

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~

Tuesday, July 6, 2021

Remote Meeting *via* Zoom – 12:30 pm

Trust Members: Brian Sullivan (Chair), Brooke Mohr (Vice-Chair), Penny Dey, Kristie Ferrantella, Reema Sherry, Dave Iverson, Allyson Mitchell

ATTENDING MEMBERS: Brooke Mohr, Reema Sherry, Penny Dey, Dave Iverson, Kristie Ferrantella, Brian Sullivan

ABSENT: Allyson Mitchell

STAFF IN ATTENDANCE: Tucker Holland (Housing Specialist); Ken Beaugrand (Real Estate Specialist)

Public Present on Zoom: Howard Dickler

I. Call Meeting to Order

Tucker HOLLAND called the meeting to order at 12:32pm.

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

Tucker HOLLAND notes that the CCAP application on the agenda will be taken up on July 20th, not today.

Penny Dey moved to approve the agenda with change. Dave Iverson seconded the motion.

ROLL CALL of those participating:

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

Agenda adopted by **UNANIMOUS** consent.

III. Approval of Minutes

Brooke Mohr moved to approve June 1, 2021 meeting minutes. Penny Dey seconded the motion.

ROLL CALL of those participating:

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

Motion to Approve adopted by **UNANIMOUS** consent.

IV. CCAP Application for Hafsa Lewis, 45B Beach Grass Road.

Moved to July 20th meeting.

V. Certification of Safe Harbor Update

Brian Sullivan thanks the Trust and the housing office for its hard work and congratulates everyone.

Tucker Holland also congratulates the Board and everyone on the call. We have been working over the last two years to thoughtfully plan to expend taxpayer dollars in the matter it was intended and also such that we would enter a new period of Safe Harbor. We're working closely with DHCD and all departments like the Select Board & Finance Department. We were able to have our new HPP certification on June 11th, which was two days before the expiration of our prior plan. It was not a small undertaking and everyone on the Board played a critical role. It also could not have happened without Ken & Eleanor's significant contributions. Our new period of Safe Harbor began on June 11, 2021 and runs for one year. We are working on the Wildflower project with Richmond to accelerate production, and that will add a second year of Safe Harbor when it is ready, likely within the next 30 to 60 days. As long as it occurs before December 31, 2021 it will extend our period of Safe Harbor to June of 2023. It is also worth mentioning, our official count on the SHI list is 273 units, so we are 5.5% towards reaching the 10% requirement, which is pretty noteworthy given we were less than 2% just two and a half or three years ago. Our efforts are beginning to pay off and we're looking forward to having several of these projects come online over the next 12 months, with the most important goal of all being that year-round residents will be residing in them on a full-time basis.

Penny Dey commends Tucker for explaining something that's terribly complex, and the work that was done by the outreach committee right before town meeting was extremely helpful. Thank you.

VI. Housing Production Plan Review & Recommendation

Tucker Holland introduces Judy Barrett, Jen Goldson & their teams. The current HPP plan expires in October and so we wanted a new plan to guide us through the next 5 years. We wanted a plan in place and approved by DHCD in advance of that expiration date. Judy is here to guide the discussion and take further comment from Board members and the public. The HPP will be ready to go before the Planning Board on July 12th and in front of the Select Board on July 21. It's a requirement that both of these Boards give their approval before we send to DHCD for their final approval.

Judy Barrett, no big presentation today, just looking for a discussion and to find out if there are other comments we have not already heard. Would ask the Trust if a lot of comments come in over the next few weeks, if there are conflicts in the HPP regarding the content of those comments, that the Board needs to vet those and let Judy know how to address them. Beyond that, we've gone with this as far as we can but are always happy to hear additional thoughts, comments, & suggestions.

Brian Sullivan, Dave and Kristie, anything you think can be helpful knowing that your two Boards will be reviewing?

Dave Iverson, there were many suggestions on zoning changes and so the Planning Board might look at those more carefully. The reference to lessen parking numbers is troubling to me, especially in these kinds of development, that's kind of a rough road. We already don't

have enough parking following current zoning, but with the current state of affairs with transportation, I just think taking away parking spaces is a scary space. I'm sure we'll be talking about this and zoning changes at Planning Board and how we can support the effort. Kristie Ferrantella, I don't think there's anything else we can add or do for the Select Board, I think we'll take a lot from the Planning Board suggestions and go from there.

Reema Sherry, asks Tucker if he sent a typo over to Judy over the weekend.

Tucker Holland, the only comment I've gotten in addition to your typo Reema, is that we talk about modular homes in there and it comes across as though it's a novel idea, when in fact we have over 1,000 modular homes already on the island. So I think we just want to massage that a little bit to speak more to working with modular home companies to develop a Nantucket tiny home that meets code and design requirements. But those are the only two changes we've heard from anyone at this point.

Penny Dey, sorry to backtrack to the parking situation, but with the Housing Authority, we had very strict requirements when we allowed Habitat to build on Benjamin Drive, about the parking in particular. It's an ongoing issue, we can have restrictions but they need to be enforced.

Brian Sullivan, were those requirements for more spaces or less space? And a qualification for who got to use the spaces?

Penny Dey, it was controlling the max number that we wanted to allow and having them well demarcated to keep other people from using them. So, control. And the Housing Authority is going to have to be the enforcer.

Brian Sullivan asks for more comments from the Board and public. There are none.

Brooke Mohr moves to approve the draft HPP and to move it forward with the edits as noted to the Planning Board & Select Board for approval. Reema Sherry seconds the motion.

ROLL CALL of those participating:

- | | | |
|------|---------------------|-----|
| I. | Reema Sherry | Aye |
| II. | Brooke Mohr | Aye |
| III. | Dave Iverson | Aye |
| IV. | Penny Dey | Aye |
| V. | Kristie Ferrantella | Aye |
| VI. | Brian Sullivan | Aye |

Motion to Approve adopted by **UNANIMOUS** consent.

Judy Barrett, After the Select Board, we'll put this into a nice package on Desktop Publishing as well as in a Word doc. If anyone has any photos of housing or anything that captures what Nantucket is and what people love about Nantucket, you can email them to Tucker. We think having the benefit of local eyes would be hugely helpful to production.

Anne Kuszpa, Tucker had asked me how many covenant homes we have – we have 98 covenant homes as of today and another scheduled for next week and number 100 is happening really soon, hopefully by the time you do publish your final version we'll have number 100...

Penny Dey, Just say “nearly 100” in the document.

VII. Annual Town Meeting Review - Housing Related Articles

Tucker Holland, This was a holdover from the meeting we could not conduct on June 15th.

Brooke Mohr, The most encouraging take away from Town Meeting is that there is consistent voter support at town meeting and at the ballot for continued Safe Harbor management and production of Chapter 40B units. We all know the need is greater than that, the fact that we consistently see support for that effort is a huge change from when I started on this Board.

VIII. 31 Fairgrounds - Update

Anne Kuzspa, Things are moving along at the site itself. The garage structure has been relocated and recycled, it went to another Coffin household member. The ranch that was once on the property was recently moved to a lot that was approved as a covenant lot. Once it gets slid on to the foundation, it will provide year-round housing at that new spot at 33 South Shore Road. Tonight we are going to the HDC for the first time officially for the new build, reviewing the schematic of the site as well as a couple of the building dimensions. Emeritus Development will be presenting.

Brian Sullivan asks for questions specific to the project.

Reema Sherry, asks about a pile of bricks on the property, can she take a couple for a member of the Coffin family.

Anne Kuzspa, says she will look into it and reminds everyone to follow Housing Nantucket on social media and the Housing Nantucket newsletter for breaking news & updates.

IX. Discussion of Priorities Between Now & Annual Town Meeting 2022

Tucker Holland, The idea that even though we just concluded the 2021 Annual Town Meeting, the 2022 ATM is going to sneak up on us faster than we realize. It looks like May 2, 2022 at 5pm will be the meeting kick off next spring. In order to accomplish what we want to accomplish between now and then, we thought it would be helpful to have a conversation about that the Board does see as priorities for this next year. We're really identified 15 priorities here (page 93 of the agenda) Item 1 is important, finding a new staff member. We are finalizing the job description this week and Human Resources is advertising for it shortly. The Trust has identified that having a Community Land Trust is an important next step in the ownership arena for year rounders. Item 3, in conjunction with the Land Trust, is to develop a down payment program. Item 4, maintaining Safe Harbor on our way to the 10%. Item 5, zoning review, Dave touched on this earlier, in the HPP is identifies opportunities to revise zoning and we probably want to think about any articles we can work on in conjunction with the Planning Board. We're working towards 31 Fairgrounds being open and occupied by next summer with Wildflower Acceleration in that same time frame. We want to assist in the development of 6 Fairgrounds where we can. With the delay due to lawsuits and construction costs, we may need to play a role financially to allow that project to move forward, as even with the tax credits there will be a gap. The properties at 135 &

137 Orange Street it something we might want to have issued an award. Vesper Lane, the UMass property, we want to be working on a plan for that and issuing an RFP at the appropriate juncture as part of our ongoing Safe Harbor plan. In conjunction, we really need to acquire an additional property to pair with the UMass property to get a full year of Safe Harbor. The UMass property could support as many as 19 units, though not sure we would do that many due to parking limitations etc. In any event, we need 24 units for a year of Safe Harbor so we will need additional land to pair with Vesper. Item 13, we've reached out to them before but with a new Director and coming out of town meeting, we're hoping to really find areas to collaborate with the Nantucket Land Bank, much like the housing entities on the Vineyard have been able to do, they have done 14 projects to date with the Vineyard Land Bank. We're going to the Vineyard in a few weeks with Land Bank folks to visit. We also want to explore collaborations with the Nantucket Preservation Trust. They are a relatively small non profit that has been thinking about how they can play a role in housing. And I think that's really tremendous foresight on their part and we welcome the opportunity to work together. Item 15 is to identify in advance, funding opportunities to support everything we've just talked about.

Brian Sullivan, Of the 14 projects that the Vineyard worked on with their Land Bank, do we know the unit count?

Tucker Holland, We'll get that number.

Penny Dey, Quick question, it's fairly likely that we will have a fall town meeting, is there any reason any of these can't come up in the fall?

Tucker Holland, Some could, but I haven't heard about any deadlines for that.

Ken Beaugrand, I have not heard about it being high on the agenda right now. There was a discussion about it but there is nothing "hot on the burner" right now.

Penny Dey, I raise this just because we need to pay attention in case there's anything pressing we want to have addressed.

Ken Beaugrand, And by the way, full disclosure, I am the Chairman of the Board of the Nantucket Preservation Trust.

Brooke Mohr, It just takes 125 signatures to have a town meeting, whenever 125 people decide we need one. And I wanted to talk a little about the zoning review item. There is a narrative in the community that zoning could solve the affordable housing crisis if only we did "x or y in zoning" and I've reached out to Judith Wegner on my own, to see if she was interested in having a conversation about the intersection of affordable housing and zoning by laws. I would love to consider trying to put together a work group of some kind that includes stakeholders, in reviewing the zoning bylaws to analyze opportunities for the zoning bylaw to potentially support affordable housing efforts on island. I think we should pursue that as soon as possible.

Penny Dey, Could you educate everyone on what types of things? Inclusionary zoning?

Brooke Mohr, That's the one people bring up more often. I'm a little cynical of the role of

zoning in solving the affordable housing in Nantucket, we have a very liberal by law when it comes to things like that, but our secondary dwelling bylaw could contribute to year-round housing stock. It probably has to some extent here, but it has also contributed to a lot of units that have done nothing to help year-round housing. There are a lot of questions floating around in the community about the role of zoning to solve affordable housing. I think a thorough analysis would be helpful to the Board and the community. I think that there are a lot of things that seem like a good idea that may never get passed but we should evaluate them and get community input on them.

Brian Sullivan, Question about Andy Lowell's article sent out for continued review, is non-binding. How does that review or conversation continue under this umbrella if it does exist as non-binding?

Dave Iverson, I don't have an answer for that. There are some unintended consequences for an article like that. That's going to come up and have a negative consequence for the building industry, but we need to be careful on what we do. That includes inclusionary zoning but we need to be careful that so many people derive their living from that industry. When it comes to zoning & affordable housing, it comes down to tweaking what we have rather than overhauling what we have. We at the Planning Board will have a town meeting review, once we get through that it's about getting the two Boards together. I can talk to Judith and get the two Boards together.

Kristie Ferrantella, Another comment, the word from town counsel is that the way Andy Lowell's article was written, it wasn't legally enforceable, but it is worth following up with. In terms of the discussion, number 15 touches on funding but having a discussion about long term funding is important. We need a more sustainable funding source. We could also try to do another survey or data report on what the need is on Nantucket...the Data Platform did a lot of work but didn't quite meet the standards of what we need. As the new census comes out and we keep working on projects, the community will start asking questions about the housing needs on the island. We could put out an RFP for a data or survey study for housing needs on the island.

Reema Sherry, Brooke's idea for a work group is good, we should form a small group to go over these things. Also, in MCD, isn't there inclusionary support for housing? Maybe we can tweak that to be for affordable or employee housing or both. That's one area where we have an existing by law. A workgroup probably would be good as well as a site down with Andrew Vorce, that would be a good start. Let's get together and get it moving.

Brooke Mohr, I love the idea of a true needs assessment which is different than the HPP. The need is so enormous and broad, we need to quantify it for the community. We should also quantify how housing is used for the community. Our mandate is affordable housing, but I think something interesting to explore is the idea of market rate, year-round, restricted units. How zoning can be utilized to create a new sector of the market that is deed restricted to year-round occupancy but with no affordability component. Not requiring the deep subsidy but getting more supply of housing out there for year-round occupancy as a sector of the market.

Penny Dey, I'd like to focus again on the Room Occupancy Tax. That had a majority vote at

town meeting and I think it's the perfect vehicle to tie to affordable housing going forward.

Brian Sullivan, I think that's a good vehicle and a good funding amount but kudos to FinCom for getting us to the table in a way that we got funded for this year. Is there another mechanism along those lines of continuous regular funding, and working with them to get it, so that it wasn't tied to the account...we need a regular funding source that is predictable on an annual basis. What's the easiest way to do that? A percentage override that gives us the ability to bond?

Penny Dey, The easiest way to do it is to get someone else to pay for it.

Ken Beaugrand, In a discussion with Rep. Fernandes, there was discussion that at some point in time, looking at a warrant article that looks as a smaller percentage of the Nantucket Land Bank stream is something that should be considered and put forward again for consideration. I think the reaction from the community is that 5 to 10% is considered a reasonable percentage that will not attack the Land Bank but can also help the community.

Brian Sullivan, I think things have become very apparent to the community that weren't apparent at town meeting, such as the shortage of employees and housing that we are now living in. Ken, you bring up a good point with the meeting with Rep. Fernandes. Can we talk about the Housing Bank Bill? What I hear is, the hill is steep and ever climbing and while we may be 10 years into the process, it doesn't seem that there is light on the horizon at the moment...

Brooke Mohr, I would agree. He's trying to remain optimistic and there's a lot of work going on, but the resistance is really strong. Anne Kuzspa and I talked about going the Land Bank route by adding to the Land Bank fee and adding that additional portion to housing, but Fernandes said that would be considered an additional tax and met with resistance.

Dave Iverson, It's just frustrating that the money that was essentially earmarked for affordable housing just goes into a fund that we have to beg for every year. It's beyond reasonable.

Brooke Mohr, Are you talking about the short term rental tax?

Penny Dey, The Room Occupancy Tax. The tax has existed for many years, but just recently the definition was changed to include the short-term rental tax.

Tucker Holland, The key is that we need to connect exactly where would this money be going. The home ownership part of it is a huge component. We can manage Safe Harbor with the monies that we've been getting for the past few years, but if we really want to provide opportunities for year rounders to own homes and stem some of the homes going from year-round to investments or seasonal owners, and keep them in year-round families regardless of income, we need a reliable ongoing funding source. I think this past ATM was an ice breaker and after this summer, we want to have all our ducks in a row and have another conversation next year.

Brooke Mohr, Another thing I would love to do, we had a fair amount of communications success with the webinar that we did with Fairwinds about the social-emotional point of

view. There is an opportunity to have similar conversations about the economic impact of our housing shortage, as evidenced by the lack of most places able to find employees this summer. The underlying problems from “lack of housing” has been evidenced now and experienced by our seasonal visitors. The levels of frustrations this summer, I’ve never seen before with newly trained and young staff. I’ve heard of a few examples of customers being extremely frustrated, staff having things taken out on them while they’re trying really hard. There’s an argument to be made that the brand we’ve done such a huge job mastering, is at risk. I’d like to try to connect those dots for the community as well before we go into ATM.

Brian Sullivan, There is a lot of emotional aspects in that, but there is a huge financial aspect as well. There were restaurants that had to close 28% of their active days by closing two days a week...that is a huge loss into the community’s revenue sources when that happens.

Penny Dey, Part of what’s causing that this year is that the state came out of the Covid restrictions faster than anticipated so it was challenging for business owners to plan for the hiring. Also, nobody is going to Europe and they’re only travelling domestically.

Howard Dickler, Two questions and then I want to float an idea. One question, I’m not clear on what the actual steps required to establish a Land Trust are, a vote at town meeting? And I didn’t see anywhere, the old fire station on the maps, what is the timing on that?

Tucker Holland, The old fire station is not immediately available to us, it’s going to house town offices at least temporarily. That’s been the Town Manager’s plan and its on our radar but not in the next two, three or even four years. We’re really focused on Orange St, Vesper Lane, and another partner parcel for Vesper Lane. The old fire station will in itself allow for 24 units. To your first question, yes. All of these items we have discussed have an incredible amount of work to go into them. For the land trust, we know who to talk to and we are going to visit the Vineyard with the Chair, the Vice Chair, Ken & the Land Bank folks to look into how the Island Housing Trust functions and how they collaborated with the Vineyard Land Bank. The short answers are, a vote at ATM for a land trust depends on how you’re doing it, whether by third party or as a municipality. These are all questions we need to sort out, but we’re putting out the moon shot that by ATM of next year we want this in place. We’ll get into more detail at the July 20th meeting. We should establish a committee much like Neighborhood First, which would be useful looking at both the land trust in conjunction with down payment assistance and a shared equity aspect.

Howard Dickler, The idea I wanted to throw out there, is that rather than asking for money from the Land Bank, that we ask for land from the Land Bank. It’s generally believed that the Land Bank land can not be developed, but a careful reading of the Land Bank act shows that isn’t true. Section 6 prohibits development of Land Bank land but it includes exceptions. These exceptions can be obtained by a request to the commissioner of the environment and one of the legit reasons of an exception is if a plan was made by a governmental body. It would be my contention that a request from the town, to the Land Bank, would likely be approved by the governor. It’s also my contention, that the Land Bank has a lot of parcels that will never be used for recreation or trails or golf courses, but there are ones that would work very well for affordable housing. Take a 10 acre parcel, it would be able to contribute to a significant amount of ownership opportunities on island.

Tucker Holland, Question for the Trust, one of the items on the list is development at 135 & 137 Orange Street. It was acquired with an eye towards our Safe Harbor maintenance. The question really is, we just had the HPP certified for one year and it's likely we'll seek an amendment to have that certification last for two years. That takes us to June of 2023. The question is around when do we want to proceed with development at the Orange Street site. If we want to have housing built as soon as possible, we can be developing the RFP to issue in August and things will take the natural course. It would be likely that if we were moving things forward as quickly as possible, to have the housing built, that it may not jive with a Safe Harbor maintenance plan. It's important for me to know what the Trust's desires are with that location.

Dave Iverson, I think the SHI list maintenance is number one on the list and other opportunities should be 1.5. I don't want to say SHI takes dominance over everything, but I think we need to be smart about Safe Harbor and if that property is part of our next Safe Harbor, we should keep it in our pocket and move forward.

Kristie Ferrantella, I'm wondering about 6 Fairgrounds, will that line up with 2023? And then could Orange St. be used for home ownership or is it subject to SHI because of the funds used?

Tucker Holland, Everything produced there must count on the SHI list because of the nature of the funds.

Brooke Mohr, So some of this will be informed by the revised census because our ultimate end number may change. The timeline may shift a little, depending on when Ticcoma Green gets its financing and its timing. We might pick up that 2023 year as the second year of their 64 units and we get two years from there.

Tucker Holland, If I had to guess, we're going to be in a two year period shortly and Ticcoma Green may get a tax credit award, and when that happens we're going to automatically get a new two year period of Safe Harbor that will cannibalize our current period. We're looking at late 2023, summer 2024 is our next Safe Harbor expiration. In order for Orange St to count for us on our SHI list, I would say that it is approximately a 6-12 month process. That's when we want to think about landing the plane.

Brian Sullivan, So with this much time, do we have an opportunity to swing for the fences for this? Could we go for a deep, low AMI number with a tax subsidy that might take two years? Can we create 30% or 60% units?

Tucker Holland, Yes, we could do that, but as we've seen because of the delay and because housing is the number one national issue – tax credits are very competitive. If we get a tax credit at 6 Fairgrounds, it's like it would take another few years for us to get another from the state.

Brian Sullivan, Yes, do we have time to work towards that?

Ken Beaugrand, We have to be careful because that gives us at least a year of Safe Harbor but if its done when 6 Fairgrounds is providing us two years, we won't get anything out of it. In view of the fact that we might have two or three years when we put this out to bid, that's

probably a time when we're see a shift in the cost of doing this.

Reema Sherry, Is there any advantage to looking at that property for elderly or disabled and maybe there might be more grant opportunities if we went in that direction?

Brian Sullivan, I think that's a tremendous idea and worth investigating. We have time to look at the best opportunities for these properties.

Brooke Mohr, But fundamentally we get back to the question Tucker asked...do we wait until 2024 to develop this property or do we create housing for people sooner? Do we delay putting people into homes in order to protect this march towards 10% and remaining in Safe Harbor? And I really struggle with that, in my heart.

Brian Sullivan, Per Reema's comment, I say if we have a segment of the population that needs this, I saw we move forward and we keep looking for more projects down the road for SHI.

Kristie Ferrantella, I struggle with that too Brooke. I think if 6 Fairgrounds is coming on soon, that provides housing and provides us more time. I wouldn't want to make a decision today, we need to see the new census numbers to see how it changes our Safe Harbor number.

Tucker Holland, I think we want to investigate specialized need if this site would lend itself well to addressing. It's not that we need the RFP at our next meeting, but we continue to discuss this and then depending on when other puzzle pieces fall into place, we can be making a decision at that point as to when we move forward with this. If we are confident that we're going to be in Safe Harbor for the time being, then we may want to be pulling the trigger sooner, but we've got a little time.

X. Other Business

❖ Next Meeting – Tuesday July 20, 2021 at 12:30pm

Tucker Holland, If the Board agrees, I think we'll continue with Zoom meetings through September and then reevaluate.

Brian Sullivan, Multiple head nods and thumbs up. Board comments?

Kristie Ferrantella, Received an email from Habitat Nantucket that they will be opening a lottery for 3 units on Benjamin Drive.

Tucker Holland, Yes those units are also on our SHI list. I will circulate that email.

VII. 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.

VIII. Motion to Adjourn

The **MOTION** was made by Brooke Mohr and seconded by Penny Dey 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.

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ROLL CALL of those participating:

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

The motion carried unanimously.

IX. Adjourn

Open Session Meeting ended at 1:56pm.

Submitted by:
Allyson Mitchell