The Town of Barnstable

Affordable Housing Growth & Development
Trust Fund Board
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Mark S. Ells, Chairman

Friday, May 3, 2024
Affordable Housing Growth & Development Trust Fund
Fund Board Meeting Minutes
9:00 A.M.

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; Jillian Douglass, Trust Administrator, Planning & Development; Corey Pacheco, Senior Planner, Planning & Development; Karen Nober, Town Attorney: Tom LaRosa, Assistant Town Attorney; David Anthony, Asset Management Director; Ellen Swiniarski, Community Preservation Coordinator, Planning & Development. Attorney Robert Galvin, Special Counsel for the Affordable Housing Trust. Robert Brennan and Adam Stein, Applicants for Winn Development.

Call to Order

With a quorum present, Chairman Clyburn called the meeting to order at 9:00 a.m. and stated that today's meeting will be recorded and rebroadcast via Xfinity Channel 8 or high-definition Channel 1072. It may also be accessed via the Video on Demand section on the Town of Barnstable's website. In accordance with MGL Chapter 30A, s. 20, the Chair will inquire whether anyone is taping the meeting and, if so, please make your presence known. No one came forward.

Member Introduction

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

Public Comment

Town Councilor Betty Ludtke noted that this project was a discussion point at the last Town Council meeting and she expressed her concern that CPA funds could be better spent elsewhere. She explained that the form-based zoning on Main Street, which is also an historic district, sets up a juxtaposition when the need to demolish for new development is presented. She noted that she serves as Town Council Liaison to the Historic Main Street Committee and said that although Winn has rightly taken advantage of the economic benefits of the form-based zoning, they could have done more to address public comment regarding street scape and the vernacular of Main Street. She noted that the proposed building could land anywhere and be comfortable

saying that she would rather see the local CPA funds given to a local developer rather than a national developer. She referenced the recent Trust application for 50 Yarmouth Road as an example.

Mr. Eric Schwaab noted that CPA funds have been invested to preserve the look of Main Street Hyannis in the past and did not think CPA funds should be used to support a project that proposes to raze an entire corner on Main Street. He said he would prefer that the CPA funds be used to purchase the building and restored as a welcome center or other use meaningful to the community.

Town Councilor Bloom said he would like to see the CPA funds awarded to a project that made more of an impact. It was confirmed that funds currently held by the Trust are periodically replenished by allocations of CPA funds.

Town Councilor Matthew Levesque thanked the members of the Affordable Housing Trust Board and Winn Development for partnering in a project that brings much needed affordable housing to downtown Hyannis. He noted that the mixed levels of income of the project is a very effective way of building housing. He commented that Winn Development has gone above and beyond to try to respond to public concerns and said he is grateful for the application process and the Trust Board performing its due diligence on behalf of the Town.

Ms. Natalie Pittenger commented regarding the range of incomes listed, noting that a 61-100% AMI income bracket does not appear to be included in the submission although the State defines low-income households as individuals earning no more than 80% AMI. She concluded that 80% AMI should be an allowed income bracket included in the application.

Mr. Hector Guenther explained that he is a financial analyst and had some questions on the sources and uses, specifically page 5 of the proposal where he asked if details of the various subsidies and uses could be expanded as well as the tax credits anticipated to be received. He also asked at what stage in the application process the project is with respect to other subsidies, and the level of confidence they will be awarded. He noted a discrepancy in the funding sources document and requested access to the company's audited financial statement. He noted a small developer equity, with most funding sources coming from subsidies and tax credits.

Chair Clyburn closed Public Comment and acknowledged receipt of 14 emails that were sent to the Trustees of the Affordable Housing Trust regarding Winn Development's proposal.

Topics for Discussion

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1. **Development Activity Application – Initial Presentation: Winn Companies – Harbor Vue, 307 Main Street, Hyannis -** Winn Companies is requesting $2,000,000 in support of the Harbor View project, a new, ground-up construction of 120 units in a 96,829 square foot structure replacing a currently vacant building at 307 Main Street, Hyannis. The development program includes approximately 120 units of mixed-income housing for individuals and households earning a range of incomes from affordable units (30-60% Area Median Income), middle income units (100-120% Area Median Income), and market rate units. A minimum of 12 units are required by Local Ordinance to be permanently deed-restricted affordable to households at 65% of the Area Median Income.

This project seeks to protect the Affordability of additional units in return for Trust funding.

Mr. Robert Brennan said that public comments are appreciated. He noted the rise in costs of creating affordable housing is one of the greatest challenges and has created a large housing deficit on Cape Cod. He said that the combination of zoning and infrastructure allows for greater density associated with creating affordable housing. He noted that the project was fully vetted and approved by the Hyannis Historic Main Street and fully compliant with zoning, saying that the project is a local project that provides housing on Main Street, Hyannis. He welcomed public involvement and hoped that this project could serve as a precedent for similar projects going forward.

Mr. Adam Stein of Winn Development narrated a PowerPoint presentation providing an overview of Winn Company noting the project team of companies. He explained that Winn Companies has been involved in affordable housing and mixed development for 52 years and plan to continue moving forward. He said that because Winn Company develops, owns, and continues to provide internal management of their properties. They are careful regarding what the building looks like and how it functions. Mr. Stein stated that Winn Development has established good relationships with state agencies and lenders as well as the community, noting their advocacy for the adoption of the eviction moratorium during the pandemic.

Mr. Stein continued the review of this project, called Harbor Vue, saying the name speaks to the location and the Town. He said that the former TD Bank site and approximate 100K s.f. building received approval for 120 mixed income housing units. He noted the proposed mixed income bands, ranging from 30% AMI or lower; 30-60% AMI, defined as affordable; 80-120% AMI, defined as work force. He said the units will be scattered throughout the building using the same finishes with no differentiation. Market rate units would be for unrestricted income. Mr. Stein said they have received local permits and are targeting mid- to late-year 2024 applications to EOHLC for housing tax credits. Mixed income bands were depicted as follows: Work Force 110-120% AMI, with household incomes of $111,000-121,000/yr; Affordable tier 60-80% AMI, with household incomes of $53,000 to $70,000/yr for a 1-bedroom; Deeply Affordable tier 30% AMI or less, with household incomes of $25,000 or less/yr. Building elevations and site plans were also displayed.

Mr. Stein stressed the importance of local funds in creating affordable housing, noting the difficulty and expense of creating this type of housing. He stated that this is the type of affordable housing that can make a significant positive community impact. He displayed examples of local funds being used in support of mixed income housing developments by Winn Development in Brighton and Quincy. He explained that the developer is building the same building as a market rate developer, but does not have the ability to generate enough supportable debt to do these types of developments without infusion of local funds like those from a Trust. He outlined the $2,000,000 request for Trust funds, acknowledging that, for the required 10% inclusionary 12 units, they would be subsidizing the Affordability of those units at 60% AMI, instead of the required 65% AMI. They are seeking $50,000 per unit toward the discounted AMI for those units. They are proposing 7 units at 80% AMI and requesting $200,000 towards each of those units, noting this reflects the Trust's discussion of possibility moving to a $200K maximum per unit. The total per unit cost is $665,831.

Laura Shufelt expressed her enthusiasm for a project that is primarily affordable and addresses the needs of the Town. She said she was surprised to see that the original 45 units had been

reduced and also how it was reduced, noting that the difference between 65% AMI inclusionary and 60% is minor. She said this subsidy is necessary for tax credit limits, so coordination of tax credits and other fund limitations reduces the number of units that are being included. She said she was not supportive of the inclusionary units going from 65% AMI to 60% AMI and that the maximum per unit amount of $200K in Trust discussions has not been voted. The Trust agreed to look at $150K per unit, with $200K depending upon increased affordability or other factors, earned through bonus points for same. Mr. Stein confirmed that applicants who did not receive awards from the State's "winter round" have shifted to submitting for the "mini round", saying that Winn is unsure if they will be invited to the mini round, and noting there will be a new production round in mid- to late-year 2024 that they could target, as well as the February 2025 standard round.

Wendy Northcross thanked Winn for investing in the Town of Barnstable. In answer to her questions, Mr. Stein confirmed that local preference can be given to qualified applicants within the rules of the lotteries, and this has been done by Winn in other communities. He also confirmed that a Massachusetts-based general contractor would be hired, with provisions in the contract for local hiring initiatives for minorities and woman-owned businesses that would have to be fulfilled by the subcontractor. He noted that the project includes the anticipated future cost increase "down the road", which is their standard procedure. Mr. Stein said that they are in the process of purchasing the property and will close soon.

Mark Milne also thanked Winn Company for investing in the Town of Barnstable, noting that the company's reputation precedes them as a national leader. Mr. Milne asked what the impact to the community could be if the Trust did not subsidize the project. Mr. Stein responded that EOHLC allocates all of the financing for affordable housing with two rounds, because of the push for production, noting the funding sources are very competitive, with EOHLC receiving 50 applications in a round and the funding for only 40% of those applications. Resources are allocated to applicants based upon the type of housing, where it is located, and criteria put forth by the agency, such as: the of number of units; bedroom sizes; municipalities with low SHI counts; locations closer to transportation and jobs. One thing the agency cares about is the ability for the community to provide matching funds, which could be in the form of a tax abatement, housing trust funds, HOME funds, reduced building permit fees, etc. Local funding is a requirement of the agency for matching funds to be provided. The commitment from the municipality or town shows that it is a priority for the community, as well as the state. Local funds are a very important source of funding for this type of development. He stated the less a developer gets from a town and the state impacts the type of development they can build and "how it looks". Mr. Milne confirmed that the funding request from the Trust would strengthen applications to other subsidies and that all 120 units, 100%, would count on the SHI. Laura Shufelt said that all the units designated as affordable should be restricted in perpetuity in her opinion.

Chair Clyburn summarized that the Trust has struggled with the per unit amount that can be contributed and has looked at each project individually. He noted Trust discussion regarding modifying the NOFA upward in the range of $75-$150K per unit, with $200K considered only for extraordinary circumstances. He agreed that the reduction from 65% to 60% AMI at $50K per unit is not significant and that the Trust may not want to entertain this. Mr. Clyburn noted, and Mr. Stein confirmed, that the $2M in Trust funds to support other subsidies is not a deal breaker for the project to move forward and is more a way to fund project aspects that benefit the community more. He said that there will likely need to be several subsequent discussions saying that the Trust is very cautious in the use of limited CPA funds.

There was discussion regarding the need for a market study, eventually to determine work force housing needs and income limits. Laura Shufelt offered that the income limits on the Cape for work force housing seem to have settled at 90% AMI. There was discussion regarding the percentage of vouchers as they relate to Fair Market Rents. Laura said she agreed with the importance of having local contributions to community housing projects as they tend to move faster and gather more resources and subsidies to make them work. She shared that Barnstable is part of a HOME Consortium and that this project may be eligible to receive state HOME funds. She recommended adding HOME funds to the list of funding sources, as it would be worth $350K, if awarded.

The proposal will return for a full review in the near future.

2. **Continued Discussion - Potential Revisions to Notice of Funding Availability (NOFA) -**Trust Administrator Douglass and Planning & Development Director Jenkins

Elizabeth Jenkins said that she and Jillian focused on cleaning up income definitions and evaluation criteria and funding levels for development activities. At the last Trust meeting it was articulated that the Trust was willing to consider applications at a base level and then increase the amount of funding per unit based on its ability to adhere to the evaluation criteria. The evaluation criteria have been rearranged to reflect the priorities of the Trust: projects that leveraged other funding sources, projects with a greater overall number of units designated affordable, projects with deeper level of affordability.

Laura Shufelt noted the scale of funding in the draft saying she recalled that discussion was for $75K-$150K per unit with the ability to go to $200K using bonus criteria for extra funding only. There was discussion regarding the ability to stay flexible and evaluate each project on its own merits and it was agreed by all that to reach an amount higher than $150K, bonus points would need to be awarded for such things as sustainability, green energy practices, as examples. It was suggested that a maximum cap not be identified, because historically that would be the amount requested. The maximum limit would be $150K per unit with the discretion to increase based on earned bonus points.

Elizabeth said they tried to strengthen the preface to the funding levels by saying that the funding levels provide a guide to applicants in formulating requests to the Trust, awarded amounts are determined at the discretion of the Trust Based on a project's adherence to established priorities and criteria. She noted a paragraph added under Development Activities that says that units that are required to be restricted affordable under Chapter 9 will not be considered eligible for funding unless they are more deeply affordable than required. There was discussion regarding the maximum per project amount and it was agreed this should be raised to $2M per project.

It was agreed that the draft NOFA would be revised and brought back for a vote at the next Trust Board meeting.

3. **Approval of Minutes from the 4/5/24 Trust Meeting.**

The vote to approve the 4/5/2024 meeting minutes was postponed to the next Affordable Housing Trust meeting.

4. **Updates from Staff on Pending Applications (Bratt LLC at 199 Barnstable Road)**

Jillian Douglass shared that she has received a draft application for 199 Barnstable Road, however it is not ready for full review by the Trust. The applicant is seeking review at a meeting later this month if possible.

Jillian said she is working with Attorney Galvin to finalize the grant agreement for FORWARD2 and the grant agreement and mortgage for the Linnell Landing project. The Bread and Roses applicant for predevelopment funds in the amount of $50K is seeking an amendment to the grant agreement that would allow him to submit incremental bills for payment and she is working with Attorney Galvin to ensure this is reflected in the document.

5. Matters Not Reasonably Anticipated by the Chair

None.

6. Topics for Future Meetings /Agendas – May, June, July, August 2024

Wendy Northcross said she would like to learn more about "Placemate", a program used by Provincetown, that was suggested by one of the public commenters. Jillian explained that this is a program that has an application with it, so people can log-on to the organization's website to see how it works. She offered to forward the link and said a demonstration could be done individually or for the Board.

7. Next Meeting Dates

Chair Clyburn noted that in terms of quorum, Fridays have become a problem in the short term. After discussion it was decided that for the months of June, July and August, Affordable Housing Trust meetings would be held on the first Monday of the month at 2 p.m. An additional Trust meeting is also to be scheduled for Monday, May 13, 2024, at 2 p.m.

Chair Clyburn thanked the public that attended the Trust meeting. Laura Shufelt announced that MHP is holding a 2-day Housing Institute on June 12 and 13 this year at the AC Hotel Worcester. Said this is training for advocates, staff, and elected officials. Board members and volunteers can ask for a scholarship to attend free of charge. She encouraged folks to come and learn about affordable housing.

Adjournment

The motion of Wendy Northcross was seconded by Laura Shufelt to adjourn the meeting. 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 Meeting Agenda for May 3, 2024.
Exhibit 2 – Winn Company – Harbor Vue Proposal - 307 Main Street, Hyannis
Exhibit 3 – Affordable Housing Growth and Development Trust Fund Board draft meeting minutes – April 5, 2024.
Exhibit 4 – AHGDT Application Evaluation Worksheet – Development Activities
Exhibit 5 – Draft Updated NOFA

Respectfully submitted,
Ellen M. Swiniarski
CPC Coordinator
Planning & Development