The Town of Barnstable

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

Friday, February 7, 2025
Affordable Housing Growth & Development Trust 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: Mark Ells, Chairman, Mark Milne and Laura Shufelt. Andy Clyburn (absent)

Other Attendees: Jillian Douglass, Trust Administrator, Planning & Development; Corey Pacheco, Senior Planner, Planning & Development; Ellen Swiniarski, Community Preservation Coordinator, Planning & Development. Special Counsel, Attorney Robert Galvin, Jr. Attorney Bernard Kilroy and Mr. Timothy Telman for Standard Holdings. Mr. Carlos Barbosa for Copacabana Realty Investments, Inc. Trust Application.

Call to Order
With a quorum present, Chairman Ells called the meeting to order at 9 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 else is recording the meeting and, if so, please make your presence known. No one came forward.

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

Public Comment
None.

Topics for Discussion

1. **Continuation – Request from Standard Holdings** – re: reconsideration of denial of additional mortgages on Residences @ 850 Falmouth Road and request for transfer approval – Timothy Telman of Standard Holdings & Attorney Bernard Kilroy.

The Trust Board had previously denied this request without prejudice. Mr. Telman explained that he has provided the documentation requested by the Trust Board at the last meeting, specifically the certified cost of the project totaling $17,965,000. He explained that this amount was accepted by EOHLC as the certified completed work cost. He said that the total funding sources equaled $16,528,000, which left a shortfall of $1,437,000 that was personally covered by himself and Mr. Carlton. The request is for a subordinated mortgage for $1.4M to secure their funds to be recorded behind the trust mortgage and paid back at a later time. Attorney Galvin noted that the use of a portion of the equity of the property in return of some money into the project does not create significant additional risk for the Trust mortgage which is in a higher position. After a brief discussion, the Trust members agreed that the Trust is in a sufficiently strong position to allow the mortgage.

The motion of Mark Milne was seconded by Laura Shufelt to approve the request of Standard Holdings, Inc. to record an additional mortgage in the amount of $1.4M on the Residence @ 850 Falmouth Road, Hyannis project.
Roll Call Vote: Laura Shufelt (yes), Mark Milne (yes), Mark Ells (yes) Motion carried.

Jillian Douglass explained that Standard Holdings is also looking for approval from the Trust to transfer the property. Mr. Telman explained that Standard Holdings has entered into a Purchase & Sales Agreement on the property. He noted that the mortgage that the Trust just approved was an important goal for them to be able to take proceeds from the sale and roll them into other properties in the Barnstable area and for those funds to be included in a 1031 exchange. There was discussion regarding the need for a formal request that provides a summary of what is being asked and why. Laura Shufelt noted that both the Grant Agreement and Mortgage have provisions that 10 years from the date of the closing, any transfer of more than 25% of either the membership or sale of the property must be approved by the Trust along with the assumption of the mortgage and regulatory agreements.

Attorney Kilroy referred to the P&S Agreement and email from the buyer's counsel. He noted that the P&S Agreement is in flux as it is still in the due diligence and financial contingency period which will expire at the end of the month. The buyers are John and Anthony Santoro or their Nominee, however an LLC will be formed. He noted the notice requirements under the regulatory agreement saying a signed agreement indicating that the transferee will assume all the developer's obligations as the successor developer is required. The P&S Agreement references all the recorded documents which he said should meet the consent to sale requirements of the Trust. There is also a provision in the Agreement for a 1031 exchange. He explained that Mr. Carlton and Mr. Telman may want to have the developer convey a fractional interest of the property to an LLC that they will each form for the purpose of 1031 exchange treatment of their proceeds.

Attorney Galvin said he would review the regulatory agreement to ensure there is nothing missing and said he has draft assignment and assumption agreement forms that he could provide. He noted that the 10-year consent requirement was included so that the Trust is comfortable with who they are dealing with and said the buyer should provide some information about the capitalization of the project to that end. Laura Shufelt noted that the perspective buyers did not seem to have experience in MA or affordable housing saying there will need to be an entity overseeing the leasing and compliance of the affordable units and a monitoring service agreement. The Trust needs assurance that the buyers understand the requirements under the

regulatory agreement and that they have the financial capacity or capital to be able to purchase with the requirements of the affordable units being part of the operation.

There was discussion regarding the familiarity of the buyer's attorney with all the requirements and it was explained that $8M in buyer's cash equity is planned for the project, financing the difference. The P&S references that the buyers are keeping everything in place, including the management company. The initial lease up and one-year reports from BHA as the monitoring agent will be provided to the Trust.

Chair Ells took this request under advisement to be brought back at a future meeting so that Attorney Galvin has adequate time to review all information that has been discussed. Laura Shufelt noted that the Trust should receive something in writing from the buyers indicating that they are keeping the management company and provide certification of their experience reviewing eligibility of tenants for the affordable units. Proof was also requested that BHA agrees with the assumption of the monitoring agreement by the buyers. It was also requested that the buyer's representative be present to answer questions at the next Trust meeting.

2. **New Application – 2nd Reading – Copacabana Realty Investments, Inc.** – 11 Potter Avenue, Hyannis – Requesting $450,000 to subsidize the redevelopment of 0.18-acre site to produce 4 residential rental units, 3 of which would be perpetually deed-restricted as affordable to households of 80% AMI – Carlos Barbosa of Copacabana Realty Investments

Mr. Barbosa noted that Laura Shufelt was correct regarding the rental calculations saying the rent for the two studios should be $1,512 per month and the one-bedroom unit rent is $1,610 per month with solar credits of approximately $200 for the studios and $224 for the one-bedroom units. Mr. Barbosa said that he understood all the requirements associated with eligibility compliance for the affordable units and will be receiving assistance from Attorney Kilroy to contract for that. It was noted that the development budget was included at page 33 of the original application. Chair Ells moved to the next item on the agenda while that budget was retrieved and reviewed, planning to return to this item at the end of the meeting.

3. **Resolution to Request from CapeBuilt, LLC** – re: transfer of interests in 255 Main Street, Hyannis, to Riverview School by executing new Assignment & Assumption Agreement and re-stated Promissory Note with the Town of Barnstable – Special Counsel Attorney Robert Galvin

Attorney Galvin explained that Cape Built was proposing to assign their property at 255 Main Street to the Riverview School. He noted that this property has two community housing units partially funded through a direct grant from the CPA fund. He said there was a regulatory agreement, declaration of restrictions and covenant, and a mortgage granted. The regulatory agreement form previously recorded was not an approved HLC form and therefore was not perpetual, he noted other deficiencies in the existing documents. A new note was created to fulfill the requirements referenced in the mortgage. He said that the finalized assignment and assumption agreements that require the new owners to take over all CapeBuilt's obligations are ready for the Town Manager's signature and that this is not a matter the Trust needs to take any

action on. Laura Shufelt inquired if a monitoring agreement would also be put in place, saying that she did not think CapeBuilt has one now, but should have had one.

Chair Ells returned to Agenda Item #2 – Copacabana Realty Investments, Inc.

Laura Shufelt indicated that she had reviewed the development budget and was ready to vote to approve.

The motion of Laura Shufelt was seconded by Mark Milne that the Affordable Housing Trust approve the Application of Copacabana Realty Investments, Inc. for $450,000 contingent upon the execution of required legal documents: regulatory agreement, monitoring agreement, mortgage and note; and that the Trust will receive an updated development budget prior to construction closing and cost certification at completion of the project.
Roll Call Vote: Laura Shufelt (yes), Mark Milne (yes), Mark Ells (yes). Motion carried.

4. **End of Year Planning and Reporting –**
   a. **Continued discussion – End of Year Report to Community Preservation Committee** – Trust Administrator Jillian Douglass
   Ms. Douglass noted that a draft of the report was provided in the packet with prior Trust comments highlighted. There was discussion regarding removing the section on seasonal communities because this is yet to be determined. Laura Shufelt noted that the ADU state law is in effect as of February 1, 2025. She said that it has not been determined if Barnstable will participate in the county's Regional Housing Service Office saying she is on the Advisory Board as the Barnstable representative. She said this is an administrative decision and the Town Council would need to approve funding for it in the upcoming budget and a decision would need to be made soon. Corey Pacheco said that he attended a meeting that reviewed the pilot and future programs. He said there will be discussions next week regarding the role that the Regional Housing Service would play and what Barnstable would expect them to provide. He agreed that a determination would need to be made by the end of February. It was agreed that Laura Shufelt would be looped into discussions with James Kupfer and Corey Pacheco. Chair Ells requested that anything speculative be removed from the report and the modified report return to the Trust for approval.

   b. **Continued discussion – structure for a standing account or fund for set-aside of non-CPA funds to purchase, or exercise First Refusal Rights** – to ensure future re-sales of CommonWealth Builder units will remain deed restricted for affordability – Finance Director Mark Milne.

Mark Milne said that as discussed at the last meeting, the Trust now has an income stream coming from the DS Landing Project noting that the first payment of $75,000 has been received and will be repeated yearly for the next ten years. He said that in addition, upon execution of the final ground lease in 2027, a lump sum payment of $750,000 will be received by the Trust. He said that the Trust had been considering using these proceeds to begin developing a fund to accumulate resources for potential buyback for the CommonWealth Builder program units that Housing Assistance Corporation will be building on the corner of Stevens Street. There was discussion that the goal of $500,000 in the fund would be a good amount, dedicating $50,000 of

the $75,000 proceeds yearly for ten years with $25,000 going into the Affordable Housing component of the Trust fund for use on other projects. It was decided that the fund would be dedicated to offsetting shortfalls in repurchasing CommonWealth Builder units only to ensure that units are not lost. The equity that this fund provides will write down the cost of the buyback and not be given to the borrower.

The motion of Laura Shufelt was seconded by Mark Milne that the Trust set aside $50,000 per year for ten years from the WS Landing revenue to be used to offset any shortfall in repurchasing CommonWealth Builder units.
Roll Call Vote: Laura Shufelt (yes), Mark Milne (yes), Mark Ells (yes). Motion carried.

5. **Matters Not Reasonably Anticipated by the Chair**

None.

6. **Approval of Minutes** from the 11/14/24, 12/6/24 and 1/10/25 Trust meetings

Approval of the munites from November 14, 2024.

The motion of Laura Shufelt was seconded by Mark Milne to approve the meeting minutes of November 14, 2024, as submitted.
Roll Call Vote: Laura Shufelt (yes), Mark Milne (yes), and Mark Ells (yes). Motion carried.

Approval of minutes from December 6, 2024, was postponed.

Approval of Minutes from January 10, 2025.

The motion of Mark Milne was seconded by Laura Shufelt to approve the meeting minutes of January 10, 2025, as submitted.
Roll Call Vote: Laura Shufelt (yes), Mark Milne (yes), and Mark Ells (yes). Motion carried.

7. **Topics for future Meetings/Agendas**

After discussion it was decided that draft criteria and recommendations for evaluating monitoring agents and contracts will be finalized and brought back to the Trust for review.

8. **Next Scheduled Meeting – Friday, March 7, 2025, at 9:00 am**

9. **Adjournment (Roll Call)**

The motion of Mark Milne was seconded by Laura Shufelt to adjourn the meeting.
Roll Call Vote: Laura Shufelt (yes), Mark Milne (yes) and Mark Ells (yes). Motion carried.

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

Exhibit 1 – Affordable Housing Trust Fund Board Meeting Agenda for February 7, 2025.
Exhibit 2 – Email from Tim Telman with attachments regarding Standard Holdings request to record an additional mortgage for $1.4M

Exhibit 3 – Solar Energy Pricing Analysis – Copacabana Real Estate Investments, Inc.
Exhibit 4 – Trust Application and Plans – Copacabana Real Estate Investments, Inc.
Exhibit 5 – Draft Report on the Affordable Housing Growth & Development Trust Fund Activities Relating to the Award of CPA funds for End of Calendar Year 2024
Exhibit 6 – Affordable Housing Growth & Development Trust Fund Statement of Financial Position – Inception to December 31, 2024
Exhibit 7 - Draft Trust meeting minutes from 11/14/24, 12/6/24, and 1/10/25.

Respectfully submitted,
Ellen M. Swiniarski
Community Preservation Coordinator
Planning & Development Department