NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~
Tuesday, July 20, 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: Brian Sullivan, Brooke Mohr, Penny Dey, Reema Sherry, Dave Iverson, Allyson Mitchell
ABSENT: Kristie Ferrantella
STAFF IN ATTENDANCE: Tucker Holland (Housing Specialist); Ken Beaugrand (Real Estate Specialist);
Public Present on Zoom: Andrew Mulcahy, Dave Armanetti, Billy Cassidy, Juanita & Junior Gil

I. Call Meeting to Order

Brian SULLIVAN called the meeting to order at 12:32 pm
Brain 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

Penny Dey moved to approve the agenda. Dave Iverson seconded the motion.
ROLL CALL of those participating:

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

Agenda adopted by **UNANIMOUS** consent.

III. Approval of Minutes

Approval of minutes held to August meeting.

IV. Public Comment (for items not otherwise on the agenda)

Tucker HOLLAND mentioned the passing of Jim Lentowski and wanted to take a moment to remember Jim & his service to the island.

V. Closing Cost Assistance Program (CCAP) Application, 45 Beach Grass Road

Tucker Holland, this application is still missing some pieces and it will likely be on an August agenda.

VI. Covenant Formation Assistance Program (CFAP) Application, 4 Hull Lane

Andrew Mulcahy, introduces Juanita & Junior Gil, says they have gone to the building inspector and obtained the necessary CO & permit defining the units as needed for the CFAP approval.

Brooke Mohr, states it seems clear that the permit and CO issued have solved the problem for us regarding the units.

Tucker Holland, mentions one small item regarding the motion. When the motion is made, please make sure to include the fee that the Trust pays to Housing Nantucket ($750 per CFAP application) be augmented to include the recording fee.

Brooke Mohr motioned that the Nantucket Affordable Housing Trust **approves the CFAP application for the Gils at 4 Hull Lane and that the recording fee paid to Housing Nantucket be augmented by the closing costs.** Penny Dey seconded the motion.
ROLL CALL of those participating:

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

The motion carried unanimously.

VII. Housing Production Plan - Update

Tucker Holland, the Trust approved the plan at the last meeting and it went on to the Planning Board where it was unanimously approved as forwarded. It goes before the Select Board tomorrow evening. Subject to the small revisions we discussed at the meeting earlier this month, it then goes to the State for final approval. On Judy's behalf, would also like to remind everyone if they have any photos that would punctuate the plan, please forward to me.

VIII. 6 Fairgrounds/Ticcoma Green Tax Credit Award

Tucker Holland, since we late met, we received word that 6 Fairgrounds will be receiving a tax credit award. There are still some details to be worked out, since this project began it has been delayed due to the lawsuit and construction costs have gone up considerably. There may ultimately be a gap beyond what the tax credit and other subsidies can cover and the Town and Trust may need to play a role there. The developer had requested $13 million between state & federal tax credits and we understand the project has been allocated "what it needed". Mass Housing also has been holding $2.9 million for this project for the past 3 years despite their own program not receiving any additional funding from the state in recent years.

Brooke Mohr, Tucker, can I draft a letter of thanks to someone to go out from this Board?

Tucker Holland, yes, but the question is a little bit about the timing of the thank you. My understanding is that a formal award has not been issued to the developer. The final award is pending resolution on the gap financing. The monies have been reserved & allocated, but everyone has known this season that there likely would need to be some supplemental funds due to fluctuating prices. Right now, the developer is probably putting a very fine point on what the final gap may look like.

IX. 31 Fairgrounds Time Table Review

Anne Kuszpa, We are calling the street Wiggles Way. The special permit was filed December 18, 2020 and we amended it on June 7, 2021 through the Planning Board to change the shape a little, make it a little more rectangular. We have started the HDC process for some buildings. There will be 8 buildings for the 22 units and the review has been submitted for buildings #1, 2, 3 & 8. Beginning on July 6, the review will go in for buildings 6 & 7 on July 12th. We are getting some ADA reviews, which should be ready for submission the first week in August. We hope to have the buildings go through the HDC as fast as possible, the Town has been great about moving them along. We did a "soft order" for the modules already, but we plan to submit the final order around August 15th. The buildings that were on the site have been moved and site work is to begin September 13th. We expect the modular components will arrive the week of October 25th. The construction period itself will begin around September 13th and go through June of 2022. Landscaping will track construction, we'll be adding a new perimeter privacy fence for neighbors. Anticipated occupancy is July 2022 and it will be a rolling occupancy. We're not technically accepting applications yet but we are working on a form to get out in August to gather information from interested residents. The affordable units will be chosen via a lottery, which will take place approximately three months before occupancy, so March 2022.

Brooke Mohr, rhetorical question Anne, but hopefully outreach, marketing & these forms will be available in Spanish & Portuguese in addition to English?

Anne Kuzpsa, yes, all of our documents are in both languages and we have a staff member always available to assist.

Billy Cassidy, I would like to add that Building #3 was approved at the HDC last week.

X. Richmond Wildflower Acceleration Time Table Review

Dave Armanetti, We are moving along pretty efficiently. Able to get HDC approval for all buildings in early June, appreciate the leadership on the HDC with that. Vast majority of site work done, construction permitting – we are through the 1st stages of the modular permitting, now in the 3rd party state review with all 3 buildings simultaneously being reviewed. Taking a little longer now due to Covid and the state's capacity. Probably in that review for another 5 or 6 weeks, meantime have been interacting with the building department. Other long lead time items – been working on ordering. We anticipate starting construction sometime in the end of the 3rd quarter. Buildings will start one at a time, but quite a bit of overlap once we get going. Proactively, we pre-leased one of the only two barges available to bring modular product over. We exclusively control that barge, so we won't get delayed because they can't get a barge spot. Financing is progressing, town financing was finalized and we got our first set of funds. Construction mini-perm loan in final stages with Eastern Bank, expect to close that loan in the 2nd or 3rd week of August. Outreach & lottery in will begin in the fall, looking to get buildings built and occupied. The demand for housing is unabated, we are up to a fully vetted waiting list of more than 450 people who could move in tomorrow if we had a place for them, and a list of approximately 1000 pre-vetted applicants. We can't built or rent them fast enough. Looking ahead, we have another 16 unit component we'll get to HDC this fall.

Brian Sullivan, One follow up question, there are 450 vetted applications and 1000 total?

Dave Armanetti, The 450 is a more vetted waiting list where we have checked income, employment, and credit, combination of market rate & affordable units. Second tier list hasn't been checked for employment or credit but they are locals that have indicated the need. We anticipate they would qualify for apartments once vetted.

Brooke Mohr, So that 450, that's 450 units that are needed?

Dave Armanetti, Yes, that's 450+ applicants for units, not families of 4 people etc.

Brooke Mohr, Curious, how are you doing with the 175% units? I know there were challenges getting qualified applicants, can you answer that today or answer via email later?

Dave Armanetti, We're doing better, partly due to some additional marketing & attention…talking to Housing Nantucket about collaboration on this too. We're a neighborhood now and people are giving us some more organic attention now that things are being built etc. We have nine 175% homes; we have 3 qualified on deck for some of those units. Two of the units are coming over/being built in the next 4 to 6 months. We're not seeing this same issue with 80% applicants, those are numerous and readily qualifiable. The problem we're getting at with the 175% is that those people are desperate for housing, would love to own a home, can pay the mortgage once they get the mortgage, but they don't have the liquidity once it comes to financing. Local banks are flexible but not enough to get these people over the hump. This is one of our biggest single problems is that so many people – bread & butter of the community – they are getting shut out because they have $30k to put down for a house, but not $80k or $90k and that's what it costs to put down money to buy a 175% unit.

Reema Sherry, Thank you for sharing those numbers, and that information, because it's the real deal and out on the street I hear, "Well they're gonna be empty" but I want to remind people, there are people for them. This goes to show we really do need a down payment assistance program.

Allyson Mitchell, Just if you need a face for exactly what Dave & Reema just said…we're, my family, we're in exactly that boat.

Brooke Mohr, One more question, the 80% units are allocated how? I know there was a lottery at one point, but did that create a waiting list for as they come on line?

Dave Armanetti, Yes, because of the number of units we have and the way they're spread out over time…the first one we had was for the first chunk of 4 or 5 80% units. Those initial applicants qualified, a couple are teed up and waiting for CO's. We have a couple more qualified in the wings and a waiting list now being established. Because of the lag time, people are not as committed to submitting the information to get on the lists, they've basically given their name and number and said, when people can really apply, we'll apply. That works fine in practice, we keep an active rolling list. We have 17 total 80% AMI units in the project, a couple were duplexes. 5 or 6 of those are under construction now, they'll all get rolled out two or three at a time over the course of the next few years. Doing everything we can to expedite those. The pace of the AMI construction will pick up now that we have the rest of the infrastructure going in. Hopefully just days away from the land court finalizing actions clearing up titles of street & roads with the town, etc so we can get financing in the lots in the northern part of our subdivision. A lot more of that 80% AMI will get on the docket in the next year or two.

Billy Cassidy, Something that Dave just mentioned was startling – the down payment necessary for a 175% AMI home. What is the purchase price?

Dave Armanetti, The pre-Covid max purchase price for 175% AMI under DHCD is $775,000, too high for buyers to qualify for FHA. The only mortgage programs they can use are the CC5 local no PMI program (10.1% or around $90k) or come up with 20% conventional down payment with PMI.

XI. Housing & Real Estate Specialist Hire

Tucker Holland, Ken & I have been working with Amanda Perry in Human Resources on job description and we have it ready to roll from our perspective. Amanda is doing her thing with it and the general timetable is anticipate job posting on or around end of July. Generally posted for at least 2 weeks, then there is an interview period. Depending on the candidate themselves, they might need to give notice. It may be mid to late September that we have someone in place in the position.

Ken Beaugrand, Nothing to add, just prayer.

XII. Community Land Trust Discussion

Tucker Holland, This is something we have given some thought to for quite some time…we have had the opportunity over recent years to have informal conversations with the Island Housing Trust on the Vineyard as well as John Davis in Burlington, VT. We think a Land Trust for Nantucket is perhaps the next natural evolution for where we're headed in the year round housing puzzle. A lot of what we've been focused on in recent years is on rentals to get "heads in beds" but in conjunction there is a Safe Harbor management component to that. Now we're really at a point where we want to think about the longevity of folks who are community members who are providing essential services in a variety of capacities – the pandemic has helped redefined what essential services are in any community. At the recent tax credit award event, where the Governor and Lt. Governor were in attendance, ownership has become a major priority for the Governor and part of what he is seeking to do with the ARPA money is to allocate $300million towards home ownership opportunities. I think we're thinking the right thoughts...the next phase here. There is a group headed to the Vineyard on Friday along with the Land Bank and Libby Gibson the Town Manager. We are meeting over there with Phillip Jordy of the Island Housing Trust and the Vineyard Land Bank to get a better understanding of how the Trust has worked over there, and to look at some examples. Also going to see how they land bank there has played a role in developing year round housing on the Vineyard. Coming back from that, at our August meeting, we are really going to want to elevate this discussion. We've reached out to John Davis at Burlington Associates to give us an idea of what this could really cost, a time table, etc. We want to be thinking about establishing a committee much like we had in the form of the Neighborhood First Advisory Committee where we can benefit from outside perspective both year round and seasonal residents.

Penny Dey, I would hope that we could have very broad representation on that advisory committee. We need more people from the development world going forward. It comes back down to lack of inventory and we need people who are familiar with how to create inventory and how to work within the regulations and collaborate going forward. We need a broader range of perspectives than we had on the Neighborhood First Commitee.

Brian Sullivan, How large was Neighborhood First?

Tucker Holland, 11 people

Brian Sullivan, Do you see that as the same target number Penny?

Penny Dey, I served on Neighborhood First and I felt that committee could have been more broadly representative of the community that it was.

Brian Sullivan, My one comment is that banking and finance is going to need to be a critical part of this. I don't know if this is a lender or bank owner….

Brooke Mohr, I agree, I think that there are two paths here…new unit creation and scooping up of existing units. Both could be components of this Community Land Trust. This could be an entity that has a lot of sub targeted programs within it, it has the potential to be something quite transformative for the community. Identifying what constituents need to be in that conversation is important to make sure everything is brought to the table that should.

Penny Dey, Follow up – we need to have knowledge from people who know how to get this stuff done so we're not just talking in a less informed way about what's possible.

Brian Sullivan, Yes, I think that's where we're looking for John Davis in Vermont to help.

Tucker Holland, We have to have attorneys that we'll have to hire in order to create this.

XIII. Community Preservation Committee Application Discussion

Tucker Holland, Note, CPC applications go in around Labor Day Weekend. At the August meeting we'll be taking up the application that we want to submit. Work going on between now and then. We need to think about what we'd like to ask for with funding that we received at the last town meeting. We're in pretty good shape in terms of funding the projects that Housing Nantucket and Habitat have planned coming up here. The CPC money – specifically the $5 million bonding – we more or less will have exhausted that come this fall and that money has been critical in the acquisition work that we have done in terms of the various sites we have acquired. Having the CPC money gives us greater flexibility. Wanted to frame it today and get thoughts from the Board.

Penny Dey, Were we the only affordable housing that was funded last year?

Ken Beaugrand: Yes

Penny Dey, $800,000?

Tucker Holland, Yes

Brooke Mohr, So it was $800k plus the $350k to support the bonding of $5 mill. I would be interested in this idea that the use of CPC funds in acquisition for our Safe Harbor has been a really critical element of what we've been able to accomplish. We are now the centralized source of CPC funding for other housing entities and the reason for that is for timeline flexibility. But it also turns out its good for us…the borrowing authorization gives us flexibility to be able to respond to the market. I would be in favor in testing the water with the CPC on an addition bonding authorization of some size, in lieu of a specific request for Housing Nantucket or Habitat which we did last year. Just thinking about that. My other question is, who wants to help with that application from this Board because we have to start work. I'm volunteering if people are willing for me to work on it again.

Penny Dey, I'll work with Brooke on that.

Brian Sullivan, Tucker, previously when you did the 6 Fairgrounds update there was mention of a shortfall. Has the developer indicated any cost…it seems to me that might be an opportunity for the CPC to help us fill that gap.

Tucker Holland, So back in April when costs were on the rise, they had estimated that there might be a $5 million gap between the available financing would support. My understanding is that construction costs are now moving in a better direction so I'm sure they're working on putting as fine a point as possible on this gap. Order of magnitude, without them making a specific a request, but $5 millionish is the number.

Brian Sullivan, Other thoughts on this from the group? Carry this to the next meeting.

XIV. Additional Priorities

Brian Sullivan, Last meeting, we went through a list of 12-15 priorities for the next year. Tucker, have more come up since then? Any to revisit or add?

Tucker Holland, Not really, but we can circle back or I can screen share if people want to circle back. I'll mention the finance committee has asked us to attend the meeting on the 27th to give an update to them, how the monies have been spent so far, the time tables for the projects under way, how are we intending to spend the monies awarded and what additional money do we anticipate needing

Reema Sherry, I would like to put the down payment assistance – a pilot program – together and figure out where we can get some money from that. Figure out what the pilot amount would be. Originally I was thinking $30k but that's probably not enough, maybe $50k. We need to be figuring that out and how we're going to pay for it. Maybe that's a discussion with FinCom.

Brooke Mohr, Interested in keeping the zoning review on the table and forming a subgroup who want to keep that moving forward and start having conversations with other groups like the planning board. Start doing an assessment process. There may be a fall town meeting, but certainly for next town meeting if there's anything appropriate to bring up like dormitories, that might relieve the housing crisis.

Penny Dey, Amelia Drive lot, should that be on here?

Tucker Holland, We can add that.

Brooke Mohr, Do we know what's happening with the Roland House?

Tucker Holland, It didn't move before the summer, not sure if it will be moving in the fall or what the status of it is.

Brian Sullivan, Anybody else? Other business, next meeting Tues August 17, 12:30. Does that work for everybody? Thumbs up across the board. Any other business not on the agenda? Board comments? None. Look for motion to move to XS.

XV. **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 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.

ROLL CALL of those participating:

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

The motion carried unanimously.

XVI. **Adjourn**

Open Session Meeting ended at 1:36pm

Submitted by:
Allyson Mitchell