

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~

Tuesday, July 21, 2020

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, Reema Sherry, Kristie Ferrantella, Penny Dey, Dave Iverson, Allyson Mitchell

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

Public Present on Zoom: Howard Dickler; Denice Kronau; Anne Kuszpa (Housing Nantucket); Brook Katzen

I. Call Meeting to Order

Brian Sullivan called the meeting to order at 1:03 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

Reema Sherry **moved to approve the agenda.** Brooke Mohr seconded the motion.

ROLL CALL of those participating:

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

Agenda adopted by **UNANIMOUS** consent.

III. Approval of the Minutes

- June 16, 2020

Penny Dey **moved to approve the Minutes for the meeting on June 16, 2020, as amended.**

Brooke Mohr seconded the motion.

ROLL CALL of those participating:

1. Brian Sullivan Aye
2. Brooke Mohr Aye
3. Reema Sherry Aye
4. Dave Iverson Aye

- 5. Penny Dey Aye
- 6. Kristie Ferrantella Aye

Minutes adopted by unanimous consent.

- July 2, 2020

Penny Dey **moved to approve the Minutes for the meeting on July 2, 2020.** Dave Iverson seconded the motion.

ROLL CALL of those participating:

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

Minutes adopted by unanimous consent.

IV. **CCAP Application**

- 54 Skyline Drive (Santos)

Brian Sullivan recuses as he helped applicant locate the property. Appoints Brooke Mohr Chair *pro tem*

Reema Sherry asks if it is the entire lot.

Penny Dey asks if they have shared septic.

Eleanor Antonietti verifies that the application is complete and clarifies that it is a portion of the lot, as shown on ANR plan sent to Board with materials – approved by the Planning Board for secondary lot. Not aware of septic details.

NO OTHER CONCERNS

Penny Dey **motioned to approve the applicant for up to \$15,000 in funding for Closing Cost Assistance**, subject to return of any unused balance. David Iverson seconded the motion.

ROLL CALL of those participating:

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

The motion carried unanimously.

V. **CFAP Application**

- Update – Stover (63 Cato Lane)

Tucker Holland reminds Board that this was the 1st approved CFAP granted to Isaiah Stover for creation of Covenant Lot back in February. Covid hit shortly thereafter. Mr. Stover was not sure if he wanted to proceed. No funds were expended on his behalf and we held on to the mortgage and did not go ahead with the recording until July 7th when he decided to move forward. In terms

of 18th month time frame built into the program¹, Mr. Stover asks that we start that clock on July 7th, rather than the original grant back in February.

Brian Sullivan clarifies that this is not a grant, it is a loan with an attachment onto the title that is paid back.

Penny Dey **motioned** to the 18th month time frame begin on July 7, 2020, the date that the \$10,000 mortgage from Isaiah Stover to the Nantucket Affordable Housing Trust Fund was recorded relative to the Covenant Formation Assistance Program application of Isaiah Stover originally approved on February 18, 2020. Brook Mohr seconds.

ROLL CALL of those participating:

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

The motion carried unanimously.

VI. REVIEW and APPROVAL of RFI for Properties under Neighborhood First

Brian Sullivan RFI has been distributed to all of us but has had some recent edits.

Tucker Holland recaps process and 3 strategies of NFAC. One was acquisition in disbursed individual sites. Thinks the timing is good to seek individual property opportunities.

Brian Sullivan asks Tucker to share with public the need for this process.

Tucker Holland explains the RFI or RFP process. Opportunities are reviewed according to evaluative criteria. This is a fair way to assess what is out there and give anyone opportunity to put forward their property for consideration. Today we are seeking input and Town Counsel will then incorporate elements recommended by Trust. Following Town Counsel's review and approval, this would likely go to the Select Board ("SB") to give them chance to review and comment. In the RFP – we have anticipated dates and suggested time frames.

Penny Dey asks if we are planning to do any education outreach. Thinks it's important to have an interactive process whereby a potential applicant could see if they met the criteria.

Tucker Holland we would benefit by going before SB and would want to consider running ads. Agrees important to publicize as much as possible. In case of 6 Fairgrounds Rd. ("6FG"), we held an info session for interested parties. The intent was to do a site tour for people unfamiliar with the site. In this case we could do a comparable info session for the public, done over Zoom and recorded for future availability.

Brian Sullivan helpful to distribute through NAREB (Nantucket Association of Real Estate Brokers), the Rotary Club, and Chamber of Commerce. We want the entire community to know about this opportunity.

¹ This is an 18 month, zero-percent (0%) interest loan to be repaid by Property Owner to AHT when the newly created Covenant lot is sold or transferred. Loan amount is only for eligible funds used to create covenant home, as reflected by Housing Nantucket's accounting sheet of costs approved by Property Owner. There is no pre-payment penalty. If after 18 months the Covenant property is not sold or transferred to an eligible party, the loan amount plus deferred interest at a rate of 6.0% will be due to AHT as per terms defined in the promissory note. Interest will accrue at 6.0% until loan is repaid. For example, if \$10,000 was disbursed for closing costs, and after 18 months was not paid in full, \$10,481.72 is then due and continues to accrue interest at a rate of 6.0% until paid in full.

Brooke Mohr she and Tucker had been invited to the Rotary to do a presentation before Covid. Maybe we could reach out to get on their calendar as they have resumed meeting.

Tucker Holland goes over changes in revised RFI document (screen shared by Staff). People who register as interested party will then receive all information and answer all questions.

Penny Dey asks about phrase “*not in best interest of the Trust*”, under Section VI in middle paragraph.

Reema Sherry asks why we need to require 12 bound copies (Page 2 of document)

Tucker Holland will ask Town Counsel if lessening the burden would be appropriate, but an application that is incomplete in any way will need to be rejected. In order to have a level playing field, everyone must comply with application requirements. As to Evaluation Chart – wanted to clarify Total projected developed cost.

Brooke Mohr asks if possible to have simplified description of what that and other content means because it might be hard to understand. For instance, clarify what “at time of occupancy” means.

Tucker Holland intention there is if you had one property with two units and \$1,000,000 and you had another property with three units with an acquisition cost is \$900,000 and it would require lots of investment to get it read, that is the metric for evaluation. The question is what amount does applicant have to be all in to have a useable and appropriate unit. We will calculate that.

Penny Dey asks about the checklist of items required being in a separate document, with instructions. **CONSENSUS CONCERN** that this not be overwhelming or confusing to the layperson.

Tucker Holland Is there any value to us to have an applicant provide an inspection report with their proposed property or do we want to order that ourselves?

Penny Dey would be a barrier to participation. Incumbent upon us as the buyer to do that.

Brian Sullivan availability to do water tests is good.

Denice Kronau the goal is getting the most applicants. However, we can assume that most will struggle to do this correctly. Suggests that someone to be appointed to help people complete the application.

Brian Sullivan agrees

Penny Dey will volunteer to co-share responsibility with Brian.

Allyson Mitchell would be interested in participating and agrees we need to simplify to make this manageable.

Brian Sullivan Penny, Allyson, and he will work with Staff to help potential applicants. Thanks Howard Dickler for help. Asks if action needed or is Tucker bringing back to Town Counsel for further review at next meeting.

Tucker Holland wants a vote to approve issuance of this RFP without having to come back to Board.

Penny Dey before we release this, would it make sense for some of us to fill it out as if we were applying to go through the exercise.

Brian Sullivan good exercise for us to go through. If we edit it too much, it won't meet requirements of procurement.

Penny yes but it could be more problematic if we end up seeing a need to change something after the fact.

Tucker Holland he will take submission requirements and put them into a form with a little preamble. Would not take long to produce a draft form that the Board authorize the subcommittee to review and provide comments and keep the process moving along. Asks about timing for info. session.

Brian Sullivan close to issuance (Aug. 5th). We want to get the word out and have it spread organically.

Eleanor Antonietti proposes that we capitalize on a SB meetings as everyone is tuned in these days.

Tucker Holland intention was to go before SB in next 2 weeks to publicize and have them give final endorsement. Then we could set timing of info. session and talk about it at that meeting so we would have info session at end of August.

Brooke Mohr good idea to tap into wide viewership of SB meetings. The Communications Committee can talk about how the Town would promote and could use Daybreak.

CONSENSUS with SB in 2 weeks we should schedule info session thereafter, *i.e.* late August.

Tucker Holland Given this, the dates that are in the draft may shift by a week.

Brian Sullivan asks if we want to make the deadline at or before our October 20th meeting so if there is urgency for people needing help, we are available to do so.

Tucker Holland wants to set up review committee for these proposals. Asks who else we could include.

CONSENSUS to include others from NFAC and get some younger people involved.

Brooke Mohr Allyson Mitchell and Kristie Ferrantella are part of the younger group.

Brooke Mohr **motioned** that we authorize Tucker to **move forward with the RFP process** as written **with amendments** discussed today, **subject to final approval by Town Counsel and the Chief Procurement Officer and review of the application by the Subcommittee** (Brian Sullivan, Penny Dey, Allyson Mitchell) established today. Dave Iverson seconds.

ROLL CALL of those participating:

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

The motion carried unanimously.

VII. UPDATE – 6 Fairgrounds Road / Ticcoma Green

Brian Sullivan appoints Brook chair *pro tem* while he steps away for a minute.

Tucker Holland UPDATE Is that the legal challenges were exhausted earlier this year. Project is cleared to seek a tax credit award, important component of financing. That award is the key date in establishing when units would count on SHI list. We have been communicating with developer. General senses is there will be a mini-round of tax credits this fall. Project was prevented from applying to regular round last February, because law suits were not resolved at that point. It will be by invitation only. This will be announced soon. If yes, developer has been preparing to apply. They often set a strategic filter for these to target selective project types and we believe this project would score highly. Fair to say we are cautiously optimistic, although there is no guarantee. Awards would likely be announced December – January. All 64 units would count and would provide new 2-year period of Safe Harbor from 40B from that point. Our present period runs to middle of next June. This would cannibalize our existing period but still favorable.

Dave Iverson asks what are consequences if we get passed over.

Tucker Holland it could create a real challenge in terms of timing. With present timing of Safe Harbor expiring mid-June, we might have a period of 30 days with no Safe Harbor. Law suit has added over 2 years and the construction costs have increased in this time period.

Brooke Mohr asks about potential for using Orange St. property to close window on gap.

Tucker Holland we will be discussing that next. We will need to determine income levels that it will serve and if it be desirable to seek additional subsidy beyond local subsidy in order to make it work financially and make available funds go further.

VIII. DISCUSSION of 135 & 137 Orange Street RFP and Timing

Tucker Holland we are working on a packet for next meeting that will give details of how this

project could be viewed in terms of whether we want to incorporate additional subsidy beyond local (NFAC and CPC) and what that would mean in terms of income mix that project would serve. We could do a different income mix. Seeking input on unit count at that site. There are smaller (\$1,000,000) other funding sources. Big funding source is tax credit program, federal, administered by the state, highly competitive and could bring in up to \$10,000,000. Want a seasoned expert developer. Sweet spot in Massachusetts is 40-45 units for getting a tax credit. In order to be considered for an award, you have to have at least 20 tax credit units, where the average AMI served is 60%-80%, in the project.

Brian Sullivan zoning allows up to 32 units. Polls board.

Reema Sherry wants to save the tree. This should be for serving most burdened members of the community and lower AMI in this location.

Dave Iverson thinks we can make 20 units work here.

Brooke Mohr also favors skewing to lower income bracket and ability to live carless in this location. Owning a car is an extra financial burden that they would not need. Wants to keep an eye on the unknown of this potential gap in Safe Harbor and how that informs which process we choose but favors tax credit route. Will serve us well not to max out number of units, but it does have to be financially viable. Finances would help us explain that.

Penny Dey in terms of design, wants to be as sensitive as we can to scale and massing. This is a high visibility location.

Brian Sullivan this is an excellent opportunity to serve lowest end of economic scale and manage the SHI list. Would want to be planning for 24 units to capture the Safe Harbor aspect. Don't need to go to extent of full build out allowed by zoning. Optimal on all angles to go with 24.

Dave Iverson especially if NFAC money is involved, we need to be sure to get this on the SHI list and agrees with Penny re. massing and scale.

Tucker Holland given funds utilized for acquisition, whatever we create there must go on SHI list. We will have a more robust discussion at the August meeting with input of consultants to whom we have reached out, including Laura Shufelt (Acting Director of Community Assistance at Massachusetts Housing Partnership). There is no cost involved. Ed Marchant is interested in being involved. Doug Abbey – co chair of NFAC – is also helping us formulate how we look at this.

Howard Dickler appreciates sensitivity to massing, but if you have the opportunity for 32 – long term, we need as many units as we can get.

IX. Communications – Sub-Committee REPORT

Reema Sherry She, Brooke and Dave met *via* Zoom last week. Discussed content.

Penny Dey asks if there will be a narrative description overview of what we do.

Reema Sherry confirms yes. Can put together a simple paragraph for that.

Brian Sullivan would like to have a communications plan for advertising the RFP.

Brooke Mohr our Mission currently is on our webpage.

Reema Sherry we can use that but broaden it.

Brooke Mohr **motioned** that the **Communications Subcommittee is authorized to submit this information to the Town for inclusion on our website.** Dave Iverson seconds.

ROLL CALL of those participating:

1. Brian Sullivan Aye
2. Brooke Mohr Aye
3. Reema Sherry Aye
4. Dave Iverson Aye
5. Penny Dey Aye

- 6. Kristie Ferrantella Aye
- 7. Allyson Mitchell Aye

The motion carried unanimously.

X. Housing Production Plan UPDATE

Tucker Holland hoping to receive responses by our August meeting for Board to look at. Brian Sullivan asks Tucker to give update for benefit of public and new members.

Tucker Holland explains how HPP works and benefits a community in terms of Safe Harbor. They last for 5 years. Ours expires in October 2021, but they take time to assemble. We have reached out to several qualified providers to gauge interest in doing our update.

XI. Other Business

- **Next Meeting** – Tuesday, August 18, 2020

XII. PUBLIC COMMENT

Denice Kronau – before Covid hit, FinCom was going to hold forums re. Warrant Articles. Civic League was helpful in advertising. Suggest we reach out to Civic League for help in publicizing RFP process.

Anne Kuszpa very impressed with all hard work of volunteer Board members.

XIII. BOARD COMMENTS

NONE

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

The motion carried unanimously.

XV. Adjourn

Open Session Meeting ended at 2:33pm
M/S/A Penny Dave

ROLL CALL of those participating:

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

The motion carried unanimously.

Submitted by:
Eleanor W. Antonietti

Approved