

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~

Tuesday, July 26, 2022

Remote Meeting *via* Zoom – 12:30pm

Trust Members: Brian Sullivan (Chair), Brooke Mohr (Vice-Chair), Penny Dey, Meg Browers, Reema Sherry, Dave Iverson, Shantaw Bloise Murphy

ATTENDING MEMBERS: Brooke Mohr, Penny Dey, Reema Sherry, Brian Sullivan, Meg Browers, Shantaw Murphy, Dave Iverson

STAFF IN ATTENDANCE: Tucker Holland (Housing Director); Ken Beaugrand (Real Estate Specialist); Hayley Cooke (Housing & Real Estate Office Manager); Vicki Marsh (Town Counsel)

ANTICIPATED SPEAKERS: Dave Armenetti, Bill Cassidy

Public Present on Zoom: Anne Kuszpa (Housing Nantucket), Mary Mack, Steven Hollister, Jason Graziadei, Robert Little

I. Call Meeting to Order

Brian Sullivan called the meeting to order at 12:32pm & reads Public Participation Guidelines

Dave Iverson, Meg Shantaw Murphy arrive late to meeting.

II. Approval of Agenda

Reema Sherry moved to approve the agenda. Penny Dey seconded the motion.

ROLL CALL of those participating:

- | | |
|-------------------|-----|
| 1. Reema Sherry | Aye |
| 2. Brooke Mohr | Aye |
| 3. Meg Browers | Aye |
| 4. Penny Dey | Aye |
| 5. Shantaw Murphy | Aye |
| 6. Dave Iverson | Aye |
| 7. Brian Sullivan | Aye |

Agenda adopted by **UNANIMOUS** consent. **Vote:**7-0

III. Approval of Minutes

Minutes from 3.2.22-7.26.22 will be approved at the August meeting.

IV. Public Comment

Mary Mack, shared ideas about community fees to support housing. She also asked about trailers on properties.

Brian Sullivan shares with Mary about the short-term rental and hotel taxes that do exist and that a portion of that fee is directed by the Select Board to Affordable Housing. He also shared about the efforts regarding the Transfer Fee Amendment for Nantucket. Brian shared that trailers are prohibited by zoning, and that if she wanted to work on that she would need to work with Town Council to generate a zoning article change for the next Town meeting.

V. Election of AHT Officers – ACTION

Penny Dey nominated Brian Sullivan to serve as Chair for this year. Brooke Mohr seconds. Brian Sullivan accepts.

ROLL CALL of those participating:

- | | |
|-------------------|-----|
| 1. Reema Sherry | Aye |
| 2. Brooke Mohr | Aye |
| 3. Meg Browers | Aye |
| 4. Penny Dey | Aye |
| 5. Shantaw Murphy | Aye |
| 6. Dave Iverson | Aye |

Motion adopted by 6-0 vote.

Brian Sullivan recuses himself from the vote.

Brian Sullivan nominated **Penny Dey** to serve as Vice Chair. **Dave Iverson** seconds. Penny Dey declines the nomination.

Brooke Mohr nominated **Reema Sherry** to serve as Vice Chair. **Dave Iverson** seconds. **Reema Sherry** accepts.

ROLL CALL of those participating:

- | | |
|-------------------|-----|
| 1. Brooke Mohr | Aye |
| 2. Meg Browers | Aye |
| 3. Penny Dey | Aye |
| 4. Shantaw Murphy | Aye |
| 5. Dave Iverson | Aye |
| 6. Brian Sullivan | Aye |

Motion adopted by 6-0 vote.

Reema Sherry recuses herself from the vote.

Brooke Mohr nominates Penny Dey as Alternate Vice Chair. Reema Sherry seconded. Penny Dey accepts the nomination.

ROLL CALL of those participating:

- | | |
|----------------|-----|
| 1. Brooke Mohr | Aye |
| 2. Meg Browers | Aye |

- 3. Reema Sherry Aye
- 4. Shantaw Murphy Aye
- 5. Dave Iverson Aye
- 6. Brian Sullivan Aye

Motion adopted by 6-0 vote.

Penny Dey recuses herself from the vote.

VI. CCAP/CFAP -ACTION

CCAP Application – Printz/Lawson, 35 Beach Grass Rd.

Penny Dey makes a motion to approve the CCAP Application for Printz for up to \$15,000 and authorize the Chair to sign. Reema Sherry seconds.

ROLL CALL of those participating:

- 1. Reema Sherry Aye
- 2. Brooke Mohr Aye
- 3. Meg Browsers Aye
- 4. Penny Dey Ay
- 5. Shantaw Murphy Aye
- 6. Dave Iverson Aye
- 7. Brian Sullivan Aye

Motion adopted by **UNANIMOUS** consent. **Vote:** 7-0

VII. 31 Fairgrounds – UPDATE

Anne Kuszpa, we had a construction subcommittee site visit, we saw a lot of progress. The interior of buildings 1 and 8 are moving right along.

Bill Cassidy, all the issues with the deliveries have been sorted out. We had 9/8 as a first barge available for building 3. It is now Sept. 9, not the 8th. We have another tentative for the 30th. Erika Mooney said she would prefer buildings moves happen Thur/Fri and modulars move on Mon/Tues. And there are a whole series of barges, which Erika has the list for. We will receive first dibs as soon as the Steamship authority opens 4th quarter bulk head reservations. We have about 10 barges between 9/30 and December 6. Things have sped up on the interior. The plumber is in next week and the HVAC company is currently working. The basement floors will be poured next week. We also have recently gotten some reasonable price cedar siding for buildings 1, 8 and 3. Anne has engaged with solar companies.

Anne Kuszpa, we are shooting for a net zero energy usage. Which means the solar panels will fully run all of the energy that is necessary for the whole project itself. It's expensive. We are looking for grant funding. We are trying to raise money. If anyone knows of any funding sources or know anyone

who wants to participate, please let me know.

Brooke Mohr, A question: serial occupancy or everything done before occupancy?

Billy Cassidy, everything done. For a whole host of reasons, including safety.

Meg Browsers, Anne, what is the approximate price range that you're looking for support on that (solar panels)?

Anne Kuszpa, we need about \$300,000. We are applying for the Empower Grant that will provide gap funding for up to \$200,000. We are also pursuing local funding from ReMain, which looks likely. There's a requirement with the Empower Grant that there is a buy in from us. So, we need to find a way to fund that.

Ken Beaugrand, just a reminder to Reema and her group – because of CPC funding, CPC needs to have a sign up at the end of this project.

VIII. Richmond Wildflower Acceleration – UPDATE

Tucker Holland, Dave Armanetti had to leave. He wanted me to report that the COs have been issued for all 3 buildings, all 24 units. All 12 market rate units are leased and occupied, 5 of the 12 AMI units are leased and occupied. The final 7 AMI unit lottery winners are proceeding through final certification with SEB. They should be occupying units in the next 10-31 days.

IX. 6 Fairgrounds – UPDATE & DISCUSSION

Tucker Holland, there is a gap in the financing requirements to proceed with the 64 units. The total gap is around \$10.9 million. The developer has turned to the town for the \$6.5 million, the additional funding would likely come from a special DHCD Round they're going to do this fall, either involving further tax credits or available ARPA funding. There's a team of people involved in negotiating a favorable outcome with the developer. The developer has secured \$18 million already in subsidies from others towards this project. There's no guarantee that those funds will be available again anytime soon.

X. 7 Amelia Drive RFP – REVIEW & APPROVAL

Hayley Cooke, shared her screen to show the RFP document. She briefly highlighted some details in the document, including the proposal deadlines. The RFP has been left open to ownership and rental residential opportunities.

Brian Sullivan, the timeline that is on there seems very fast to me.

Brooke Mohr, I agree the timeline is tight, given the demand for professionals. I would say we should slide it a month, at least. And, this should be a ground lease, not a transfer of real estate. Unless for

some reason homeownership would not allow for it. But I think the plan should be a very inexpensive ground lease.

Brian Sullivan, inquiry deadlines October and proposals November. I think it's realistic based on the service providers. Coming back to Brooke's second point – lease over transfer. Is there any discussion on that item?

Reema Sherry, I would like to hear Vicki weigh in on a ground lease vs. conveyance.

Vicki Marsh, depending upon the situation, you can go with either a ground lease or an actual sale. I find that most of the projects are being done using the ground lease right now. The Town is able to maintain control over the land. Whereas if you convey the property outright, and the project gets into trouble, you're dealing with a mortgagee and the property has already been conveyed subject to this mortgage. With a ground lease, you still have more control over the situation. The Town still ultimately is the owner of the property.

Brian Sullivan, can the Town condo out units for ownership and own the land?

Vicki Marsh, condos can be lease holds, so you could do that.

Ken Beaugrand, given that ReMain bought Keepers, should we have a discussion with them before we do this RFP to see if they have interest in developing this project for affordable housing in conjunction with what they are doing to create a center at Keeper's restaurant?

Brooke Mohr, I think pushing the timeline out two months would allow ReMain or a partner to respond to the RFP in a way that would talk about the interplay between the two properties as part of the proposal. I wouldn't want to hold this up, we should move it forward.

Vicki Marsh, looking at this document, it says Grant Agreement. Is this just in place of a purchase and sale agreement?

Tucker Holland, that's a place holder for Land Development Agreement and Ground Lease. It sounds like the group is leaning towards the Ground Lease. We will tailor the RFP.

Brian Sullivan, can I hear a motion for support of a ground lease?

Brooke Mohr makes the motion. Reema Sherry seconds the motion.

ROLL CALL of those participating:

- | | |
|--------------------|-----|
| 8. Reema Sherry | Aye |
| 9. Brooke Mohr | Aye |
| 10. Meg Browsers | Aye |
| 11. Penny Dey | Ay |
| 12. Shantaw Murphy | Aye |
| 13. Dave Iverson | Aye |

14. Brian Sullivan Aye

Motion adopted by **UNANIMOUS** consent. **Vote:** 7-0

Hayley Cooke will go back and make edits and adjustments and then send it to Vicki, who will rework them to put edits in for the legal side of things. Update RFP to be discussed at next meeting.

XI. Development of Year-Round Covenant Restrictions – DISCUSSION

Brian Sullivan, I would like us to start moving to a place where there is a restriction on Nantucket for year-round residency that may or may not fall within an affordable AMI category. I wanted to open it up for discussion.

Penny Dey, are you envisioning this tied to income levels or not?

Brian Sullivan, I think that is some of the conversation here. Or, how high of a level could it go? I'm looking for this in the concept – are there people who want to put this restriction on their properties and give this to us? At the moment, we don't have a restriction to define.

Penny Dey, so if they do that, what do they get for doing that?

Brian Sullivan, there is a variety of things. My point today, let's start with the restriction and what we are trying to achieve in creating a sub-market in the community for year rounders, that we don't lose housing stock down the road. If we start with the restriction itself, then we can build all the rest out.

Penny Dey, I think the Covenant model is a very good one. People get something for it. And I think we should be addressing the higher than 150% income, if it is tied to income.

Brian Sullivan, Vicki, do we have the ability to do this with no income restriction? Or can we only go to 240%?

Vicki Marsh, it's complicated. You need to think about changing the AMI that you are willing to address at the next Town Meeting. Say you want to go to 240% AMI for instance, you could do this at minimum 150%.

Brian Sullivan, could it be blank? So, could the general restriction and the qualifications for the restriction be the same, but depending on the funding source, it could be up to a certain percent AMI?

Vicki Marsh, right. The other thing you need to consider is who is going to monitor this? Is the Trust going to be the holder of the restriction?

Reema Sherry, that was my question. It seems right now it is outside of our mission and prevue to do this without any kind of income restriction attached to it. I think it would be good if we could find somewhere in the country where someone has already done this and had residency restrictions placed on properties and how they are held. Some research is going to be helpful here. Might require a

nonprofit to hold and administer these things. Would this Trust be able to do that as currently legislated?

Vicki Marsh, I'm going to look at the Trust document itself after the meeting to see if there is authority for you to hold restrictions. Because you already have the ability to sell and grant leases. If we need to extend the authority, we could do that at the next annual town meeting by making amendments to the Trust.

Dave Iverson, I think this is the key tool to preserve the island neighborhoods. And to get as many of these places deed restricted as we can. Without funding to buy them up, I think the gifting idea is good. I think we need to figure out a metric for what this is worth, for tax benefits.

Brooke Mohr, this ties into the idea of a down payment assistance program. I'd like to see this in the context of us developing a down payment assistance program as well. And then, can we apply it to houses that don't already have a deed restriction, and how can we do that?

Brian Sullivan, Vicki, has there been enough of a conversation here to make a request from you to come back with something for the next meeting so we can create a subcommittee?

Vicki Marsh, I think you've given me a lot of ideas. I would like to go back and look at the programs you have already created on island having to do with Covenant. And keeping property within a family. And then what the Trust is empowered to do on its own, [i.e.] do we need to make a change to the Trust document itself. I can come back with some ideas and concept that you could consider, and we can refine it.

XII. RFP Timetable – DISCUSSION

Tucker Holland asked the Trust about what the timeline should be for other properties including, Orange St., White St., Vesper, Bartlett.

Tucker Holland, we are looking at an extension of our present Safe Harbor period, which runs until mid-December presently. We are looking at two years minimum from that point with what we already have planned, including Tacoma Green. In terms of what we would need next from a Safe Harbor standpoint would follow two years from this December.

Brian Sullivan, I recognize the need to wait to see which projects or which unit count falls in the best order to maintain Safe Harbor, I'd like to see forward progress on the concept of the projects. Outlines of the various RFP's from Hayley, more discussion on the goals and concepts for each site.

Brooke Mohr, I agree. What's the most suitable use for the sites we have? Outlining what an RFP might look like for the different properties we might own. Having an A or B option for each site.

XIII. State of Housing Workshop – DISCUSSION

Select Board “State of Housing” Workshop will be rescheduled. No longer happening on August 2. Will be moved towards end of August – more info to come at our next meeting.

XIV. Other Business

Upcoming meetings:

- Select Board “State of Housing” Workshop will be towards the end of August. Likely will be hybrid (Zoom & In Person).
- Next suggested regular AHT meeting date: August 16, 2022 at 12:30pm (via Zoom). We will look to begin hybrid meetings for AHT in September.

XV. Board Comments

Brooke Mohr, I just want to make comment. There’s a lot going on in this community in terms of care for the community in other spheres outside of housing. I would like to encourage this Board to consider collaborations wherever possible. I think the conversation around talking to ReMain about Amelia Drive fits in. How do we partner well with other efforts in the community to do good things for the folks who live here?

XVI. 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 **Shantaw Murphy** to adjourn this meeting and **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:

- | | |
|--------------------|-----|
| 8. Reema Sherry | Aye |
| 9. Brooke Mohr | Aye |
| 10. Meg Browsers | Aye |
| 11. Penny Dey | Aye |
| 12. Shantaw Murphy | Aye |
| 13. Dave Iverson | Aye |
| 14. Brian Sullivan | Aye |

Motion adopted by **UNANIMOUS** consent. **Vote:** 7-0

Open Session Meeting ended at 2:13pm.

Submitted by:
Hayley Cooke