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# 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)

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| **Committee / Board** | **AFFORDABLE HOUSING TRUST** |
| **Day, Date, and Time** | **TUESDAY, January 9th , 2024 @ 12:30 PM** |
| **Location / Address** | **REMOTE PARTICIPATION *VIA* ZOOM (*See Below*)**<br>**THE MEETING WILL BE AIRED AT A LATER TIME ON THE TOWN'S GOVERNMENT TV YOUTUBE CHANNEL AT**<br>https://www.youtube.com/channel/UC-sgxA1fdoxteLNzRAUHIxA |
| **Signature of Chair or Authorized Person** | **Ellis Ramos**<br>**Housing & Real Estate Department 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 01-9-24**

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/84024849701?pwd=GrWXqoXr4kieWDG9ZAuZgs6aPCEvBb.1

Meeting ID: 840 2484 9701
Passcode: 957400

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I. Call to Order

II. Approval of Agenda – ACTION

III. Approval of Minutes – ACTION

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

- August 22nd , 2023
- August 29th , 2023
- September 5th , 2023
- September 19th , 2023
- October 3rd, 2023
- October 10th , 2023

**IV.** Public Comments

**V.** Year-Round Deed Restriction – ACTION

- Up to 240% AMI Deed Restriction Program- Review
- Year-Round Deed Restriction Legislation- Review

**VI.** Home-rule Petition for the Transfer Fee Language – Review

**VII.** Proposal from The Richmond Company Regarding Acceleration of 80% AMI Homeownership Construction – REVIEW & ACTION

**VIII.** 135 and 137 Orange Street RFP Review Committee UPDATE

**IX.** Other Business

**Next Meetings:**

**January 11th at 11am Strategic Planning in person at Bartletts Farm loft**

**January 16th at 12:30pm Regular meeting via Zoom**

**X.** Board Comments

**XI.** 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.

    i. Richmond Meadows II buy-down program
    ii. 18, 18A, 20, 22, 24 and 26 Sparks Avenue
    iii. 44 Miacomet Road
    iv. 1A Park Circle

**XII.** Adjourn

# NANTUCKET AFFORDABLE HOUSING TRUST

**~~ MEETING MINUTES ~~**

**TUESDAY, August 22nd, 2023.**

Remote Meeting via Zoom– 12:30 pm

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

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**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)

**PUBLIC IN ATTENDANCE**: Judi Barrett (Barrett Planning LLC), Andrew Burek (General Council for the Richmond Company)

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**I.** Call to Order

Brian called the meeting to order at 12:35pm.

**II.** Approval of Agenda – ACTION

Reema Sherry made a MOTION to approve the agenda as amended to move item III to the next meeting. Dave Iverson seconded the MOTION.

ROLL CALL of those participating:

1. Reema Sherry Aye
2. Meg Browers Aye
3. Penny Dey Aye
4. Dave Iverson Aye
5. Shantaw Bloise-Murphy Aye
6. Bian Sullivan Aye

**III.** Approval of Minutes – ACTION

- March 28, 2023
- April 4, 2023
- April 7, 2023
- April 25, 2023
- May 3, 2023
- May 25, 2023
- May 30, 2023
- June 13, 2023
- June 20, 2023
- July 5, 2023
- July 25, 2023

- August 3, 2023
- August 8, 2023

**IV.** Public Comment

**V.** Election of Trust Officers – ACTION

Reema Sherry and Dave Iverson nominated Brain Sullivan for Chair of the Affordable Housing Trust Fund.

ROLL CALL of those participating:

1. Reema Sherry Aye
2. Meg Browers Aye
3. Penny Dey Aye
4. Dave Iverson Aye
5. Shantaw Bloise-Murphy Aye

Dave Iverson nominated Reema Sherry for Vice-Chair of the Affordable Housing Trust Fund.

ROLL CALL of those participating:

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

**VI.** Proposal from The Richmond Company Regarding Acceleration of 80% AMI Homeownership Construction – REVIEW & ACTION

Andrew Burek (General Council for the Richmond Company) said that he prepared some materials for this meeting at the request of Tucker Holland and Brian Sullivan. He said the package was a combination of some narrative along with a sketch plan which would bring all parties concerned with this request and an Update of the status of constructions of the two subdivisions that Richmond permitted for home ownership in 2017. He said that in reference to those maps you would learn that good progress has been made in terms of the Affordable construction. He said there are only seven remaining Affordable homes to be built in the Sandpiper Place one subdivision and in the Sandpiper Place two subdivision Richmond has sold a combination of 35 lots including 10 lots that require Affordable construction to Nantucket property owners who is tracking and construction those properties distinctly from Richmond's obligation. He said this request is particularly with focus on the Sandpiper Place one subdivision and one lot that remains Richmond's obligation. Andrew also said that this request is particularly with focus on the Sandpiper One subdivision and one lot that remains Richmond's obligation in Sandpiper two. He said most of the lots to be constructed pursuant to the workforce and affordable programs, are all under the affordable program. He also said that they have one workforce lot left and six affordable lots remaining. The workforce being at

175% distinction and the affordable lots being at 80% distinction. Andrew said that they are in a situation where they have existing financing and the ability to construct these homes, in fact two and three built are for Blue Accord which is 175% home and 3 Lilac court is the next 80% home. He said that the lottery for those builds has already been conducted and they had a healthy response to it, but they don't have enough supplies for all of them. In reaction to that they would like to replace their existing financing which only permits them to build two houses at a time and to observe the losses for that takes even longer. They would like to replace their finance with a facility that would enable them to have more homes under construction simultaneously and observe those losses to the point where they don't have to stagger the construction and have approval to participate in the program and folks that had been issued priority in the lottery to have their qualifications go on sale and must reapply because of regulatory constraints.

Brian Sullivan asked Andrew Burek if they are not seeking financing from any traditional banks?

Andrew Burek said they have self-financing from traditional banks, but the problem is for a bank program like this they would have to mix in market rate bills, basically they can't get finance for a completely workforce and affordable program. He said the bank indication to them would simply be that the sales proceeds simply just don't meet the amount of the loan and the collateral for it to meet the amount of the loan that they would be borrowing. They are looking for alternative financing.

Brian Sullivan asked if Andrew Burek could explain to the board members the time ratio of the project for permits as it was done in the original MOU.

Andrew Burek said that this project was permitted cooperatively as a process through Town Meeting and with the Planning Board. He said that one of the conditions that the director at the time had imposed on their subdivision was that he couldn't permit construction of all the market rate homes and sale of all the market range rate homes. First, they wanted to make sure that the developer was also required to build and sell to qualifying households the AMI affordable homes at a reasonably consistent rate. Andrew Burek also mentioned that what they negotiated with the director at the time was effectively that they would be permitted to sell lots or homes to the extent that 13 of them could be sold in each subdivision as a head start. Basically, they had an allowance for 13 market rate certificates of occupancy. Once that allowance was exhausted, they would be required to build at a 2 to 1 ratio, meaning that every certificate of occupancy that's issued for an AMI restricted home would get an allowance for 2 market rate certificates.

Brian Sullivan asked Andrew if he could share the timeline expected for build out and repayment of the loan.

Andrew Burek said that when the fonds become available, they would continue construction on all remaining units simultaneously and then 100% of the net proceeds after payment of mortgage would basically use to repay the AHT. He emphasizes that none of the proceeds would be targeted for Richmond or Richmond concerns, and on the final home sales they would use excess cash to make up the difference. He said in understanding that the Trust might have this fund 8invested in a money market account or otherwise earning an investment return earning a better rate of return, they are willing to pay the yield maintenance on that.

Brian Sullivan asked what do they see as a projected loss on cost of those units?

Andrew Burek said the rough loss of this units is between 400 thousand and 416 thousand, that is what they have been running on average.
Brian Sullivan asked if there is an offer of some other collateral to cover the deficit.
Andrew Burek said that is something that they are willing to discuss with the Trust.
Vicki Marsh asked Andrew if Richmond is Proposing that the entire loan amount borrowed from the AHTF would be repaid by the time the last units are built? And what is the interest rate that they are proposing to be charged?
Andrew Burek said that they are proposing that the loan would be fully retired once there is no more collateral. He said that in conversation with the Finance Director he mentioned that the AHTF has the funds on hand but wouldn't otherwise deploy them for rates that's less than its current investment return. They would like to fix the yield on this loan to be consistent with that investment return as of the date the loan is made.
Vicki Marsh asked Andrew Burek if in the event that they don't get the funds from the AHTF when would they estimate that they would be able to complete these seven units?
Anderw Burek said that the speculating to have built 2 by end of this year and 2 or 3 more by the fall but it would definitely push them to 2025. He also stated that Richmond's other concerns from a regulatory perspective is they wouldn't want the people that already have place holders of priority to have to re-do the lottery.
Tucker Holland let the Trust know that the Finance department has spoken to Bond Counsel about the ability to use bonded funds for this purpose and they said that this cannot be bonded funds. So, the Trust would have to use the 6.5 million that was approved at last year's Town meeting.
Brian Sullivan said that in conversation with the Finance Director was mentioned that the Town has an ongoing negotiation with Richmond in regards of the seer pump station. Has that been solved?
Andrew said that the negotiation is still ongoing, but they are tracking towards a resolution of the issue.
Tucker Holland asked Andrew Burek if the proceeds are expected to be less than the $3.1 million that would be coming from the Trust, why not have a larger Equity component at the front end of this.
Andrew Burek said the reason they are not offering a larger Equity component is cash constrains in term of; the sewer mitigation payment they need to make and the final infrastructure that they need to install still to fully release all the lots in the subdivisions.
Penny Dey asked if this ask is for acceleration of this project. Is there a plan and if yes what is the plan if the funds are not approved?
Andrew Burek said that the plan in place is to continue with their existing Financing which constrains them to built at a much lower rate.
Penny Dey said that she is concerned that if the Trust makes this loan that it will constrain their ability to proceed with other projects that the trust needs to do.
Dave Iverson asked if they did approve this loan, where does it leave the Trust for this year with their cash needs going forward.  Tucker Holland shared with the Trust the planned use for the balance of the $70 million sheet. He said that he doesn't think that this loan would impede any of their plans for this year.

**VII.** Year-Round Deed Restriction Action Plan – DISCUSSION

Ellis Ramos asked the Trust to start thinking about the definition, goals, and more information in general that they would want the public to know in preparation of the Flyer that the communication department is working on.

Judi Barrett said she is working on the schedule for the Focus Group meetings for going forward.

Brian Sullivan said that in a meeting with Ellis Ramos they wondered about the idea of creating some sort of questionnaire survey that would help locate people into what category they might be most supportive in the conversation.

Brian Sullivan asked Judi Barrett if the expectation is that all Trust members attend the focus group meetings? And what would the schedule look like for this board moving forward.

Judi Barrett said that she wasn't anticipating anybody from the AHTF to be in the focus group meetings. She also said that her firm will staff the interviews, develop the interview protocol, carry them out and they will generate clear meeting summaries for the Trust.

Brian Sullivan asked Juddi Barrett is she will be delivering something that could get more participation out of the AHTF Board members in preparation of leading to the first focus group meetings.

Judi Barrett said she wanted to talk about project goals, how to identify critical issues, potential obstacles. She said basically create a framework for this program. It's time to have the conversation about who is going to be the supporters and who is going to oppose this program and how to win them over if necessary.

Brian Sullivan said that the Trust should have a meeting designated to this topic and they can work through a group-led discussion to really get the framework on the table. He said that the AHTF need the "box" of what this program looks like sooner than later so they can deliver it to Bond Counsel so that they can come back to the AHTF with their questions while the Trust is still developing the program. whether or not the Trust is going to be able to use the $6.5 million in a bonding opportunity or are they working with a smaller budget on an annual basis.

Judi Barrett said that until they get through the first round of Focus Groups meetings, they should send the framework to Bond Counsel.

Reema Sherri said that she included on her list someone that she thinks might not be supportive of the program, but she thinks its important because they will hear from other people, and they might get clarity on why the community needs a program like this.

Tucker Holland said he agrees that the Trust members shouldn't be in the focus groups sessions because it might dampen the feedback that they would get. Also, with having people that oppose the program because it's important to understand where their concerns are.

Meg Browers said they should keep in mind that the Deed Restriction Program would be for current home owners or future home owners, who would be living here year-round and want to restrict their properties. She said that this program is dedicated towards year-round community members, so making sure that enough of those people are participating is very important.

Brian Sullivan said they should get as much participation from the Assessors' Office because they already have identified who is claiming year-round exemptions at the moment.

**VIII.** Other Business

**<u>Next Meeting</u>**

- 12:30pm on September 5th, 2023

**IX.** Board Comments

**X.** 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.

  i. 27 Fairgrounds Road
  ii. 44 Miacomet Road
  iii. 18, 18A, 20, 22, 24 and 26 Sparks Avenue

Penny made a MOTION to adjourn the public session, to move to executive session not to return to public session in Pursuant to MGL C. 30A § 21(A) with the Purpose 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 Dave Iverson.

ROLL CALL of those participating:

1. Reema Sherry Aye
2. Dave Iverson Aye
3. Shantaw Bloise-Murphy Aye
4. Meg Browers Aye
5. Penny Dey Aye
6. Bian Sullivan Aye

**XI.** Adjourn

This meeting was adjourned at 2pm.

# NANTUCKET AFFORDABLE HOUSING TRUST

**~~ MEETING MINUTES ~~**

**TUESDAY, August 29th, 2023.**

Remote Meeting via Zoom– 12:30 pm

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

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**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)

**PUBLIC IN ATTENDANCE**: Judi Barrett (Barrett Planning LLC)

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**I.** Call to Order

Brian Sullivan called this meeting to order at 12:34pm

**II.** Approval of Agenda – ACTION

Dave Iverson made a MOTION to approve the agenda with the amendment to move item III to next week's meeting. Meg Browers seconded this motion.

ROLL CALL of those participating:

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

**III.** Approval of Minutes – ACTION

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

**IV.** Public Comment

**V.** Year-Round Deed Restriction Program

Judi Barrett said that at this time she wanted the Trust to start thinking about who their supporters are, who are in opposition of the Year-round Deed restriction Program and to understand the goals of the program.

Dave Iverson said that he was told that with Nantucket's zoning by-laws that this program would be problematic with the Attorney General.

Judi Barrett said she has a concern about it but doesn't think that the Attorney General office would disapprove it, but maybe they should expect a very long letter of caution.

Vicki Marsh said the Attorney General would chime in if this was being done as a zoning amendment of any sort. If the Trust decides not to do it as a zoning by-law, but by creating some form of a restriction in either General by-laws or do it as a Home-rule Petition, to get the legislature to buy into it and then to allow the Trust to do it. She said that this is probably the best way to do it. She said that a home-rule petition is the best way and then they don't have to really worry about the Attorney General chiming in as much as they are going to deal with the legislature and committee hearings.
Judi Barrett asked Vicki Marsh if when she thinks about the home-rule petition, has she also thought about including authority through zoning, to require a year-round restriction in the same manner as a community can require affordable housing restriction on a conservation restriction. How does she see that playing out?
Vicki Marsh said that she has worked with other Towns that has filled a bill already and there are a couple of things that are already in the legislature; one being chapter 184 that will amend the restrictions and the definition of restrictions to include a year-round restriction. Vicki said that the real question is "who would enforce the restrictions?" She said perhaps they would like to see the Towns Select Boards have to power to enforce that restriction for each Municipality.
Brian Sullivan asked Attorney Marsh if she knew who enforces the restrictions for the Housing needs covenant program?
Vicki Marsh said that she believes it to be the Select Board but that she would have to double check.
Brian added that therefore there is a pre-existing system in place that this program could be mirrored out of.
Vicki said that they can even create a program similar to what they already have in place. there could be something that allows the Trust to have a program but, she thinks that they would need the legislation or some kind of by-law on regulations to get them to the point where they create this restriction that can be held by the Select Board.
Dave Iverson asked Vicki Marsh if Provincetown is doing a similar program.
Vicki Marsh said that they have participated with a couple of other Municipalities to file legislation that could be held to perpetuity. She said that the AHTF should think about whether the AHTF would be the holder of the restrictions or not.
Judi Barrett said that if they could avoid going down that path with the Attorney General that would be great, but it depends on the approach that they are going to take. She said that for now they should focus on this being a home-rule petition. She thinks that by trying to do this through some kind of a zoning requirement like an inclusionary zoning could raise some issues.
Brian Sullivan asked Judi if she is suggesting the idea of adding a separate zoning change component in this or as a follow-up separately.
Judi Barret said she thinks that maybe in the future they would want to make sure that their statutory framework was there to allow the restrictions before trying to top that into zoning.
Brian Sullivan said that he has heard in some places that people are concerned about supporting developers on the concept that developers would be getting some sort of support by putting restrictions on units. He said to same case also pre-existing housing stock would be the flip side of that conversation if the Trust is able to capture pre-existing, there is less development, so he thinks

those are 2 sides of the same coin in that argument.

Dave Iverson thinks that the biggest push back is from those people that believe that it's supporting certain developers or development. He said that everyone else that is logically minded will see the benefits of this program.

Brian Sullivan said that the more he thinks about it he thinks that there's some higher level in a bifurcated market in creating a secondary market and what that look like to stock availability and pricing general in both markets, that is something to think through on a higher level. In a place that has such limited inventory as is, some concerns about the banking industry and how to work with banking industry and getting them on board and how does these restrictions affect value and existing mortgage and their willingness to change positions based on the restrictions.

Vicki Marsh said that the affordable house restriction has in their deed riders that the restriction is going to be in first place and that is what the trust has to do, put the restrictions ahead of the mortgage in order to be able to do that. She said she is not sure if all the landers would buy into that. She said what would help is if the legislation gets passed to create the restriction itself to allow for a perpetual year-round restriction to be actually something that they can sit behind and not worry about it actually going to be legally created.

Meg Browers said that it is important to remember that when George Ruther was explaining his program, he said that it is a negotiation and that it is up to the Trust with each property. She said in another conversation she has had the real questions is abut short-term rentals. She said that the AHTF needs to be clear so that people understand that is one or the other, you either short-term rent or do the deed restrictions but can not do both.

Judi Barrett said how realistic it is that a bank can even agree to move into second place after a restriction.

Brian Sullivan said that in his mind it really going to be about how much equity the position is at the time of the assessment. He said he doesn't think that the bank is going to make any move if somebody is at an 80% LTV but if they are at a 50% LTV then, maybe there is a position or an opportunity. He said that he thinks that that's going to be a really tricky part of the negotiation. Brian said that imposes a challenge with the first-time homebuyers that creating down payment assistance and what is their LTV in the situation.

Shantaw Bloise-Murphy asked how the covenant program structure is, she said that she would imagine that the year-round Deed Restriction Program would be similar to that.

Brian Sullivan said the covenant program are pre-existing units that people choose to put the covenant on at the time of creation, whether it's a new secondary law that they approve by planning Board or they build it for that purpose and the restriction is put on. He also stated that they do have banks that are familiar with those which are advantageous to the Trust.

Penny Dey said she thinks that before moving forward the trust should consult some local banking professionals.

Meg Browers suggested that the Board contact George Ruther to see what has been happening in Vail with these types of situations, what experience he has had, because he has already been through this so many times, he might have some helpful inside.

Judi Barrett said her biggest concern coming into this was identifying the potential source of concern,

but also potential allies. She said even if there is no group designated for the consultation process there are other things that need to be happening in terms of communication in the community about this project. She asked the Trust members where they think the major sources of support might be coming from and also if any member is familiar with how ACK NOW is approaching what they are trying to pursue. She asked if the AHTF and ACKNOW were talking about the same program on somewhat different directions, or is that a conversation that needs to be happening with ACKNOW?
Penny Dey said that as far as she knows the ACKNOW program is targeted to the people that are currently doing short term rentals to try and subsidize the rental potential loss of income if they commit to a year-round rental. She said that what the trust is trying to do here is much broader than that.
Brian Sullivan said that from his understanding ACKNOW can be a big advocate to this program once they understand what the AHTF is trying to put together. He said from his perspective the larger group of advocacy or opportunity is the population on Nantucket between 58 and 70 years old that has had ownership for more than 20 years and a low basis in their properties, nearing retirement or in retirement where cost of living on Nantucket has become so unaffordable that any opportunity to capture their equity for either the ability to continue to live here, home improvements , aging in place or even home health care situations. Brian said he thinks there is more opportunity to capture restrictions in that population who used to be active in the community and now don't necessarily have as much of a voice. Another concern is that this group is probably the largest need and also in the creation of this program they need to be cautious with the opportunities of existing investors.
Meg Browers asked if they have done an assessment that has information about what the needs are in the community right now or if this information already exists somewhere?
Brian Sullivan said not outside the AHTF last Housing Production Plan and the recently updated census that they reviewed recently.
Meg Browers said that maybe there is information on the Housing Production Plan for the Trust to use to develop some sort of guidelines of what they are looking for. She said in terms of segment of the community who may be supportive, she believes that the families that bought 10/12 year ago whose kids are going through school, who might be thinking about collage cost would be key group for the Trust to focus on.
Penny Dey said that she thinks that the supporters are going to come from many different quarters, including folks that rent now below market to extended family and friends, they would likely support this initiative in more permanent ways going forward.
Judi Barret asked how to establish communication with these various groups that the Trust members just mentioned might have a reason to participate.
Penny Dey said by developing a very solid program and running it through its pace in terms of finding weak spots, faults and how to do it better, then just start publishing it. She said the program has to be developed and implemented and then it has to be enforced.
Brian Sulivan said that there is a definition and goal that has been circulated by Ellis, and if they work with something like that and get it out to local media outlets there is an opportunity to advertise that in the immediate future and look for people to come back to the Trust to connect. He said it is really going to take some conversation of the streets, some outreach, and some direct one-on-one with the

flyer to get people to participate.
Judi Barrett asked Brian who is going to do that, and should they be thinking about some type of Ambassadors for the Year-round Deed Restriction Program?
Brian Sullivan said he thinks it would be a good idea to bring in some Ambassadors to the first focus group rounds. He said they can easily distribute the information after this meeting to the local media outlets and start the conversation. Ellis is going to work through the list of shared contacts and reach out directly to the groups and individuals and share the definition flyer.
Meg Browers said in this case what they need is an outreach program, it can be the housing newsletter, maybe even go to 97.7 and see if they could do a short interview with them just talking about the concept of this and how beneficial it would be for the community.
Tom Dixon said that the Housing Stakeholders group which he is a member of for his job (Nantucket Food Fuel and Rental Assistance) and there are a lot of good folks on that group that he thinks might have some really good outreach.
Vicki Marsh suggested that perhaps they should have some community meetings, just for informational purposes to try to gather support from the community. She said the Town has used that in other projects and it might be worth the while just to get a sense of what's out there from the public.
Judi Barrett said that they have a community meeting built in to the schedule sort of into October after they've done the initial focus groups, so that they can have something to talk about.
Brian Sullivan asked Judi what is the manageable number of individuals attending a focus group?
Judi Barrett said to some extent it depends on how long the focus group is, but she thinks 6 works pretty well, because if they start to get bigger than that it becomes a challenge.
Shantaw Bloise-Murphy said that whatever the message is the Trust should be sharing that information and they need to ensure they are offering the community opportunities to ask questions directly so that they can hear it directly from the Trust. She said that what the Trust is trying to do is so well intended and it's going to be so amazing for the community that they need to make sure they are communicating that as clearly as possible.
Ellis Ramos said that in conversation with Briand and Tucker, she thought that they decided that the banks would be their own focus group. That way they can have a conversation about who would be taking 1st or 2nd place on the loan process and to get a better understanding of where they stand.
Reema said that she has included on her list a member of sachems Path that has received the CCAP, that will not only be great in the focus groups but as far as ambassadors goes, they would tell the best stories about their struggles and how the CCAP program helped them.
Tom Dixon said that for all the Habitat for Humanity houses, part of their agreement is that people go out there and make pitch on why the program is so successful and to talk about being a Habitat Homeowner, those folks should definitely be included.
Brian Sullivan said that his big, audacious, and very specific goal related to this is 1258 restrictions. He said that he based that on being 20% of the year-round housing stock, if 10% is 629 for our AMI number.
Vicki Marsh said that her biggest concern is getting this or the Home Rule Petition ready in time for it to be on the warrant. She said they are in a really tight timeline, it would have to be approved by mid-January at the latest, so it's going to have to be ready relatively quickly.

Penny Dey asked Vicki if this article would have to be sponsored by the Select Board and what is her experience with the sort of last half dozen Home Rule Petitions that has been sent to Boston and how long are they taking.
Vicki said yes it would have to ne sponsored by the Select Board, and it takes a couple of years to get the Home Rule Petitions passed.
Penny Dey said if there is any way to do this without it being a Home Rule Petition that is more expeditious the Trust should explore it.
Vicki Marsh said if Vicki is thinking to do it as a zoning by law, that is not a quick process either. She said that she can check with Senator Cir and Dylan Fernandez just to see where those couple of bills that have already been filed are in the process. It would be interesting to see where they are in the process because they were filed in February.
Penny Dey said if it's possible that Providence Town is 1 year ahead of Nantucket, and they fashioned something similar that will potential get through a little faster once something else does?
Vicki Marsh said that the bills that are really important are the amendments to Chapter 184 because that establishes a perpetual year-round restriction and adds it to the list like a conservation restriction in an affordable housing restriction.
Meg Browers asked if they can get the Providence Town program documentation to review and see how much of that they can utilize without recreating the wheels, so they are not spending October and November starting from scratch, that could be really helpful. Also having the Select Board champion this cause is going to be really important. Meg also asked if there is an opportunity for someone to buy into the market and use the Deed restriction Program to help with downpayment cost would be possible? Or are we looking more at existing homeowners?
Brian said it's impossible to answer that question right now based on inventory or the pricing. It is really going to be regulated by the bank and their willingness to take position on the restriction and the mortgage.
Tom Dixon said that Judi and Vicki are correct that those bills are still in committee, and it will probably be a while. One thing that is "gumming" up the work is the potential statewide Transfer Fee legislation and also rent control coming out of mainly Boston which could end up being a ballot initiative. He said there are so many things going on with Housing in the Commonwealth right now, that it seems like a lot of the smaller stuff is kind of on hold. He said in talk to his former colleagues they don't think any of that is going to move right away, but it could all of a sudden move.
Reema Sherry said she thinks it's important that they balance their outreach and marketing between existing stock and development, because the island doesn't have enough Housing for the year-round community so there is going to need to be more development. She said to try to strike a balance to include both sections.

**VI.** Other Business

**<u>Next Meeting: September 5th, 2023, via Zoom</u>**

**VII.** Board Comments

**VIII.** 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.

i. 27 Fairgrounds Road
ii. 44 Miacomet Road
iii. 18, 18A, 20, 22, 24 and 26 Sparks Avenue

Penny Dey made a MOTION to close public session to move to executive session not to return to public session 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.

ROLL CALL of those participating:

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

**IX.** Adjourn

This meeting was adjourned at 1:40pm

# NANTUCKET AFFORDABLE HOUSING TRUST

**~~ MEETING MINUTES ~~**

**TUESDAY, September 5th, 2023.**

Remote Meeting via Zoom– 12:30 pm

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

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**ATTENDING MEMBERS**: Brian Sullivan, 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)

**PUBLIC IN ATTENDANCE**: Caleb Wursten

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**I.** Call to Order

Brian Sullivan called the meeting to order at 12:34pm

**II.** Approval of Agenda – ACTION

Reema Sherri made a **MOTION** to hold item III meeting minutes to be approved at a future meeting. This motion was seconded by Tom Dixon

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. Bian Sullivan Aye

Tom Dixon made a **MOTION** to hold item VII the Proposal from Richmond company to wait to hear from Finance Department on another ongoing negotiation they are having. This motion was seconded by Penny Dey.

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. Bian Sullivan Aye

Tom Dixon made a MOTION to approve the agenda as amended. This motion was seconded by Reema Sherry.

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. Bian Sullivan Aye

**III.** Approval of Minutes – ACTION

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

**IV.** Public Comment

No Public comment currently

**V.** Year-Round Deed Restriction Action Plan – DISCUSSION

Brian Sullivan noted that Attorney Vicki Marsh circulated as requested the Providence Town Home Rule Petition. He said it is a great look at the framework that has already been created and a nice guiding document for their process and progress.

Ellis Ramos said that the Communication Department is working on creating a Year-Round Deed Restriction Program Focus Group flyer, application and survey that hopefully will be sent out to the community by the of the day.

Brian Sullivan asked Ellis how the Trust will approve the Communication material and how it will be distributed.

Ellis Ramos said that the Communication Department is just going to create the outreach material using the information provided to them by her that has already been approved by the Trust members. She also said that she shared the list of candidates from the AHTF for the focus group so the Communication Department can share the outreach material with those candidates. prints going to print the material and it will be available for the trust members to distribute to people as they talk to them about maybe participating in the focus groups.

Reema Sherry said to Ellis that she thinks they should hold on the survey until the Trust members and Judi Barrett gets a chance to review it to make sure that is what they are looking for and need.

Tucker Holland said that there might be a confusion about the survey. The survey questions are really the questions that have been part of the document that the trust members have seen a few times now that are intended to be filled out by folks who are interested in being a part of the focus group. He said on the application might be a better description of it. He said he does think that it would be good to get the link from Hayley and circulate it to the Trust to take a final look at it. Tucker said it's better to have it go out with the flyer, so if somebody sees the flyer and it interests them, there is an immediate way for them to apply.

**VI.** ADU creation proposal from Caleb Wursten – DISCUSSION

Caleb Wursten said that he moved back to the island this summer and he saw an opportunity to add hopefully a lot of affordable housing supply through ADUs (Accessory Dwelling Units), they are secondary and tertiary dwelling that are built on lots with a primary residence. He said that's some states have been taking notice of ADUs as a solution for their affordable housing crises.

Caleb Wursten said that with his proposal, they have an opportunity to expand the housing supply with these ADUs and if they support the private sector and constructing them, this is an opportunity to get additional deed restriction. He said this sort of hedges the risk of not having enough interested homeowners. He shared with the Trust what other communities like Los Angelos, Boston, New York, and California or doing to facilitate the creation of ADUs and they have been successful.

He said that the way he is thinking about tackling this is divided into 2 parts; 1st is putting everything out there for the community and for the AHTF to see, that is this proposal for the feasibility study with the follow-on. If this is as exciting as other locales are funding, the follow-up will be a pilot and then potentially a scalable program to add significantly new housing supply.

He said what he hopes to accomplish with the study is to get a sense of what the homeowners would be dealing with, whether is building on island or working with shipping companies to ship modular units to the island. The feasibility study would want a sense of what the options are and the costs to build ADUs, he said he also want to work with the Planning Board and other to get a sense of the full opportunity and how many lots are eligible on the Island , how many are on sewer, how many look like they have buildable ground available on their given zoning, to then sort of understand if this is something that the AHTF should pursue the pilot project. Caleb said he would like to work with partners like cape cod 5 bank, developers that would ultimately be agitating for this program, to get a sense of their requirements would be, the community to see what the homeowners would like to see. He would also like to understand the legal path that it would take to equating a subsidy on a loan to a Deed Restriction on the lots, and then make recommendation either positive or negative for the AHTF assessment on whether or not a pilot should be pursued afterwords. The study will consist of market research, interviews with stakeholders and other experts, site visits for the secondary and tertiary dwellings on the island and what kind of designs have been successful and what the homeowners have learned from their ownership. Also, they would do a financial model to predict at what allocation they can get what increases supply.

Caleb will be leading the study with his experience work in consulting, and he has approached a couple of organizations to partner with. He said he was hoping to leverage the inside of the AHTF to sort of provide feedback and steer in any other direction that the Trust finds valuable. If this is something of the Trust's interest, then he can scope the cost and send that over with any changes to the feasibility study.

Reema Sherry asked Caleb if he sees this as rental units, ownership units or both?

Caleb Wursten said these would be long-term rentals for locals, in exchange for either a low-cost loan like Boston has, or a rent subsidy like the state of New York and California are doing.

Reema Sherry asked if he would be doing an inventory of existing units that are already rented on a year-round basis as part of the study?

Caleb said that the purpose of the study is to identify how many units are being used as short-term rentals versus guest houses versus long term rentals.

Reema Sherry asked Caleb Wursten who would be administrating this program?

Caleb Wursten said he would be producing the study in partnership with everybody that he has previously mentioned, and the program could be a combination of any of the Housing Groups like Housing Nantucket, Habitat for Humanity, and the Town of Nantucket.

Penny Dey asked if the Deed Restriction on these rental properties would be to perpetuity?

Caleb Wursten said ideally, they would be.

Brian Sullivan said he thinks there could be opportunity for ownership through the Covenant program if someone were creating a secondary ADU. The Tertiary there is not an opportunity at the moment to condo or own separately but through the Covenant Program he encourages Caleb to add that as a potential sale. Brian said the opportunity to move houses or how many houses were demolished in the course of the years or something like that in the study could be very interesting point.

Anne Kuszpa said that for the house recycling program there is a very specific building that they can accept. Anne said they are offered many more buildings that they can appropriate for the program, because they need buildings that don't need to be cut so they can move over the road. ADUs being smaller structures they will be easier to move over the roads.

Caleb Wursten said that sounds like an opportunity to increase the flow of recycled homes with a well-advertised effort to build these ADUs.

Penny Dey asked if there will be a focus of serving the 80% AMI specifically?

Caleb Wursten said if that is something that the AHTF sees as a priority then that can be incorporated in the feasibility study.

Vicki Marsh said she was wondering where the funds are anticipated to be coming from, because if the Trust is providing the funs they have to make sure that they are doing it in accordance with a program that they can be in compliance with. She also asked about the size of the units he is looking for, if they are smaller units and more affordable or is he looking for more family sizes.

Caleb Wursten said that in terms of what units will be used there are a few different avenues that this can evolve into; one being the home recycling the other is by getting a deal with an off island modular company. He said the purpose of this proposal is to seek funding from the ATHF to fund the feasibility study, for the pilot he is hoping to get funding from the State or even Federal Assistance for this program.

Penny Dey asked where does he see a source of land besides the stuff that is already being done here?

Caleb Wursten said there is private and public land, the intention of this program is to encourage private homeowners to use their land for additional housing for public good, they would also get a financial incentive to do so.

Tom Dixon said that there would be SHI concerns with any kind of AMI level. He said the PLUS and Planning Board has done a dive into this over the years and that he would like to hear from them about what they think about this. Also, whether if Finance Department needs to weigh in on this, if it needs to go out to procurement, RFP, etc.

Caleb Wursten said that he reached out to the Planning Board and Leslie for this project, and they are interested in participating to help determine the total number of eligible lots.

Brian Sullivan said it is hard to continue a conversation without any cost associated to it, but the potential to create more units with Calebs involvement is exciting and everybody is appreciative of this proposal.

**VII.** Proposal from The Richmond Company Regarding Acceleration of 80% AMI Homeownership Construction – REVIEW & ACTION

This item has been deferred to a later meeting.

**VIII.** Other Business

**<u>Next Meeting: September 19th at 12:30pm</u>**

**IX.** Board Comments

**X.** 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.

i. 44 Miacomet Road

ii. 18, 18A, 20, 22, 24 and 26 Sparks Avenue

Shantaw Bloise-Murphy 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 Penny Dey.

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. | Bian Sullivan | Aye |

**XI.** Adjourn

This meeting was adjourned at 1:30pm

# NANTUCKET AFFORDABLE HOUSING TRUST

**~~ MEETING MINUTES ~~**

**TUESDAY, September 19th, 2023.**

Remote Meeting via Zoom– 12:30 pm

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

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**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)

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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. | Bian 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. | Bian Sullivan | Aye |

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 in 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 to sign up, but what they recognize is that the flyer only went out to 200/300 addresses and a number 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 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 Blose-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 suggests 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.

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.

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 is 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 same 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.

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. He 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 than 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 wont 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

This meeting was adjourned at 1:40pm

# NANTUCKET AFFORDABLE HOUSING TRUST

**~~ MEETING MINUTES ~~**

**TUESDAY, October 3rd, 2023.**

Remote Meeting via Zoom– 12:30 pm

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

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**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)

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I. Call to Order

Brian Sullivan called the meeting to order at 12:35pm

II. Approval of Agenda – ACTION

Dave Iverson made a MOTION to approve the agenda. Penny Dey seconded this motion.

ROLL CALL of those participating:

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

III. Approval of Minutes – ACTION

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

• **March 28, 2023**

Not being voted on today.

• **April 4, 2023**

Reema Sherry made a MOTION to approve the minutes from April 4th , 2023. This motion was seconded by Shantaw Bloise-Murphy.

ROLL CALL of those participating:

1. Reema Sherry Aye
2. Meg Browers Aye
3. Shantaw Bloise-Murphy Aye

4. Brian Sullivan Aye

• **April 7, 2023**
Penny Dey made a MOTION to approve the minutes for the April 7th, 2023, meeting. This motion was seconded by Meg Browers.
ROLL CALL of those participating

1. Rema Sherry Aye
2. Dave Iverson Aye
3. Meg Browers Aye
4. Brian Sullivan Aye

• **April 25, 2023**
Reema Sherry made a MOTION to approve the minutes for the April 25th, 2023, meeting. This motion was seconded by Dave Iverson.
ROLL CALL of those participating

1. Penny Dey Aye
2. Shantaw Bloise-Murphy Aye
3. Reema Sherry Aye

• **May 3, 2023**
Dave Iverson made a MOTION to approve the minutes for the May 3rd, 2023, meeting. This motion was seconded by Penny Dey.
ROLL CALL of those participating

1. Dave Iverson Aye
2. Penny Dey Aye
3. Meg Browers Aye
4. Brian Sullivan Aye

• **May 25, 2023**
Dave Iverson made a MOTION to approve the minutes for the May 25th, 2023, meeting. This motion was seconded by Shantaw Bloise-Murphy.
ROLL CALL of those participating

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

• **May 30, 2023**
Dave Iverson made a MOTION to approve the minutes for the May 30th, 2023, meeting. This motion

was seconded by Reema Sherry.

ROLL CALL of those participating

1. Reema Sherry Aye
2. Shantaw Bloise-Murphy Aye
3. Dave Iverson Aye

**• June 13, 2023**

Dave Iverson made a MOTION to approve the minutes for the June 13th meeting. This motion was seconded by Reema Sherry.

ROLL CALL of those participating

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

**• June 20, 2023**

Reema Sherry made a MOTION to approve the minutes for the June 20th meeting. This motion was seconded by Penny Dey.

ROLL CALL of those participating

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

**• July 5, 2023**

The minutes for this meeting were extracted from the select board meeting minutes and don't need to be approved again.

**• July 25, 2023**

Tom Dixon made a MOTION to approve the minutes for the July 25th meeting. This motion was seconded by Meg Browers.

ROLL CALL of those participating

1. Tom Dixon Aye
2. Dave Iverson
3. Penny Dey
4. Shantaw Bloise Murphy
5. Reema Sherry

6. Meg Browers
7. Brian Sullivan

- **August 3, 2023**
- **August 8, 2023**

IV. Public Comment

V. Year-Round Deed Restriction Action Plan – DISCUSSION

VI. Other Business

**<u>Next Meeting: October 17th at 12:30pm</u>**

VII. Board Comments

VIII. 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.

i. 44 Miacomet Road

ii. 18, 18A, 20, 22, 24 and 26 Sparks Avenue

IX. Adjourn.

**ARTICLE**

**(Home Rule Petition: Acquisition of Year-Round Housing Occupancy Restriction)**

To see if the Town will vote to authorize the Select Board to petition the General Court to enact special legislation as set forth below; provided, however, that the General Court may with the approval of the Select Board, make constructive changes in language that may be necessary or advisable towards perfecting the intent of this legislation in order to secure passage:

*AN ACT AUTHORIZING THE TOWN OF NANTUCKET AFFORDABLE HOUSING TRUST FUND TO ACQUIRE YEAR-ROUND HOUSING OCCUPANCY RESTRICTIONS*

.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. As used in this Act the following words shall, unless a different meaning clearly appears from the context, have the following meanings:

**Select Board-** the duly elected Select Board of the Town of Nantucket.
**Town-** the Town of Nantucket.
**Year-Round Housing Occupancy Restriction-** is a right, either in perpetuity or for a specified number of years, whether or not stated in the form of a restriction, easement, covenant, condition in any deed, mortgage, will, agreement or other instrument executed by or on behalf of the owner of the land appropriate to (a) limiting the use of all or part of the land to residential housing occupancy by persons or families who occupy either rental or ownership housing as their primary residence for not less than 10 months during any 1-year period, or (b) in any way limiting or restricting the use or enjoyment of all or any portion of the land for the purpose of encouraging or assuring creation or retention of rental and ownership housing for occupancy to persons or families who occupy either rental or ownership housing as their primary residence for not less than 10 months during any 1-year period.

SECTION 2. Notwithstanding any special or general law to the contrary in the Commonwealth, the Town of Nantucket Affordable Housing Trust Fund, a Massachusetts municipal affordable housing trust created pursuant to Massachusetts General Laws Chapter 44, Section 55C, under a Declaration of Trust dated February 8, 2010, recorded with the 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 the Nantucket County Registry of Deeds in Book 1452, Page 272, or an authorized municipal board or agency approved by the Select Board, may acquire a year-round housing occupancy restriction for rental or ownership housing.

SECTION 3. The year-round housing occupancy restriction shall be recorded with the Nantucket County Registry of Deeds, or if on registered land, filed with the Nantucket

Registry District of the Land Court, and contain a description of the land upon which the restriction is to be imposed provided it specifies that the land lies in the Town and is shown on a recorded or registered plan in the Nantucket County Registry of Deeds or the Nantucket Registry District of the Land Court, gives the boundaries of the land by metes and bounds, with reference to said plan or instrument and if the land is registered, specifies the certificate or certificates of title thereof. The restriction imposed shall run with the title of the land on which it is imposed.

SECTION 4. The acquisition of a year-round housing occupancy restriction must be approved by a vote of the Select Board prior to its acquisition.

SECTION 5. The year-round housing occupancy restriction may be enforced by the holder of the restriction, by injunction or other proceeding, and shall entitle representatives of the holder to enter the land in a reasonable manner and at reasonable times to assure compliance. If the court in any judicial enforcement proceeding, or the decision maker in any arbitration or other alternative dispute resolution enforcement proceeding, finds that there has been a violation of the restriction then, in addition to any other relief ordered, the petitioner bringing the action or proceeding may be awarded reasonable attorneys' fees and costs incurred in the action proceeding. The restriction may be released, in whole or in part, by the holder for consideration, if any, as the holder may determine, in the same manner as the holder may dispose of land or other interests in land, but only after a public hearing upon reasonable public notice, by the Select Board, whose approval shall be required. The release of the restriction must be recorded or registered in the Nantucket County Registry of Deeds or the Nantucket Registry District of the Land Court, as applicable.

SECTION 6. Acceptance of the restrictions and releases shall be evidenced by certificates of approval or release and executed by the holder of the restriction and the Select Board, and duly recorded or registered.

SECTION 7. This act shall take effect upon its passage.

Or to take any other action related thereto.

*(Select Board)*

Town of Nantucket

OFFICE OF THE
TOWN & COUNTY
CLERK
16 Broad Street
NANTUCKET, MASSACHUSETTS 02554-3590

Nancy L. Holmes, CMC
Town & County Clerk

(508) 228-7216
FAX (508) 325-5313

Email: nholmes@nantucket-ma.gov
townclerk@nantucket-ma.gov

WEBSITE: http://www.nantucket-ma.gov

May 2, 2022

TO WHOM IT MAY CONCERN:

I, Nancy L. Holmes, duly elected Clerk of the Town and County of Nantucket, hereby certify that the May 2, 2022 ANNUAL TOWN MEETING adopted **Article 76** at the May 2, 2022 adjourned session when "...the adoption of all articles not heretofore acted upon as recommended by the Finance Committee, or as recommended by the Planning Board, was duly motioned, seconded, and voted in accordance with the motions recommended by the Finance Committee or, in the absence of a Finance Committee motion, then in accordance with the motions as recommended by the Planning Board, as printed in the Finance Committee Report, with technical amendments brought forward during the course of the meeting..."

## ARTICLE 76
### (Home Rule Petition: Community Housing Bank Real Estate Transfer Fee)

To see if the Town will vote to request its representatives in the General Court to introduce legislation seeking a special act the text of which is set forth below and to authorize the General Court, with the approval of the Select Board, to make constructive changes in the text thereto as may be necessary or advisable in order to accomplish the intent of this legislation in order to secure passage; or to take any other action related thereto.

*An Act Authorizing the Town of Nantucket to Impose a Real Estate Transfer Fee for Affordable and Workforce Housing and Related Capital Improvements*

SECTION 1. For purposes of this act, the words and phrases set forth in this section shall have the following meanings:

"Affordable Housing Restriction" is a recorded instrument held by a qualified holder which encumbers and/or restricts a real property interest so that the real property interest is perpetually or for a term of at least thirty (30) years limited to use as a residence occupied by a low or moderate income household which earns less than a specified income level, the upper limit of which may not exceed two hundred forty percent (240%) of the Nantucket median income. A "qualified holder" is a governmental body or charitable corporation or trust which qualifies under the terms of chapter one hundred eight-four of the General Laws ("Chapter 184") to hold an affordable housing restriction. Without limiting the generality of the foregoing, "Affordable Housing Restriction" includes but is not limited to any instrument which conforms to the requirements of (i) a Nantucket Housing Needs Covenant as described in Chapter 301 of the Acts of 2002 and defined in the Town of Nantucket Code.

"Housing and Community Development Fund", shall refer to a discrete fund or account, established by the county treasurer of the Nantucket County under the provisions of this act.

"Eligible Applicants", shall refer to non-profit and for-profit corporations and organizations, individuals, and public entities.

"Purchaser", shall refer to the transferee, grantee or recipient of any real property interest.

"Purchase price", all consideration paid or transferred by or on behalf of a purchaser to a seller or his nominee, or for his benefit, for the transfer of any real property interest, and shall include, but not be limited to, all cash or its equivalent so paid or transferred; all cash or other property paid or transferred by or on behalf of the purchaser to discharge or reduce any obligation of the seller; the principal amount of all notes or their equivalent, or other deferred payments, given or promised to be given by or on behalf of the purchaser to the seller or his nominee; the outstanding balance of all obligations of the seller which are assumed by the purchaser or to which the real property interest transferred remains subject after the transfer, determined at the time of transfer, but excluding real estate taxes and other municipal liens or assessments which are not overdue at the time of transfer; the fair market value, at the time of transfer, of any other consideration or thing of value paid or transferred by or on behalf of the purchaser, including, but not limited to, any property, goods or services paid, transferred or rendered in exchange for such real property interest.

"Real property interest", shall refer to any present or future legal or equitable interest in or to real property, and any beneficial interest therein, including the interest of any beneficiary in a trust which holds any legal or equitable interest in real property, the interest of a partner or member in a partnership or limited liability company, the interest of a stockholder in a corporation, the interest of a holder of an option to purchase real property, the interest of a buyer or seller under a contract for purchase and sale of real property, and the transferable development rights created under chapter one hundred eighty-three A of the General Laws; but shall not include any interest which is limited to any of the following: the dominant estate in any easement or right of way; the right to enforce any restriction; any estate at will or at sufferance; any estate for years having a term of less than 30 years; any reversionary right, condition, or right of entry for condition broken; and the interest of a mortgagee or other secured party in any mortgage or security agreement.

"Seller", shall refer to the transferor, grantor or immediate former owner of any real property interest.

"Time of transfer" of any real property interest shall mean the time at which such transfer is legally effective as between the parties thereto, and, in any event, with respect to a transfer evidenced by an instrument recorded with the appropriate registry of deeds or filed with the assistant recorder of the appropriate registry district, not later than the time of such recording or filing.

"Town" shall refer to the Town of Nantucket acting by and through the Select Board.

SECTION 2. There is hereby imposed a fee equal to one half per cent (½%) of the purchase price upon the transfer of any real property interest in any real property situated in Nantucket County. Said fee shall be the liability of the seller of such real property interest, and any agreement between the purchaser and the seller or any other person with reference to the allocation of the responsibility for bearing said fee shall not affect such liability of the seller. The fee shall be paid to the Town of Nantucket, or its designee, and shall be accompanied by a copy of the deed or other instrument evidencing such transfer, if any, and an affidavit signed under oath or under the pains and penalties of perjury by the purchaser or his legal representative and the seller or his legal representative, attesting to the true and complete purchase price and the basis, if any, upon which the transfer is claimed to be exempt in whole or in part from the fee imposed hereby. The Town, or its designee, shall promptly thereafter execute and issue a certificate indicating that the appropriate fee has been paid or that the transfer is exempt from the fee, stating the basis for the exemption. The register of deeds for Nantucket County, and the assistant recorder for the registry district of Nantucket County, shall not record or register, or receive or accept for recording or registration, any deed, except a mortgage deed, to which has not been affixed such a certificate executed by the Town or its designee. Failure to comply with this requirement shall not affect the validity of any instrument. The Town shall deposit all fees received hereunder with the Town treasurer. The treasurer shall deposit such fees in the Affordable Housing Trust Fund. The fee imposed hereunder shall be due simultaneously with the time of transfer of the transfer upon which it is imposed. Notwithstanding the foregoing, whenever there is a conveyance of real property interests and a conveyance of personalty related thereto at or about the same time, the allocations of payments between real estate and personalty agreed to by the purchaser and seller shall not determine the amount of the fee due pursuant to this section; instead, the Town may require payment of the fee referred to in real property interests so conveyed as determined by the Town.

SECTION 3. At any time within seven days following the issuance of the certificate of payment of the fee imposed by section two, the seller or his legal representative may return said certificate to the Town or its designee for cancellation, together with an affidavit signed under oath or under the pains and penalties of perjury that the transfer, with respect to which such certificate was issued, has not been consummated, and thereupon the fee paid with respect to such transfer shall be forthwith returned to the seller or his legal representative.

SECTION 4. The following transfers of real property interests shall be exempt from the fee established by section 10. Except as otherwise provided, the seller shall have the burden of proof that any transfer is exempt under this section and any otherwise exempt transfer shall not be exempt in the event that such transfer (by itself or as part of a series of transfers) was made for the primary purpose of evading the fee imposed by section 10.

(a) Transfers to the government of the United States, the commonwealth, and any of their instrumentalities, agencies or subdivisions, including but not limited to transfers to the Town of Nantucket, the County of Nantucket.

(b) Transfers which, without additional consideration, confirm, correct, modify or supplement a transfer previously made.

(c) Transfers made as gifts without consideration. In any proceedings to determine the amount of any fee due hereunder, it shall be presumed that any transfer for consideration of less than fair market value of the real property interest transferred was made as a gift without consideration to the extent of the difference between the fair market value of the real property interest transferred and the amount of consideration claimed by the seller to have been paid or transferred, if the purchaser shall have been at the time of transfer the spouse, the lineal descendant, or the lineal ancestor of the seller, by blood or adoption, and otherwise it shall be presumed that consideration was paid in an amount equal to the fair market value of the real property interest transferred, at the time of transfer.

(d) Transfer to the trustees of a trust in exchange for a beneficial interest received by the purchaser in such trust; distributions by the trustees of a trust to the beneficiaries of such trust.

(e) Transfers by operation of law without actual consideration, including but not limited to transfers occurring by virtue of the death or bankruptcy of the owner of a real property interest.

(f) Transfers made in partition of land and improvements thereto, under chapter two hundred and forty-one of the General Laws.

(g) Transfers to any charitable organization as defined in clause Third of section five of chapter fifty-nine of the General Laws, or any religious organization, provided that the real property interest so transferred will be held by the charitable or religious organization solely for its public charitable or religious purposes.

(h) Transfers to a mortgagee in foreclosure of the mortgage held by such mortgagee, and transfers of the property subject to a mortgage to the mortgagee in consideration of the forbearance of the mortgagee from foreclosing said mortgage.

(i) Transfers made to a corporation or partnership or limited liability company at the time of its formation, pursuant to which transfer no gain or loss is recognized under the provisions of section three hundred and fifty-one or seven hundred and twenty-one of the Internal Revenue Code of 1986, as amended; provided, however, that such transfer shall be exempt only in the event that (1) with respect to a corporation, the transferor retains an interest in the newly formed corporation which is equivalent to the interest the transferor held prior to the transfer, or (2) with respect to a partnership or limited liability company, the transferor retains after such formation rights in capital interests and profit interests within such partnership or limited liability company which are equivalent to the interest the transferor held prior to the transfer.

(j) Transfers made to a stockholder of a corporation in liquidation or partial liquidation of the corporation, and transfers made to a partner of a partnership or to a member of a limited liability company in dissolution or partial dissolution of the partnership or limited liability company; but the transfer shall be exempt only if (i) with respect to a corporation, the transferee receives property (including real property interests and other property received) which is the same fraction of the total property of the transferor corporation as the fraction of the corporation's stock owned by the transferee prior to the transfer or (ii) with respect to a partnership or limited liability company, the transferee receives property (including real property interests and other property received) which is the same fraction of the property of the partnership or limited liability company as the fraction of the capital and profit interests in the transferor formerly owned by the transferee.

(k) Transfers consisting of the division of marital assets under the provisions of section thirty-four of chapter two hundred and eight of the General Laws or other provisions of law.

(l) Transfers of property consisting in part of real property interests situated in Nantucket County and in part of other property interests, to the extent that the property transferred consists of property other than real property situated in Nantucket County; provided that the purchaser shall furnish the Town with such information as it shall require or request in support of the claim of exemption and manner of allocation of the consideration for such transfers.

(m) The first $2 million of the sale price of any transfer or series of transfers of real property interests in a single transaction. Said exemption may be adjusted as determined annually by the affirmative vote of two-thirds of voters at an annual or special town meeting.

(n) Transfers of minority interests in corporations, trusts, partnerships or limited liability companies which are publicly traded, which trades are not part of a series of transfers which together constitute a transfer of control of a corporation, trust, partnership or limited liability company.

SECTION 5. (a) The Town treasurer shall keep a full and accurate account stating when, from or to whom, and on what account money has been paid or received relative to the activities of the Trust Fund and the Housing Fund. Said account shall be subject to examination by the director of accounts or his agent pursuant to section forty-four of chapter thirty-five of the General Laws.

(b) Schedules of beneficiaries of trusts, list of stockholders of corporations and lists of partnerships filed with the Trust Fund for the purpose of determining or fixing the amount of the fee imposed under section ten or for the purpose of determining the existence of any exemption under section twelve shall not be public records for the purposes of section ten of chapter sixty-six of the General Laws.

SECTION 6. A seller who fails to pay all or any portion of the fee established by section two on or before the time when the same is due shall be liable for the following additional payments in addition to said fee:

(a) Interest: The seller shall pay interest on the unpaid amount of the fee to be calculated from the time of transfer at a rate equal to fourteen per cent per annum.

(b) Penalties: Any person who, without fraud or willful intent to defeat or evade a fee imposed by this chapter, fails to pay all or a portion of the fee within thirty days after the time of transfer, shall pay a penalty equal to five per cent of the outstanding fee as determined by the Town for each month or portion thereof thereafter that the fee is not paid in full; provided, however, that in no event shall the amount of any penalty imposed hereunder exceed twenty-five per cent of the unpaid fee due at the time of transfer. Whenever the Town determines that all or a portion of a fee due under this chapter was unpaid due to fraud with intent to defeat or evade the fee imposed by this chapter, a penalty equal to the amount of said fee as determined by the Town shall be paid by the seller in addition to said fee.

SECTION 7. (a) The Town shall notify the purchaser and the seller by registered or certified mail of any failure to discharge in full the amount of the fee due under this Act and any penalty or interest assessed. The Town shall grant a hearing on the matter of the imposition of said fee, or of any penalty or interest assessed, if a petition requesting such hearing is received by the Town within thirty days after the mailing of said notice. The Town shall notify the purchaser and the seller in writing by registered or certified mail of its determination concerning the deficiency, penalty or interest within fifteen days after said hearing. Any party aggrieved by a determination of the Town concerning a deficiency, penalty or interest may, after payment of said deficiency, appeal to the district or superior court within three months after the mailing of notification of the determination of the Town. Upon the failure to timely petition for a hearing, or appeal to said courts, within the time limits hereby established, the purchaser and seller shall be bound by the terms of the notification, assessment or determination, as the case may be, and shall be barred from contesting the fee, and any interest and penalty, as determined by the Town. All decisions of said courts shall be appealable. Every notice to be given under this section by the Town shall be effective if mailed by certified or registered mail to the purchaser or the seller at the address stated in a recorded or registered instrument by virtue of which the purchaser holds any interest in land, the transfer of which gives rise to the fee which is the subject of such notice; and if no such address is stated or if such transfer is not evidenced by an instrument recorded or registered in the public records in Nantucket County, such notice shall be effective when so mailed to the purchaser or seller in care of any person appearing of record to have a fee interest in such land, at the address of such person as set forth in an instrument recorded or registered in Nantucket County.

(b) All fees, penalties and interest required to be paid pursuant to this chapter shall constitute a personal debt of the seller and may be recovered in an action of contract or in any other appropriate action, suit or proceeding brought by the Town; said action, suit or proceeding shall be subject to the provisions of chapter two hundred and sixty of the General Laws.

(c) If any seller liable to pay the fee established by this act neglects or refuses to pay the same, the amount, including any interest and penalty thereon, shall be a lien in favor of the Town upon all property and rights to property, whether real or personal, belonging to either such purchaser or such seller. Said lien shall arise at the time of transfer and shall continue until the liability for such amount is satisfied. Said lien shall in any event terminate not later than six years following the time of transfer. Said lien shall not be valid as against any mortgagee, pledgee, purchaser or judgment creditor unless notice thereof has been filed by the Town (i) with respect to real property or fixtures, in the registry of deeds for Nantucket County, or (ii) with respect to personal property, in the office in which a security or financing statement or notice with respect to the property would be filed in order to perfect a nonpossessory security interest belonging to the person named in the relevant notice, subject to the same limitations as set forth in section fifty of chapter sixty-two C of the General Laws.

(d) Sellers applying for an exemption under subsections (a) through (n) of section four shall be required at the time of application for exemption to execute an agreement legally binding on sellers and separately legally binding upon any Legal Representative of the sellers (1) assuming complete liability for any fee, plus interest and penalties if any, waived on account of an allowed exemption subsequently determined to have been invalid, and (2) submitting to the jurisdiction of the trial court of the commonwealth sitting in Nantucket County. Fees, plus interest and penalties if any, shall be calculated as of the date of the initial property transfer. Execution of the above-described agreement shall not be required of any mortgagee, pledge, purchaser or judgment creditor unless notice of the agreement has been recorded or filed by the Town.

In any case where there has been a refusal or neglect to pay any fee, interest or penalties imposed by this act, whether or not levy has been made, the Town, in addition to other modes of relief, may direct a civil action to be filed in a district or superior court of the commonwealth to enforce the lien of the Town under this section with respect to such liability or to subject any property of whatever nature, of the delinquent, or in which he has any right, title or interest, to the payment of such liability.

The Town may issue a waiver or release of any lien imposed by this section. Such waiver or release shall be conclusive evidence that the lien upon the property covered by the waiver or release is extinguished.

SECTION 8. The fee described in section 2 shall be of a ten-year duration from the date this act shall take effect. This fee may continue for five-year periods by a majority vote at a Town Meeting authorizing the fee. The fee described by section 2 may be (1) decreased, or (2) eliminated by two-thirds vote of Town Meeting. In the event that Town Meeting votes to eliminate the fee, the balance of any fees previously collected shall be transferred to the Town of Nantucket and held by the treasurer in a separate account, and shall first be used to satisfy any outstanding liabilities or obligations incurred by the Town of Nantucket or the Affordable Housing Trust as a result of imposition of the fee, and the remainder may be expended without further appropriation by the Select Board for affordable housing purposes. In the event that the liabilities and obligations of the Town of Nantucket or the Affordable Housing Trust exceed the amounts transferred to the Town, the fee shall remain in full force and effect until such liabilities and obligations have been satisfied.

SECTION 9. The provisions of this act are severable, and if any provision hereof, including without limitation any exemption from the fee imposed hereby, shall be held invalid in any circumstances such invalidity shall not affect any other provisions or circumstances. This act shall be construed in all respects so as to meet all constitutional requirements. In carrying out the purposes and provisions of this act, all steps shall be taken which are necessary to meet constitutional requirements whether or not such steps are required by statute.

SECTION 10. If the Town has determined that a fee is due by asserting the application of the evasion of fee doctrine described in section 2 then the seller shall have the burden of demonstrating by clear and convincing evidence as determined by the Town that the transfer, or series of transfers, possessed both: (i) a valid, good faith business purpose other than avoidance of the fee set forth in section 2and (ii) economic substance apart from the asserted fee avoidance benefit. In all such cases, the transferee shall also have the burden of demonstrating by clear and convincing evidence as determined by the Town that the asserted non-fee-avoidance business purpose is commensurate with the amount of the fee pursuant to section 2to be thereby avoided.

SECTION 11. Pursuant to state enabling legislation pending with the General Court for the adoption of an act providing cities and towns the option to support affordable housing with a fee on certain real estate transactions, the legislative body of a city or town by a majority vote may adopt said act upon the passage of said act by the Senate and the House of Representatives of the General Court, and furthermore, a favorable majority vote of this Article by this Town Meeting is also deemed to be a vote by Town Meeting to adopt said act providing cities and towns the option to support affordable housing with a fee on certain real estate transactions, provided the provisions contained herein are consistent with the provisions of said act.

SECTION 12. This act shall take effect ninety (90) days following the date of passage.

*(Select Board)*
*NOTE: Versions of the above home rule petition have been approved as Article 82 of the 2016 Annual Town Meeting, Article 88 of the 2017 Annual Town Meeting, Article 70 of the 2018 Annual Town Meeting and Article 79 of the 2019 Annual Town Meeting. Home rule petitions currently pending before the legislature, which were not acted upon by December 31, 2021, may expire unless renewed by a confirmatory town meeting vote.*
**FINANCE COMMITTEE MOTION: Moved that the Town's representatives to the General Court are hereby requested to introduce legislation as set forth below; and that the General Court, with the approval of the Select Board, is authorized to make constructive changes in the text hereof as may be necessary or advisable in order to accomplish the intent of this legislation in order to secure passage, as follows:**

***An Act Authorizing the Town of Nantucket to Impose a Real Estate Transfer Fee for Affordable and Workforce Housing and Related Capital Improvements***

**SECTION 1. For purposes of this act, the words and phrases set forth in this section shall have the following meanings:**
**"Affordable Housing Restriction" is a recorded instrument held by a qualified holder which encumbers and/or restricts a real property interest so that the real property interest is perpetually or for a term of at least thirty (30) years limited to use as a residence occupied by a low or moderate income household which earns less than a specified income level, the upper limit of which may not exceed two hundred forty percent (240%) of the Nantucket median income. A "qualified holder" is a governmental body or charitable corporation or trust which qualifies under the terms of chapter one hundred eight-four of the General Laws ("Chapter 184") to hold an affordable housing restriction. Without limiting the generality of the foregoing, "Affordable Housing Restriction" includes but is not limited to any instrument which conforms to the requirements of (i) a Nantucket Housing Needs Covenant as described in Chapter 301 of the Acts of 2002 and defined in the Town of Nantucket Code.**
**"Housing and Community Development Fund", shall refer to a discrete fund or account, established by the county treasurer of the Nantucket County under the provisions of this act.**
**"Eligible Applicants", shall refer to non-profit and for-profit corporations and organizations, individuals, and public entities.**
**"Purchaser", shall refer to the transferee, grantee or recipient of any real property interest.**

"Purchase price", all consideration paid or transferred by or on behalf of a purchaser to a seller or his nominee, or for his benefit, for the transfer of any real property interest, and shall include, but not be limited to, all cash or its equivalent so paid or transferred; all cash or other property paid or transferred by or on behalf of the purchaser to discharge or reduce any obligation of the seller; the principal amount of all notes or their equivalent, or other deferred payments, given or promised to be given by or on behalf of the purchaser to the seller or his nominee; the outstanding balance of all obligations of the seller which are assumed by the purchaser or to which the real property interest transferred remains subject after the transfer, determined at the time of transfer, but excluding real estate taxes and other municipal liens or assessments which are not overdue at the time of transfer; the fair market value, at the time of transfer, of any other consideration or thing of value paid or transferred by or on behalf of the purchaser, including, but not limited to, any property, goods or services paid, transferred or rendered in exchange for such real property interest.

"Real property interest", shall refer to any present or future legal or equitable interest in or to real property, and any beneficial interest therein, including the interest of any beneficiary in a trust which holds any legal or equitable interest in real property, the interest of a partner or member in a partnership or limited liability company, the interest of a stockholder in a corporation, the interest of a holder of an option to purchase real property, the interest of a buyer or seller under a contract for purchase and sale of real property, and the transferable development rights created under chapter one hundred eighty-three A of the General Laws; but shall not include any interest which is limited to any of the following: the dominant estate in any easement or right of way; the right to enforce any restriction; any estate at will or at sufferance; any estate for years having a term of less than 30 years; any reversionary right, condition, or right of entry for condition broken; and the interest of a mortgagee or other secured party in any mortgage or security agreement.

"Seller", shall refer to the transferor, grantor or immediate former owner of any real property interest.

"Time of transfer" of any real property interest shall mean the time at which such transfer is legally effective as between the parties thereto, and, in any event, with respect to a transfer evidenced by an instrument recorded with the appropriate registry of deeds or filed with the assistant recorder of the appropriate registry district, not later than the time of such recording or filing.

"Town" shall refer to the Town of Nantucket acting by and through the Select Board.

SECTION 2. There is hereby imposed a fee equal to one half per cent (½%) of the purchase price upon the transfer of any real property interest in any real property situated in Nantucket County. Said fee shall be the liability of the seller of such real property interest, and any agreement between the purchaser and the seller or any other person with reference to the allocation of the responsibility for bearing said fee shall not affect such liability of the seller. The fee shall be paid to the Town of Nantucket, or its designee, and shall be accompanied by a copy of the deed or other instrument evidencing such transfer, if any, and an affidavit signed under oath or under the pains and penalties of perjury by the purchaser or his legal representative and the seller or his legal representative, attesting to the true and complete purchase price and the basis, if any, upon which the transfer is claimed to be exempt in whole or in part from the fee imposed hereby. The Town, or its designee, shall promptly thereafter execute and issue a certificate indicating that the appropriate fee has been paid or that the transfer is exempt from the fee, stating the basis for the exemption. The register of deeds for Nantucket County, and the assistant recorder for the registry district of Nantucket County, shall not record or register, or receive or accept for recording or registration, any deed, except a mortgage deed, to which has not been affixed such a certificate executed by the Town or its designee. Failure to comply with this requirement shall not affect the validity of any instrument. The Town shall deposit all fees received hereunder with the Town treasurer. The treasurer shall deposit such fees in the Affordable Housing Trust Fund. The fee imposed hereunder shall be due simultaneously with the time of transfer of the transfer upon which it is imposed. Notwithstanding the foregoing, whenever there is a conveyance of real property interests and a conveyance of personalty related thereto at or about the same time, the allocations of payments between real estate and personalty agreed to by the purchaser and seller shall not determine the amount of the fee due pursuant to this section; instead, the Town may require payment of the fee referred to in real property interests so conveyed as determined by the Town.

SECTION 3. At any time within seven days following the issuance of the certificate of payment of the fee imposed by section two, the seller or his legal representative may return said certificate to the Town or its designee for cancellation, together with an affidavit signed under oath or under the pains and penalties of perjury that the transfer, with respect to which such certificate was issued, has not been consummated, and thereupon the fee paid with respect to such transfer shall be forthwith returned to the seller or his legal representative.

SECTION 4. The following transfers of real property interests shall be exempt from the fee established by section 10. Except as otherwise provided, the seller shall have the burden of proof that any transfer is exempt under this section and any otherwise exempt transfer shall not be exempt in the event that such transfer (by itself or as part of a series of transfers) was made for the primary purpose of evading the fee imposed by section 10.

(a) Transfers to the government of the United States, the commonwealth, and any of their instrumentalities, agencies or subdivisions, including but not limited to transfers to the Town of Nantucket, the County of Nantucket.

(b) Transfers which, without additional consideration, confirm, correct, modify or supplement a transfer previously made.

(c) Transfers made as gifts without consideration. In any proceedings to determine the amount of any fee due hereunder, it shall be presumed that any transfer for consideration of less than fair market value of the real property interest transferred was made as a gift without consideration to the extent of the difference between the fair market value of the real property interest transferred and the amount of consideration claimed by the seller to have been paid or transferred, if the purchaser shall have been at the time of transfer the spouse, the lineal descendant, or the lineal ancestor of the seller, by blood or adoption, and otherwise it shall be presumed that consideration was paid in an amount equal to the fair market value of the real property interest transferred, at the time of transfer.

(d) Transfer to the trustees of a trust in exchange for a beneficial interest received by the purchaser in such trust; distributions by the trustees of a trust to the beneficiaries of such trust.

(e) Transfers by operation of law without actual consideration, including but not limited to transfers occurring by virtue of the death or bankruptcy of the owner of a real property interest.

(f) Transfers made in partition of land and improvements thereto, under chapter two hundred and forty-one of the General Laws.

(g) Transfers to any charitable organization as defined in clause Third of section five of chapter fifty-nine of the General Laws, or any religious organization, provided that the real property interest so transferred will be held by the charitable or religious organization solely for its public charitable or religious purposes.

(h) Transfers to a mortgagee in foreclosure of the mortgage held by such mortgagee, and transfers of the property subject to a mortgage to the mortgagee in consideration of the forbearance of the mortgagee from foreclosing said mortgage.

(i) Transfers made to a corporation or partnership or limited liability company at the time of its formation, pursuant to which transfer no gain or loss is recognized under the provisions of section three hundred and fifty-one or seven hundred and twenty-one of the Internal Revenue Code of 1986, as amended; provided, however, that such transfer shall be exempt only in the event that (1) with respect to a corporation, the transferor retains an interest in the newly formed corporation which is equivalent to the interest the transferor held prior to the transfer, or (2) with respect to a partnership or limited liability company, the transferor retains after such formation rights in capital interests and profit interests within such partnership or limited liability company which are equivalent to the interest the transferor held prior to the transfer.

(j) Transfers made to a stockholder of a corporation in liquidation or partial liquidation of the corporation, and transfers made to a partner of a partnership or to a member of a limited liability company in dissolution or partial dissolution of the partnership or limited liability company; but the transfer shall be exempt only if (i) with respect to a corporation, the transferee receives property (including real property interests and other property received) which is the same fraction of the total property of the transferor corporation as the fraction of the corporation's stock owned by the transferee prior to the transfer or (ii) with respect to a partnership or limited liability company, the transferee receives property (including real property interests and other property received) which is the same fraction of the property of the partnership or limited liability company as the fraction of the capital and profit interests in the transferor formerly owned by the transferee.

(k) Transfers consisting of the division of marital assets under the provisions of section thirty-four of chapter two hundred and eight of the General Laws or other provisions of law.

(l) Transfers of property consisting in part of real property interests situated in Nantucket County and in part of other property interests, to the extent that the property transferred consists of property other than real property situated in Nantucket County; provided that the purchaser shall furnish the Town with such information as it shall require or request in support of the claim of exemption and manner of allocation of the consideration for such transfers.

(m) The first $2 million of the sale price of any transfer or series of transfers of real property interests in a single transaction. Said exemption may be adjusted as determined annually by the affirmative vote of two-thirds of voters at an annual or special town meeting.

(n) Transfers of minority interests in corporations, trusts, partnerships or limited liability companies which are publicly traded, which trades are not part of a series of transfers which together constitute a transfer of control of a corporation, trust, partnership or limited liability company.

SECTION 5. (a) The Town treasurer shall keep a full and accurate account stating when, from or to whom, and on what account money has been paid or received relative to the activities of the Trust Fund and the Housing Fund. Said account shall be subject to examination by the director of accounts or his agent pursuant to section forty-four of chapter thirty-five of the General Laws.

(b) Schedules of beneficiaries of trusts, list of stockholders of corporations and lists of partnerships filed with the Trust Fund for the purpose of determining or fixing the amount of the fee imposed under section ten or for the purpose of determining the existence of any exemption under section twelve shall not be public records for the purposes of section ten of chapter sixty-six of the General Laws.

SECTION 6. A seller who fails to pay all or any portion of the fee established by section two on or before the time when the same is due shall be liable for the following additional payments in addition to said fee:

(a) Interest: The seller shall pay interest on the unpaid amount of the fee to be calculated from the time of transfer at a rate equal to fourteen per cent per annum.

(b) Penalties: Any person who, without fraud or willful intent to defeat or evade a fee imposed by this chapter, fails to pay all or a portion of the fee within thirty days after the time of transfer, shall pay a penalty equal to five per cent of the outstanding fee as determined by the Town for each month or portion thereof thereafter that the fee is not paid in full; provided, however, that in no event shall the amount of any penalty imposed hereunder exceed twenty-five per cent of the unpaid fee due at the time of transfer. Whenever the Town determines that all or a portion of a fee due under this chapter was unpaid due to fraud with intent to defeat or evade the fee imposed by this chapter, a penalty equal to the amount of said fee as determined by the Town shall be paid by the seller in addition to said fee.

SECTION 7. (a) The Town shall notify the purchaser and the seller by registered or certified mail of any failure to discharge in full the amount of the fee due under this Act and any penalty or interest assessed. The Town shall grant a hearing on the matter of the imposition of said fee, or of any penalty or interest assessed, if a petition requesting such hearing is received by the Town within thirty days after the mailing of said notice. The Town shall notify the purchaser and the seller in writing by registered or certified mail of its determination concerning the deficiency, penalty or interest within fifteen days after said hearing. Any party aggrieved by a determination of the Town concerning a deficiency, penalty or interest may, after payment of said deficiency, appeal to the district or superior court within three months after the mailing of notification of the determination of the Town. Upon the failure to timely petition for a hearing, or appeal to said courts, within the time limits hereby established, the purchaser and seller shall be bound by the terms of the notification, assessment or determination, as the case may be, and shall be barred from contesting the fee, and any interest and penalty, as determined by the Town. All decisions of said courts shall be appealable. Every notice to be given under this section by the Town shall be effective if mailed by certified or registered mail to the purchaser or the seller at the address stated in a recorded or registered instrument by virtue of which the purchaser holds any interest in land, the transfer of which gives rise to the fee which is the subject of such notice; and if no such address is stated or if such transfer is not evidenced by an instrument recorded or registered in the public records in Nantucket County, such notice shall be effective when so mailed to the purchaser or seller in care of any person appearing of record to have a fee interest in such land, at the address of such person as set forth in an instrument recorded or registered in Nantucket County.

(b) All fees, penalties and interest required to be paid pursuant to this chapter shall constitute a personal debt of the seller and may be recovered in an action of contract or in any other appropriate action, suit or proceeding brought by the Town; said action, suit or proceeding shall be subject to the provisions of chapter two hundred and sixty of the General Laws.

(c) If any seller liable to pay the fee established by this act neglects or refuses to pay the same, the amount, including any interest and penalty thereon, shall be a lien in favor of the Town upon all property and rights to property, whether real or personal, belonging to either such purchaser or such seller. Said lien shall arise at the time of transfer and shall continue until the liability for such amount is satisfied. Said lien shall in any event terminate not later than six years following the time of transfer. Said lien shall not be valid as against any mortgagee, pledgee, purchaser or judgment creditor unless notice thereof has been filed by the Town (i) with respect to real property or fixtures, in the registry of deeds for Nantucket County, or (ii) with respect to personal property, in the office in which a security or financing statement or notice with respect to the property would be filed in order to perfect a nonpossessory security interest belonging to the person named in the relevant notice, subject to the same limitations as set forth in section fifty of chapter sixty-two C of the General Laws.

(d) Sellers applying for an exemption under subsections (a) through (n) of section four shall be required at the time of application for exemption to execute an agreement legally binding on sellers and separately legally binding upon any Legal Representative of the sellers (1) assuming complete liability for any fee, plus interest and penalties if any, waived on account of an allowed exemption subsequently determined to have been invalid, and (2) submitting to the jurisdiction of the trial court of the commonwealth sitting in Nantucket County. Fees, plus interest and penalties if any, shall be calculated as of the date of the initial property transfer. Execution of the above-described agreement shall not be required of any mortgagee, pledge, purchaser or judgment creditor unless notice of the agreement has been recorded or filed by the Town.

In any case where there has been a refusal or neglect to pay any fee, interest or penalties imposed by this act, whether or not levy has been made, the Town, in addition to other modes of relief, may direct a civil action to be filed in a district or superior court of the commonwealth to enforce the lien of the Town under this section with respect to such liability or to subject any property of whatever nature, of the delinquent, or in which he has any right, title or interest, to the payment of such liability.

The Town may issue a waiver or release of any lien imposed by this section. Such waiver or release shall be conclusive evidence that the lien upon the property covered by the waiver or release is extinguished.

SECTION 8. The fee described in section 2 shall be of a ten-year duration from the date this act shall take effect. This fee may continue for five-year periods by a majority vote at a Town Meeting authorizing the fee. The fee described by section 2 may be (1) decreased, or (2) eliminated by two-thirds vote of Town Meeting. In the event that Town Meeting votes to eliminate the fee, the balance of any fees previously collected shall be transferred to the Town of Nantucket and held by the treasurer in a separate account, and shall first be used to satisfy any outstanding liabilities or obligations incurred by the Town of Nantucket or the Affordable Housing Trust as a result of imposition of the fee, and the remainder may be expended without further appropriation by the Select Board for affordable housing purposes. In the event that the liabilities and obligations of the Town of Nantucket or the Affordable Housing Trust exceed the amounts transferred to the Town, the fee shall remain in full force and effect until such liabilities and obligations have been satisfied.

SECTION 9. The provisions of this act are severable, and if any provision hereof, including without limitation any exemption from the fee imposed hereby, shall be held invalid in any circumstances such invalidity shall not affect any other provisions or circumstances. This act shall be construed in all respects so as to meet all constitutional requirements. In carrying out the purposes and provisions of this act, all steps shall be taken which are necessary to meet constitutional requirements whether or not such steps are required by statute.

SECTION 10. If the Town has determined that a fee is due by asserting the application of the evasion of fee doctrine described in section 2 then the seller shall have the burden of demonstrating by clear and convincing evidence as determined by the Town that the transfer, or series of transfers, possessed both: (i) a valid, good faith business purpose other than avoidance of the fee set forth in section 2and (ii) economic substance apart from the asserted fee avoidance benefit. In all such cases, the transferee shall also have the burden of demonstrating by clear and convincing evidence as determined by the Town that the asserted non-fee-avoidance business purpose is commensurate with the amount of the fee pursuant to section 2to be thereby avoided.

SECTION 11. Pursuant to state enabling legislation pending with the General Court for the adoption of an act providing cities and towns the option to support affordable housing with a fee on certain real estate transactions, the legislative body of a city or town by a majority vote may adopt said act upon the passage of said act by the Senate and the House of Representatives of the General Court, and furthermore, a favorable majority vote of this Article by this Town Meeting is also deemed to be a vote by Town Meeting to adopt said act providing cities and towns the option to support affordable housing with a fee on certain real estate transactions, provided the provisions contained herein are consistent with the provisions of said act.

SECTION 12. This act shall take effect ninety (90) days following the date of passage.

**<u>VOTE: The vote on the motion pursuant to Article 76, as moved by the Finance Committee: Yes: 405, No: 99 The motion was adopted.</u>**

Nancy L. Holmes

Nancy L. Holmes, CMC
Town & County Clerk

THE
RICHMOND
COMPANY, INC.

# MEMORANDUM

**TO:** **Mr. Brian Sullivan, Chair**

**Cc:** **Philip Pastan, Kathryn Fossa, Tucker Holland, Brian Turbitt**

**FROM:** **Andrew D. Burek**

**RE:** **Sandpiper Place AMI Restricted Housing Construction Loan Financing Request in the proposed amount of $3,100,000.00**
**21 Beach Grass Road, 4, 8, and 9 Bluet Court, 24A Evergreen Way, 3 Lilac Court and 7 Sandplain Drive, Nantucket Town and County, Massachusetts.**

**DATE:** **August 18, 2023**

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Dear Chair Sullivan:

This memorandum will serve as background for, and an outline of, this office's request, made on behalf of Richmond Great Point Development, LLC ("Richmond"), to the Nantucket Affordable Housing Trust for a construction loan financing facility which will be utilized to complete the construction of the final seven (7) AMI restricted homes retained by Richmond in its Sandpiper Place Workforce and Affordable Homeownership Development Projects. As discussed, the loan as herein contemplated will permit Richmond to expedite its construction of AMI-Restricted homes on pace to complete the construction of all remaining builds by the close of calendar year 2024. Richmond has been unable to identify funds from traditional financing sources and will be unable to complete the home construction at this desired pace unless with more favorable financing terms such as are proposed in this Memorandum, almost exclusively due to the substantial disproportionality of the costs of construction as compared to the permitted sales prices of these homes. Without new financing, Richmond will likely be in position to construct only three to four of the remaining seven (7) homes within the same timeframe.

It is critical to expedite construction of these homes, at least in part, in response to the results of the recently conducted Affirmative Fair Housing Marketing outreach and lottery conducted for these homes. There are fifty-three (53) households qualified to purchase the six (6) homes (a factor of more than 8:1) that will be made available at 80% of AMI and there are eighteen (18) households qualified to purchase the one (1) and only remaining home to be made available at 175% of AMI. As is clear even from these limited statistics, and as you and the Board Members are all too well aware, there is simply not enough supply to meet the demand for affordable housing on Nantucket. It is also important to note that sixty-six (66) of the seventy-one (71) qualified households list Nantucket addresses (almost 93% of the qualified households) as their primary residences. Assuming each of the homes offered in this stage of the lottery are purchased by Nantucket residents there will remain fifty-nine (59) Island households that, although making a life on Nantucket and qualified for the program, will not be offered an opportunity for homeownership at this time.

Proposed Loan Terms:

The basic and essential terms of Richmond's financing request are as follows:

- Total Project Cost of not more than $4,200,000;
- Construction Loan Financing in the of $3,100,000;
- Loan Proceeds to be funded at sooner of Closing or upon Borrower's evidence of investment of minimum equity to cover gap between loan funds and Total Project Cost (or $1,100,000);
- Term: eighteen (18) months;
- Rate: Town's alternative investment yield fixed on the date of the loan understood to be approximately 6.25%;
- Repayment: Monthly payments of interest-only with partial principal repayments consisting of all net proceeds received by borrower upon the sale of all or any portion of the collateral. Outstanding principal balance of loan to be repaid in full upon sale and release of final lot of collateral;
- Prepayment Premium: Yield-Maintenance;
- Collateral: 1st mortgage loan on seven (7) residential Lots[1] and all improvements now or hereafter constructed.

Although you are generally familiar with Richmond's projects on Nantucket, I will take this opportunity to provide you with facts which may be relevant to your consideration of this request.

The Sandpiper Place Developments:

The Sandpiper Place Developments are located off of Old South Road east of Town and west of the Nantucket Memorial Airport on land now or formerly owned by Walter J. Glowacki. The Project divided approximately 16.5 acres of land area into two (2) residential housing subdivisions totaling ninety-four (94) buildable lots. The permits issued (issued in calendar year 2017) required that the Projects be constructed and / or sold with a component of workforce and affordable inventory of not less than twenty-seven (27) total restricted lots and thirty (30) total restricted units (each of the foregoing figures being inclusive of the three (3) lots fronting on Honeysuckle Drive conveyed to Housing Nantucket by Richmond on or about June, 2022 for non-monetary consideration). Cumulatively, nine (9) of the twenty-seven (27) restricted lots have dwellings constructed upon them. Of the remaining eighteen (18) Restricted Lots:

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[1] See enclosed Exhibit and please also refer to Certificate of Title No. 24,872 filed with the Nantucket County Registry of Deeds. The financed properties consist of Lots 920, 921, 923, 924, 926, and 935 on Land Court Plan 16514-117; and Lot 1071 on Land Court Plan 16514-147.

- Richmond is responsible for construction on seven (7) total Lots;

- Nantucket Property Owner LLC is responsible for construction on eight (8) total Lots; and

- The three (3) Housing Nantucket Lots are presently under construction under a design-build arrangement between Housing Nantucket and The Richmond Company, Inc.

An exhibit identifying the two (2) distinct subdivisions, the location of the proposed collateral, and other current data points (focused principally upon ownership statistics and construction progress) is enclosed with this Memorandum for your reference.

Sandpiper Place I (South):

To date, Richmond has constructed and sold eight (8) homes to income-restricted households in the Sandpiper Place I (South) Development Project. Three (3) of those homes (all detached single-family dwellings) were sold to households certified as earning not more than 80% of AMI and five (5) of those homes were sold to households certified as earning not more than 175% of AMI (2 of these homes are duplex condominium units and 3 are detached single-family home units). Six (6) out of the seven (7) homes which are the subject of this financing request are located in Sandpiper Place I (South).

Of the forty-two (42) buildable lots permitted in the subdivision:

- Thirty-five (35) have been sold to third parties (comprised of 21-Market Rate Lots which are either occupied or nearing completion of construction; 6-Market Rate Lots which are vacant; and eight (8) AMI-Restricted Lots); and

- Seven (7) Lots remain owned by Richmond (1-Market Rate Lot; and 6-AMI Restricted Lots).

As a condition to the grant of the Special Permits of the Sandpiper Place Development Projects, the Nantucket Planning Board required that each subdivision comply with a construction ratio of two (2) Market-Rate Occupancy Certificates obtained for each one (1) AMI-Restricted Occupancy Certificate obtained in excess of the first thirteen (13) market-rate Occupancy Certificates granted. The current state of construction progress (as summarized in the tables in the attached exhibit) demonstrates that Richmond is in compliance with this condition. Twenty-one (21) Market-Rate Lots have been granted Occupancy Certificates while the condition permits for up to twenty-nine (29) Occupancy Certificates, derived by multiplying the eight (8) AMI-Restricted Lots for which Occupancy Certificates have issued by a factor of two and adding the initial thirteen (13) certificate allowance. Consequently, even if all six (6) owners of vacant lots that are not Richmond construct dwellings and are issued Occupancy Certificates, then Richmond as the project sponsor will still remain in compliance with the condition by an additional two (2) Occupancy Certificates.

Sandpiper Place II (North):

The Sandpiper Place II (North) Development Project was initially developed for a total of fifty-two (52) residential dwelling Lots. Subsequent permitting by Nantucket Property Owner LLC has resulted in the conversion and relocation of one (1) AMI-Restricted Lot into a Community Pool Amenity and transfer of the AMI-Restricted Lot into Sandpiper Place I (South). Presently, thirteen (13) of the Lots are AMI-Restricted Lots and thirty-eight (38) are Market-Rate Lots. To date:

- Richmond has sold ten (10) Market-Rate Lots to third parties (comprised of eight (8) Market-Rate Lots which are either occupied or nearing completion of construction; and two (2) market-rate vacant lots);

- Richmond sold an increment of thirty-five (35) Lots (one of which was converted to the Community Pool Amenity) in one transaction to Nantucket Property Owner LLC consisting of twenty-five (25) Market-Rate Lots and ten (10) AMI-Restricted Lots (1 of the AMI-Restricted Lots was transferred to Sandpiper Place I (South) by NPO); and

- Richmond conveyed three (3) AMI-Restricted Lots to Housing Nantucket; and

- Richmond has retained ownership of four (4) total Lots (3-Market Rate Lots; 1-AMI Restricted Lot).

As indicated in the table in the attached exhibit, the Sandpiper Place II (North) Development is likewise in compliance with the Planning Board's building ratio condition. A fifteen (15) Occupancy Certificate allowance exists against nine (9) outstanding Market-Rate Occupancy Certificates. Unlike the Sandpiper Place I (South) Project, however, NPO is the primarily responsible party for ensuring compliance with this condition due to its ownership of the majority of Lots in the subdivision of each class. Richmond retains only one (1) remaining AMI-Restricted Lot and intends to commence construction upon that Lot as soon as practical.

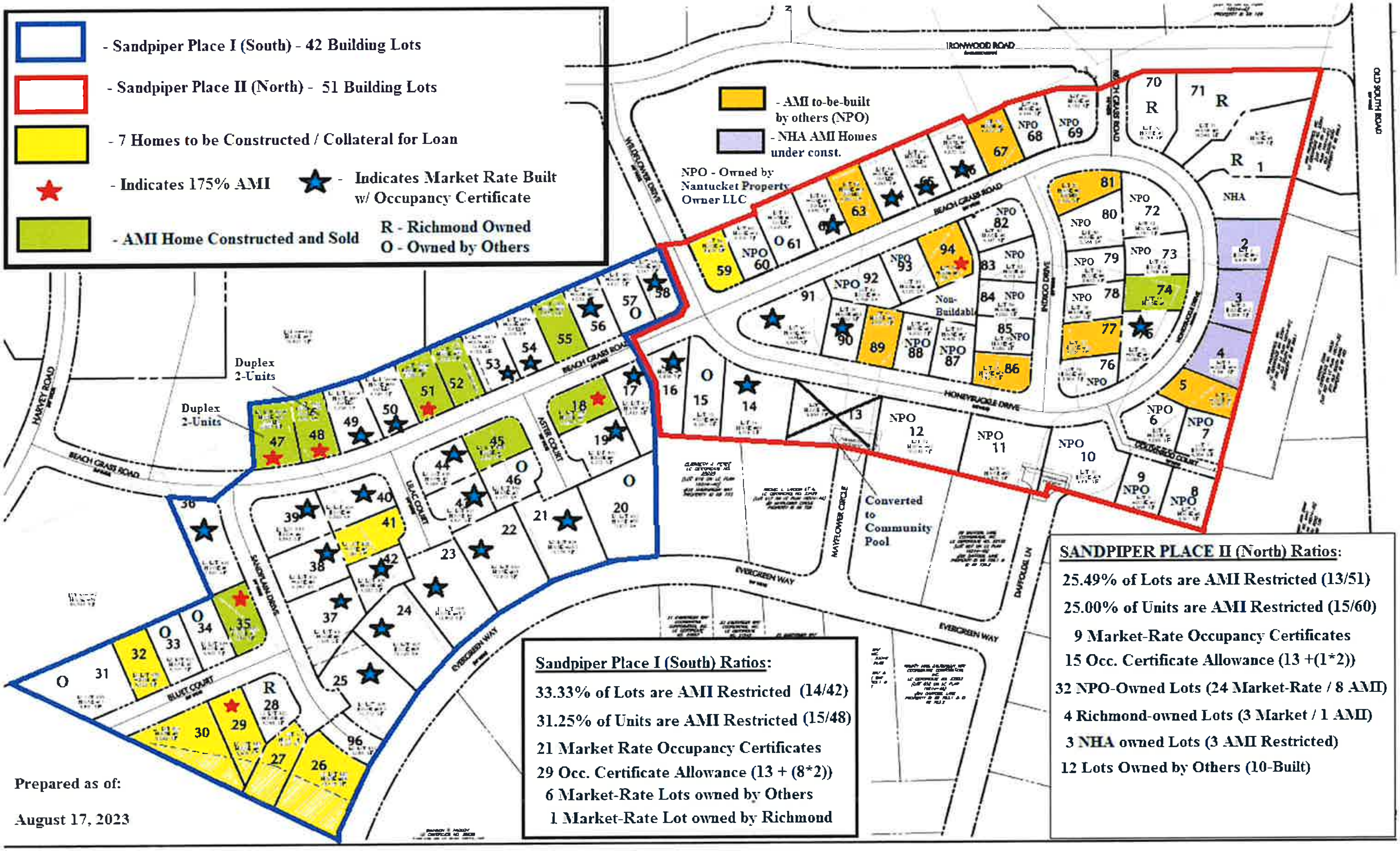
As always, thank you for your time in understanding our efforts to provide quality affordable and workforce housing to the community and in consideration of this request. We hope that with your assistance Richmond deliver the remainder of its units by the end of calendar year 2024. I can be reached for further discussion and questions by electronic mail delivered to aburek@richmondco.com, or by telephone at (617) 467-0192.

Sincerely,

Andrew D. Burek
General Counsel

Enc.

***END OF TEXT***.




Prepared as of:

August 17, 2023