TUCKET AFFORDABLE HOUSING TRUST

~~ MEETING MINUTES ~~

TUESDAY, July 9th, 2024.

Remote Meeting via Zoom– 12:30 pm

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

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ATTENDING MEMBERS: Forest Bell, Tom Dixon, Meg Browers, Shantaw Bloise-Murphy, Brian Sullivan
STAFF IN ATTENDANCE: Kristie Ferrantella (Housing Director), Ellis Ramos (Housing & Real Estate Office Manager), Lee Smith (Town Counsel)
SPEAKERS IN ATTENDANCE: Anne Kuszpa (Housing Nantucket), Colin Frolich (Placemate), Julia Linder (ACK Now)

I. Call to Order

Brian Sullivan called this meeting to order at 12:35pm.

II. Approval of Agenda – ACTION

Kristie Ferrantella suggested that they shift items 8 and 9, to take the Year-Round Deed Restriction Program prior to the Lease to Locals.

Tom Dixon made a MOTION to approve the agenda as amended by Kristie Ferrantella. Meg Browers seconded this motion.

ROLL CALL of those participating:

- Tom Dixon Aye
- Meg Browers Aye
- Dave Iverson Aye
- Shantaw Bloise-Murphy Aye
- Forest Bell Aye
- Brian Sullivan Aye

III. Approval of Minutes – ACTION

Brian Sullivan suggested taking the minutes to a future meeting to make sure that staff has enough time to make all the edits by the Trust members.

IV. Announcement

Kristie Ferrantella said that there is a Habitat for Humanity homeownership opportunity, and the lottery deadline is Monday July 15th, and this will serve up to 80% AMI.

V. Public Comments

Sean Reid said that he owns a duplex on Nantucket. He is a landlord and is currently participating in the Lease to Locals program. He has had a great experience with the program.

He said that he recently purchased the other side of the duplex and is able to house five year-round people through the Lease to Locals program. He thinks the program is hugely beneficial if it stays fully funded, because it would be a big mistake to only fund 50% of the incentive to returning participants from the first pilot program.

Shantaw Bloise-Murphy thanked Sean Reid for sharing his landlord perspective on the program.

VI. CCAP Application – ACTION

- **65R Miacomet—Shaylyn Boynton**

Shantaw Bloise-Murphy made a MOTION to approve the Closing Cost Assistance for 65R Miacomet Ave, not to exceed $15,000.00 and any remaining funds to be returned to the Trust. Meg Browers seconded this motion.

ROLL CALL of those participating:

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

- **7B Green Meadows – Joel Alvarado**

Tom Dixon made a MOTION to approve the Closing Cost Assistance for Joel Alvarado, not to exceed $15,000.00 and any remaining funds to be returned to the Trust. Shantaw Bloise-Murphy seconded this motion.

ROLL CALL of those participating:

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

- **10 Honeysuckle Drive—Shaylyn Maguire**

Brian Sullivan said that the Trust previously had voted that they were only funding closing cost assistance up to 175% AMI. He said if they want to entertain this application, they have to have a policy conversation prior and take a minute to review the application or completely put it off to a future meeting.

Some discussion followed.

The Trust agreed to move this application to a future meeting so they can review the programs policies.

VII. Request for Approval and Execution for Documents in Connection with Meadows II Rental Housing Development Project:

- **Certification of Compliance to Executive Office of Housing and Livable Communities for Project Compliance with Local Initiative Program Regulatory Agreement and Declaration of Restrictive Covenants as amended of Meadows II Rental Housing Development Project.**

- **Any Other Necessary Documents Related to Funding of Buydown of Units in**

Phases 5 and 6 of Meadows II known as Gooseberry Place.

Kristie Ferrantella said at the June Meeting, the Trust approved a grant to Richmond to buy down some of the market rate units to affordable rental rates. In doing this Richmond had to amend their Local Initiative Program application with the EOHLC. She said this agenda item is to have a motion to authorize the Chair or Vice-Chair to sign off on these documents to be submitted to EOHLC and ultimately this will allow them to apply for Safe Harbor at the end of the year, using a combination of these units and the Habitat for Humanity homes.

Shantaw Bloise-Murphy made the MOTION as stated by Kristie Ferrantella. Meg Browers seconded this motion.

ROLL CALL of those participating:

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

VIII. Year-Round Deed Restriction Pilot Program – DISCUSSION/ACTION

Judi Barrett said she knows that there were a lot of questions, most of which did not surprise her. She said it is great that people are reading this critically and asking questions. A lot of them were policy questions that need a decision from the Trust.

Some discussion followed.

Kristie Ferrantella said that because these are going to be a purchase of real estate interest it will go through an RFP process with the Finance Department, so they have to finalize the guidelines that Judi Barrett has put forth. Basically, the application and the guidelines will be what gets issued by the Finance Department and then homeowners will be able to apply through that process. She said it will be an open RFP so it would probably be open for over a year and people can submit their applications and they will be reviewed on an ongoing basis. She said that the current guidelines say that a decision would be made in two weeks, and she suggested extending it to give her office more time to review the applications. TShe suggested 30 to 45 days for review and then from there it just has to go through the finance process, legal, have an agreement and then record the deed and issue the payment.

Kristie Ferrantella said there has been a lot of interest in this program since the newspaper article and it would be helpful to answer some of these questions before issuing the RFP, knowing that this is a pilot program and there will be questions that will be addressed later on. Kristie reviewed the questions that have been asked and provided a staff recommendation. Judi and the Trust provided comments as shown below.

Questions	**Staff Recommendation**	AHTF Comment
Can the property be rented year-round, or does it need to be owner occupied?	Allow YR rental	Yes, but restrict the # of properties
If rented year-round, does the tenant need to be income-qualified at 240% or less and be an employee on Nantucket?	Yes	

If yes, will it be on the AHT to income qualify the tenant?	I propose setting up an agreement with an agency to do the income qualification and have it be a part of the application and annual review paperwork	
The guidelines say it needs to be occupied 10 months out of the year. Can the other two months be rented long term (aka no STR)	Yes, as long as the two months have rentals longer than 31 days; tenant must meet program qualifications	No; YR tenants need to be 12-month lease; Owner-occupied allowed two weeks
If yes, does the tenant need to be income qualified and does the tenant need to be an employed within Nantucket?	Yes	
Will the Trust be doing an inspection of the property? What if it's not in good condition? How would we rate the condition?	I would recommend that part of the application include an affidavit certifying that there are no known code violations on the property; In addition, the RFP could rate homes in poor quality as least advantageous	Need inspection provided in application
Will the Trust have any rating with respect to coastal resiliency? Are we willing to accept deeds on properties that are at high risk?	I would recommend that the RFP rate homes above potential coastal flood zones to high advantageous	
The definition of "Nantucket Employee" is defined on page 2 of the guidelines but then is not used anywhere else in the guidelines or the application. Is it required that you be a Nantucket Employee for this pilot program?	Recommend that qualified applicants include: 1A. Employed with an employer based in Nantucket; 1B Already a full time resident but works remotely; 2A. Already a full-time resident of Nantucket; 2B) contributing to the Nantucket community by serving on a Town Board/Committee, volunteering with a local organization, participating in the town's art/cultural scene, or providing a similar benefit to the community; and 3. A person unable to work or who does not have a work history due to qualifying for disability as defined by the Americans with Disabilities Act (ADA). *(Stole from Provincetown's guidelines).*	
If yes, the AHT should consider adding a provision, like Provincetown did with their Lease to Locals, to include "any person who serves on a Town board or community nonprofit."	See comment above	
Does remote work count if you live year-round but work for a company based elsewhere?	My suggestion is that the applicant must already be living here full time to qualify under this guideline; otherwise, the intent of the program may not be fulfilled	
Does a home need to have home insurance for the Town to purchase a deed restriction?	*Need Town Counsel's recommendation*	Yes
Does the deed restriction follow the parcel if it's subdivided? Or would the new lot created be unrestricted?	*Need Town Counsel's recommendation*	Would stay on parcel and any future piece of the parcel
Are there criteria for why someone would get rejected?	The application will ultimately go through a Request for Proposals (RFP) from the finance department and would have guidelines on what is advantageous vs least advantageous.	
Will there be an ability to apply for a hardship waiver. What if the owner of the home passes a way and the family needs time to re-occupy it?	My recommendation is to deal with this on a case-by-case basis when we do the annual audit of the property. Who deals with this?	
Is there a fee for noncompliance	*Need Town Counsel's recommendation*	Look at other programs; Vail, CO forces a sale. Town Counsel did not believe we could do this.

Does owning a time-share disqualify you from participating in the program?	*Need Town Counsel's recommendation*	Yes
Is the Deed restriction re-sell-able? I.e., could a homeowner pay back the Trust and remove the deed restriction?	*Need Town Counsel's recommendation*	No
If you move the house off the site, does the deed follow the home or only remain on the parcel?	*Need Town Counsel's recommendation*	Just on the parcel
Why exclude Blood Relatives from the program?	This is what most programs do; Given the unique circumstances of Nantucket, I would reconsider allowing blood relatives to apply; it may be the only way they can purchase their parent's property there should be a market rate transaction.	Hold on pilot. There were some concerns about penalizing families who are trying to help relatives. This could be a future guideline after the pilot
Can Local Businesses Apply?	Yes, as long as the tenant is an employee and has a YR lease	Hold off on pilot
Can Developers apply if building homes for sale or rent to local workers?	Yes, as long as the future owner/tenant meetings the qualification criteria	Hold off on pilot
Does the homeowner get the appraisal or does the Trust?	Other programs require the homeowner to get an appraisal; Brian Turbitt would prefer that the Town order an independent appraisal; I would request that the homeowner submit one and then if the Trust is interested in pursuing the property, we would order one as well, otherwise we may be paying for a lot of appraisals	
Could potential home buyers apply for the program without the property in mind to have approval before they search for a home?	The Program in Truckee, CA allows potential homeowners to apply but they do not give an amount of the grant until the homeowner re-applies with a potential home. This way the buyer knows they will have bought down assistance but does not approve a funding amount until they have a house to purchase. I would recommend Nantucket adopt the same approach. If there is a mortgage, lender must agree to subordination, right?	Adds paperwork that's not needed; does not want to include in pilot program
Will the Trust be managing the program in house, and will approval really be within 14 days?	As the director of housing, I would recommend that 30 days be given to review information and bring it to the Trust for a vote; In talking with other programs - they hire outside organizations to manage their deed restriction. I would recommend that year 1 be managed in house and future years could be outsourced with an RFP	
Can you provide a copy of the Deed to show to mortgage lenders?	The Trust will provide a sample copy of the deed with the release of the guidelines and application through the Finance Department	
Will the Deed restrict future development of the site, or could the homeowner request that?	I would propose that no new units be added unless allowable by current zoning. If the homeowner wanted to add that to the deed, we would need town counsel review and may negotiate price based on details	
Is there a limit on the number of properties I can restrict?	I would recommend that as a pilot program, we should restrict to two properties per owner	Properties, not dwelling units

Would the Trust consider a different resale value that prevent price from being dependent on interest rates?	Truckee, CA's program allows a 3% increase a year. I could look into other models as well	Judi will explore other models

Some discussion followed. The Trust will hold this agenda item open until the August meeting. Kristie reminded the Trust that homeowners are interested in this program, and they should vote to implement the pilot program and allow for changes in the future.

IX. Lease to Locals Program – DISCUSSION/ ACTION

Kristie Ferrantella said that Colin Frolich and Julia Linder are on the call today to discuss about their Lease to Locals Program that they piloted through the ACK Now Community Initiatives, and they've come to the Trust originally with an ask for $550,000 to continue this program into a second year that would help provide an incentive for existing homeowners that are participating and then encourage new homeowners to participate. That ask was reduced at the last meeting to $450,000 after a grant came in from ReMain Nantucket so Colin has prepared a presentation addressing some of the outstanding questions they had.

- **Fair Housing Act**

Lee Smith said that he did some research about the Fair Housing Act on the Federal and State level, and he is not in the position to be assuring compliance. Instead, as part of the Grant Agreement, the Trust could require a certification on the part of Housing Nantucket that they would in turn ensure that all applicable Fair Housing Laws are being complied with and then they could have further discussion as to whether Housing Nantucket wants to include similar language and any agreement, they may have with Placemate.
Some discussion followed.

- **Does Placemate's data policy align with the Town's security policy.**

Coin Frolich said that Placemate laid out their policies and the Town's Chief Technology Officer said those look great.

- **Would the Finance Department sign off on this and the use of funds.**

Kristie Ferrantella said that she had a conversation with Finance Director Brian Turbitt, and everything was good. Theis will be a Grant Agreement and then payment will be issued when Housing Nantucket submits for reimbursement.

- **What percentage of the Phase 1 Pilot properties are expected to renew.**

Colin Frolich said that they were able to reach out to 21 of the 22 property owners and the majority of them are willing the renew for a second year.
Some discussion followed.
Colin Frolich said that the next set of question are policy questions.

- **Would the property owner renew with an additional incentive equal to 50% of the Original Incentive?**

Colin Frolich said that he reached out to 21 of 22 of the property owners none of them said they would not renew which is fantastic, very interestingly 15% on the landlords indicated they would renew with this 50% incentive that they offered.
Some discussion followed.

- **Rent Caps**

Colin Frolich said that he looked at what people currently renting at, and he knew the median is around $3200 a month and there are some that are as high as $5000 because that was the maximum that they allowed, but their recommendation is to lower the rent caps by unit size to control for affordability.

Proposed Rent Caps:

Unit Size	Max Rental Rate
Private Room	$1,500
Studio	$2,000
1BD	$2,700
2BD	$3,500
3BD+	$4,000

Some discussion followed.
Colin Frolich said that Lease to Locals is asking the Affordable Housing Trust for $450,000 but before they finalize there were some policy questions. Colin reviewed the policy questions with Staff and Placemate recommendations.

1. Question: Would the Trust add in an income restriction per qualifying tenant (Max 175% AMI/$187,600)?
   Answer: Yes, an income restriction will be applied to the program.
   The private funds will be used where Pilot Program Phase One qualified tenants are greater than 175% AMI.
2. Question: Should Qualified tenants be allowed to be of blood relation?
   Answer: Yes, but only if converting from a short-term rental. Colin said that they have never done this before in any Market where they allow some sort of blood relatives and some not; it is usually a yes or no but, in the case, if it's a STR conversion to be rented to a relative than they can qualify as a qualifying tenant. Trust members agreed with this.
3. Question: Should there be a maximum number of two grants per property ownership?
   Answer: Yes
4. Question: Will Pilot Phase one lease renewals have 50% of the of the original incentive?
   Answer: Yes.
5. Question: Should L2L keep rental caps as is or require rental caps by size of the unit?
   Trust members agreed with adding rental caps by unit size.
   The rental caps will not apply to the pilot program phase one participants but limit the rent increases to max 5% annually.
   Some discussion followed.

Kristie Ferrantella suggested that they make a motion to have staff work with Town Counsel to draft a Grant Agreement for funds up to $450,000 for a partnership with Housing Nantucket and Placemate

for the relaunch of the Lease to Locals Program with rent caps by units and serving tenants up to 175% AMI. Brian Sullivan suggested an amendment to the motion that this is for a one-year Pilot program, subject to Select Board approval.
Meg Browers made the MOTION as stated by Kristie Ferrantella and amended by Brian Sullivan. Shantaw Bloise Murphy seconded this motion.
ROLL CALL of those participating:

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

X. Other Business

- **Next Meeting is July 16, 2024, at 12:30pm**

XI. Board Comments

XII. Executive Session, Pursuant to MGL C. 30A § 21(A)

- **Approval of Executive Session Minutes of February 21, 2023; March 21, 2023; July 25, 2023; August 22, 2023; August 29, 2023; September 5, 2023; September 19, 2023; October 31, 2023.**

- **Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding 44 Miacomet Road and 48 Miacomet Road, where an Open Meeting May have a Detrimental Effect on the Negotiating Position of the Affordable Housing Trust Members and the Chair so Declares.**

Tom Dixon made a MOTION to adjourn Open Session to move to Executive Session, not to return to Open Session for the purpose to consider the purchase, exchange, lease, or value of real property, where an Open Meeting may have detrimental effect on the negotiating position of the Affordable Housing Trust members and the Chair so declares. Meg Browers seconded this motion.

ROLL CALL of those participating:

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

XIII. Adjournment

Meeting adjourned at 2:48pm