

## NANTUCKET AFFORDABLE HOUSING TRUST

~~ MINUTES ~~

**Tuesday, August 24, 2021**

Remote Meeting *via* Zoom – **12:30 pm**

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**Trust Members:** Brian Sullivan (Chair), Brooke Mohr (Vice-Chair), Penny Dey, Dawn Hill Holdgate, Reema Sherry, Dave Iverson, Allyson Mitchell

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**ATTENDING MEMBERS:** Reema Sherry, Brooke Mohr, Dave Iverson, Allyson Mitchell, Dawn Hill Holdgate, Penny Dey, Brian Sullivan

**ABSENT:**

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

**PUBLIC PRESENT ON ZOOM:** Anne Kuszpa, Howard Dickler

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### **I. Call Meeting to Order**

**Brian Sullivan** called the meeting to order at 12:32 pm

Reads Public Participation Guidelines & Open Meeting statement.

### **II. Approval of Agenda**

**Reema Sherry moved to approve the agenda.** Dave Iverson seconded the motion.

ROLL CALL of those participating:

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

Agenda adopted by **UNANIMOUS** consent.

### **III. Approval of Minutes**

Held to September meeting.

### **IV. Public Comment**

None

### **V. Closing Cost Assistance Program Applications – Taveras at 3 Quail Lane**

**Dave Iverson,** I noted that they had a house for sale on the Cape and it wasn't shown in their numbers, as far as assets.

**Anne Kuszpa,** a part of the covenant application is an evaluation of assets, we have looked at that. As far as the application for this closing cost assistance, I don't know about that, but I can tell you that they meet the requirements for the covenant program as a qualified purchaser.

**Dave Iverson,** I appreciate that, I'm just concerned about the optics, it seems like a bad optic.

**Brian Sullivan,** so the equity in that home sale won't push them over the allowable amount?

**Anne Kuszpa,** no, so what we do is we figure out either the assessed or an appraised value of the

home, we get their most recent mortgage statement and we take out what they owe to the bank from the equity, so we can figure what their actual asset as part of that home ownership is. And as long as that's below the qualifying amount, then it's all set.

**Brooke Mohr**, so I'd like to comment that folks are allowed to have assets – could be stocks & bonds and in this case its real estate. And I also know that there are other covenant home owners who own property off island. I believe the only limitation is that you can't own property on Nantucket, correct?

**Anne Kuszpa**, yes, you can't own residential real estate property on the island. And once you're a covenant homeowner, this home has to be your primary residence. You can't rent it out as a whole, at all, and you need to live there 10 out of 12 months per year. There are fines we can impose when people violate that. It's \$300 per day, per violation, and we do impose those fines.

**Tucker Holland**, so I understand where Dave's question comes from...in one case they've disclosed that they own a residence in West Yarmouth and the value is not listed under the household assets, but what is included in the application is their certificate from Housing Nantucket that they have gone through that financial vetting and that they are a qualified buyer. There is also a copy of the deed for the subject property, 3 Quail Lane, which they are acquiring, and that that property is restricted by the Covenant program. So they have provided all of the required documentation for the program. The one thing we do not have yet from them is the receipt of the official loan estimate of closing costs.

**Penny Dey moved to approve the CCAP application for the Taveras family at 3 Quail Lane subject to an official estimate of the loan closing costs.** Dave Iverson seconded the motion.

ROLL CALL of those participating:

- |                     |     |
|---------------------|-----|
| 1. Reema Sherry     | Aye |
| 2. Brooke Mohr      | Aye |
| 3. Dave Iverson     | Aye |
| 4. Dawn Holdgate    | Aye |
| 5. Penny Dey        | Aye |
| 6. Allyson Mitchell | Aye |
| 7. Brian Sullivan   | Aye |

Agenda adopted by **UNANIMOUS** consent.

## **VI. Housing Production Plan - UPDATE**

**Tucker Holland**, a quick update, the HPP is going to be sent into DHCD next week. There have been some changes incorporating photos from Brooke, Reema & Anne in particular, that will better graphically illustrate the document. Also changes to incorporate final tweaks from the Planning Board and this Board. Submitting next week is well in advance of when our current plan expires.

**Brian Sullivan**, was there any feedback from other Boards that reviewed the document, for a future Housing Trust Board to consider for the next HPP?

**Tucker Holland**, there weren't a lot of material comments that came out of the further reviews. The Planning Board chair, Judith Wegner, was very complimentary of the Trust and the consultants of the work and thought that went into this plan. There were similar comments made at the Select Board review, but I cannot recall anything of note from the discussions.

## **VII. Projects - UPDATE**

**Tucker Holland**, as you all recall, at our July meeting we had fairly detailed updates on 31 Fairgrounds and the Richmond Wildflower project, today we have some brief updates. The quick update from Richmond, things are proceeding well. The 3<sup>rd</sup> party BBRS review...state review around the hurricane

strength of windows is taking a little longer. Laon appraisal and phase 1 for Eastern Bank are complete and signed off on by the lender. Set to close on construction mini-perm loan next few weeks. Made full deposits on all three modular buildings and slots on the assembly lien for all three buildings have been reserved. Hoping for building permits at the end of October at this point, given the third party review.

**Anne Kuszpa**, things are moving along well there as well. We are about 75% of the way through HDC approval, grateful to the HDC and Town to prioritize these. We have a couple buildings – the two that need to go through the ADA Board – to make them acceptable and accessible. We expect to be ordering the approved modular buildings within the next couple of weeks and then they'll get delivered by October 1 and you'll start seeing some real progress over there around that time.

**Brian Sullivan**, you're hoping boxes to be delivered this October 1? Through which company?

**Anne Kuszpa**, I know that Mr. Cassidy has teed this up with the company that he's using, they've been holding space and they knew what the designs generally were...so now that we have the specifics all nailed down we can actually pull the trigger with them.

**Tucker Holland**, the other item on the list is 6 Fairgrounds/Ticcoma Green...as you all know, the developer received the tax credit award as well as notice from Mass Housing for some additional support towards workforce housing and they have been working very closely with their building partner in this on putting a fine point on pricing. Fortunately, lumber prices have stabilized a little bit but there is no question that costs are going to be up from where they originally anticipated. They are moving along and we'll know a little bit more by our next meeting in September.

### **VIII. Housing and Real Estate Specialist Hire – UPDATE**

**Tucker Holland**, as you all saw, the posting for this position was put out there last week, advertising is presently happening, I would encourage you all to circulate widely and let us know if you have any candidates who you think might be a good fit for this position, please direct them our way. This is certainly something that we would like to have filled with a strong candidate at the first possible opportunity.

### **IX. Early 2020 Decennial Census Data & What It Might Mean for SHI – DISCUSSION**

**Tucker Holland**, worth taking a moment to discuss some census information that I had sent out to everyone following the release of the first official wave of census information. The part of it that is relevant to our work is obviously around the housing unit count. Nantucket's total housing units went from, in 2010, 11,618 to 12,169 in 2020, which is only a net increase of 551 units. I have to wonder a bit about that arithmetic, because as part of the submission for the Housing Choice Communities designation, part of the application requires you to provide net new building permit information to the state looking back over a 5 year period. We've done that exercise a couple of times as we were part of the inaugural class of Housing Choice Communities and re-upped our membership. In just those 5 years that we were required to provide, net new building permits were 650. So the net increase of 550 feels like a bit of a puzzler, but that is what it is according to the US Census. Of even greater interest to us is the number of occupied units on Nantucket according to the US Census. An occupied unit does not necessarily translate directly to what is considered a year-round unit, with regard to the state's chapter 40B 10% requirement. As an example, in 2010, our occupied units according to the US Census was 4,896 units. What is interesting is that, that occupied unit number has gone from that in 2010 to 5,478 in 2020, so another way of looking at it is that 36% of our total units in 2010 were considered occupied, whereas in 2020 45% were considered occupied. And, that likely will have implications to where our 10% number is headed. Trying to think about why this may be the case, in terms of the big

jump in the occupied percentage, is if you think about the timing of the US Census in 2020...the period was extended from April to October and the timing of the pandemic, it would be logical to think that one of the possibilities for this change is that a number of people who normally reside off island, were here and occupying their residence in 2020 when the Census was taken. It remains to be seen how much of an impact that will have on our 10% number...we won't know that new number until the 4<sup>th</sup> quarter of this year or the 1<sup>st</sup> quarter of next.

**Penny Dey**, on the increase of 551 units, I want to point out that a lot of those permits are for structures that are replacing existing structures. That's a really crucial thing.

**Tucker Holland**, and the information as we provide it to the Housing Choice people, we have to look at the new building permits and deduct the demo permits, so it is net, but to the extent a lot of that work is expansion that's a good point.

**Penny Dey**, and my question, you refer to the occupied units for 2010 and 2020, what is the definition of that, versus the definition of the year-round unit?

**Tucker Holland**, I don't know the answer to that. I don't know what defines what is considered occupied for the US census and what is considered year-round for the state, but I will get information about that from DHCD for our next meeting.

**Dave Iverson**, when they come up with the number, is there wiggle room? Can we challenge the number or is the number final?

**Tucker Holland**, I know that we're able to challenge our population number, so our population changed during the same period by roughly 40% and it's gone from 10,000ish to 14,000ish, and a lot of people feel that even that large jump doesn't capture truly what is our year round population so we can challenge it and dawn, maybe you have more insight...

**Dawn Holdgate**, I don't and we haven't discussed it yet at the select board. I would personally like to challenge the total year-round population, but I'm not sure about a necessity to increase the SHI units we have to have. I would rather start to focus on other home ownership opportunities at all income levels.

**Brooke Mohr**, I think the unfortunate outcome of a substantial increase in our SHI number is that, that is where our resources, if we want to stay in safe harbor, will have to go. And we'll have to be prioritizing investment in that safe harbor management process for probably a year or two longer than we had hoped under the old number. It's a little demoralizing if that's the case, but on the other hand...it is possible that we were simply miscounted 10 years ago and that this is a more accurate count of who is living here and how many units are occupied. The whole purpose of chapter 40B is to identify how many people are living here and what the housing demand is, and so if it's done a better job of that, on the one hand that's important information to have but on the other hand, it constrains us under the requirements of chapter 40B longer. But we have to respond to whatever the outcome is.

**Tucker Holland**, Dave pointed out, this may be the perfect storm of the census being taken at a time during the pandemic when folks chose to reside here, understandably. The question will be, whether the state ends up interpreting an occupied unit as a year-round residence. I'll get more information from them on how that might work.

**Brian Sullivan**, 2010 was also the bottom of the economy as well, Nantucket wasn't an easy place to live when there weren't a lot of jobs.

## **X. Community Land Trust - DISCUSSION**

**Brian Sullivan**, two items...some members of the Trust, some members of the Land Bank, and some town officials took a trip to Martha's Vineyard. I went on that trip, as well as Brooke & Tucker, but Tucker will go through the full description of that trip, but the gist of it was to see how the Land Trust

and the Land Bank of Martha's Vineyard has worked together to create housing opportunities through rentals and home ownership. What was made clear to me is that these deals need to come together at the very beginning to create these opportunities. My general impression was, all parties who attended left feeling more educated about the process than when they arrived.

**Brooke Mohr**, it was a very collegial trip, a great opportunity for particularly folks from the Land Bank and us, to get to know each other on a formal and informal basis as we spent the day together. Helped to build an understanding of each other's priorities and using the Vineyard's history and track record as a launching pad for discussion about how we might take the principles of collaboration and make them work well on Nantucket. The Vineyard has very different regulatory framework than we do, they have a regional planning commission which has authority that exceeds Chapter 40B, so in essence, developers don't bring 40B developments to the Vineyard because that commission can squash them. They have then a little more flexibility in terms of what they can develop because they're not under that pressure of Chapter 40B like we are. They also regulate growth based on septic loads...they have a very different zoning and regulatory framework from Nantucket. Having said all of that, the principle of collaboration was at the front of everyone's minds there and I think the Land Bank will be open to suggestions from our Board and we hope they'll bring suggestions to us as well.

**Tucker Holland**, we also spent time with Philippe Jordi of the Island Housing Trust, which is a model in the vein of what Dawn was speaking about earlier, other things on the housing front we can be doing for the year-round community beyond the important work around SHI list management and creating a new and suitable rental stock. There's a lot of different ways that a Land Trust could go, at our next meeting we'll get into that in greater detail, but right now we're sort of pulling things together. Anne has offered to bring forward some of the information they gathered a few years ago when they looked at this. Philippe has been very forthcoming with his information as well.

**Penny Dey**, I have some historical perspective...I used to be the Vice Chair of the Massachusetts Association of Regional Planning Agencies when I was Vice Chair of the NP & EDC here on Nantucket, and Nantucket is the only one of the entire state that doesn't have the same regulatory powers as they do on Cape Cod, the Vineyard and the rest of the state. And in terms of what its able to accomplish, it's somewhat hobbled by that in its long-term planning abilities.

**Brian Sullivan**, what I learned on that trip is that the Martha's Vineyard Commission was created quite a long time ago – 1974, in a very different environment.

**Penny Dey**, I'm pretty sure their commission was created due to an unfriendly golf course. But the three commissions used to meet...the Vineyard, Cape Cod & Nantucket.

**Brian Sullivan**, Next steps related to this at the moment?

**Tucker Holland**, at our next meeting we'll have a bigger discussion.

## **XI. Housing Nantucket Funding Request for 46 Okorwaw House Move – DISCUSSION & APPROVAL**

**Anne Kuszpa**, we have been offered a dwelling from 24 Woodbine, a 3 bedroom structure. We'd like to relocate it to 46 Okorwaw, which already has permanent affordable housing deed restrictions on it. This will create two SHI list units. We do need to work on the septic at the site, as the current septic is a 3 bedroom septic. We also have to take the decks off the current dwelling for the move. We'll be adding a full foundation under the house, so that eventually we can offer the basement in the future if and when town sewer makes it way down the road. We have been approved to move the structure on September 15 and hope to get it buttoned up over the next 6 months. Will be awarded by lottery, we'll be advertising this over the coming months. The rent will be around \$2,100 a month, targeting **income of under \$80,000** for a 3-6 person household. We came upon this dwelling when we saw a

notice in the paper and we reached out to the homeowner directly to see if they would consider donating it to us, but usually that's not how we find these opportunities. Typically the owner reaches out to us to donate and they typically cover the cost of the move, but in this case, we'll be funding the move through fundraising and we do have some additional CPC monies from 2017 that haven't been able to be used on a project until this one. We're also asking for \$300,000 from the Trust.

**Penny Dey**, did you say that the donor is not in a position to help fund any of this?

**Anne Kuszpa**, yes that's right. We asked, and they said no. Somebody else had approached this donor as well and so they were getting other people asking for the dwelling and we were going to lose this opportunity if we didn't take it for free.

**Penny Dey**, does the building have to be cut to get moved?

**Anna Kuszpa**, no, it doesn't, and that's another reason we really liked this building. There is a lot of tree trimming on Woodbine and potentially Masaquet, and then Okorwaw, but the building itself doesn't need to get cut.

**Brian Sullivan**, I see the you had a \$25,000 solar budget there, who takes advantage of the 26% tax deductions that come with the solar installation?

**Anne Kuszpa**, this is a hurdle for us...we don't get the tax benefits of installing solar panels because we're a non-profit. There is a company called Resonant Energy, they try to hook you up with a 3<sup>rd</sup> party who would own the solar panels themselves and get the tax benefits and then we purchase a long-term power purchase agreement with them, and that's how we can get the tax savings.

**Penny Dey**, for clarification, what bucket is this coming out of?

**Tucker Holland**, this is likely coming out of the CPC bucket because it will be a SHI qualified spend.

**Brooke Mohr moved to approve a grant to Housing Nantucket for \$300,000 for the move of this home from Woodbine to Okorwaw.** Dave Iverson seconded the motion.

ROLL CALL of those participating:

- |                      |     |
|----------------------|-----|
| 8. Reema Sherry      | Aye |
| 9. Brooke Mohr       | Aye |
| 10. Dave Iverson     | Aye |
| 11. Dawn Holdgate    | Aye |
| 12. Penny Dey        | Aye |
| 13. Allyson Mitchell | Aye |
| 14. Brian Sullivan   | Aye |

Agenda adopted by **UNANIMOUS** consent.

## **XII. Community Preservation Committee Application – Update**

**Tucker Holland**, the fundamental thing to achieve today is a decision from the Trust on the amount of funding that we are seeking from this year's CPC round. The \$5 million that was appropriated two years ago at ATM, we have basically spent. That money is particularly important because when it comes to land acquisition, it allows us to move more nimbly than if we were using another source of funding. We'd like to seek an additional \$5 million bonding, that would support upcoming work we have to do in continuing our steady path in Safe Harbor, would allow us to support projects like what we just voted favorably for Housing Nantucket, and it would encompass, at least in the short term, the projected needs from Habitat and Housing Nantucket in terms of what they might be planning to do over the course of the next 18 months. Consideration has been given to what the CPC's obligations are. Roughly the CPC takes in \$2.5 million in revenue each year. 5% comes off the top for operations, 10% of their revenue needs to be allocated equally to preservation, open space, and housing at a minimum. Effectively, there is a net \$1.675 million that the CPC has to freely distribute. The \$5 million

dollar bonding required a commitment on the part of the CPC to dedicate \$350k towards bond servicing, and therefore you would remove an \$100,000 for that, so as far as the available funds for free distribution might be, that brings us to \$1.575...if we were seeking an additional \$5million, interest rates might have changed slightly. If we assume its roughly the same \$350k commitment, it ends up that the CPC – if they were to approve this request – would still have just under half of its annual revenue available to distribute across any number of other projects. That’s a bit of the rationale for how we’re thinking about this number, the application is due September 10<sup>th</sup>. Brooke & Penny are part of a sub-group in terms of ultimately submitting the application. We don’t have another scheduled meeting before the application is due. It would up to the Board whether the entire Board wants to review the completed application the week after Labor Day or whether the Board wants to simply task this subgroup with completing the application in accordance with the recommended ask of the Board.

**Brian Sullivan**, can you list a few of the projects that the original \$5 million funding went to?

**Tucker Holland**, acquisition of the property on Vesper Lane from UMass, which could accommodate up to 19 units but I’m not sure if that’s the final number we would build. In the case of 31 Fairgrounds, CPC monies made the acquisition of the land which will provide 22 units of housing. Monies from the CPC \$5 million go into the Wildflower Acceleration program through Richmond as well as supporting several projects that both Housing Nantucket and Habitat for Humanity have going on at Benjamin Drive and Richmond, and then also this Okorwaw project through Housing Nantucket. Ultimately the CPC \$5 million will create in excess of 50 or 60 units.

**Reema Sherry**, I have every confidence in the subcommittee to complete the application. Brooke has experience doing it, it’s the same from year to year. I think it’s important that we as a Board vote on the amount and let them have at it so we can meet that deadline.

**Dawn Holdgate**, I don’t think I’ll vote on this here as I’ll be voting on it on the other end, as the CPC rep.

**Reema Sherry makes a motion to allow the sub-committee to apply to the CPC for a \$5 million dollar bond for the purposes of SHI eligible projects in the coming months and for the Chair or Vice Chair to sign any necessary documents associated therewith.** Dave Iverson seconded the motion.

ROLL CALL of those participating:

- |                     |     |
|---------------------|-----|
| 1. Reema Sherry     | Aye |
| 2. Brooke Mohr      | Aye |
| 3. Dave Iverson     | Aye |
| 4. Dawn Holdgate    | Aye |
| 5. Penny Dey        | Aye |
| 6. Allyson Mitchell | Aye |
| 7. Brian Sullivan   | Aye |

Agenda adopted by **UNANIMOUS** consent.

### **XIII. FY23 Budget Discussion**

**Tucker Holland**, we included this item given the time of year and this is obviously something we are thinking about in conjunction with CPC and other things, but there are a lot of moving parts at the moment. We talked about where 6 fairgrounds is, where we’re at relative to our SHI count and staying in Safe Harbor, and we just had the good discussion around the CPC request. We know there was strong support from the SB towards establishing a material budget for the housing office and the commitment from town admin to have that as part of the town’s overall budget going forward...I don’t know yet that we have a firm number that we are seeking in the way that we are seeking from

the CPC. I think we need to get a greater understanding on a couple of these items and take this up again at our September meeting, but this was included as a place holder.

**Brooke Mohr**, I would agree. Certainly what our SHI list number is going to inform the budget request and the needs going forward. Not that we'll probably have that answer before we need to make a final recommendation, but the important thing here is that we're having this conversation early in the budget process. It's really important that we're engaged with town admin and the SB about our needs as early as possible as they craft the budget for next town meeting.

#### **XIV. Other Business**

##### Upcoming Meetings:

- September Meeting: Tuesday, September 21 at 12:30pm
- September Special Meeting: Tuesday, September 28 at 12:30pm
- October Meeting: Tuesday, October 19 at 12:30pm
- November Special Meeting: Tuesday, November 2 at 12:30pm
- November Meeting: Tuesday, November 16 at 12:30pm
- December Meeting: Tuesday, December 14 at 12:30pm

**Reema Sherry**, Tuesday the 28<sup>th</sup> for our special September meeting is not optimal for me.

**Tucker Holland**, that meeting was made for a possible anticipated item that would be a rather short meeting and likely also executive session. As long as we have a quorum that should be fine.

**Reema Sherry**, I could do a short executive meeting.

**Penny Dey**, I'm not available on October 19<sup>th</sup>.

#### **XV. Board Comments**

**Brian Sullivan**, Anne updated after we closed 31 fairgrounds item...the potential delivery of the modular units is later in October not October 1, more like November 1.

#### **XVI. 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 Dawn Holdgate 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. Penny Dey                         Aye
3. Dave Iverson                     Aye
4. Brooke Mohr                     Aye
5. Brian Sullivan                   Aye



**The motion carried unanimously.**

**XVII. Adjourn**

Open Session Meeting ended at 1:39pm

Submitted by:  
Allyson Mitchell