

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~

Tuesday, January 19, 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: Brian Sullivan ^{2:22pm}

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

Public Present on Zoom: Anne Kuszpa (Housing Nantucket); Gerry Keneally (Habitat for Humanity); Mickey Perry; Howard Dickler; Meghan Perry; Robert J. Liddle; Andrew Mulcahy

I. Call Meeting to Order

Brian Sullivan called the meeting to order at 1:04 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

Kristie Ferrantella **moved to approve the agenda**. Reema Sherry seconded the motion.

ROLL CALL of those participating:

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

Agenda adopted by **UNANIMOUS** consent.

III. APPROVAL of the Minutes

- January 5, 2021

Reema Sherry **moved to approve the Minutes for the meeting on January 5, 2021**. Kristie Ferrantella seconded the motion.

ROLL CALL of those participating:

1. Brooke Mohr Aye
2. Penny Dey Aye
3. Reema Sherry Aye

4. Kristie Ferrantella Aye
5. Allyson Mitchell Aye
6. Dave Iverson Aye
7. Brian Sullivan Aye

Minutes adopted by unanimous consent.

IV. Covenant Formation Assistance Program Application (CFAP)

▪ 4 Hull Lane – Juanita Vernal & Junior GIL

Eleanor Antonietti This has not made it to planning yet. She is only in receipt of one page from the application form. She gathered additional materials to help Board visualize the proposal. Points to Pages 19-26 of the Packet. The Locus has three dwellings (“DU”).

Dave Iverson this would not go to Planning Board until it has the funding for the survey.

Reema Sherry asks what the proposal is. How will this be divided?

Penny points out dotted line on plan (Page 21 of Packet) between primary DU and other structure which may indicate how it will be subdivided. Both have frontage on Hull Lane. She wants clarification about secondary and tertiary DUs in smaller structure.

Eleanor Antonietti per the documents in the Building Department file, that is the case.

Anne Kuszpa needs to get more information from her Staff.

Pushed to later in agenda – left open for future discussion. Need clarification from Anne.

Resume discussion at 1:51pm

Anne Kuszpa We spoke to homeowner. There was a question about which structure will be the Covenant. As shown on Page 21, the larger central structure is Primary DU. The converted Garage Structure was incorrectly listed as having the secondary and tertiary DUs. Homeowner does not want to develop a Tertiary DU.

Penny Dey the units that will become the covenant unit can only have 1 DU in it.
Anne Kuszpa correct and it only does have one DU.

Eleanor Antonietti urges confirmation of that. It belies what is in the Building Department records.

Anne Kuszpa she said she came to the Building Department today to get that correction underway.

Dave Iverson does she understand that this is a 1 DU situation. One family one DU.

Brian Sullivan Zoning needs to weigh in on existing conditions and then application needs to get Planning Board approval.

Dave Iverson she needs money to create the Covenant, but we need to know what is in the smaller building.

Brooke Mohr we lend money to homeowner to create a Covenant lot and they repay us either when the lot sells or 18 mo.s later. The homeowner is assuming some risk. Her best interest in in having better understanding that her lot is truly appropriate for Covenant creation.

Brian Sullivan need to continue this to get more information

Anne Kuszpa agrees

Reema Sherry looking at the plot plan, does one get setback intrusions?

Eleanor Antonietti the Planning Board can waive setback requirements only as interior lot line.

Brian Sullivan we would want to know that there are no open permits.

Dave Iverson **moved to continue the matter to a February meeting.** Brooke Mohr seconded the motion.

ROLL CALL of those participating:

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

The motion carried unanimously.

V. Habitat Request for Additional \$85k Toward 31 Beach Grass Duplex

Gerry Keneally Thanks the Trust. Modules are being placed on foundations today. Good progress. Original application was going to cost \$660,000 for both duplexes at Richmond Development. They had \$100,000 from 2019 CHIP grant and had \$100,000 from remaining 2018 CPC grant which was earmarked for Waitt Drive projects. They previously requested and were approved by the Trust a \$460,000 grant. Estimated cost will be a little less than anticipated at \$645,000, but under CPC rules, they have shortfall of \$85,000 at end of project. Asking for that to complete and get homeowners in by May. They will be working on 3 SHI-listed homes on Benjamin Dr. for next 18 mo.s. They only service 80 % AMI and below. While these are between 50-60%, these will not be SHI-listed because they had not gone through the DHCD selection process when these were sold.

Tucker Holland recommends approving this request. Highlights how good the new CPC funding system is of the Trust. This is a perfect example of how tying it to specific locations can end up being a little problematic.

Kristie Ferrantella The Select Board approved their Strategic Plan which includes increasing homeownership opportunities which directly ties in to our newest goals.

Brooke Mohr **motioned** to grant of \$85,000 to fund the request to complete the project at 31 Beach Grass Drive, as presented by Habitat. Penny Dey seconded the motion.

ROLL CALL of those participating:

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

The motion carried unanimously.

VI. Housing Production Plan – UPDATE

Tucker Holland we held the Webinar last week. Successful with over 50 participants from the general public. Lots of good questions and opportunity to follow up subsequently. General Survey in English is up and open to the public on our website. Translated into Spanish and Portuguese and will be posted soon. Asking for people to take 15 minutes between now and early February to give valuable input.

Brooke Mohr encourages Board members to share the link. We want a good response rate to get more compelling data.

VII. 7 Amelia Drive Discussion

Tucker Holland The Land Bank (“NILB”) has approached us about donating the Mickey Rowland building on property they purchased at 15 Commercial Wharf. We have begun investigating possibility of moving the structure to 7 Amelia Drive which we purchased with the Town a few years ago. There is initial sketch from Matt MacEachern to show how it could be developed. This building could have 2 units and office space and 2 additional units could be constructed at rear of the site. NILB has proposed donating the building and underwriting the basic cost of moving the structure (\$86,000). We will have additional expenses in creating foundation, reassembling the building and in orchestrating the actual move as it needs to be cut. If Board feels this is a worthy endeavor, we will issue RFP for contractor work. It involves a lot of coordination with a tight time table. NILB wants to have it moved by mid-June of 2021. If we are not interested, there is other interest. Ken and he feel that this is a cost-efficient way to get several nice units at this location.

Ken Beaugrand This is a real opportunity. We have been working with NILB to cooperate in just this type of situation. Good start to making that relationship have real value for Trust.

Penny Dey Is it realistic to think that we could get this permitted and foundation in before mid-June? Need realistic cost on converting into 2 DUs including egress. Asks Anne Kuszpa to reiterate her concerns about moving this structure.

Dave Iverson what is reasoning for offices?

Tucker Holland the building right now is set up as an apartment on 2nd and 3rd floors. The context of the Amelia Drive area is that the 1st floor is some sort of commercial or office space. The 2nd DU would be below grade. We can be creative. Matt shows an egress on the Sketch Plan.

Penny Dey asks about rental income.

Brian Sullivan asks if 1st fl. space would be reserved for Town offices.

Tucker Holland To be determined, but some kind of revenue would come to the Trust

Reema Sherry asks if the Town could store the house somewhere else if timing is too tight. We have vacant land off Waitt Drive.

Brian Sullivan risk doubling the cost to pick up and move again.

Reema Sherry \$86,000 is the figure. In her experience, over the road permits are usually half that. Thinks the price includes challenges of move.

Tucker Holland it also takes into account prevailing wages.

Brooke Mohr could we put offices in lower level and DUs in upper level as alternative design? Loves mix of commercial and residential.

Tucker Holland Toscana has provided cost to NILB to do this. Need to know if you want to pursue.

Anne Kuszpa we decided that this did not suit our purposes because it needs to get cut into at least 2 pieces. Once you start cutting the buildings, it adds about \$100,000 per cut. It is tall too. Nat'l Grid is starting to put charges on us when wires need to be moved due to height. Costs quickly escalate.

Penny Dey in favor of pursuing as long as we have sound numbers on which to base final vote

Brooke Mohr the NILB has the option to pay us the equivalent of their demolition cost vs. move cost. Substantially lower to demo. They voted to give us the higher number which she appreciates. NILB Commissioners went extra mile to make sure it goes to affordable housing.

Kristie Ferrantella asks what our timeline would be to have it move-in ready and SHI list eligible. What is their alternative?

Tucker Holland Plan otherwise would have been to RFP the property. In terms of savings, we don't have precise answer. We need to confirm hard costs on construction side. Toscana move costs are known. Clearly going to be over \$50,000 so we have to do RFP. Could be significant savings if we can do 1 cut. Walked through building with Jesse Bell. It is well built. There may be an obvious place to

do the cut and could be reassembled in sound and efficient way. We think there would be considerable savings vs. building brand new.

Dave Iverson would we be putting in full basement?

Tucker Holland we can have 4 DUs on the site in addition to commercial space. Technically, we could have 3 units in this one bldg. and 1 in another. We need to determine final architectural plan for the site.

Dave Iverson we are trying to stay away from basement dwellings. Prefers to have 2 above ground units in each building.

Penny Dey full basements with lots of light and window wells could generate compelling rental income.

Brian Sullivan asks if any other sites are contemplated for this building. Without an RFP for full build out, are we putting the cart before the horse because such a generous offer. Is this only location that the Trust have to move it?

Tucker Holland this is the only immediately available site because we acquired it. General consensus is that this tall narrow profile building fits the Amelia Drive vernacular.

Brian Sullivan wondered if there is anything available on Waitt Drive or Ticcoma.

Reema Sherry can we move ahead with RFP and then make final decision when we have final numbers?

Tucker Holland we need to know today whether this is something you feel has merit pending confirmation of numbers in order to put together and issue RFP. The units that we create here will have to be restricted at 100% AMI level or less to comply with CPC funding restriction. This could provide material cost reduction vs. out right RFP and brand new construction and would be overall financially beneficial to this location.

Brooke Mohr we would be minimizing development costs and offsetting 100% pricing with income from office space.

Ken Beaugrand met with Toscana. They are comfortable with the move.

Reema Sherry **moved that the Trust pursue creating an RFP for development of the 15 Commercial Wharf building on 7 Amelia Dr.** with two alternatives regarding use of the lower level as either an office or a dwelling. Penny Dey seconded the motion.

ROLL CALL of those participating:

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

The motion carried unanimously.

VIII. Financial Discussion

Tucker Holland screen shares chart mapping what we need to do work in next few years. He has broken down Anticipated Needs into 2 categories – Safe Harbor Maintenance and Operations and Other Projects This is a dynamic exercise. We are working with a group including Town Manager, Finance Director, Kristie Ferrantella, Ken, Town Counsel and FinCom Chair Denice Kronau. Single CPC bonding could address our upcoming needs. We were seeking a determination from Town and Bond Counsel as to ability to use CPC funds for up to 200% AMI households. The \$5 million CPC

bond approved in 2019 included language in that article that would suggest that it could be used up to 200% AMI, but it has been determined definitively now by Counsel that any CPC related funds must be used only for 100% AMI or less. We have intentionally been cautious with all of those funds and have used the \$5 million in accordance with 100% AMI rule. Looking forward, this clarification means that we cannot rely solely on CPC funding if we want to serve above 100% AMI. We broke down Anticipated Funding Needs by possible applicable Potential Sources. This illustrates that in terms of Safe Harbor maintenance, we anticipate that 25% of funding would come from CPC because 25% of whatever we do will be restricted to 100% AMI or less. Habitat for Humanity and Housing Nantucket programs also conform to 100% AMI level. We have allocated funding to them at rate of 2 SHI-eligible units per year. CPC funds cannot be used operationally. 2nd line item under the Potential Sources is Town Budget. Working Group is meeting again tomorrow. CCAP, consultants, professional services and marketing outreach, training, education and related travel, administrative costs could be covered by Annual Allocation in Town Budget. We have two potential Override Articles categorized for Safe Harbor Maintenance and Shared Equity Pilot. We have working number of \$300,000 per household. A lot of details to come so it is not slated to start this year. The intention, if this is pursued, is that about 50% of money might come from this type of funding source and the remainder might come from private capital. At the end of this 2025 marker, if everything happened according to plan, we should be at our 10% requirement. That is how we are looking at this. Questions?

Brian Sullivan exciting that we could hit 10% at end of 2025

Reema Sherry on shared equity down payment assistance, that is looking at helping people buy market rate homes and then converting them into Covenant homes?

Tucker Holland in that vein, yes. They would be restricted to year round population only in terms of resale. Need to work out details regarding income restriction. He does not think it involves Home Rule Petition.

Penny Dey did you take into account that the 10% number changes as the total number changes?

Tucker Holland the units are not necessarily going to be completely built out by end of 2025, but they will have counted toward SHI list and certification. It could take another 18 mo.s to complete a given project. We won't know what our new number is for up to 12 mo.s, but there is a reasonable possibility that our number might go down from 490 based on dramatic turnover of historically year round residences to either seasonal or investment buyers. The production of new units that would have occurred by the time the Census was done would have been fairly limited.

Howard Dickler what is status of 2 proposed Overrides? Are we committed to these? Would they be for the 2021 ATM?

Tucker Holland we will make determination in meeting tomorrow. CPC portion would be through an application to CPC at their regular funding round in September. The other aspects are items that are being considered by the working group and ultimately the SB. The bottom 3 of potential sources would be for 2021 and the CPC would be for 2022 ATM.

Brian Sullivan this is purely for information. Any action needed?

Tucker Holland would be helpful to the working group to know Trust's view on these elements.

Brian excited about the work. He has to leave the meeting. Appoints Brooke Chairman *pro tem*

Brian Sullivan leaves at 2:22pm

Tucker Holland we are looking at alternate ways to have funding sources. The Working Group is considering this but it would be useful to be able to represent the Trust's view on each of these elements.

Reema Sherry thinks it makes sense and supports this and hopes SB and Finance Department will help us promote at ATM. Overrides are never easy but there is swelling support for housing. It is a critical mass problem. This is a good solution.

Brooke Mohr polls Board as to support for all funding sources.

Kristie Ferrantella supports asking for more from our budget so it doesn't fall on taxpayers.

CONSENSUS is in favor and encouraged by the support for idea to get us a regular source of revenue and for exploring all four funding sources:

1. CPC – New Bonding
2. Town Budget – Annual Allocation
3. Override Article #1 – Safe Harbor Maintenance
4. Override Article #2 – Shared Equity Pilot

IX. RFP UPDATE

Tucker Holland had talked about issuing new Neighborhood First type of RFP looking for single family DUs. In light of recent budget discussions and limited interest last fall, until there is an ongoing reliable revenue source, we may want to hold off. We are not planning to issue a single property RFP at this moment.

Penny Dey concerned about the applicants who did apply in first round, some of whom had good opportunities.

Tucker Holland we had two opportunities which were both too costly. We have limited resources. We need additional time to have an ongoing reliable funding mechanism.

X. Other Business

▪ Next Meetings

- Special February meeting: Tuesday, February 2, 2021 at 1:00pm
- Regular February meeting: Tuesday, February 16, 2021 at 1:00 pm

XI. PUBLIC COMMENT

Tucker Governor recently signed legislation regarding property presently owned by University of Massachusetts about which our legislators had approached us in the summer of 2019 as to its suitability for our housing goals. Pleased to announce that Governor, U Mass Board and SB have approved this transaction at Vesper Lane. A lot of details forthcoming. The Hospital (“NCH”) property surrounds this parcel. We had reached out early on to NCH about coordinating on overall plan for area. It is not going to be developed in immediate future but presents an exciting scattered site location opportunity to address Safe Harbor and affordable housing needs. We could not talk about until Governor signed the legislation.

Penny Dey points out that it involves existing units.

X. BOARD COMMENTS

NONE

XIII. 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 Kristie Ferrantella and seconded by Reema Sherry 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. Reema Sherry Aye
2. Dave Iverson Aye
3. Allyson Mitchell Aye
4. Penny Dey Aye
5. Kristie Ferrantella Aye
6. Brooke Mohr Aye

The motion carried unanimously.

XII. Adjourn

Open Session Meeting ended at 2:38pm

Submitted by:

Eleanor W. Antonietti

Approved