

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MEETING MINUTES ~~

TUESDAY, September 19th, 2023.

Remote Meeting via Zoom– 12:30 pm

Trust Members: Brian Sullivan (Chair), Reema Sherry (Vice-Chair), Meg Browers, Dave Iverson, Shantaw Bloise-Murphy, Penny Dey, Tom Dixon

ATTENDING MEMBERS: Brian Sullivan, Dave Iverson, Meg Browers, Penn Dey, Reema Sherry, Shantaw Bloise-Murphy, Tom Dixon

STAFF IN ATTENDANCE: Tucker Holland (Housing Director), Ellis Ramos (Housing & Real Estate Office Manager), Vicki Marsh (Town Counsel)

I. Call to Order

Brian Sullivan called this meeting to order at 12:32pm

II. Approval of Agenda – ACTION

Penny Dey made a **MOTION** to move item III to a future meeting. Dave Iverson seconded this motion.

ROLL CALL of those participating:

- | | |
|--------------------------|-----|
| 1. Reema Sherry | Aye |
| 2. Tom Dixon | Aye |
| 3. Penny Dey | Aye |
| 4. Shantaw Bloise-Murphy | Aye |
| 5. Meg Browers | Aye |
| 6. Brian Sullivan | Aye |

Reema Sherry made a **MOTION** to approve the agenda as amended. Dave Iverson seconded this motion.

ROLL CALL of those participating:

- | | |
|--------------------------|-----|
| 1. Reema Sherry | Aye |
| 2. Tom Dixon | Aye |
| 3. Penny Dey | Aye |
| 4. Shantaw Bloise-Murphy | Aye |
| 5. Meg Browers | Aye |
| 6. Brian Sullivan | Aye |

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III. Approval of Minutes – ACTION

Note: all Trust open meetings are recorded and available on the Town's YouTube channel

- April 4, 2023 (Members present; Sherry, Browers, Sullivan, Bloise-Murphy, and Mohr)
- April 7, 2023 (Members present; Sherry, Iverson, Browers, Sullivan, Mohr)
- April 25, 2023 (All Trust members present)
- May 3, 2023 (Members present: Iverson, Dey, Browers, Sullivan, Mohr)
- May 25, 2023 (All Trust members present)
- May 30, 2023 (Members present: Sherry, Bloise-Murphy, Iverson, Mohr)
- June 13, 2023 (All Trust members present)
- June 20, 2023 (Members present: Sherry, Dey, Browers, Sullivan, Bloise-Murphy, Mohr)
- July 25, 2023 (All Trust members present)
- August 3, 2023 (All Trust members present)
- August 8, 2023 (Members present: Sullivan, Sherry, Dey, Browers, Dixon, Bloise-Murphy)

This item has been deferred to a future meeting.

IV. Public Comment

No public comments today.

V. Year-Round Deed Restriction Action Plan – DISCUSSION

Judi Barrett asked the Trust members if they are still going forward with the previous schedule for the Year-Round Deed Restriction focus groups meetings or if they need to modify them.

Brian Sullivan explained to the Trust members that he learned the day before that the marketing material went out to roughly 300 people, and there have been 26 individuals that have signed up for inclusion in the focus groups. He said that Ellis made some direct calls to people that were interested in participating who didn't see the email with the opportunity to sign up. He said they have opened up the sign-up opportunity again, in doing that there is an opportunity for more people to sign up for the focus groups.

Judi Barrett said she was concerned about how quickly they were asking people to respond, so if the Trust wants to change the dates to allow more people to respond they should. She said because they were scheduled to launch the next week and that will be tight so they should bump the focus group meeting to the 2nd week in October.

Brian Sullivan said from his perspective, it is not the amount of time for people to respond, but they need more time to inform because there are a lot of people not informed yet.

Judi Barrett asked what information people has received?

Brian Sullivan explained that there was a flyer that was approved by AHTF to drive traffic to people AHTF, Tuesday September 19th, 2023

to sign up, but what they recognize is that the flyer only went out to 200/300 addresses and a number of them must have gone to spam because they have never seen it. He said they need to make an effort to communicate with people directly.

Judi Barrett said if the AHTF needs her to produce a revised schedule she can do that, she just needs directions from the Trust.

Reema Sherry said that moving the focus group back starting the 2nd week of October, now that they have an easy link that they can share with people would probably be the best idea.

Brian Sullivan said to Judi that the request is to revise the dates in a way to accommodate a little more time for Trust members and housing groups to market the opportunity.

Judi Barrett said the only thing to be aware of is the way they originally designed the whole schedule they would do the 1st round of focus groups and then do a community meeting approximately a week later. She said she needs to think about that as well because they certainly don't want to promote a community-wide conversation meeting without a lot of notice.

Reema Sherry asked Ellis if the information was sent to the local media outlets for a small press release because if they publish it that would be a lot of people seeing it.

Brian Sullivan said that Nantucket Current picked it up and it was included in one of their newsletters. He said that he missed it and that he recognizes that the individuals that he had forwarded the email to with commentary has been very interested in interacting but the blanked ones that he followed up afterwords didn't necessarily acknowledge receiving it.

Ellis Ramos said that she was told by the Communication Department that the information flyer was sent out to the Currents free newsletter. She said they asked if the AHTF wanted to spend some money on a paid advertisement from the local media outlet.

Tucker Holland said that originally, they had identified the focus groups by theme, profession, or citizen of the island. He said he thinks it might be useful to look at those respondents that they have so far, how are those groups filling out as sort of an internal exercise so they can make specific outreach to have the kind of representation that they are looking for.

He said a general ad in the paper is not necessarily going to solicit who they are looking for. He said he is not against an ad in the paper, but he thinks that they ultimately want to have that representation that they think is important to this work.

Shantaw Bloise-Murphy said that from looking at the list that Ellis shared, she thinks it would be more beneficial if they focused on trying to fill those groups that clearly are lacking participants versus putting a blanket ad on the paper.

Brian Sullivan asked Shantaw how does she suggest they do the direct outreach?

Shantaw Bloise-Murphy said because the Trust were the ones that sent Ellis the list of names, they should go over the list and identify people that they think should participate but haven't signed up and reach out to them Directly.

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VI. ACKNOW Lease to Rental Program – DISCUSSION

Julia Lindner said the Lease to Locals program is the first program for their new affiliate organization ACK NOW Community Initiatives.

ACK NOW Community Initiatives is a 501c3, so it is a charitable organization, and it is focused on solutions to maintain the year-round community. It got a big focus on housing, but housing is not their only focus.

She said the difference between Housing Nantucket and the Community Initiative is not only that their mission is broader but when it comes to housing projects or programs, they are looking mainly for non-income restricted. The first program for the community initiative is the Lease to Locals Program, that was developed and managed by Placemate. The program is designed to offer incentives to property owners so they can turn their smaller STR and maybe empty units into year-round rentals for locals.

Julia said that they are the first Lease to Locals program that is fully privately funded, all other programs have been taxpayer funded. The idea is if the property hasn't been year-round rental for the past 12 months and if the owner is not intending to rent it for more than 5 thousand a month, they qualify for an incentive that can be up to 27 thousand dollars.

She said the idea is if the property has not been a year-round rental in the past 12 months and if they are not intending to be charging more than 5 thousand a month they qualify for the incentive. The incentive can be up to 27 thousand , based on the number of qualifying tenants and the size of the unit. From the tenant's perspective what qualifies them is that they work on an island a minimum of 1500 hours a year. She said the incentives they are looking at anymore from a private room to really 2-to-3-bedroom units, the property owner will get half of the incentive at the beginning of the lease and the rest at the end of the lease. The incentive increases as the units get bigger, for example for a 1-bedroom unit it will be minimum of 9 thousand for 1 tenant and 18 thousand for 2 qualifying tenants. She said that what qualifies a tenant is that they work on island, a child is also considered a qualifying tenant as well.

Julia Lindner said they have had inquiries from over 35 property owners and 9 of them are proceeding. Proceeding means they are either getting verifications from the tenants to verify that they are actually working on Island, and it could also mean that they are going through the property assessment since the program is looking for permitted accessory dwelling units.

Penny Dey asked Julia if this program is only for people who in the past have done short-term-rentals or are they targeting people that have existing rentals already.

Julia Lindner said that they are looking for new year-round rentals. With that being said , if the property is closed and is not being used, they will welcome you to the program. She clarified that if you already are a year-round renter you don't qualify.

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Tucker Holland asked how long is the commitment for the subsidy?

Julia Lindner said that this is a one-year pilot program, and their goal is to prove that this can be successful on Nantucket. She said the target is 20 units for the first year and it is a pretty conservative number. If they can't prove it successful there is no point in doing year 2., but if this is as successful as they hope it will be, they want to make it a multi-year program. She said they hope that the AHTF or the Town would at least look at it to see if they are interested, they also have reached out to the Community Foundation, they have done fundraising etc. she said that so far early indications show that there is a lot of appetite in philanthropy, but it still has to be proven more than what they've done so far.

Brian Sullivan asked Julia if she has the calculator that they used to create the incentive amounts to show the deltas but for homeowners between the cost associated with year-round rentals and seasonal rentals and is this something that she is willing to share with the public so they can understand the difference.

Julia Lindner said it is not a public tool yet, but the way they did it is 1st they used Colin that administers the programs knowledge about short-term rental market in general, they looked at short term rentals platforms and looked for interested people who might be in their target market and engage them in conversation on how much they've made and then compared the utilization rates they had.

Brian Sullivan said he would be really curious if that calculator became a public tool without any assumptions, just all blank fields that people could fill in, so then they could understand how much more or less they are making by short term renting. It might help people through analyzing that the incentive could be more worth it to them.

Julia Lindner said that she had done the calculations with a few of the early inquires and it was almost neck to neck.

Tom Dixon asked Julia if she knew what are the funding mechanisms that have been used by the other Towns that she mentioned in her presentation.

Julia Lindner said they are Municipal funded, and that Nantucket is the only one that is privately funded. She said in some cases they use the general funds, in other they might use Short Term Rental Tax or Lodging Tax. She said that the main difference between the ACK NOW Program and the Taxpayer led program is that there are income restrictions in some of these markets but there are no income restrictions on the Nantucket Lease to Locals Program.

Penny Dey asked Julia why they would not have income restrictions, she said it would seem sensible to be serving those most in need.

Julia said they actually had this discussion internally, and what she got is that it is private money, so they don't have to have an income restriction, so as a pilot program they decided that it was more important to unlock new units and providing them to people that needed them then focusing on a specific portion of the market.

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Jeffrey DuBard asked Julia, if they had considered people that wanted to claim a charitable gift by renting year-round at a lower rate, if rather than a literal payment offer a Tax Deduction?

Julia Lindner said that is not something that they explored; she said what they are hearing is that is getting harder to keep year-round rental. She said this is more like a bigger policy question, because when you start handing over an incentive to an existing year-round rental you are getting a broader Market.

Jeff DuBard said if the person who is renting seasonally is doing and saying that by renting for X months, they can make up to 27 thousand more per year.

He said they can say by renting year-round you would make 27 thousand less, but they are going to give you credit for that as a charitable gift that get deducted from their Taxes.

Brian Sullivan said it would be basically applying the concept of a bargain sale to a rental exactly where the Delta and gets it as a Tax Deduction. He said that the only issue that he sees with this program that ACK NOW has created is that the tenant and homeowner are in the contractual obligation and ACK NOW is just paying them a fee.

Brian Sullivan said that he has asked Vicki Marsh, to look at the eligibility requirements and the understanding that some of these programs have participated in States out in the Western Mass, and concerns related to fair housing and selecting certain segments of the population either employed or not employed or however it works in the exemptions and how do they look at a program like this and making it work.

Julia Lindner said she just wanted to make sure she understands this is coming from the perspective of whether the Town got involved or not.

Vicki Marsh started by saying that the program is fascinating, and it is very beneficial to the residents of Nantucket. She said when she looked at this program, first of all she noticed that there is a line about fair housing compliance and really the obligation is on the homeowner. It is not on Placemate which is really running the program nor anybody else that may get involved. She said it doesn't say anything about compliance other than from the property owner's perspective.

Julia Lindner said it's probably because of the way the program is designed. She said that 90% of the time the property owners are showing up with a Tenant in mind, then a listing is created on their website and the listing is shared with a number of potential tenants and whoever is interested contacts the property owners and the property owners contact who they want to contact, ACK NOW gets completely removed from the decisions.

Vicki Marsh said that there is no means of monitoring what type of category of tenant they are going to take, they can whoever they want that qualifies by their policy. She said that that is not a concern right now because the program is privately funded. It becomes more of a concern if any public funds are accepted whether by state, federal or CPA money.

Vicki Marsh asked Julia how does the property owner establish what they are going to rent the property

for?

Julia Lindner said that they offer some guidelines in terms of what they are hearing, sort of ranges in size and number of bedrooms, but in general is word of mouth for them. The property owners are not obligated to offer a reduced rent rate, their only obligation is that the program won't incentivize a property that is rented for over 5 thousand dollars a month.

Vicki Marsh asked if Placemate promotes themselves as complying with the fair housing Laws?

Julia said when she looked at their documentation with the local Government that they worked with, it is an extensive and the guidelines that are seen are just a simplified version.

Vicki Marsh said that they would probably be complying with the Fair Housing Laws that is why she was looking for a statement in the policy to say that because, if they are accepting public funds in other communities, she would think that they are complying, so it naturally would be expected on Nantucket as well.

Julia Lindner said that they were looking to simplify the guidelines, so they took out a lot of legalese's stuff that they felt was not necessary because it is not Government funded yet.

Vicki Marsh asked Julia , if they get to the second round and they need more funds, would they consider coming to the Trust or the Town and if that is the case, would they consider an income restriction?

Julia Lindner said yes, maybe the public portion of the funds would be income restricted and the private portion would not, so there could be a continuation of the existing program but also growing the program.

VII. Other Business

Next Meeting: October 3rd, 2023

VIII. Board Comments

No board comments.

IX. 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.

Penny Dey made a **MOTION** to close public session to move to Executive session not to return to public session in Pursuant to MGL C. 30A § 21(A) for the 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. This motion was seconded by Tom Dixon.

IX. Adjourn

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This meeting was adjourned at 1:40pm