



The Town of Barnstable
Affordable Housing Growth & Development
Trust Fund Board
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Mark S. Ells, Chairman

Friday, August 4, 2023
Affordable Housing Growth & Development Trust Fund
Fund Board Meeting APPROVED Minutes
9:00 A.M.

Pursuant to the passage of legislation extending certain COVID-19 measures adopted during the state of emergency, this meeting was closed to the public.

Alternative public access to this meeting was provided by utilizing a Zoom link or telephone number, both provided in the posted meeting notice.

Board Member Attendees: Andy Clyburn, Acting Chairman, Mark Milne, Laura Shufelt and Wendy Northcross. Mark Ells (absent).

Other Attendees: Elizabeth Jenkins, Director, Planning & Development; Charles McLaughlin, Sr. Town Attorney; Jillian Douglass, Trust Administrator, Planning & Development; David Anthony, Asset Management Director and Ellen Swinarski, Community Preservation Coordinator, Planning & Development. Town Councilor Schnepf. Jake Dewey, Applicant.

Call to Order

With a quorum present, Chairman Clyburn called the meeting to order at 9:10 a.m. and stated that today's meeting is recorded and in accordance with M.G.L. Chapter 30A, s 20 he must inquire whether anyone is recording this meeting and to notify the Chairman that a recording is being made. No one came forward.

Member Introduction

By roll call (present): Wendy Northcross, Laura Shufelt, Mark Milne, and Andy Clyburn.

Public Comment

None.

Topics for Discussion

1. Approval of minutes for the July 7, 2023, meeting.

Motion was made by Wendy Northcross and seconded by Mark Milne to approve the July 7, 2023 meeting minutes as submitted. Roll call vote: Wendy Northcross (yes), Mark Milne (yes), Andy Clyburn (yes). Laura Shufelt (abstained). Motion carries.

2. New Application – Jake Dewey – Request for \$500,000 re-development funding for Linnell Landing, to renovate an existing 3-family (c.1870) building on a .39-acre parcel, and add 3 new buildings, with 8 new 1-bedroom and 4 new 2-bedroom units, including 1 inclusionary unit at 65% AMI and 1 affordable unit at 80% AMI.

Mr. Jake Dewey said the project is located across from the 200 Main Street Steamship Authority lot located at 50 Yarmouth Road and within the new Hyannis Downtown Zoning District. The proposed plan is to maintain and improve the existing c 1870s sea captain style home that contains three (3) existing residential units and build three (3) new structures to the back of the property. The new structures proposed are two (2) duplexes and one (1) larger building, containing eight (8) 1-bedroom units with two (2) HP accessible units and a basement laundry. The total number of apartments on the site will be fifteen (15). Mr. Dewey noted that the lot is being built out to the maximum allowance under the new downtown zoning. Proposed is one (1) parking space per unit with one (1) additional space. He said that the project will be tied to municipal sewer and town water and has received positive feedback from informal site plan review with only a few drainage and infrastructure pieces that will be resolved. Jake noted the rise in construction and interest rates and said that the request for \$500,000 would help make the numbers work. He also explained that there presently is no HDIP funding available, however, the property is in the right zone for that potential should HDIP come back. He noted a timeline of beginning construction in the fall with occupancy in the spring and affordable units by summer next year.

Laura said that Jake had provided a comparison to the project at 850 Falmouth Rd and noted that those units are at 50% AMI and at the time the Trust Board increased the funding to \$140,000 per unit because of that lower AMI. She expressed concern that a per unit funding of \$250,000 each for two (2) units would be precedent setting noting that the Trust can only fund Affordable units and the Trust policy also is not to fund required inclusionary units, so the request is actually \$500,000 for one (1) additional Affordable unit. Jake noted that he is creating a total of 12 new housing units and although he did not want to set a per-unit precedent, his project reflects the realistic price point for creating affordable units today saying that he has put a lot of his own money into the project and is open to other subsidy options that would allow him to act quickly, knowing that is the intention of the Trust, also.

There was discussion regarding the state-funded HDIP program and availability. Elizabeth was able to confirm that the HDIP program would not be brought back for review at the legislative level until after Labor Day. Jake said that if the project was awarded HDIP funding it could potentially reduce the amount needed from the Trust, however waiting for HDIP funds could put the project off 18 months to 2 years. Jake explained that the HDIP program will not award funds for a project that is already under-way, approval must be received ahead of time.

Mark Milne noted an anticipated request for a TIE agreement for the property and asked what the total would be. Jake explained the ask would be for the tax to be abated at the current rate for 10 years and then adjust to 80% and then full tax rate at the end of 20 years which would help the project stabilize financially. Jake said that this project which renovates an historic home, along with others on Yarmouth Road and Crocker and Cascade would improve that end of Main Street saying that from the street, the property would look almost the same as the infill of units in the rear; not noticeable.

Laura Shufelt noted that the Trust's policy is not to fund inclusionary units because they are supposed to be included in the relief that they are getting on the development side. Andy

thanked Jake for bringing his project to the Trust noting that his request is precedent setting and will require further discussion saying that Laura's points are well founded. Andy asked if it was possible for more affordable units to be offered. Jake acknowledged that CPA funds allow up to 100% AMI and he would be open to a discussion on this. He explained however that the greatest difficulty with deed restricted units is the cost of the vacancy period with the affordable units usually being the last to be filled. He said if he offered additional affordable units, he could lose the HDIP or TIE options because there is a minimum 80% market rate requirement for that program.

Attorney McLaughlin said the Trust could consider buying an ownership interest in the units saying that the Trust has the power to borrow at a competitive rate and would then not need to spend all their resources on a capital outlay for the units.

David Anthony noted that the Cape Light Compact has programs with incentives for the use of heat pumps and asked Jake if he has investigated this for his project to help with feasibility. Jake acknowledged that Cape Light Compact does offer some rebates but there are not a lot of programs for new construction so there is no windfall at this point. He did say Cape Light Compact is helping a lot with some of the existing affordable units he owns by getting tenants off oil and onto heat pumps at zero cost to the tenant. David said that he has sat on the governing board of the Cape Light Compact since 2006 and they are in the process of developing their new 3-year plan with will be submitted to DPU and hoped that the Compact could provide support to affordable housing in the area in some way. He asked if Jake as a developer would be willing to join the conversation to help make that connection. Jake said he would and noted that heat pump technology has evolved to the point where it can be the main source of heat and cooling. Jake said that an array of solar panels is also proposed on the roof of the 8 unit building and Laura noted that there should be Federal rebates available for the solar installation and would look into it further for Jake.

Laura Shufelt shared that there is a new website tool called Housing Navigator MA that can be used for advertising all subsidized units for perspective tenants looking for housing and said that it also lists lotteries and first come first serve units available. She said that the landlord pays to post on the website however this cost is a lot less money than having an empty unit. She clarified that they do not run the lotteries. Laura outlined the best timing to start the lottery process as being six months before anticipated occupancy. The lottery process requires 60 days of advertisement before the lottery and once folks are awarded a unit there is a required 30 day lease up period so those who have been awarded units can give their notice. Laura explained that in the event of a delay in construction or issuance of a CO, the grantees can extend their tenancy or if informed in time, they can hold off on giving their 30 day notice.

Wendy said she would like for the Trust to be able to fund Jake's project as he is a known quantity and the project is in the area purposely zoned for this type of improvement in the community and the need goes without saying. She said she did not want to drag out the decision on this. Laura said that essentially the Trust is being asked to put \$500,000 into one 80% AMI unit that is not much lower than the rents that are being prescribed and shared she is having difficulty getting to a yes. Andy said on the flip side, it would help with being able to create all the other units and noted this this needs further discussion. There was discussion about the various budget lines within the Trust and Mark Milne noted that there is only \$80,000 left in the non-CPA budget line. Wendy said that she does not disagree with Laura, however it is the market that has caused the developer to be squeezed by interest rates and the high value of real estate. Laura suggested the possibility of a \$500,000 down payment for the project with a 1%

interest rate as an investment project for the Trust. Town Councilor Paula Schnepf noted that the challenges to renting restricted units is the cost to a property owner either because of the long vacancy time, or the cost on the front end to run the lotteries. She noted that Jake's market rate units are not far off 100% AMI and Jake confirmed that the goal is to build "work force housing". Ms. Schnepf said that he might be able to justify \$125,000 per unit as he would not likely be pursuing the HDIP option if he wanted to hit the ground running in the fall. Jake explained that there is a "missing middle"; people who do not qualify for an affordable unit, but are having trouble affording the going market rate. He said a 2-bedroom apartment at \$2,350 would serve this group. Ms. Schnepf said that if the Trust could have assurance that there were some additional units at 100% AMI units it could possibly move the project forward without having to change Trust policy. Andy agreed this is a great point that has been discussed with Jillian and others and if the rents really are going to be below market rate the Trust should try to support it.

After discussion and a poll of the Trust Board members, it was decided that the application was not ready for a vote and a date for an interim meeting would be scheduled for September 24, 2023 at 9:00 a.m. In the meantime, staff could work with one or two board members to figure out the parameters, questions, and approaches available to the Trust.

3. Trust Administrator's Updates/Follow-Ups – Jillian Douglass

- a. Ms. Douglass reported that she included a spreadsheet of the Affordable Housing Trust Fund balances as of June 30, 2023 in the meeting packet. She said she also included the draft memorandum to CPC to be reviewed by Mark Ells,
- b. Ms. Douglass noted that staff has discussed the potential for requesting additional CPA funds to bolster existing Buy-Down Program through an application to the CPC. After brief discussion, it was decided that this item would be placed on the next meeting agenda.
- c. After brief discussion, it was decided that discussion about Provincetown's Trust for Preservation of Year-Round Housing would be taken up on an agenda where an application is not also being reviewed.

4. Planning & Development Updates – Elizabeth Jenkins, Director of Planning & Development

Ms. Jenkins reported that the RFP for property at 164 Route 149 in Marstons Mills "House on a Hill" had issued and there was a site visit yesterday. She shared that this process is going very well. She noted that updated numbers for the Subsidized Housing Inventory are available from ELOLEC and Town of Barnstable Subsidized Housing Inventory dropped to 6.78% from 7.2%. She said this will be used as a starting point from an administrative perspective to clean up the SHI. She shared that there are properties that should be on the list and some properties that should probably should not be included. Elizabeth also noted that since the last Trust meeting, the 2023 income levels for affordable unit rents was posted with a modest increase of 7% over last year. She said these documents will be used to update the Housing Needs Assessment and to get the information to the public. Planning & Development staff attended the One Cape Summit which included a presentation she did with CCC staff on context sensitive housing design and she also noted great production coming in as a result of the new zoning.

5. Topics for Future Meetings/Agendas

Laura said she would like to have a discussion on the difficulties that the 850 Falmouth lottery experienced, to ensure procedures are put into place to prevent future hurdles and complications meeting other Fair Marketing and Monitoring requirements. It was decided this item should be added to the September Trust agenda.

6. Matters Not Reasonably Anticipated by the Chair

After discussion it was decided that a meeting would be held August 24, 2023 9:00 a.m. via zoom.

7. Next Meeting Dates - August 24, 2023, 9 a.m. and September 1, 2023, 9 a.m.

Adjournment

Motion to adjourn was made by Laura Shufelt and seconded by Mark Milne. Roll call vote: Wendy Northcross (yes), Laura Shufelt (yes), Mark Milne (yes), and Andy Clyburn (yes). Meeting adjourned.

List of documents/exhibits used by the Board at the meeting:

Exhibit 1 – Affordable Housing Growth and Development Trust Fund Board Agenda 8/4/23.

Exhibit 2 – Draft minutes for the 7/7/23/23 Affordable Housing Growth and Development Trust Fund Board meeting.

Exhibit 3 – Application – Jake Dewey - Redevelopment Funds for Linnel Landing Housing Project \$500,000.

Exhibit 4 – Trust Financial Balance Spreadsheet as of June 30, 2023

Exhibit 5 – Draft Memorandum to CPC Outlining the Affordable Housing Trust Activity.

Respectfully submitted,
Ellen Swiniarski
CPC Coordinator
Planning & Development