NANTUCKET AFFORDABLE HOUSING TRUST

~~ MEETING MINUTES ~~

Tuesday, November 19th, 2024.

Remote Meeting via Zoom– 12:30pm

Trust Members: Brian Sullivan (Chair), Penny Dey (Vice-Chair), Meg Browers, Abby De Molina, Shantaw Bloise-Murphy, Forest Bell, Tom Dixon

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ATTENDING MEMBERS: Brian Sullivan, Penny Dey, Tom Dixon, Abby De Molina, Forest Bell, Meg Browers, Shantaw Bloise-Murphy

STAFF IN ATTENDANCE: Kristie Ferrantella (Housing Director), Ellis Ramos (Housing Office Manager), Brian Turbitt (Finance Director), Vicki Marsh (KP Law), Lee Smith (KP Law), Meg Trudel (Senior Planner)

SPEAKERS IN ATTENDANCE: Stephen Maury

I. Call to Order

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

II. Approval of Agenda – ACTION

Tom Dixon made a MOTION to approve the agenda. Penny Dey seconded the motion.

Roll call of those participating

1. Shantaw Bloise-Murphy Aye
2. Tom Dixon Aye
3. Penny Dey Aye
4. Abby De Molina Aye
5. Meg Browers Aye
6. Forest Bell Aye
7. Brian Sullivan Aye

III. Public comments *for items not listed on the agenda.*

No public comments.

IV. Approval of Minutes – ACTION

- **October 15, 2024**
- **October 18, 2024**
- **October 28, 2024**
- **November 1, 2024**
- **November 7, 2024**

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

Meb Browers made a MOTION to approve the meeting minutes from October 15, and to hold the minutes from October 18 and 28th and for November 1st and 7th, 2024. Penny Dey seconded the motion.

Roll call of those participating

1. Shantaw Bloise-Murphy Aye
2. Meg Browers Aye
3. Tom Dixon Aye
4. Forest Bell Aye
5. Penny Dey Aye
6. Abby De Molina Aye
7. Brian Sullivan Aye

V. Announcements

1. **The Nantucket Affordable Housing Trust is excited to announce the release of two Requests for Proposals (RFPs) for the development of affordable housing on Trust-owned vacant lots. For more details and to access the documents, please visit https://www.nantucket-ma.gov/199/Procurement**
2. **Richmond Development has opened applications for the lottery of 12 income-restricted rental units at Gooseberry Place within Meadows II. These units offer a range of affordability, with options for households earning 80%, 110%, and 120% of the area median income (AMI). Applications are due by December 9th and the lottery will take place on January 9, 2025. For more details and to apply, visit the Richmond Office at 1 Orchid Place or the Nantucket Atheneum.**

Kristie Ferrantella made two important announcements. First, she informed the group that the Affordable Housing Trust has released two requests for proposals (RFPs) for the development of Trust-owned vacant lots located on Bartlett Road, Vesper Lane, Amelia Drive, and Orange Street. She mentioned that additional details regarding the RFPs can be found on the town's procurement website, with the link posted in the meeting agenda.

Her second announcement was about Richmond Development, which has opened applications for a lottery of 12 income-restricted rental units at Gooseberry Place, part of their Meadows II development. These units will be available to a range of income levels, from 80% to 120% of the area median income (AMI). Kristie noted that applications are due by December 9th, with the lottery scheduled for January 9th. Information on how to apply is available at the Richmond office or the Nantucket Athenaeum. She encouraged everyone to share the details with their families and friends.

Penny Dey asked Kristie Ferrantella what the timeline for the Request for Proposals (RFPs) is and if there have been any inquiries to date.

Kristie Ferrantella said that the deadline is March 14th of 2025. All inquiries go through the Procurement office, so we do not yet have details on who has shown interest.

VI. Response to Public Comment from October 18, 2024

Kristie Ferrantella provided a response to a public comment made during the October 18th meeting regarding the year-round deed restriction pilot program and its connection to the Affordable Homes Act, specifically the Home Rule petition that sought to remove income restrictions on deed restriction programs. She explained that the year-round deed restriction pilot program, developed by the Trust over the last two years, had its guidelines and policy initiatives approved by the Trust in September. The program is currently moving through the town's procurement process via the finance department, and they are working to release the application in the most user-friendly manner possible.

Kristie Ferrantella explained that regarding the removal of income restrictions on deed restrictions, she referred to the Affordable Homes Act, which includes the seasonal community's designation. This designation allows municipalities to impose year-round occupancy restrictions without income restrictions. However, the state has not yet provided full guidance on how this process will unfold. The state has indicated that more information will be released by mid-December. Additionally, Nantucket will opt into the seasonal community's designation, which will be an option for consideration at the Annual Town Meeting on May 3, 2025. If the designation and guidelines are in place by then, the Trust will be able to proceed with a program that does not have income restrictions, should they choose to move forward with it.

VII. Review 2025 Affordable Housing Trust Fund Meeting Schedule – DISCUSSION

Kristie Ferrantella outlined the proposed meeting schedule, suggesting meetings on the first and third Tuesday of each month. She noted that for months with five weeks, such as April and July, there might be the possibility of a third meeting if additional agenda items require it.
Penny Dey shared her thoughts on the current meeting schedule, noting that in the past, the Trust typically scheduled monthly meetings and added additional ones as needed. However, she observed that the current schedule involves two to three meetings per month. She agreed that it was a good idea to schedule meetings on the first and third Thursday or Tuesday of each month but asked if meetings could be canceled in advance if they were not needed.
Brian Sullivan confirmed that cancellations would be possible.
Penny Dey also mentioned that scheduling is a significant challenge, particularly for those working full-time, as meetings require a substantial time commitment, often lasting three hours. She emphasized the importance of the work being done and thanked the group for considering her thoughts.
Tom Dixon raised a concern regarding one of the proposed meeting dates, May 20, which coincides with the annual town election.
Kristie Ferrantella indicated that the date could be adjusted prior to the meeting.
Meg Browers expressed appreciation for the proposed schedule and seconded the idea of blocking time in advance while canceling as needed. She emphasized the importance of adding the dates to the calendar as soon as possible.

VIII. Select Board Quarterly Report – REVIEW

Kristie Ferrantella noted that another quarter has passed, and she will be presenting an update to the

Select Board, tentatively scheduled for December 4th or 11th. She provided an overview of the accomplishments by the Affordable Housing Trust between July and September 2024. This included awarding closing cost assistance, engaging in advocacy for the Affordable Homes Act, which passed in August, and beginning preparations for the seasonal community's designation. The Trust also finalized requests for proposals, released in October, and provided a $450,000 grant to Housing Nantucket to assist with the Lease to Locals pilot program relaunch. Additionally, the Trust continued work on the year-round deed restriction pilot program and secured year-round occupancy and income restrictions for 8 and 10 Honeysuckle for Housing Nantucket. The Trust also worked on housing-related articles for the Special Town Meeting. She said that she plans to include these updates, as well as a summary of the town's safe harbor status, subsidized inventory list progress, and appropriated funds, in her report to the Select Board and the community.
Penny Dey noted that it is critical to continue sharing with the community updates on the number of units created and those planned.

IX. Presentation by Stephen Maury on a proposal for a Housing development at 13 and 13A Woodland Drive — DISCUSSION

Stephen Maury thanked the group for having him back and provided an update on the warrant articles he submitted the previous day. He clarified that while the articles are not yet public, he may have shared their text and potential subdivision plans through Ellis Ramos.
Kristie Ferrantella noted that both the text and plans were included in the meeting packet, beginning on page 40.

Stephen Maury explained that the articles represent a new approach with the same overarching goal: creating homeownership opportunities at attainable pricing for up to 240% area medium income (AMI) year-round residents. He highlighted that, if successful, this project would join a small number of developments on Nantucket with year-round occupancy restrictions, such as Sachem's Path and perhaps the Village at Abrem's Quarry. Stephen Maury further explained that this initiative would produce housing for the "missing middle," targeting up to 240% of the area median income (AMI) and noted the importance of continuing efforts to extend affordability to other income levels. The project, he stressed, would come at no cost to the town. He said that regarding the proposals, he described the parcel involved as approximately 210,000 square feet, divided across two zoning districts. One zoning article seeks to align the zoning line with the property boundary, a recommendation consistent with the Surfside Area Plan. Specifically, the proposal would rezone three acres from LUG-2 to R-20 to match the remainder of the parcel and surrounding Woodland Drive properties. If this zoning change were approved, it would allow for the creation of nine buildable lots. Some discussion followed.
Stephen Maury said that additionally, he proposed a zoning change for the portion of the property already designated as R-20, which would be moved to R-10. This change aims to increase the potential for affordable, year-round homeownership opportunities in the area by allowing for higher density housing options. Stephen Maury explained that this adjustment would complement existing projects in the neighborhood, such as the dense apartment buildings at Gooseberry Place, creating a balance

between different types of housing options. He also outlined several associated articles, including proposals to add the property to the sewer district and change its overlay district designation from Country Overlay to Town Overlay. These changes are necessary to ensure that the property aligns with the underlying zoning requirements. He said, should the zoning changes pass, the project would result in the creation of up to 12 buildable lots, with a potential of three dwelling units per lot. While this increases the housing potential, Stephen Maury noted that challenges could arise regarding the separation of ownership for multiple units on a single lot, a situation that may require duplexes or other innovative solutions. This was not initially part of the vision, and further exploration is needed to determine the best approach. Finally, Stephen Maury addressed potential traffic impacts, noting that traffic data had been collected in July of the previous year, and further data was recently gathered at the intersection of Nanina Drive and Surfside Road (Sachem's Path). This data will be analyzed to assess the impact of the development and ensure that the increase in housing does not negatively affect traffic flow in the area.

Tom Dixon asked Stephen Maury who did collection of the traffic data.

Stephen Maury confirmed that traffic impact studies are underway, with the assistance of MDM Transportation, a firm experienced in similar projects. Stephen Maury mentioned that the team was asked to conduct a survey of all roadways surrounding Woodland Drive, including Skyline Drive, Okorwaw, Boulevard, and Webster. The survey aims to assess visibility concerns and identify areas where road improvements might be needed to accommodate potential increased traffic due to the proposed development. The results will include recommendations for necessary improvements, which, if the project proceeds, will be his responsibility to address.

Stephen then opened the floor for feedback and questions from the meeting participants.

Penny Dey asked if the project was contingent upon adding the properties to the sewer district.

Stephen Maury confirmed that it is, noting that the requirement is included in the article text.

Penny Dey raised concerns that the community might want to understand how the sewer district addition would impact density. She emphasized the need to clarify this in future discussions.

Stephen Maury explained that with septic systems, the property could currently support 32 bedrooms. He further noted that under the proposed zoning changes, bedroom counts could increase to between 64 and 80, depending on Planning Board approvals. The project would focus on small homes averaging 2 bedrooms each.

Tom Dixon asked Stephen to elaborate on the rationale behind dividing the lot into two parts and proposing two different zoning changes.

Stephen Maury explained that he wanted to offer flexibility, allowing the community to support either all the property being moved into R-20, or just the section already in R-20, possibly moving it to R-10. This approach would provide options and allow for further discussions on density and traffic concerns.

Tom Dixon followed up by asking if the project would still be viable without the sewer district approval, relying on septic systems.

Stephen Maury replied that, with septic systems, the property could support 32 bedrooms, but it was unclear if the project would be viable without sewer. He stated that if all zoning changes were approved, the project could include 36 one-bedroom dwellings, though viability would depend on further calculations regarding construction costs and potential revenues.

Kristie Ferrantella asked if alternate models had been considered for affordability, such as restricting the housing to 55+ residents to address traffic concerns.

Stephen Maury responded that there was an existing bylaw for elder housing, which allows for higher density if all units are restricted to 55+ year-round occupancy. He acknowledged that this could be explored if the community preferred an elder housing model instead of the current affordable housing focus.

Brian Sullivan asked whether there were other egress options available for the property besides Woodland Drive.

Stephen Maury acknowledged the possibility of routing traffic to Skyline Drive but clarified that the legal opinion he received indicated that traffic could not be directed through the Richmond Road network unless the town accepts ownership of those roads, which was expected to happen soon.
Brian Sullivan asked Stephen Maury about the sewer line solution should approval be granted, specifically regarding where the sewer line would come from and how it might affect abutting properties.
Stephen Maury explained that if the connection were made to the existing dry sewer line on Woodland Drive, abutters on both sides would be required to tie in. However, if the line were brought in from properties further up the road, such as from Cape Cod Express or the Richmond Development, the abutters would not be immediately affected and would not be required to connect. Stephen Maury noted that if the sewer line crossed over properties with an easement, only the affected properties would be required to tie in, and he had already discussed this with the property owners, who were interested in connecting. This approach, he said, would prevent a broad financial burden on the neighborhood.

Brian Sullivan acknowledged Stephen's explanation and expressed his appreciation for the revisions made so far. He noted that additional clarity was needed regarding the ownership and duplex requirements between the R-10 and R-20 lots before moving forward. He requested that Stephen Maury continue to address these issues and return with an update.

Vicki Marsh raised a point regarding the roadways through the Richmond Development, questioning whether town approval was needed for the roads to be taken into town ownership. Stephen responded that he was unsure of the process but believed the town would need to take action to make the roads available, and until that happened, he would assume the roads would not be an option.

Arthur Gasbarro spoke, expressing that he did not believe the Trust should support the proposal at this stage due to the unresolved issues. He cautioned that proceeding without full details could be unfair to the neighborhood and the project itself.

Beth Ann Meehan spoke in favor of the proposal, emphasizing the importance of the project for providing year-round affordable housing. She corrected a previous statement, noting that this would only be the second 100% year-round community on the island, urging support for the project as a potential last opportunity for such housing.

Brian Sullivan concluded by reiterating the need for Stephen Maury to address the outstanding questions. He expressed appreciation for Stephen's work in revising the proposal and requested that he continue working through the issues and keep in contact with Ellis Ramos and Kristie Ferrantella to provide an update at a future meeting.

Stephen Maury acknowledged the outstanding issues, including ownership separation for the dwellings, economic feasibility of the development without sewer, and road access. He assured the group he would investigate these matters and remain in contact with the board.
Brian Sullivan stepped away from the meeting at 1:18 pm and Penny Dey took over as acting chair for the meeting.

X. Request for Approval and Execution of Purchase and Sale Agreement for 8C Thirty Acres

Kristie Ferrantella presented a proposal for the purchase of a two-bedroom unit for the price of $900,000. The sellers have accepted the offer, and the next step is to proceed with the purchase and sale agreement. The property will ultimately be deed-restricted and resold to a qualified buyer.

Penny Dey inquired whether the property was to be taken possession of free of tenants. Kristie confirmed that this was the case, and it is stipulated in the purchase and sale agreement.
At 1:22 pm Brian Sullivan returned to the meeting.

Meg Browers made a MOTION to approve and execute the purchase and sale agreement and to authorize the Trust members to sign it. Forest Bell seconded this motion.
<u>Roll call of those participating</u>

1. Tom Dixon Aye
2. Meg Browers Aye
3. Shantaw Bloise-Murphy Abstained
4. Forest Bell Aye

5. Penny Dey Aye
6. Abby De Molina Aye
7. Brian Sullivan Abstained

XI. **Review Draft Commitment Letter from Town of Nantucket to HallKeen Management for Ticcoma Green Project at 6 Fairgrounds Road**.

Vicki Marsh provided an update on the project and its funding needs. She said the trust initially approved a $6.5 million loan to Halkeen for development. However, due to factors like COVID-19 and rising costs, the developer is seeking an additional $2.7 million, increasing the total request to $8.7 million. The State has approved more funding, and the town is expected to issue a commitment letter. The new loan terms are expected to match the original 1.5% interest rate, though details are still being finalized. She explained that LIHTC funding, including State tax-free and tax-exempt housing bonds, is helping finance the project. It will include 64 units, 55 of which will be income restricted. Twelve units will be for households at or below 30% of the Area Median Income (AMI), 15 at or below 60% of AMI, and 28 at or below 120% of AMI. There will also be 9 market-rate units. Vicki Marsh also mentioned the developer's commitment to adding basements, with the town contributing up to $1 million, part of the $8.7 million funding request. The project will also include solar panels and washer/dryer units.

Kristie Ferrantella clarified that this Trust meeting is for feedback, with final approval set for December 3rd. The Select Board will also review the proposal in December, and the commitment letter must be presented to the State by December 10th. Kristie Ferrantella emphasized the importance of securing the Trust's general support now.

Penny Dey expressed support but raised concerns about unclear loan terms and the amortization period Vicki Marsh explained that financial consultants are finalizing terms, including a possible 43-year maturity, and assured the board that the loan details would be finalized before December 3rd meeting.

Penny Dey emphasized the need for clarity on the terms before approval, while acknowledging the importance of town support.
Meg Browers asked about local preference and year-round deed restrictions.
Vicki Marsh confirmed a 70% local preference for affordable units but agreed to investigate year-round deed restrictions.

Brian Sullivan asked for clarification on the funding breakdown. Kristie explained that the total cost is about $58 million, with the town contributing under $9 million and state and federal funds covering roughly $30 million. The rest will come from other sources.

Tom Dixon praised the project's progress and the strong state and federal support. Penny noted that the town also provided the land. Vicki stressed the project's importance in addressing the town's housing needs, especially with state funding deadlines approaching.

The trust came to a consensus to continue reviewing the proposal and reconvene on December 3rd for final approval.

XII. Review of the Good Landlord Tax Exemption Guidelines for Annual Town Meeting Warrant Article – DISCUSSION/ACTION

Ellis Ramos began with an introduction to the Good Landlord Tax Exemption program. She explained that the program is designed to incentivize landlords who rent properties at affordable rates year-round by offering a property tax exemption. This initiative is modeled after the Residential Tax Exemption and is currently in the developmental phase, with specific guidelines and percentages under review.

Ellis Ramos presented several key questions and recommendations related to the program:

1. Exemption Rates

Ellis Ramos said that staff proposed aligning the Good Landlord Tax Exemption rate with the Residential Tax Exemption, which is determined annually by the Select Board based on recommendations from the Assessor's Office. Aligning the rates would simplify the process for the small staff in the Assessor's Office.

Penny Dey emphasized the importance of calculating the exemption in dollar terms to provide clarity.

2. Eligibility Criteria:

Ellis Ramos said that the staff recommendation is to limit the exemption to one per landlord, excluding LLCs, developers, and landlords already receiving the Residential Tax Exemption.

Penny Dey expressed concern about excluding LLCs owned by individuals, advocating for their inclusion if ownership could be traced back to an individual.

Brian Sullivan and Forest Bell supported the idea of allowing exemptions for landlords with multiple properties to maximize affordable rental opportunities.

3. Income and Rent Caps:

Ellis Ramos explained that State guidelines suggest prioritizing tenants earning between 80% to 100% of Area Median Income (AMI) and allowing eligibility up to 150% AMI for moderate-income housing.

Kristie Ferrantella clarified that rent caps would be set according to state or federal standards, ensuring consistency and reducing administrative burdens.

4. Domiciliary Requirements:

Ellis Ramos noted that the staff recommended requiring property owners to prove continuous ownership, confirm the property is not owner-occupied, and ensure it is exclusively rented for affordable housing. Owners must also remain in good standing with local tax payments.

5. Additional Questions:

Ellis Ramos debated whether room rentals or properties rented to relatives at below-market rates should qualify for the exemption. These topics were deferred for further research and clarification from Rob Ranney.

6. Inspections:
Ellis Ramos said that Staff recommended implementing mid-year inspections by the Health Department to align with inspections for short-term rentals.
Brian Sullivan raised concerns about adding complexity to the program.

Brian Sullivan suggested to defer this item to a future meeting until staff can get further input from Assessor's Office and Rob Ranney is able to join the meeting.

XIII. Review Draft Zoning Bylaw Amendment: Cottage Community – DISCUSSION

Megan Trudel shared that the Cottage Community bylaw, inspired by Monomoy Village, aims to extend this concept to other areas of the island. She highlighted that the bylaw would apply to all residential districts as well as mixed-use districts such as VN and CTEC. To be eligible for development, the lot must meet the minimum size requirements of the underlying zoning district. This would require a special permit from the Planning Board, and the application would be reviewed on a case-by-case basis. She outlined the density requirements for the cottage community, which would allow a mix of primary, secondary, and tertiary structures in most residential districts, with a small bonus in some districts. However, structures must be limited to one or one-and-a-half stories in height to maintain the scale of the homes. The homes will be limited to one, two, or three bedrooms, with a maximum of three bedrooms. Parking requirements will include two spaces for two-or three-bedroom units, and one space for studio or one-bedroom units. The homes will be clustered around a single driveway and parking area, and site plans will be reviewed by the Planning Board. Additionally, the development will require Historic District Commission (HDC) review.
Penny Dey expressed concerns about the proposed density, particularly for those living in larger lot zoning areas, as they might not have expected such development when they purchased their properties. She also asked whether the units in the cottage communities would be for rent or for sale.
Megan Trudel clarified that the units will be owner-occupied only, with rentals prohibited. The units will be developed in a single-family style and may be sold through a condo ownership structure. Additionally, she confirmed that condos are allowed in all the proposed zoning districts due to a provision that waives the definition of a second dwelling.
Brian Sullivan raised a concern about the limitations of septic systems in certain districts, particularly in the larger lot zones.
Megan Trudel explained that areas served by municipal sewer and water would have greater flexibility in terms of density. In areas with septic and well systems, however, density could be restricted due to health department regulations. She thanked the group for their time and feedback. At 2pm Meg Browers left the meeting.

Board Comments

XIV. Other Business

Next meetings: November 22, 2024, at 12:30pm
December 3, 2024, at 12:30pm

Kristie Ferrantella said that November 22nd was a tentative meeting date, but the item that they were going have on the agenda is not ready. So, the next meeting will be the December 3rd meeting.
Meg Browers returned to the meeting at 2:03pm.

XV. Executive Session

Approval of Executive Session Minutes from January 16, 2024, February 20, 2024, March 26, 2024, October 1, 2024, October 15, 2024, October 18, 2024, October 28, 2024, November 1, 2024, November 7, 2024.

1. **Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding 21 Fairgrounds 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**

2. **Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding 1,2,3,4,5,7,9,11 Wiggles Way formally known as 31 Fairgrounds 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**

3. **Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding 17B Essex 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**

Penny Dey 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 a detrimental effect on the negotiating position of the Affordable Housing Trust. Tom Dixon seconded the motion.

Roll call of those participating

1. Shantaw Bloise-Murphy Aye
2. Tom Dixon Aye
3. Penny Dey Aye
4. Abby De Molina Aye
5. Meg Browers Aye
6. Forest Bell Aye
7. Brian Sullivan Aye

XVI. Adjourn

This meeting adjourned at 2:07pm.

AFTH Meeting on November 19, 2024, at 12:30pm

AFTH Meeting on November 19, 2024, at 12:30pm