RECEIVED
2023 MAR 30 PM 01:26
NANTUCKET TOWN CLERK
Posting Number:T 292

MEETING POSTING
TOWN OF NANTUCKET

Pursuant to MGL Chapter 30A, § 18-25
All meeting notices and agenda must be filed and time stamped with the Town Clerk's Office and posted at least 48 hours prior to the meeting (excluding Saturdays, Sundays and Holidays)

Committee / Board	**AFFORDABLE HOUSING TRUST**
Day, Date, and Time	**TUESDAY, April 4, 2023 @ 1:00 PM**
Location / Address	**REMOTE PARTICIPATION *VIA* ZOOM (*See Below*)** THE MEETING WILL BE AIRED AT A LATER TIME ON THE TOWN'S GOVERNMENT TV YOUTUBE CHANNEL AT https://www.youtube.com/channel/UC-sgxA1fdoxteLNzRAUHIxA
Signature of Chair or Authorized Person	Hayley Cooke Housing/Real Estate Office Manager
WARNING:	**IF THERE IS NO QUORUM OF MEMBERS PRESENT, OR IF MEETING POSTING IS NOT IN COMPLIANCE WITH THE OML STATUTE, NO MEETING MAY BE HELD!**

AGENDA FOR 4-4-23
Please list below the topics the chair reasonably anticipates will be discussed at the meeting

PLEASE CLICK ON FOLLOWING LINK TO JOIN ZOOM MEETING:
Join Zoom Meeting
https://us06web.zoom.us/j/82160809552?pwd=VmlvWkdzNTd3WDZGd09CL3RieGVGdz09

Meeting ID: 821 6080 9552
Passcode: 705535

I. Call to Order

II. Approval of Agenda – ACTION

III. Public Comment

IV. Approval and Execution of the Estoppel and Agreement from the Town of Nantucket Affordable Housing Trust Fund in favor of Eastern Bank for the property at 47 and 49 Beach Grass Road and 1 & 2, 3, 4 & 5 Violet Place. - DISCUSSION

V. Communications Plan for Town Meeting – DISCUSSION

- Communications Subcommittee to recap meeting on 3.28.23

VI. Down Payment Assistance Program – DISCUSSION/ACTION

- Finalizing program, possible vote on program parameters (pending legal review).

VII. Housing Advocacy Day/Housing Bank Bill – DISCUSSION

- Recap on the events of the day and info on what the public can do to support the Transfer Fee/Housing Bank Bill.

VIII. Dr. Howard Dickler Housing Advocate Award – DISCUSSION

IX. Quarterly Newsletter – DISCUSSION

- The quarterly Housing & Real Estate Newsletter will be released on 4.5.23.

  This edition has a special focus on breaking down the 2023 ATM Warrant

  Articles related to affordable housing.

X. Other Business

<u>Next Meeting: April 25, 2023, via Zoom.</u>

XI. Board Comments

XII. 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.

ESTOPPEL AND AGREEMENT

This Estoppel and Agreement (this “Estoppel and Agreement”) is made as of ____________, 2023 by The Town of Nantucket Affordable Housing Trust Fund, a municipal affordable housing trust created pursuant to G.L. c. 44, Section 55C, under a Declaration of Trust dated February 8, 2010, recorded with Nantucket County Registry of Deeds in Book 1221, Page 20, as amended by First Amendment to Declaration of Trust dated September 25, 2014, recorded with said Registry in Book 1452, Page 271, acting by and through its Board of Trustees, having an address of 2 Fairgrounds Road, Nantucket, Massachusetts 02554 (the “Trust”), in favor of Eastern Bank, having an address of 265 Franklin Street, Boston, MA 02110.

BACKGROUND

The Trust has entered into that certain Grant and Loan Agreement dated as of December 29, 2022 with Richmond Meadows Two P3P4, LLC (the “Grantee”) (the “Loan Agreement”), evidenced by a Promissory Note by the Grantee in favor of the Trust in the original principal amount of $5,950,000.00 dated December 29, 2022 (the “Note”) and secured, in part, by that certain Mortgage, Security Agreement and Assignment of Leases and Rents by the Grantee in favor of the Trust dated as of December 29, 2022 and recorded with Nantucket County Registry of Deeds Department of the Land Court as Document Number 176185 covering a certain parcel of land situated in the Town of Nantucket known and numbered as 47 and 49 Beach Grass Road, and 1&2, 3, and 4&5 Violet Place (the “Premises”) (the “Mortgage”, and together with the Loan Agreement and the Note, the “Loan Documents”).

The Grantee, in order to finance construction and development at the Premises, is obtaining financing (the “Loan”) from Eastern Bank (the “Lender”). The Lender has requested the execution and delivery of this Estoppel and Agreement as a further condition to the making of the Loan.

ESTOPPEL AND AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Trust agrees and certifies as follows:

1. The Trust is the present holder of the Note and the Loan Documents.

2. A true, complete and accurate copy of the Note, the Loan Agreement and the Mortgage is attached hereto as Exhibit A. The Note, Loan Agreement and Mortgage are in full force and effect and there are no amendments, modifications or supplements thereto except as set forth in Exhibit A.

3. The Trust hereby warrants and represents as follows: (i) all payments, and other charges payable under the Loan Documents have been paid to the extent they are payable to the date hereof; (ii) neither the Trust nor the Grantee is in default under any of the terms of the Loan Documents and, to the best of the Trust’s knowledge, there are no circumstances which,

with the passage of time or the giving of notice or both, would constitute an event of default thereunder.

4. Lender shall be considered a First Mortgagee as set forth in the Loan Agreement and the Mortgage and shall be entitled to the rights and benefits provided thereunder to First Mortgagees.

5. The Loan Documents and this Estoppel and Agreement have been duly authorized by all requisite actions of the members of the Trust, which actions remain in full force and effect without modification as of the date hereof.

6. The Trust acknowledges and agrees that the Lender is materially relying upon this Estoppel and Agreement in providing the Loan to the Grantee, which Loan is being secured by the Premises.

[Signature page to follow.]

IN WITNESS WHEREOF, the Trust has caused this Estoppel and Agreement to be executed under seal by its duly authorized officers as of the date first above written.

TRUST:

TOWN OF NANTUCKET AFFORDABLE
HOUSING TRUST FUND

By: ______________________________
Name:
Title:

The foregoing Estoppel and Agreement is hereby acknowledged and consented to by the Grantee as of the date first set forth above, and the Grantee hereby confirms that all of the facts set forth therein are true and complete.

RICHMOND MEADOWS TWO P3P4, LLC

By: ___________________________
Name: Philip Pastan
Title: Manager

EXHIBIT A: LOAN AGREEMENT, MORTGAGE AND NOTE

ESTOPPEL AND AGREEMENT

This Estoppel and Agreement (this "Estoppel and Agreement") is made as of ____________, 2023 by The Town of Nantucket Affordable Housing Trust Fund, a municipal affordable housing trust created pursuant to G.L. c. 44, Section 55C, under a Declaration of Trust dated February 8, 2010, recorded with Nantucket County Registry of Deeds in Book 1221, Page 20, as amended by First Amendment to Declaration of Trust dated September 25, 2014, recorded with said Registry in Book 1452, Page 271, acting by and through its Board of Trustees, having an address of 2 Fairgrounds Road, Nantucket, Massachusetts 02554 (the "Trust"), in favor of Eastern Bank, having an address of 265 Franklin Street, Boston, MA 02110.

BACKGROUND

The Trust has entered into that certain Grant and Loan Agreement dated as of December 29, 2022 with Richmond Meadows Two P3P4, LLC (the "Grantee") (the "Loan Agreement"), evidenced by a Promissory Note by the Grantee in favor of the Trust in the original principal amount of $5,950,000.00 dated December 29, 2022 (the "Note") and secured, in part, by that certain Mortgage, Security Agreement and Assignment of Leases and Rents by the Grantee in favor of the Trust dated as of December 29, 2022 and recorded with Nantucket County Registry of Deeds Department of the Land Court as Document Number 176185 covering a certain parcel of land situated in the Town of Nantucket known and numbered as 47 and 49 Beach Grass Road, and 1&2, 3, and 4&5 Violet Place (the "Premises") (the "Mortgage", and together with the Loan Agreement and the Note, the "Loan Documents").

The Grantee, in order to finance construction and development at the Premises, is obtaining financing (the "Loan") from Eastern Bank (the "Lender"). The Lender has requested the execution and delivery of this Estoppel and Agreement as a further condition to the making of the Loan.

ESTOPPEL AND AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Trust agrees and certifies as follows:

1. The Trust is the present holder of the Note and the Loan Documents.

2. A true, complete and accurate copy of the Note, the Loan Agreement and the Mortgage is attached hereto as Exhibit A. The Note, Loan Agreement and Mortgage are in full force and effect and there are no amendments, modifications or supplements thereto except as set forth in Exhibit A.

3. The Trust hereby warrants and represents as follows: (i) all payments, and other charges payable under the Loan Documents have been paid to the extent they are payable to the date hereof; (ii) neither the Trust nor the Grantee is in default under any of the terms of the Loan Documents and, to the best of the Trust's knowledge, there are no circumstances which,

with the passage of time or the giving of notice or both, would constitute an event of default thereunder.

4. Lender shall be considered a First Mortgagee as set forth in the Loan Agreement and the Mortgage and shall be entitled to the rights and benefits provided thereunder to First Mortgagees.

5. The Loan Documents and this Estoppel and Agreement have been duly authorized by all requisite actions of the members of the Trust, which actions remain in full force and effect without modification as of the date hereof.

6. The Trust acknowledges and agrees that the Lender is materially relying upon this Estoppel and Agreement in providing the Loan to the Grantee, which Loan is being secured by the Premises.

[Signature page to follow.]

IN WITNESS WHEREOF, the Trust has caused this Estoppel and Agreement to be executed under seal by its duly authorized officers as of the date first above written.

TRUST:

TOWN OF NANTUCKET AFFORDABLE
HOUSING TRUST FUND

By: ______________________________
Name:
Title:

The foregoing Estoppel and Agreement is hereby acknowledged and consented to by the Grantee as of the date first set forth above, and the Grantee hereby confirms that all of the facts set forth therein are true and complete.

RICHMOND MEADOWS TWO P3P4, LLC

By: ____________________________
Name: Philip Pastan
Title: Manager

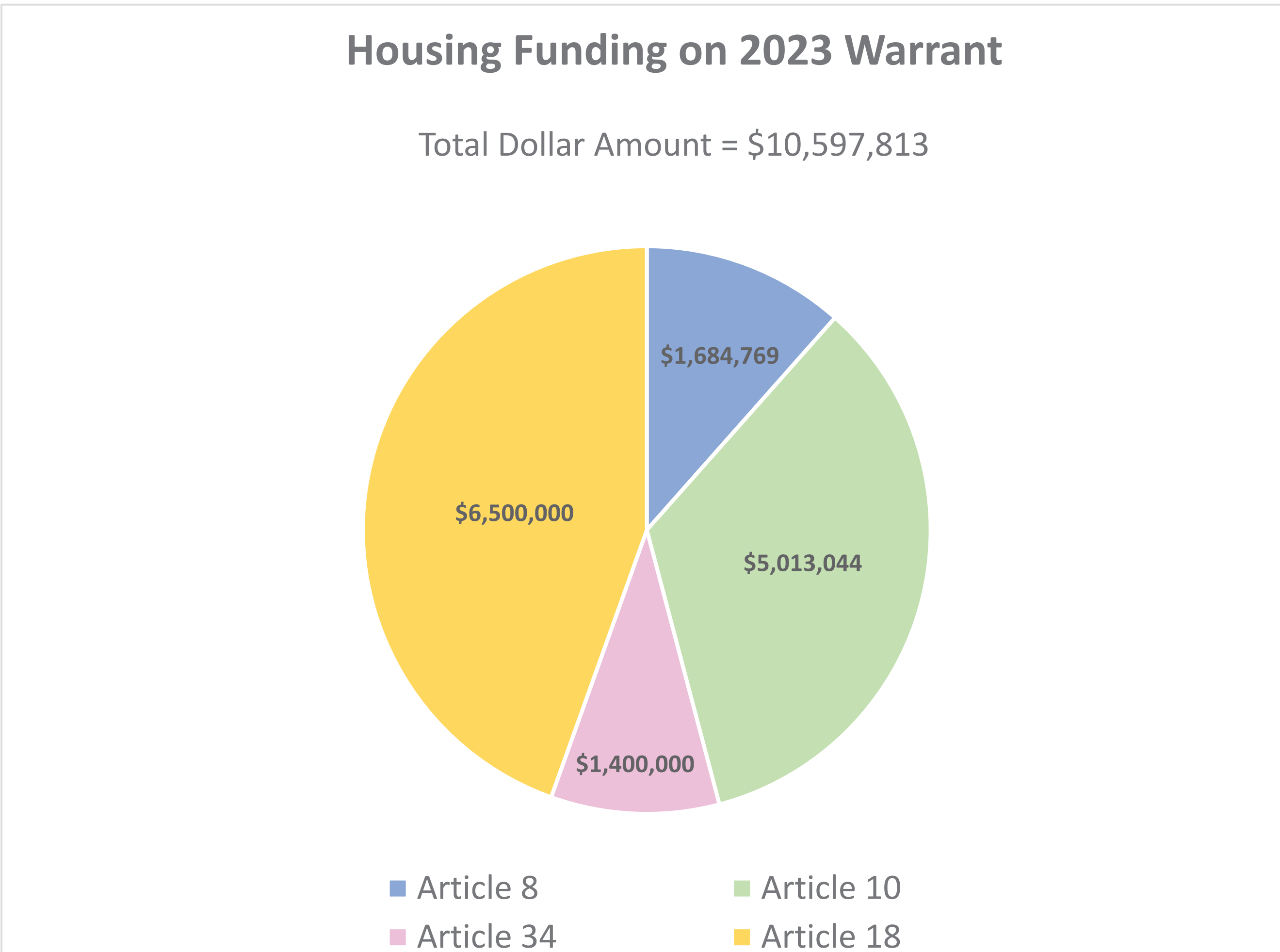
EXHIBIT A: LOAN AGREEMENT, MORTGAGE AND NOTE

HOUSING & REAL ESTATE QUARLTY NEWSLETTER

VOLUME III – APRIL 5, 2023

TOWN MEETING 2023: WARRANT ARTICLES THAT IMPACT AFFORDABLE HOUSING

The Nantucket Annual Town Meeting on May 6, 2023 will have important warrant articles regarding funding for affordable housing on Nantucket as well as the governing abilities of the Nantucket Affordable Housing Trust.



<u>Here's a breakdown of what the warrant articles are and why they matter:</u>

<u>ARTICLE 8:</u> Appropriation: Fiscal Year 2024 General Fund Operating Budget

- If passed, $1,684,769 under the Town's general fund operating budget will be allocated to the Housing Office operating fund.

WHY IT MATTERS: This funding will allow the Housing Office to continue daily operations, as well as fund the $1,000,000 Town employee housing assistance fund, and the new staff position of Housing Facilities Manager.

ARTICLE 10: Appropriation: General Fund Capital Expenditures

- If passed at Town Meeting (and subsequent ballot measure), $4,013,044 will be allocated to the Affordable Housing Trust to support the creation and maintenance of affordable housing on Nantucket.

WHY IT MATTERS:

ARTICLE 34: Appropriation: Fiscal Year 2024 Community Preservation Committee

- If passed, $1,400,000 from the Community Preservation Fund will be allocated to the Town to pay the interest and principal of the Five Million Bond (authorized at the 2019 and 2022 Annual Town Meeting), which funds affordable housing development.

WHY IT MATTERS: This funding would pay the debts/bonding of XYZ.

Additionally, this article would provide $315,000 to the Nantucket Interfaith Council for rental assistance for low and moderate-income year-round families.

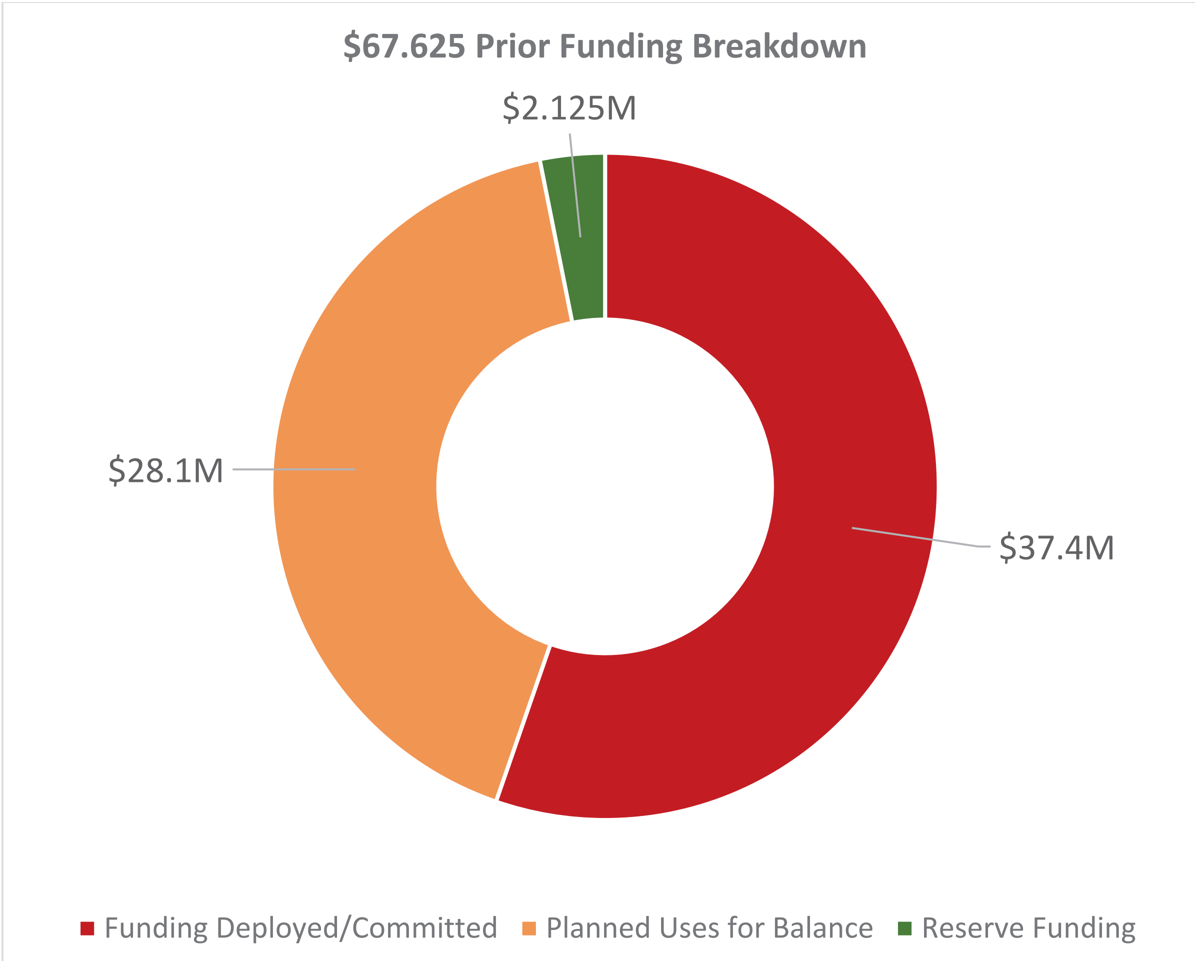
ARTICLE 18: Appropriation: Affordable Housing Trust Fund

- If passed, passed at Town Meeting (and subsequent ballot measure), $6,500,000 will be allocated to address the critical need for creating and maintaining affordable housing on Nantucket.

WHY IT MATTERS: Since 2019, the Trust has received $67.625M in funding from prior Annual Town Meeting warrant articles, which has been deployed and allocated (see chart below). If passed, Article 18 would provide an additional $6.5M to ensure the work is completed and to fund additional affordable housing initiatives on Nantucket. It is important to note that the $6.5M can be leveraged through bonding to subsequently provide $50-100 million dollars in funding for affordable housing. You may be asking, "but what has the Trust done with the $67.625M, and why do they need additional funding?" Unfortunately, on Nantucket, $67 million only begins to chip away at our $500M+ housing problem.

Here's what they've done with the prior ATM warrant funding, and what they will do with the funding if the new Warrant Article 18 passes:

WHAT THE AHTF HAS DONE WITH $67.625M:



Funding Deployed/Committed = $37.4M
Planned Uses for Balance = $28.1M
Reserve Funding = $2.125M (reserves are necessary to address construction, costs, inflation, unexpected occurrences).

Units Created/In Pipeline: ~236

Notes:

- The $67.625M funding has already housed 36 households, with 200+ to be housed with the completion of these projects.
- Of these 236 units, 58 already count towards the 332 existing SHI* units. We must create 158 more units to get to our 10% SHI minimum requirement (490 units).** The current required unit count for the SHI

list will be reassessed this year to reflect the 2020 census; this data will likely cause an increase in required SHI units.

*SHI: The Subsidized Housing Inventory, or SHI, is used to measure a community's stock of low or moderate-income housing, according to M.G.L Chapter 40B.

**According to M.G.L., 10% of a communities' housing stock must be included in the SHI list.

WHY ADDITONAL FUNDING IS NEEDED:

With $67.625M already deployed or planned, additional funds are needed to continue to support and create affordable housing on Nantucket. The $6.5M provided by Warrant Article 18 is necessary to:

- Ensure we stay in Safe Harbor+ beyond 2024 and reach our 10% SHI unit count requirement, which will likely increase with the new 2020 census.

  +Safe Harbor: If the Town proves it is making good-faith progress on reaching the 10% SHI requirement, they enter a period of "Safe Harbor." Safe Harbor status allows the Town to impose conditions on, or deny, the issuance of a 40B permit, resulting in more control over the type, location, and design of residential development while continuing to meet housing needs through HPP strategies.
- Ensure the existing and future projects, funded by the $67.625, are completed. Ensuring there is a continued reserve for these projects in the case of inflation, construction issues, subsidizing affordability, and other unforeseen, legitimate costs.
- Fund the development of additional affordable, year-round, housing opportunities on existing acquired land.
- Focus on homeownership opportunities, including the creation of a pilot Down Payment Assistance Program.
- Create, preserve, and maintain affordable housing in perpetuity on new and existing properties via purchasing developed properties and purchasing year-round, affordable housing deed restrictions.
- Continue our Closing Cost Assistance Program (CCAP) and Covenant Format Assistance Program. The CCAP has helped 85 families in the purchase of affordable housing. To date, the Trust has provided more than $850,000 in zero-percent interest (0%) loans.

ARTICLE 78: Amend Declaration of Trust for Affordable Housing Trust Fund

- Currently, the Trust's funds and programs can only serve households up to the 175% Annual Median Income (AMI) level. If passed, this article would allow the Trust to serve households up to 240% AMI, creating programming and a support for a greater range of need in the community.

WHY ARTICLE IT MATTERS: There is a clear need to support a wider range of households on Nantucket; In 2022, the median home sales prices was $3M. With current interest rates, you must be earning nearly $600,000 a year to afford the median home on Nantucket. Currently, the annual income for Nantucket households of four (4) people in the 240% AMI level is $306,225 – this household would need to double their income to afford a market-rate median home on Nantucket, making it unaffordable and out of reach.

INAGURAL DR. HOWARD DICKLER HOUSING ADVOCATE AWARD (HDHAA)

The Nantucket Affordable Housing Trust has created an annual citizen's award as a tribute to the late Dr. Howard Dickler, who was a fierce advocate for affordable hosing on Nantucket.

NOMINATIONS ARE NOW OPEN. The HDHAA will honor a community member who best exhibits the spirit of Dr. Dickler on housing advocacy for our year-round community. Nominees must be a Nantucket year-round or seasonal resident. To submit a nomination, please write a brief description of why the nominee deserves to be recognized. Nominations may be submitted by email to Tucker Holland (tholland@nantucket-ma.gov) or mail to the Housing & Real Estate Office at 3 East Chestnut Street, Nantucket, MA 02554. **Nominations must be submitted by April 21 at 4:00pm.**

An honorarium will be donated in the recipient's name to the housing-related organization of the recipient's choice.

NEWS & UPDATES:

- **We're hiring! LINK.**

- Tucker Holland, Nantucket's Municipal Housing Director, was invited to speak at a YIMBY (Yes In My Backyard) Jamboree panel in Vail, Colorado, hosted by the Vail Symposium. Tucker spoke alongside two of Colorado's affordable housing leaders (Laurie Best of Breckenridge and George Ruther of Vail) on the necessity and unique challenges of affordable housing programs. View the panel discussion here. (USE PHOTO FROM TUCKER)
- On 3.23.23, 60 people from Nantucket and 200 from Martha's Vineyard traveled to the State House in Boston to advocate for Senate Bill 1771/ House Bill 2747, which would permit a local option for a real estate transfer fee to fund affordable housing. The advocates visited legislators' offices and gathered on the steps of the State. Senator Julia Cyr and Representative Dylan Hernandes spoke in their support of the transfer fee alongside community members and leaders from the islands. The passing of this bill would provide avenues for much-needed resources for housing initiatives for all residents of Nantucket. PHOTOS – 1 of Cyr and Fernandes, 1 of the rally(2)
- The affordable rental development at 31 Fairgrounds ("Wiggles Way") continued to make headway. Read Housing Nantucket's details and see photos of the progress here.

CLOSING COST ASSISTANCE PROGRAM(CCAP):

Updates:

Since January, the AHT has approved an additional $30,000 in zero-percent (0%) interest loans for two (2) new households. To date, 83 households have received assistance through this program. *Looking for closing cost assistance on the purchase of your new home?* Learn more and apply here.

MEETINGS

Affordable Housing Trust meetings are open to the public. The next meeting is April 25, 2023 at 1:00pm via Zoom. Click here to view our meeting agendas, which include links to join live or view the recording later.

CONTACT INFO FOR AFFORDABLE HOUSING:

Town of Nantucket Housing & Real Estate Office:

Website: www.nantucket-ma.gov/184/Affordable-Housing-Trust

Contact: tholland@nantucket-ma.gov, kbeaugrand@nantucket-ma.gov, hcooke@nantucket-ma.gov

Housing Nantucket: Affordable rental and homeownership opportunities for up to 150% AMI level households.

Website: www.housingnantucket.org

Contact: info@housingnantucket.org

Habitat for Humanity: Affordable homeownership opportunities for up to 80% AMI level households.

Website: www.habitatnantucket.org

Contact: habitatnantucket@comcast.net

Nantucket Housing Authority: Affordable rentals for very low- and low-income households.

Website: www.nantucket-ma.gov/1970/Nantucket-Housing-Authority

Contact: admin@nantuckethousingauthority.org

Don't forget to subscribe to stay up to date on the latest Housing & Real Estate news!