, exchange, lease or value of real property where an open meeting may have a detrimental effect on the negotiating position of the public body.

Specific matter requires confidentiality.

The **MOTION** was made by Brooke Mohr and seconded by Allyson Mitchell to **go into executive session** to consider the purchase, exchange, lease, or value of real property where an open meeting may have a detrimental effect on the negotiating position of the public body, and not return to open session.

ROLL CALL of those participating:

1. Brooke Mohr Aye
2. Reema Sherry Aye
3. Kristie Ferrantella Aye
4. Allyson Mitchell Aye

5. Brian Sullivan Aye
The motion carried unanimously.

X. Adjourn

Open Session Meeting ended at 4:37 pm

Submitted by:
Eleanor W. Antonietti

Approved