

NEIGHBORHOOD FIRST ADVISORY COMMITTEE

Monday, September 23, 2019

1:00 pm

4 Fairgrounds Rd

PSF Community Room

Advisory Committee Members: Doug Abbey (Co-Chair), Peter Hoey (Co-Chair), Posie Constable, Penny Dey, Howard Dickler, Kristie Ferrantella, Dave Iverson, Brooke Mohr, Eric Savetsky, Brian Turbitt, Joseph Grause

ATTENDING MEMBERS: Doug Abbey, Penny Dey, Howard Dickler, Peter Hoey, Dave Iverson, Brooke Mohr, Eric Savetsky

REMOTE PARTICIPATION: *by phone* Posie Constable, Kristie Ferrantella

ABSENT: Joseph Grause; Brian Turbitt

Early Departures: NONE

STAFF IN ATTENDANCE: Tucker Holland (Housing Specialist), Ken Beaugrand (Real Estate Specialist), Eleanor Antonietti (Zoning Administrator), Megan Trudel (Administrative Specialist)

Public Present: Anne Kuszpa (HousingNantucket); Rick Atherton; Andy Buccino & Will Stevens (Stephens & Company, Inc. – energy consultants); Megan Perry; Bruce Mandel

I. Call Meeting to Order
Meeting called to order at 1:02

II. Approval of Agenda
ROLL CALL VOTE:

Brooke Mohr Aye
Dave Iverson Aye
Penny Dey Aye
Peter Hoey Aye
Doug Abbey Aye
Howard Dickler Aye
Eric Savetsky Aye
Posie Constable Aye *by phone*
Kristie Ferrantella Aye *by phone*

Agenda adopted by **UNANIMOUS** consent.

III. APPROVAL of Minutes

- a. July 29, 2019
- b. August 26, 2019

MOTION was made by Penny Dey and seconded that the Neighborhood First Advisory Committee does hereby approve the Minutes, as amended, for the meetings on July 29, 2019 and August 26, 2019.

ROLL CALL VOTE:

Brooke Mohr Aye
Dave Iverson Aye
Penny Dey Aye
Peter Hoey Aye
Doug Abbey Aye
Howard Dickler Aye
Eric Savetsky Aye
Posie Constable Aye *by phone*
Kristie Ferrantella Aye *by phone*

The vote was **UNANIMOUS**.

**IV. Discussion and Approval of Statement of the Housing Challenge Document
Pages 16-19 of Packet**

Peter HOEY Explains that the committee’s charge is to review current status of affordable housing on island and to make recommendations as to how to most efficiently use proceeds of \$20 million bond issue to be brought to market by Town. Will be discussing two documents today, the 1st is the problem of where we stand and the 2nd is solution or draft set of strategies. Comments will be welcome from the public

Tucker HOLLAND gives recap of prior meeting which led to this Initial Report document (Statement of the Housing Situation & SHI List Management) is an attempt to help inform general public on housing issue in terms of 10% requirements.

We have to get to 10% in ways that are compliant with state requirements.

Penny DEY asks at what point in the process do these properties qualify for SHI list, in general. Tucker HOLLAND explains the various ways and gives examples of when a given property qualifies for SHI list. Talks about HousingNantucket’s Local Action Unit (“LAU”) program. Things can be approved before there is a building permit. 40B projects count when the Zoning Board of Appeals issues a Comprehensive Permit. There are things that need to happen after initial eligibility points in order for them to continue to count – *i.e.* pulling of building permits within 12 mo.s of issuance of permit and Certificates of Occupancy issued within 18 months of pulling of building permit. Projects which utilize tax credit financing – *i.e.* Low Income Housing Tax Credit (“LIHTC”) – count at awarding of tax credits (*ex.* 6 Fairgrounds).

Peter HOEY asks for clarification of our Safe Harbor status.

Tucker HOLLAND State recognizing that community is making good faith effort to meet or progress towards 10%. In our case, we need to create 24 units in a calendar year. 2 years of Safe Harbor, maximum that we can accumulate, could be earned if we created 48 units.

Dave IVERSON asks how Richmond contributes to SHI list

Tucker HOLLAND same program as Housing Nantucket example. Done as an LAU, not under 40B program. There is no dollar subsidy from community but local action /contribution was the changing of zoning to incentivize creation of affordable housing. Timing was that their LAU application was approved in May 2019 which is the initial point at which their units can count. They had to pull building permits to actually count. They have pulled permits for 40 rental units this calendar year. DHCD (Department of Housing and Community Development) gave us a 2-year certification of our Housing Production Plan this summer. That will expire June 14, 2021.

But things still need to happen to keep them on the SHI list.

Clarification that it is likely but not certain that the 2-year Safe Harbor will last until June 2021.

Question – if 70 units come on line, would they all count? All 70 units would count toward 10% requirement but cannot use an incremental amount toward a new safe harbor period.

Howard DICKLER looking at Exhibit 3 on document – questioning 26 units in 2019 for Richmond when we have said we are counting 40.

We want to refine this document in ways that will make it clearer. Answer is 40 are included in 191 already. The 26 is Richmond's plan for pulling building permits this year

Recommendations to make Exhibit 3 clearer – add list for each year of units that count for Safe Harbor. The current version is confusing for 2021, 2022, 2023 where it shows totals for that year to be 40-50, but we have a deficit. Suggestion to leave it all and add new column that shows state requirements or path to 10% and then show deficit or surplus.

Brooke MOHR asks if it is true that any single development can only contribute 48 units regardless of timing.

Tucker HOLLAND you could have a large phased development that would have to adhere to strict timeline in terms of planning, and could contribute more than 2 years. We don't have that.

Howard DICKLER Asks for explanation of Footnote #4 re. life estate for Walter Glowacki?

Tucker HOLLAND Within 5 years, Richmond should be built out. It may or may not be possible to create 30 of 47 units in 2023.

Suggestion to change how that reads to make it clearer.

Penney DEY points out requirement is 10% of year-round houses (490). We have 191 on SHI list. We are looking to create 299 over next few years

CONSENSUS this is very complex. We are roughly 300 short and we need a sequence to get to 10% and to stay out of '40B jail'.

No recommended changes are proposed by group.

Rick ATHERTON Tobias (Glidden) is working and cannot be here. He is concerned about direction of committee. Intention of the article was to buy existing housing. It was amended by FinCom (Finance Committee). Language they added may give you broad technical authority. Reading from Memo – *to invest \$20,000,000 of Town resources specifically allocated to produce additional affordable workforce housing inventory*. Does that mean additional inventory or additional housing units? Important distinction and seeking clarification. If for additional housing units – thought that was the \$5 million for Trust Fund ("AHTF") article. Town is involved in creating new residential inventory. The article was about buying existing and was created to protect neighborhoods from big developers. Want to disperse and not see another massive subdivision.

Anne KUSZPA (Housing Nantucket) understand that a mix is being sought but we do need to learn from push back from Ticcoma Green.

Andy BUCCINO passes out Open Letter regarding energy consumption in the built environment. He is proposing a generic outline with holistic guidelines for existing programs. As you contemplate building new homes, we ask that you consider robust set of guidelines for homes that are built efficiently and for fiscal responsibility. Town is investing in these properties. Hope you will adopt these principles. He has concern with existing stock. Affordable homes would have been built in 1980-90. To buy and make it move-in ready without overwhelming energy bills is uphill challenge. Offer this letter as alternatives and invitation to consider other pathways.

Peter HOEY points out a column was added in response to his suggestions at last meeting.

Does group adopt this document even though we have ongoing adjustments?

CONSENSUS There are a few potential revisions. Need to incorporate suggested changes and could send it on to AHTF with request to have it more widely distributed and perhaps published.

We would like to give public opportunity to see this meeting on video. Need to seek broader feedback before we recommend adoption. Will wait for next minutes to allow public to review and to send in any suggestions. EMAILS with comments and input should go to Tucker HOLLAND (email listed on Town website for Neighborhood First Advisory Committee).

V. Discussion of Revised Evaluation of Strategies Document
Page 20 of Packet

Doug ABBEY incorporated suggestions made at last meeting. Suggests that we take each alternative and seek further comment as to how we rank these and conclude with discussion of ranges for 3 alternatives.

Howard DICKLER He was not at last meeting, when this was handed out, and had not seen this before it was posted with packet. Finds list slanted towards centralized affordable housing rather than dispersion. Proposed 4 additional criteria all of which would rank dispersed houses high. Describes his criteria:

1. Fabric of a community – dispersal is community building element to foster connection.
2. Susceptibility to delay (effectiveness Part 2) – thinking of Ticcoma Green. Planning and hearings begin at a certain point. We are now 4+ years down the line from that time and we do not have a permit yet. . Need to be careful not to put all eggs in basket of large affordable developments.
3. Impact of traffic – less developments in mid-island.
4. How closely each of these solutions addresses the intent of article passed at ATM?

Brook MOHR 2 comments re. Howard’s criteria. 1st – as to traffic impacts, dispersal could have negative impacts on traffic too with residents far from transit services. Thinks this criteria could be harder to rank. 2nd – As to proximity / concentration – we have a denser housing core mid-island (due to zoning) but how many other SHI listed units are within a given distance of proposed site? This would be raw data.

Dave IVERSON feels all of these factors should be taken into consideration with every property. Doug ABBEY suggests group take each one and try to rank.

DISCUSSION of how to refine “Fabric of Community” and how to discern ‘intent’ of article

Doug ABBEY Points out that when you have mixed-income communities that are surrounded by other housing, you have integration of people from different backgrounds in a denser environment that can build community. With a project like Ticcoma Green, there is a certain mix. Tucker HOLLAND Would like to clarify some points. Was interested to hear Mr. Atherton’s remarks given that he voted in favor of Ticcoma Green project when he was a Select Board member. Explains breakdown of units. Virtually open to anyone in the community. Challenge to know intent of nearly 800 people who voted in favor of article at ATM. Even the original financials accompanying the article contemplated building new units. As to susceptibility to delay criteria, introduce risk of ruling out a lot of locations prone to NIMBY reaction. We talked about having multiple strategies needed to achieve our goals.

Dave IVERSON in keeping with the spirit of this, we would be buying a piece of property that might have a unit on it. Not trying to create a whole new community inside an existing community. Hope is that it would not have a huge impact. Fabric is important to take in but spirit of the article is to NOT disrupt a neighborhood with dense development.

Doug ABBEY In the case of the Fire Department project, which would be about 30 units, would be minimal adverse impacts or conflict between the neighborhood and a development. Not clear on susceptibility to delay that the 3rd strategy would be inferior. The Town is competing with others who may be trying to buy their 1st house.

Penny DEY Fire Dept. is in a mixed-use area so would perhaps involve less opposition.

Brooke MOHR points out public outreach is imperative.

Posie CONSTABLE *by phone* regarding Strategy #1 – Dispersed Home Purchases and the Estimated Total Cost Per Unit on SHI List. Asks if there is a zoning availability for building of additional units. What would it cost to ship and install net zero pre-fab modulars on a piece of property? Smaller discreet additions to property might quell any neighborhood opposition to big developments. Is that contemplated under the number shown?

Ken BEAUGRAND About \$220/SF per pre-fab structure. Doesn't include cost of getting it here and site work and foundation.

All in, perhaps \$350/SF and other costs, about \$500,000. Perhaps slightly less expensive but a lot of money going to cost of one unit.

Tucker HOLLAND The number in the chart incorporates assumptions that were part of article's proponent package.

Brooke MOHR The per unit subsidy presented in document at ATM included the land cost, estimated construction, and rehabilitation cost (building code compliance). Firm analysis behind the data.

DISCUSSION of various comments made by Howard Dickler and Brooke Mohr and clarification that energy efficiency is added as criteria. The issue of scale and density are found under Strategy #3. Howard's idea of "Fabric" could include appropriateness of scale.

Should there be a footnote for Strategy #1 under \$688,000 estimated cost per unit to incorporate cost of renovation? What about cost benefit of additional land and potential to build additional dwellings? Is the number pre- or post-renovation and does it include work re. title, code, and compliance work that could be necessary with existing rental properties?

Tucker HOLLAND explains they were looking at 11 properties with 18 existing structures, needing to create 6 additional units. Cost there is intended to be all-in to make all 24 structures eligible for a rental pool. Strategy #3 is also an all-in cost. The estimated cost for Strategy #2 is relevant to a specific proposal.

SUGGESTION to make a footnote to further clarify what \$688,000 entails.

Howard DICKLER This is a guideline. If decisions are made on case by case basis, we could override brute ranking if a property proved to be very attractive in meeting goals of committee.

Brooke MOHR What can we do and what are relative advantages and disadvantages of each strategy in general? Opportunity comes up. Where does it fit in terms of strategy and would we need a 2nd evaluation tool that enables us to determine that a given house is better than another? Clarification that we are adding Howard's 4 categories but we will leave them blank, to be determined on case by case basis.

MOVING ON to Strategy #2 – Buy-Down of Existing Year-Round Rentals

When discussed at previous meeting, we were generally not in favor of this strategy. We might be displacing people and we don't create additional supply. The one redeeming aspect as that it could generate SHI-eligible units at a relatively low cost.

Moving on to discussion of Strategy #3 – New Affordable Developments

DISCUSSION of what constitutes a development in terms of number of units. Concern that we keep scale and density appropriate for the area / neighborhood and clarify this in chart.

Tucker HOLLAND explains tax subsidy per unit (see Footnote #8).

DISCUSSION of recommendation to buy down existing mortgages. Would have to be large dollar subsidy – large buy down because you have to sell to an 80% AMI. No recycling of public dollars to benefit broader group of people. Concentrates public resources into very limited number of qualified buyers. Kept on the list but not a strategy.

Doug ABBEY Invites PUBLIC to make comment

Bruce MANDEL (Madaket) confusing for a lay person. Thinks there has been some ‘scope drift’. Intent was clearly to help disperse the burden. Affordable housing is all being concentrated in a few communities. Presentation at ATM listed 11 specific examples to guide us. All houses were built between 1971-2009, clearly existing housing stock. Listed cost to obtain them and then to improve them to be brought up to code. Never any discussion about concentrated development, such as buying Fire Dept. We voted to borrow up to \$20 million to buy existing housing. Thinks this committee was established to assist AHTF in that process. These strategies are interesting but thinks we need to go back to ATM and tell them that the authorization to borrow this money is now being changed. Was the mission of this committee expanded to create new ideas on how to use the money? Inducement to get us to vote was to scatter housing. We should first establish the intent of the petitioners and voters was. For now, strategies should be how to create dispersed site housing from existing housing stock.

Rick ATHERTON emphasizes importance of understanding what was presented at ATM. New residential development gets to a scope issue.

Anne KUSZPA supported this at ATM. Surprised to hear that this committee would consider the Fire Dept. because it is not a scattered site proposal. Claims that the Fire Dept. had intense push back from HDC and that the design was too large for space. Displacement issue is also important. The article had ability to take properties back out of the investment market or retain them as year round housing. These criteria are slanted to buying large scale properties.

Doug ABBEY committee is open to incorporating comments.

Tucker HOLLAND reads the Ballot question¹ for authorization of this money.

CLARIFICATION that this is a flexible determination of how moneys could be used. Town and Bond Counsel and Finance Director looked at this and their opinion was sought as to scope of Ballot question.

Doug ABBEY we have been given instructions that we can look at wide range of alternatives

Tucker HOLLAND Select Board voted unanimously that they would like the Fire Dept. property to be considered for affordable housing purposes. It has not gone to HDC, as was implied.

Brook MOHR clarifies that that article did include creation of secondary and tertiary units.

Kristie FERRANTELLA *by phone* we are tasked with the simultaneous goals of creating dispersed housing and maintain Safe Harbor. We are just reviewing options of what it would take to maintain Safe Harbor. This is a priority for her and how she voted for article. What is best way to get to Safe Harbor and attempt to have dispersed housing?

Voters voted against 40Bs. The article does not say dispersed.

Doug ABBEY We are committed to getting us to the 10% with a broad latitude to make recommendations.

¹ **QUESTION 8: Debt Exclusion for Acquisition of Existing Properties for Affordable Housing** – *Shall the Town of Nantucket be allowed to exempt from the provision of Proposition Two and One-Half, so-called, the amounts required to pay for the bond issued in order to acquire existing properties for affordable housing purposes, which may include an affordable rental program, and a grant or grants to the Nantucket Affordable Housing Trust, with oversight by the Select Board?*

Suggestion that we put a range around each of 3 alternatives and rank them so that we have idea that there could be a mix of approaches taken. Which strategies would be most effective? It is about prioritizing and allocating \$20 million. Need to find common ground among members. Tucker HOLLAND all 3 of these approaches may have merit, dependent upon particulars (*i.e.* more than 3 units being created).

Penny DEY of 3 approaches she favor Strategy #1, dispersed home purchases, and then #3, the new scale-appropriate affordable developments, likely some hybrid. Thinks strategy #3 will get us where we need to be a lot faster and get us more houses. Strategy #2 doesn't give us control of funds and more piecemeal, would not help serve the largest numbers. Ranking is 80% for #3, 20% for #1, and 0% for #2.

Eric SAVESKY #3 is ok if appropriate to neighborhood. Also likes mix of 1 & 3.

Howard DICKLER thinks we will need #3 to get to Safe Harbor but we have a litigious population. Anything over 20 units will be challenged. Nothing holding people back. People challenging Ticcoma Green is what led to Surfside Crossing.

Brooke MOHR dislikes #2 because not in perpetuity. She understood it to mean that we could buy down a single unit but no control over other units. Very sensitive to how this article was presented to community. Wants to be pragmatic. Staying in Safe Harbor is critical. Balance of 1 & 3 but be careful on #3 that if we have opportunity to do larger scale, we subject to very careful scrutiny of sites.

Kristie FERRANTELLA *by phone* agrees that #s 1 & 3 are best approach. Thinks exploring #2 is worthwhile to see if it might be possible to do in perpetuity.

Posie CONSTABLE *by phone* from ROI (return on investment) perspective, #s 1 & 3 have most appeal. Getting buy-in from communities is key. If we are trying to allocate percentages, to meet SHI requirement we will have to start identifying properties that could fulfill this. Outreach should include outreach to neighbors. How do we guard against them becoming litigious?

Peter HOEY end product of these deliberations will be a memo of recommendations. Memo should mention that we considered Strategy #2 and companion buy-down of mortgages. Appreciates comments made by public about spirit as opposed to letter of law. Would be mistake to use legal letter of the law. Important to be mindful what ATM majority voted for. Going to come down to opportunities that come before AHTF.

Doug ABBEY supports #s 1 & 3. It is our responsibility to come up with most efficient way to get us out of 40B jail and would therefore prioritize #3. Concern about #1 is high cost. There is ability to engage a non-profit so that someone could make a partial sale and partial donation.

Howard DICKLER asks if secondary and tertiary DUs created on a property would be eligible for LIHTC program?

Tucker HOLLAND explains you have to have critical mass of about 20 units to bring in LIHTC money.

Doug ABBEY federal and state subsidies are not available for Single Family DUs. Someone could donate land for 2nd DU and market value of the land could be appraised and donated for tax write-off.

VI. Discussion of Webpage and Documents

Authorize Co-chairs and STAFF to work together fine tune website.

VII. Public Comments

Bruce MANDEL trying to understand which strategy will govern the discussion to take place in Executive Session.

CONSENSUS is to pursue Strategies #1 & 3 with priority being #3.

Brooke MOHR points out that real estate market on island is dynamic and unique opportunities present themselves.

VIII. Other Business

NO ISSUES

- a. **Future Meeting Dates** – Community Room, 4 Fairgrounds Road, 1:00-3:00pm
 - Monday, October 28th
 - Monday, November 18th
 - Monday, February 10th
 - Monday, December 16th
 - Monday, January 27th

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 Penny Dey and seconded by Posie Constable 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 VOTE:

Brooke Mohr	Aye
Dave Iverson	Aye
Penny Dey	Aye
Peter Hoey	Aye
Doug Abbey	Aye
Howard Dickler	Aye
Eric Savetsky	Aye
Posie Constable	Aye <i>by phone</i>
Kristie Ferrantella	Aye <i>by phone</i>

The vote as **UNANIMOUS**.

X. Adjourn

Open Session Meeting ended at 3:05pm

Submitted by:
Eleanor W. Antonietti