

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MEETING MINUTES ~~

Tuesday, December 3rd, 2024.

Remote Meeting via Zoom– 12:30pm

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

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

STAFF IN ATTENDANCE: Kristie Ferrantella (Housing Director), Ellis Ramos (Office Manager), Rachel Field (Property Manager) Tracy MacDonald (Real Estate Specialist) Lee Smith and Vicki Marsh (Town Counsel), Rob Ranney (Town of Nantucket Assessor)..

SPEAKERS IN ATTENDANCE:

I.Call to Order

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

II.Approval of Agenda – ACTION

Brian Sullivan noted an amendment to hold the November 19, 2024, meeting minutes for further review.

Tom Dixon made a MOTION to approve the agenda as amended. Meg Browsers seconded the motion.

Roll call of those participating

1. Forest Bell: Aye
2. Meg Browsers: Aye
3. Shantaw Bloise-Murphy: Aye
4. Tom Dixon: Aye
5. Penny Dey: Aye
6. Brian Sullivan: Aye

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

No public comments.

At 12:37pm Abby De Molina joined the meeting.

IV.Approval of Minutes – ACTION

- a. **October 18, 2024** (*continued from 11/19/24 meeting*)
- b. **October 28, 2024** (*continued from 11/19/24 meeting*)
- c. **November 1, 2024** (*continued from 11/19/24 meeting*)

AHTF Meeting on December 3, 2024, at 12:30PM

- d. November 7, 2024 (*continued from 11/19/24 meeting*)
- e. November 19, 2024

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

Meg Browsers made a MOTION to approve the meeting minutes from October 18, October 28, November 1, and November 7 of 2024. Penny Dey seconded the motion.

Roll call of those participating

- 1. Forest Bell: Aye
- 2. Meg Browsers: Aye
- 3. Shantaw Bloise-Murphy: Aye
- 4. Tom Dixon: Aye
- 5. Penny Dey: Aye
- 6. Brian Sullivan: Aye

V. Announcements

- a. 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>
- b. Richmond Development has opened applications for the lottery of twelve 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.
- c. Affordable Housing Trust Fund quarterly update to the Select Board will be at the December 4, 2024, meeting at 5:30pm.

Brian Sullivan announced the release of two Requests for Proposals (RFPs) for affordable housing development on Trust-owned lots. Details are available on the Nantucket procurement website. He also highlighted the availability of twelve income-restricted rental units at Gooseberry Place. Applications are due by December 9, with a lottery scheduled for January 9.

Kristie Ferrantella reminded members of the December 4 Housing Trust update to the Select Board at 5:30 PM.

VI. Review and Approve Closing Cost Assistance Program Application for Ilkania Acosta for a dwelling located at 7 Sandpiper Place – DISCUSSION/ACTION

Brian Sullivan presented an application from the Acosta family for assistance at 7 Sandpiper Place.

Ellis Ramos confirmed all necessary documentation was complete, with no outstanding issues.

Shantaw Bloise-Murphy made a MOTION to approve the closing cost assistance up to \$15,000 for the Acosta family and all unused funds to be returned to the Trust.

Forest Bell seconded the motion.

Roll call of those participating

1. Forest Bell: Aye
2. Meg Browsers: Aye
3. Shantaw Bloise-Murphy: Aye
4. Tom Dixon: Aye
5. Penny Dey: Aye
6. Brian Sullivan: Aye

VII. Review and Approve the Good Landlord Tax Exemption Guidelines for 2025 Annual Town Meeting Warrant Article – DISCUSSION/ACTION

Brian Sullivan introducing the discussion on the Good Landlord Tax Exemption guidelines for the 2025 Annual Town Meeting warrant article. He clarified that the discussion would not require any immediate action and transitioned the conversation to Ellis Ramos and then Rob Ranney, Nantucket Assessor, to provide details.

Ellis Ramos confirmed that questions had been submitted to Rob Ranney, who was prepared to answer.

Rob Ranney started by outlining the Provincetown's programs as a basis for comparison. He explained two key Provincetown initiatives:

1. A residential exemption for landlords renting to year-round tenants at affordable rates.
2. A program with tiered exemptions based on income levels, incorporating a complex tax calculation formula.

Brian Sullivan confirmed that the focus should remain on the residential exemption model due to its simplicity and feasibility for the upcoming town meeting.

Rob Ranney explained that while the Assessor's Office could implement the exemption, a separate vetting process would be necessary to ensure compliance with affordable rent criteria.

Penny Dey raised the issue of landlords who are already renting affordably to family members and the need for equitable recognition of such arrangements.

Brian Sullivan asked about the potential burden on the tax base and incentives to encourage year-round rentals over seasonal ones. Rob responded, noting that the exemption would add a slight increase to the residential tax rate while incentivizing affordable year-round rentals.

Tracy MacDonald asked if multiple exemptions could apply to landlords with several properties rented affordably. Rob clarified that state regulations limit exemptions to one per property owner.

Kristie Ferrantella inquired about modifying the program to allow multiple exemptions or other adjustments. Rob confirmed that changes to state rules were unlikely, and modifications to the program would need to align with existing regulations.

Kristie Ferrantella outlined the five key elements the Trust must address before making a recommendation to the Select Board:

1. Maximum exemption amount.
2. Annual household income limits for tenants.
3. Definition of affordable rent rates.
4. Owner domicile requirements.

5. Additional restrictions or guidelines consistent with the law.

Rob Ranney noted that last year's residential exemption resulted in a \$2,500 tax reduction for eligible properties.

Kristie Ferrantella suggested aligning the maximum exemption with that same figure.

Meg Browsers supported setting tenant income limits at 80% AMI and using a standard of no more than 30% of household income spent on rent.

Brian Sullivan suggested expanding eligibility to 200% AMI to increase participation and support year-round housing needs.

Penny Dey agreed with broader eligibility criteria to maximize impact.

Kristie Ferrantella confirmed that staff would prepare a one-page summary of options for discussion at the December 17 meeting.

Meg Browsers asked whether program changes in the future would require a town meeting vote.

Lee Smith clarified that programmatic adjustments likely would not require a return to town meeting, though this would be confirmed.

Brian Sullivan said the next steps include reviewing a condensed briefing and finalizing recommendations at the subsequent meeting.

VIII. Request for Approval of Draft Commitment Letters from Town of Nantucket to HallKeen Management for Workforce Housing Rental Project at 6 Fairgrounds Road. – VOTE

Vicki Marsh provided an overview of the draft commitment letters, which involve funding of \$8.7 million to support the Ticcoma Green project. She explained that the funding is structured as a loan, with \$1 million allocated by the Town for basement construction in the housing units. The project is partially funded through federal and state low-income housing tax credits and requires compliance with specific deadlines, including the commitment or expenditure of ARPA funds by the end of the year. She said the commitment letters formalize the Town and the Trust's contribution to the project, which is aimed at constructing sixty-four affordable housing units across two phases. These units will appear on the Subsidized Housing Inventory (SHI) list, with a range of affordability levels. Vicki Marsh noted that the project would include a perpetual affordable housing restriction, held jointly by the Town of Nantucket and

EOHLC.

She mentioned revisions to the letters, including addressing them to Andrew Burns, manager of HK Ticcoma LLC, a subsidiary of Halkeen's Management. Additionally, the project includes a solar component pending Historic District Commission (HDC) approval. Should the solar component be excluded, tax credit subsidies associated with it would be deducted from the funding allocated to each project phase. Vicki Marsh clarified that the loans include 9% low-income housing tax credits for Phase 1, supporting thirty-one units, and 4% tax credits for Phase 2, supporting thirty-three units.

Brian Sullivan inquired about the funding sources for this loan.

Vicki Marsh explained that it is a combination of prior bonding authority and ARPA funds. She added that while the ARPA funds must be committed by year-end, the project's closing date is anticipated by June 30 of the following year. This date may be extended on a month-to-month basis, as necessary.

Brian Sullivan expressed appreciation for the effort involved in navigating the complexities of the project and acknowledged the contributions of Kristie Ferrantella and Brian Turbitt to push this project forward.

Penny Dey asked about the renewal terms of the 99-year ground leases.

Vicki Marsh explained that while the leases would require renegotiation, the associated restrictions would remain in perpetuity under Massachusetts statute Chapter 184, Section 26.

Penny Dey also asked how long the project had been delayed due to legal proceedings. Kristie Ferrantella clarified that the lawsuit, filed in 2018, was resolved in 2020, with delays exacerbated by the pandemic.

Penny Dey made a MOTION to approve the commitment letters for up to \$8.7 million contingent on the Select Board's approval. Shantaw Bloise-Murphy seconded this motion.

Roll call of those participating

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

IX. Other Business

Next meeting: December 17, 2024, at 12:30pm

X. Board Comments

No Board comments

XI. Executive Session

1. Approval of Executive Session Minutes from

- January 16, 2024 (*continued from 11/19/24 meeting*)
- February 20, 2024 (*continued from 11/19/24 meeting*)
- March 26, 2024 (*continued from 11/19/24 meeting*)
- October 1, 2024 (*continued from 11/19/24 meeting*)
- October 15, 2024 (*continued from 11/19/24 meeting*)
- October 18, 2024 (*continued from 11/19/24 meeting*)
- October 28, 2024 (*continued from 11/19/24 meeting*)
- November 1, 2024 (*continued from 11/19/24 meeting*)
- November 7, 2024 (*continued from 11/19/24 meeting*)
- November 19, 2024

2. Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding 10 Parker Lane and 55 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 18, 18A, 20, 22, 24 and 26 Sparks Avenue, where an Open Meeting May have a Detrimental Effect on the Negotiating Position of the Affordable Housing Trust Members and the Chair so Declares.

4. Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding 1, 2, 3, 4, 5, 7, 9, and 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

Penny Dey made a MOTION to adjourn open session, to move to executive session and 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 Members and the Chair so Declares. Forest Bell seconded the motion.

Roll call of those participating

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

Moved to executive Session at 1:17PM

Returned to Open Session at 2:50PM

XII. Review Request for Additional Funding for the Workforce Housing Rental Project at 1, 2, 3, 4, 5, 7, 9, and 11 Wiggles Way formerly known as 31 Fairgrounds Road

Brian Sullivan reconvened the meeting for the open session of the Affordable Housing Trust at 2:59 PM. The discussion began with item 12, the request for approval of additional funding for the workforce rental project located at 1, 2, 3, 4, 5, 6, 7, 9, and 11 Wiggles Way, formerly known as Fairgrounds Road.

Anne Kuszpa of Housing Nantucket presented the request for additional funding, totaling \$2,545,000. She explained that the project was near completion, but unexpected events, including a health incident involving the builder, led to an increase in costs. To cover the overage, Housing Nantucket had secured a line of credit for \$1,200,000 from Cape Cod 5, but there remained a funding gap that needed to be addressed. She said the additional funding would help maintain affordable rent levels for tenants in different income brackets, ranging from 80% to 150% of the Area Median Income (AMI). Anne Kuszpa thanked the Trust members for their ongoing support of the project, which is

nearing its completion despite the challenges faced.

Brian Sullivan confirmed that the project is expected to be completed by the end of the first quarter of 2025. He acknowledged the significant amount of due diligence that had gone into reaching this point.

Kristie Ferrantella then presented the staff recommendation for the request. She outlined that the total request of \$2,545,000 would be funded as follows: \$600,000 would come from ARPA (American Rescue Plan Act) funds, which must be committed by December 31st of the current year. The remaining \$1,945,000 would be provided by the Affordable Housing Trust, specifically from cash reserves, with the funding to be released in two installments, contingent upon meeting specific requirements outlined in the grant agreement. Kristie Ferrantella said that the recommendation includes ensuring that all necessary documentation, including change orders and contracts between Housing Nantucket and the builder, are provided, and that the Town will review all payments related to the development. She said that Housing Nantucket is conducting its own audit of the project, which will be done concurrently with the Town's audit.

Penny Dey emphasized the importance of noting that the project includes eight buildings and twenty-two units, with a mix of one-, two-, and three-bedroom units. Six of the units will have municipal employee preference, and the project will serve income levels from 80% to 150% AMI. She noted that this is a significant development that will provide affordable housing for a variety of income levels.

Brian Sullivan further emphasized that this has been a long-term project, with regular construction meetings and ongoing discussions about the increasing costs due to inflation. While the project has exceeded initial cost expectations, the per-unit cost remains in line with similar projects, such as Habitat for Humanity.

Penny Dey made a MOTION to approve the request for \$2,545,000, with \$600,000 from ARPA funds and the remaining balance of \$1,945,000 subject to the conditions outlined in the staff recommendation. Shantaw Bloise-Murphy seconded the motion.

Roll call of those participating

1. Forest Bell: Aye
2. Meg Browsers: Aye
3. Shantaw Bloise-Murphy: Aye
4. Tom Dixon: Aye
5. Abby De Molina Aye

6. Penny Dey: Aye
7. Brian Sullivan: Aye

XII.Adjourn

Penny Dey made a MOTION to adjourn this meeting. Abby De Molina seconded the motion.

Roll call of those participating

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

The meeting adjourned at 3:15PM.