

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~

Tuesday, March 16, 2021

Remote Meeting *via* Zoom – 1:00 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, Penny Dey, Reema Sherry, Dave Iverson, Kristie Ferrantella, Allyson Mitchell

EARLY DEPARTURES: Penny Dey

STAFF IN ATTENDANCE: Tucker Holland (Housing Specialist); Ken Beaugrand (Real Estate Specialist);

CONSULTANTS: Judi Barrett (Barrett Planning Group LLC); Jenn Goldson (J M Goldson LLC); Tyler Maren (Barrett Planning Group LLC); Barry Fradkin (J M Goldson LLC)

Public Present on Zoom: Howard Dickler; Julie Fitzgerald (attorney); Anne Kuzspa (Housing Nantucket); Mike Herlihy

I. Call Meeting to Order

Brooke Mohr called the meeting to order at 1:03 pm

Brooke Mohr 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

Dave Iverson **moved to approve the agenda.** Kristie Ferrantella seconded the motion.

ROLL CALL of those participating:

1. Penny Dey Aye
2. Kristie Ferrantella Aye
3. Dave Iverson Aye
4. Reema Sherry Aye
5. Allyson Mitchell Aye
6. Brooke Mohr Aye
7. Brian Sullivan Aye

Agenda adopted by **UNANIMOUS** consent.

III. APPROVAL of the Minutes

- February 18, 2021
- March 2, 2021
- March 9, 2021

Kristie Ferrantella moved to **continue approval of all minutes to next meeting.** Reema Sherry seconded the motion.

ROLL CALL of those participating:

1. Reema Sherry Aye
2. Dave Iverson Aye
3. Penny Dey Aye

- 4. Allyson Mitchell Aye
- 5. Kristie Ferrantella Aye
- 6. Brian Sullivan Aye
- 7. Brooke Mohr Aye

Minutes continued by unanimous consent.

IV. Closing Cost Assistance (CCAP)

- **Mortgage for CCAP Application – 2 S. Pasture Lane - post closing**
 - Approve subordination of the mortgage from Laura Zagayko Steele and Brian Clagett Steele to the Nantucket Affordable Housing Trust Fund, recorded at Book 1784, Page 147 in favor of the mortgage from Laura Zagayko Steele and Brian Clagett Steele to The Cape Cod Five Cents Savings Bank with an estimated closing date of April 5, 2021
 - Authorize the Chair to sign documents related to subordination on behalf of Trust

Reema Sherry **motioned** to **approve the subordination of the mortgage** from Laura Zagayko Steele and Brian Clagett Steele to the Nantucket Affordable Housing Trust Fund in favor of the mortgage from Laura Zagayko Steele and Brian Clagett Steele to The Cape Cod Five Cents Savings Bank and to **authorize the Chair to sign documents** related to this matter on behalf of the Nantucket Affordable Housing Trust. Penny Dey seconded the motion.

ROLL CALL of those participating:

- 1. Dave Iverson Aye
- 2. Reema Sherry Aye
- 3. Brian Sullivan Aye
- 4. Penny Dey Aye
- 5. Allyson Mitchell Aye
- 6. Kristie Ferrantella Aye
- 7. Brooke Mohr Aye

Motion carried by unanimous consent.

- **DISCUSSION of Proposed Amendments to CCAP Parameters**
 - Make fees documented within the closing disclosure statement but not in the lender's loan estimate eligible for CCAP funding

Tucker Holland turns it over to Julie Fitzgerald and Anne Kuzspa who brought this to our attention.

Julie Fitzgerald she discovered over the course of a few CCAP closings that certain legitimate fees are not being covered. For example, the only thing that is allowed are items that are on the Lender's Loan Estimate which often does not include a lot of the real closing costs. There can be problems with this when people are taking out an initial loan to buy vacant land and a second loan for construction costs. In general, the few she has handled, she has observed that applicants are not taking full advantage of the \$15,000. It would be very helpful for people to have these costs covered, particularly in cases with the two loans where people are getting double billed for fees. An example of how this could work technically would be to submit approved numbers, beyond just the Loan Estimate. If you have a land purchase and then a

finance for a construction loan, the Trust would have to release the First Mortgage and the Note would get paid off and a new Mortgage and Note would be issued to replace it.

Anne Kuzspa agrees that this would be very helpful for purchasers of Covenant Land, especially when there are no Covenant houses available. This agrees with the intent of the program.

Penny Dey the intent is to get people into affordable properties. Could we address it by having a policy that works in two phases not to exceed the amount?

Brooke Mohr we allow for two phases of disbursement.

Julie Fitzgerald just using the Lender's Loan Estimate as the basis for funding is meeting the needs of first time home buyers and borrowers.

Tucker Holland We would want to examine what would customarily appear on the Closing Settlement Statement. Typically, we are sending the full \$15,000 to the attorney's escrow and they are returning the unused funds. We are just expanding what would be included. We ran into similar issue with the Covenant Formation Assistance Program. This is in the spirit of the program

Kristie Ferrantella thanks Julie for bringing this to our attention. We have to change and adapt. Rather than making it two parts, borrowers could have the option to come back to us for more funds up to \$15,000. Leaving it flexible gives maximum benefit to borrowers.

Brian Sullivan there could be a land category with a separate work flow. If we look at opportunities to keep it open up to \$15,000, we will see a lot of different scenarios (refinances). Asks Julie how many redundant charges she sees in cases with both a land closing and then the construction loan closing. Maybe we can look to other sources to waive secondary fees.

Julie Fitzgerald You need to look at whether you want to expand your definition of what is allowable. There are additional repetitive fees for secondary loans not captured in Lender's Loan Estimate. There are restrictions.

Reema Sherry makes sense to authorize a follow up to come back for construction loan costs.

Tucker Holland. We need to consider if there any unforeseen retroactive consequence for loans where people only used a portion of amount available. The program is presently a 0% interest.

Julie Fitzgerald might make sense to cap things like survey fees. Want to keep it simple.

Brooke Mohr put a reasonable cap on these other fees if we add them.

Penny Dey would be helpful to have a list of anything that is pending that could be impacted by this.

Brian Sullivan asks Julie Fitzgerald to send Tucker a list of these specific fees.

Brooke Mohr also might want to think about fees from acquisition to getting a CO

CONSENSUS put this off to future meeting so Eleanor can weigh in given that she handles these applications and the fund disbursement.

V. Covenant Formation Assistance Program Application (CFAP)

- **4 Hull Lane – Juanita Vernal & Junior GIL** *(continued to April 20, 2021)*

VI. Housing Production Plan – UPDATE – Judi Barrett & Jenn Goldson *(continued from March 9, 2021)*

- Review of DHCD Strategy/Action Plan Requirements
- Webinar #2 – Tuesday, March 30th 4:30 – 6:30pm

Jenn Goldson we will review revisions to Map and the Table in response to feedback from last meeting.

Barry Fradkin screen shares revised MAP and TABLE and goes through main changes. They removed and added a few sites.

Jenn Goldson color coding is indicating public versus private ownership which relate to strategy/mechanism. There is a layer showing municipal properties.

Tucker Holland in discussion with Andrew (Vorce), the Town owned lands other than the Fairgrounds Road complex, have been more or less exhausted.

DISCUSSION of rationale for inclusion of various properties such as Dover St. (Dover St. will be removed.) and in particular including privately owned properties unless they are listed for sale.

Penny Dey suggests having separate municipally owned and privately owned ‘potential’ sections to the map.

Judi Barrett The way it is presented in the plan is according to DHCD strategy categories such as sites where the Town would encourage filing of Comprehensive Permits or specific zoning changes to support affordability or identification of specific districts. Properties would be discussed in context of a specific criterion we are trying to address. In addition to private or public lands, there is a criterion for Town owned land that could be made available for RFPs. It is typical to see privately owned properties in an HPP.

Brian Sullivan supports idea of separating them out in color-coded sections.

Jenn Goldson we can create two different maps.

Reema Sherry She noticed two large vacant parcels owned by the Catholic Church of Fall River on Milestone Rd. that could have potential for re-zoning.

Ken Beaugrand explains that they were unwilling to dispose of them when approached a few years ago.

Tucker Holland thinks including the church properties is good idea. Regarding Waitt Drive, we do not want to list all of the lots because the Town other plans for them.

Brooke Mohr need to be mitigate sensitivity to 40B development. Likes idea of separating out public versus private. The goal is to see what is left that is available for creation of affordable housing.

DISCUSSION about presenting plan to public without raising fears of 40B developments. Need to be clear and transparent and sensitive to mitigating that fear. We are trying to show public that we are doing everything we can to have local control over creation of affordable housing and to avoid 40B. To present an HPP likely to be approved that will allow us to stay in Safe Harbor will require that we identify private parcels where the Town is looking to encourage the filing of Chapter 40B Comp. Permits. Suggestion of inserting the word ‘friendly’ in front of “40B” and highlight Sachems Path as a good example.

Brian Sullivan suggests including 105-acre parcel known as 10 Sun Island Rd. next to the airport. Gives background information and status of parcel.

Ken Beaugrand clarifies that it is controlled by the FAA so there are complexities regarding FAA and the Airport Commission.

Dave Iverson there is a history of 99-year leases from the Airport in that area.

Jenn Goldson we can include with those caveats. Many properties have hurdles. Suggests meeting with Communications Subcommittee to go through Webinar content and messaging.

Judi Barrett 3 major components of the HPP include Needs Assessment, Goals, and Strategies. Need to go over goals. Shares 2 slides with Goals from the last HPP to see if they have continued relevance and potential Goals. DHCD has quantitative and qualitative goals. In 2016, we focused on number of units needed to maintain Safe Harbor. Asks for feedback regarding continued validity of 2016 qualitative goals. Goals are not just for the Trust but for the island as a whole.

- 2. Penny Dey Aye
- 3. Kristie Ferrantella Aye
- 4. Brooke Mohr Aye
- 5. Reema Sherry Aye
- 6. Allyson Mitchell Aye
- 7. Brian Sullivan Aye

Motion carried by unanimous consent.

VIII. Communications Subcommittee UPDATE

Brooke Mohr We have identified 4 of the 6 potential video subjects. Considering possibility of having teachers or people in hospitality industry who have housing struggles. Working with NCTV with deliverable of mid to late April when we will push out 2-3 minutes video Also discussing preparing a document to distribute at ATM to graphically represent what we do, what our prospective financial needs are and why.

Penny Dey important to provide visual illustration of how many units are created by the spending of the money.

Brooke Mohr hardest thing to explain is why we are not doing it all at once because of the Safe Harbor piece. We are also discussing holding some open Zoom meetings with short presentation and inviting public to ask housing questions. We have a job educating the community.

Brian Sullivan asks for a 1-page summary document to be updated that could be distributed to other Boards when we are asked questions.

Brooke Mohr let's revisit after ATM. We are producing a lot right now to serve that purpose.

PENNY DEY LEAVES MEETING.

Tucker Holland shares the “Subsidized Housing Inventory & Safe Harbor” document that could serve as a 1-page that summarizes what we are doing and has been shared with others.

Brooke Mohr they want to distil the various spreadsheets to pick out most salient information to simplify for public and for those who want more detailed information we can provide the spreadsheets.

IX. Other Business

▪ **Next Meetings**

- Special April meeting: Tuesday, April 6, 2021 at 1:00pm
- Regular April meeting: Tuesday, April 20, 2021 at 1:00 pm

Brian Sullivan is unable to attend April 20th meeting.

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

Mike Herlihy attending to get an education on this complex issue. He would like to have better understanding of what are the real broad needs by category across the 30% target populations and what programs are targeted at those areas.

Brooke Mohr we know where the needs. People are paying more attention. We are starting to scope out how we can reach beyond our mandate to comply with Safe Harbor.

Tucker Holland thanks him for his helpful comments. Reminds Board of importance to get comments back to Judi and Jenn on CRM.

XI. BOARD COMMENTS

Kristie Ferrantella last week SB had productive conversation about all housing articles. Did not make any recommendations. We will comment after FinCom makes its recommendations. At last night's

meeting, the NP&EDC voted to recommend to FinCom to support these articles.

XII. 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.

NONE

XIII. Adjourn

M/S/A Brooke Mohr Kristie Ferrantella

ROLL CALL of those participating:

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

Meeting adjourned by UNANIMOUS consent.

Meeting ended at 3:10pm

Submitted by:
Eleanor W. Antonietti

Approved