

NANTUCKET AFFORDABLE HOUSING TRUST

~~ MEETING MINUTES ~~

Tuesday, January 7, 2025.

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: Ellis Ramos (Office Manager), Rachel Field (Property Manager) Tracy MacDonald (Real Estate Specialist) Lee Smith (Town Counsel).

SPEAKERS IN ATTENDANCE: Senator Julian Cyr

I. Call to Order

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

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. Meg Browsers – Aye
2. Forest Bell – Aye
3. Abby De Molina – Aye
4. Tom Dixon – Aye
5. Penny Dey – Aye
6. Brian Sullivan – Aye

III. Approval of minutes – REVIEW/ACTION

- November 19, 2024
- November 25, 2024
- December 03, 2024
- December 17, 2024
- December 23, 2024

Abby De Molina made a **MOTION** to approve the meeting minutes from November 19,

AHTF Meeting on January 7, 2025, at 12:30PM

November 25, December 3, December 17, December 23 of 2024. Meg Browsers seconded the motion.

Shantaw Bloise Murphy joined the meeting at 12:38 pm but did not want to vote on the minutes.

Roll call of those participating

1. Meg Browsers – Aye
2. Abby De Molina – Aye
3. Penny Dey – Aye
4. Forest Bell – Aye
5. Tom Dixon – Aye
6. Brian Sullivan – Aye

IV. Public comments for items not listed on the agenda.

- **Response to Mary Mack’s question from the December 17th, 2024, Affordable Housing Trust meeting.**

Brian Sullivan read the question from Mary Mack from the December 17th meeting and read the response prepared from staff as followed.

Question: Mary Mack asked the Trust about the difference between units that count toward the Subsidized Housing Inventory (SHI) list and those that are eligible for Safe Harbor. Specifically, she wanted to know why some units might count toward SHI but not Safe Harbor.

Answer: Units count toward the Subsidized Housing Inventory (SHI) if they meet long-term affordability criteria, regardless of when they were created. However, for Safe Harbor, units must align with a state-approved Housing Production Plan (HPP) and meet annual production goals to provide temporary protection from Chapter 40B developments.

Key difference: SHI includes all qualifying affordable units over time, while Safe Harbor focuses on recent progress and strategic compliance with the HPP. Some units might count for SHI but not Safe Harbor if they were created outside the HPP’s timeline or do not meet annual targets.

Anne Kuszpa started by stating that the Nantucket Housing Needs Covenant Program currently includes 120 properties across the island.

She announced that for 2025, the Maximum Sales Price is capped at \$760,278. To qualify for the program, purchasers must have a household income of \$229,650 or less and unrestricted assets below \$380,139. The 2025 transaction fee is \$3,801, paid by the seller.

The changes are driven by a 12% increase in median family income (up \$20,000) and higher interest rates, now at 7.5% (up from 7.15%). Despite rising interest rates, the income growth led to an overall increase in the sales price cap.

Anne Kuszpa noted that a detailed blog post will follow and encouraged everyone to stay updated via the organization’s social media and newsletter.

V. Closing Cost Assistance Program Application – REVIEW/ACTION

- **Miliana Capan – 5A Waitt Drive**
- **David Cunningham – 5A Waitt Drive**

Ellis Ramos clarified that the correct addresses are 5A Waitt Drive for Milana Capan and 5B Waitt Drive for David Cunningham.

Tom Dixon made a **MOTION** to approve the Closing Cost Assistance Application from Milana Capan at 5A Waitt Drive up to \$15,000 and any unused funds to be returned to the Affordable Housing Trust after closing. Forest Bell seconded the motion.

Roll call of those participating

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

Tom Dixon made a **MOTION** to approve the Closing Cost Assistance Application from David Cunningham at 5B Waitt Drive up to \$15,000 and any unused funds to be returned to the Affordable Housing Trust after closing. Abby De Molina seconded the motion.

Roll call of those participating

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

VI. Affordable Homes Act and the Seasonal Communities Designation and how does it affect Nantucket update from Senator Julian Cyr – UPDATE

Senator Julian Cyr addressed the group, providing an update on the recent developments in housing policy, focusing on the Affordable Homes Act signed into law by Governor Healey in August. The act represents a historic investment of \$5.16 billion allocated over the next five years to address the rising cost of housing, caused by high demand and limited supply across Massachusetts. Senator Cyr

emphasized the urgency, noting that Massachusetts needs to build (I thought he said create?) approximately 200,000 housing units by the end of the decade, a significant and challenging target.

The Affordable Homes Act includes forty-nine policy initiatives, among them accessory dwelling units by right, facilitating the conversion of vacant commercial spaces into housing, and sustainable and green housing programs. Notably, one initiative is the establishment of a Seasonal Community Designation and an accompanying policy toolkit tailored for communities facing unique housing challenges.

Senator Cyr highlighted that Nantucket and Dukes County automatically received this designation, alongside Cape Cod municipalities where more than 35% of housing units are seasonally occupied. The executive office of Housing and Livable Communities (HLC) has the authority to extend this designation to additional communities, and many towns on Cape Cod and in the Berkshires are expected to qualify.

Communities with this designation can implement several policy tools without going through a home-rule petition process. Senator Cyr praised Nantucket's leadership in establishing a Housing Trust Fund and noted that this model has inspired the broader provisions in the Affordable Homes Act. The designation enables towns to acquire deed restrictions for year-round housing, which helps preserve housing stock for local residents. This approach mirrors successful programs in Colorado ski towns.

The law also permits seasonal communities to develop housing for municipal employees, public workers, and artists. Previously, towns like Nantucket faced barriers in providing long-term housing for employees. Additionally, these communities may now increase residential property tax exemptions up to 50%, a measure aimed at helping local residents remain in their homes amidst rising property valuations.

To support these initiatives, designated communities must conduct a biannual housing needs assessment to improve planning and forecasting. They must also adopt bylaws encouraging tiny home construction and development of undersized lots for year-round housing, in line with broader statewide provisions.

Senator Cyr discussed the creation of the Seasonal Communities Advisory Council, which includes representatives from Nantucket. The council will provide recommendations to HLC and the legislature and assist in drafting regulations to implement the act's provisions. Priority areas include guidance on year-round Housing Trusts and municipal workforce housing.

While the policy tools are now in place, Senator Cyr emphasized the need to identify sustainable funding sources. He advocated for a local option transfer fee as a critical revenue stream, particularly for communities like Nantucket, where a significant proportion of real estate transactions involve second or third homes. He acknowledged past efforts to secure such a fee through home-rule petitions and expressed optimism for a targeted transfer fee applying to seasonal communities.

Senator Cyr concluded by acknowledging the collective effort that led to the act's passage. He highlighted the unique housing challenges faced by Nantucket and similar communities, reaffirming his commitment to securing additional resources. He expressed gratitude to local leaders and

stakeholders for their advocacy and encouraged continued collaboration in the upcoming legislative session.

The senator welcomed questions and reiterated his appreciation for Nantucket's proactive approach to addressing housing challenges. His remarks ended with an acknowledgment of the community's resilience and determination in tackling this critical issue.

Penny Dey asked if it is fair to say that the only organized opposition for the Local Option Transfer Fee has been from the Massachusetts Association of Realtors.

Senator Cyr said yes, the realtor industry and others in similar sectors.

Penny Dey emphasized that she is a Realtor and every time that she testified for the Transfer Fee, she stated that she was a Nantucket Realtor and that the Mass Association of Realtors was not speaking for her. She also said that the Nantucket Association of Real Estate Brokers (NAREB) has been behind this effort from the very beginning. She expressed strong support for the seasonal community's designation within the Affordable Homes Act, highlighting its relevance to Nantucket's unique housing market, where the average home price exceeds \$4.5 million and continues to rise. She voiced concern about long-time homeowners leaving the island for reasons such as better medical services, accessibility, or lower living costs, questioning what will happen to their homes. Penny asked whether the Affordable Homes Act provides sufficient tools beyond deed restrictions to ensure these homes remain accessible to year-round residents.

Senator Julian Cyr emphasized the unique geographic challenges faced by Nantucket, describing it as an island (or a peninsula), where the ability to simply build additional housing is limited due to land preservation and conservation efforts. He stressed the importance of focusing not only on building new year-round housing but also on preserving existing year-round housing through the use of year-round deed restrictions.

He stated that the proposed program would involve the town purchasing year-round deed restrictions on homes as they come to market, as well as allowing property owners to voluntarily place their homes under deed restrictions. This would help maintain affordable housing by ensuring that homes are valued based on their year-round usage rather than seasonal peaks, making them more affordable and preserving them as below-market housing.

Senator Cyr then shifted to the topic of transfer fees, thanking local real estate professionals for their continued efforts in pushing for this policy. He highlighted that while there is opposition from some statewide real estate organizations, transfer fees are already in use across many municipalities in the United States, with broad support across different political spectrums. The Senator emphasized the need to continue advocating for this policy, as it would provide significant revenue for Nantucket and other places facing similar housing challenges. He noted the success of the Nantucket Land Bank transfer fee as a model for how transfer fees could work to support housing initiatives.

Looking ahead, Senator Cyr expressed optimism about making progress on transfer fees during the upcoming legislative session. He mentioned his efforts to bring more awareness to the issue, possibly through site visits to places like Vail, Colorado, where successful housing models have been implemented. Despite the challenges, he reiterated the importance of having diverse and significant

revenue sources to address Nantucket's housing crisis, underscoring that without them, solutions would be difficult to achieve.

Penny Dey reflected on her 50 years on the island, she noted that for the first 30 years, there was a lack of political leadership on housing, which she found disheartening, as many opportunities were missed during that time.

However, Penny acknowledged a positive shift, highlighting that one reason Nantucket has been able to make progress on housing issues in comparison to the rest of the state is the recent strong community support. She emphasized that, as an island surrounded by water, Nantucket's community stepped up to back financial initiatives, such as warrant articles, which have enabled significant progress.

While grateful for the community's backing, Penny expressed concern over the recent construction trends. She cautioned that building more housing could ultimately change the very character of the island and warned that relying solely on construction is not a long-term solution to the housing problem.

Penny concluded by reaffirming the importance of maintaining a balance between development and preserving the island's unique character, acknowledging that the community's efforts have been crucial but should not solely focus on building its way out of the housing challenge.

Senator Cyr highlighted the importance of a year-round deed restriction program to preserve existing housing stock. This would involve purchasing deed restrictions on homes coming onto the market or encouraging homeowners to voluntarily place their properties under these restrictions, effectively creating below-market housing and counteracting inflated summer rental valuations.

On the topic of transfer fees, Senator Cyr commended local advocacy efforts despite opposition from state and national real estate organizations. He emphasized that transfer fees are widely used across the U.S. and urged continued efforts to support this policy, citing the success of the Land Bank's transfer fee as evidence of its potential. Senator Cyr suggested bringing legislators to Nantucket and studying successful models like Vail, Colorado. He stressed that addressing housing issues requires significant and diverse revenue sources and expressed optimism about advancing a transfer fee in the upcoming legislative session. He said he is thankful for the local advocates for their dedication to finding housing solutions.

Brian Sullivan posed a question regarding the implementation of deed restrictions. He noted that the Planning Board is currently implementing deed restrictions through special permits for future projects. Sullivan inquired about the timeline for the Housing Trust to begin implementing deed restrictions associated with the Executive Office of Housing and Livable Communities (EOHLC).

Senator Julian Cyr said that Nantucket already has a Housing Trust, unlike other towns such as Provincetown. He suggested that Nantucket could potentially implement a year-round deed restriction immediately, leveraging its existing trust and consulting with the town counsel. He further mentioned that the (EOHLC) is expected to release guidance and regulations on year-round deed restrictions within the next six months.

Meg Trudel raised a question regarding the procedural aspects of the Year-Round Housing Trust. She inquired whether the Affordable Housing Trust is currently authorized to function in a dual role

or if this arrangement needs to be formalized. She compared this to the structure of the Select Board and County Commissioners, which operate as one entity while remaining technically distinct.

Senator Cyr explained that the regulatory Housing Trust from EOHLC will enable communities to jointly operate their Affordable Housing Trusts, which are already established under Massachusetts General Law, in conjunction with their Year-Round Housing Trusts. He noted that this dual functionality will be supported through regulations specific to seasonal communities.

Senator Cyr admitted he was not fully familiar with the authorizing statute for Nantucket's current trust and suggested reviewing the special act statute that establishes the trust once the draft regulations from HLC are released. He emphasized the importance of tailoring the trust's framework to align with the community's needs, stating, "We essentially want to enable whatever y'all want to do."

Forest Bell asked for clarification on whether the Affordable Homes Act, which currently applies exclusively to municipal employees and members of the artistic community, could potentially be expanded to include other professions. He specifically inquired about the possibility of extending eligibility to employees of local nonprofits.

Senator Cyr explained that when considering the designation of certain housing units for specific populations, it is important to meet the criteria established in the Fair Housing Act. In this case, public employees in these communities have been identified as meeting the special criteria, alongside artists and individuals involved in creative industries, which would encompass several nonprofit organizations. Senator Cyr emphasized that this aspect should be further explored and defined within the Seasonal Communities Advisory Council.

He also noted that a significant challenge has been the restriction on towns from providing a benefit to one employee that is not available to others, which in this case would apply to housing. This limitation necessitated statutory action. Senator Cyr suggested that this issue, along with other related topics, should be discussed in greater detail as part of the broader policy framework for seasonal communities. He expressed that the goal is to create a foundation for a comprehensive policy approach for communities like ours. Senator Cyr referenced the Gateway Cities model, which applies to certain mid-sized post-industrial cities in Massachusetts. These cities, which meet specific criteria and face particular challenges, benefit from a set of policies tailored to their needs. Senator Cyr highlighted that the intent is to establish a similar framework for seasonal communities.

Tom Dixon reflected on the origins of the initiative, emphasizing the extensive effort and collaboration involved. He recalled that in 2018, then-Representative Dylan Fernandes and now Senator Fernandes held numerous meetings with Islanders to explore legislative solutions for affordable housing beyond existing frameworks like Chapter 40B. These discussions led to a bill filed by Senator Cyr, which eventually incorporated the seasonal community's designation.

Tom Dixon highlighted this as a grassroots effort born out of the housing crisis in the district, which later evolved into a statewide legislative solution. He acknowledged the six years of persistence it took to bring the initiative to fruition and expressed gratitude for the dedication of Senator Cyr, Representative Fernandes, and their teams in making it a reality.

Anne Kuszpa inquired about Provincetown's decision to establish a Year-Round Rental Housing Trust, seeking clarity on its specific focus. She noted that the Provincetown trust appears to prioritize affordable year-round rentals while also addressing affordable homeownership initiatives. Anne Kuszpa asked whether this specialization aligns with earlier points discussed by Megan Trudell if there were other factors influencing the decision. She expressed interest in understanding the reasoning behind Provincetown's approach to combining or separating these housing efforts.

Senator Cyr explained that the Year-Round Housing Trust enabled by the Affordable Homes Act is designed to provide a range of subsidies, similar to Nantucket's existing approach. These subsidies may support new development, housing preservation, and programs like lease-to-local initiatives. He highlighted Provincetown's efforts as an example, mentioning their use of multiple funding tools, including their rental and affordable housing trusts, as well as free cash, to support housing projects.

Senator Cyr noted that Nantucket and other communities will need to decide whether to retain their current trust structure or adopt the new regulatory model proposed by the state. He emphasized the importance of waiting to review the specifics of the new trust template before making any decisions.

Anne Kuszpa said from her perspective it does seem like the levels of affordability should be maintained in as different tiers and then a top tier of year-round restrictions with no income restrictions.

Senator Cyr emphasized the importance of defining "attainable housing" in the regulations being developed by Executive Office of Housing and Livable Communities (EOHLC). He noted that much of the current housing law focuses on "capital A" affordable housing, which targets individuals earning below 80% of the area median income (AMI), with many programs and subsidies best suited for those at 60% or 30% AMI. However, there are limited resources available for individuals earning above the median income.

He highlighted the need to address housing challenges across the income spectrum, particularly in communities like Nantucket and Provincetown, where middle-income earners also face significant barriers to housing.

Penny Dey shared two key issues discussed with Secretary Augustus of the EOHLC. First, she highlighted the challenges posed by municipal procurement laws in the creation of affordable housing. She quoted the Select Board chair, who noted that costs for town or municipal projects are typically 30 to 35% higher, urging that something needs to be done to address this disparity. Secondly, Penny Dey, who serves as chair of the Housing Authority, raised concerns about the crippling cost of insurance for affordable housing, noting that in some cases, it is difficult to even secure coverage. She asked if there are any upcoming measures that might help alleviate these insurance costs.

Senator Cyr mentioned that efforts are underway to address these issues, particularly with regard to coastal resilience, and emphasized the importance of bringing these topics to the Seasonal Communities Advisory Council. Additionally, he pointed to Provincetown's model of private development with town subsidies for deed-restricted, year-round housing as an example of how to circumvent public procurement processes for affordable housing projects. He noted that the

governor's municipal empowerment bill, which includes streamlining procurement procedures, could be another potential solution.

Senator Cyr acknowledged the difficulty in finding certified contractors for island projects and suggested that these procurement challenges be discussed within the advisory council. He encouraged active participation in the council's work, stressing that the council serves as a platform to address these pressing issues and that input from all involved parties is vital.

Penny Dey informed the Trust and the public that Megan Trudel is Nantucket's representative on the Seasonal Communities advisory council.

Senator Cyr left the meeting at 1:27pm.

VII. Other Business

Next Meeting:

- **January 21st, 2025, at 12:30pm**

VIII. Board Comments

No board comments.

IX. Executive Session PURSUANT TO MGL C. 30A § 21(A)

Purpose 7: To Comply with, or Act Under the Authority of, Any General or Special Law (Open Meeting Law, G.L. c. 30A, §§ 18-23) to Approve Executive Session Minutes from April 16, 2024; May 21, 2024; June 25, 2024; July 9, 2024; July 16, 2024; August 6, 2024; September 10, 2024; November 19, 2024; November 25, 2024; December 3, 2024.

Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding 13A and 13B Cedar Circle, where an Open Meeting May have a Detrimental Effect on the Negotiating Position of the Affordable Housing Trust Members and the Chair so Declares.

Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding at 41 Jefferson Ave, where an Open Meeting May have a Detrimental Effect on the Negotiating Position of the Affordable Housing Trust Members and the Chair so Declares.

Purpose 6: To Consider the Purchase, Exchange, Lease, or Value of Real Property Regarding at 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.

Tom Dixon made a **MOTION** to close 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 Members. Shantaw Bloise-Murphy seconded the motion.

Roll call of those participating

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

X. Adjourn

The meeting was adjourned at 1:29pm.