

Town and County of Nantucket
Select Board • County Commissioners

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C. Elizabeth Gibson
Town & County Manager

Date: December 12, 2018
From: Select Board
To: Ed Toole, Chair of the Zoning Board of Appeals, and all ZBA Members
Cc: Ed Marchant
Re: Affordability and Serving the Year-Round Community at Surfside Crossing 40B ("SSX")

Dear Chair Toole and Members of the ZBA:

We thank the ZBA for their continued diligence in carefully evaluating the Surfside Crossing 40B Comprehensive Permit application.

At our recent Select Board meeting, we discussed how it may be useful to share some additional thoughts on affordability, building on points made in our previous two letters on this subject.

The Developers' recently stated goal of having 70% of the units (e.g., 70 of the 100 proposed units) in the development serve year-round community members is a step in the right direction in the context of a traditional 40B project.

As the ZBA continues to consider the application and its elements in depth, and conditions it may impose in a Comprehensive Permit, we would request the ZBA consider the following:

- Ensure all stated intentions to restrict 70% of units to year-round community members translate into the legal documents with strong mechanisms for enforcement.
 - Related: *how will "year-round resident" be defined with respect to the intended year-round restriction?*
- Ensure the restrictions are in place for the longest period allowed by law. We are encouraged by the Developers' stated willingness to have their legal team work with Attorney DeRensis and Town Counsel alongside others to achieve this. To the extent the year-round restrictions cannot be designed in perpetuity at the outset, we strongly encourage a mechanism for renewal of these restrictions such as a right of first refusal the Town at the end of any legal limit to the length of restriction(s), if need be, to ensure the ongoing year-round requirement.

- While we appreciate the intent behind including Island-oriented nonprofits as potential buyers of up to 25% of the condominium units, we see potential issues arising and suggest that perhaps it may make more sense for those nonprofits looking to house key personnel to simply financially assist those individuals in purchasing a unit. Independent of SSX, they could have their own financial arrangement and perhaps the organization could have a Right of First Refusal agreement with its employee to ensure the unit “stays in the family” if the employee were to leave the organization.
- Given Nantucket’s current 100% AMI income limit of \$114,000 for a family of four, we would like to understand if 15 of the condominium units could be restricted at 175% AMI – 200% AMI. On the surface, it seems it may be financially possible given the Developers’ stated price-points for the condominiums (e.g., \$450,000 - \$750,000 depending on bedroom count).
- We understand all 80% AMI units (condos and cottages) will have a no rental policy. We strongly encourage a very limited short-term rental opportunity for the 45 other condos. We understand the Developer is proposing up to one month to one party per year for these. We wonder whether some similar restriction on the market rate cottages is appropriate, as well. Weekly turnover of the market rate cottages would give this community a very different feel to what we believe is the intention for Surfside Crossing based on prior Developer statements.
- No leasing in whole or part for any of the restricted units (the 70 units). Subleasing for the market rate cottages may be appropriate for long-term periods (e.g., yearly).
- Ensure there is no ability by a future HOA to change the affordability / year-round residency restrictions.

In our opinion, it will be important for the applicant to produce all relevant legal documents, detailed building designs and complete site plans in a timely manner for adequate review and modification before any approval with conditions of a Comp Permit for SSX is contemplated by the ZBA.

Again, thank you for your significant and continued efforts on behalf of the Town.

Sincerely,

A handwritten signature in blue ink that reads "Jason Bridges" followed by a stylized flourish.

Jason Bridges, Chair

On behalf of the Select Board