



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

Friday, February 11, 2022
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: Chairman Mark Ells, Andy Clyburn, Mark Milne, Laura Shufelt and Wendy Northcross.

Other Attendees: Attorney Ruth Weil, AHGDT Staff; Attorney Charlie McLaughlin, Senior Town Attorney; David Anthony, Director of Asset Management; Elizabeth Jenkins, Director, Planning & Development; Ryan Bennett, Housing Coordinator, Planning & Development; and Ellen Swiniarski, Community Preservation Committee Coordinator, Planning & Development.

Call to Order

With a quorum present, Chair Ells called the meeting to order at 9:00 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, Andy Clyburn and Mark Ells.

Topics for Discussion

1. Public Comment

None.

2. Approval of minutes for the 1-28-22 meeting.

Motion was made by Laura Shufelt and seconded by Wendy Northcross to approve the January 28, 2022, meeting minutes as submitted. Roll call vote: Mark Milne (yes), Wendy Northcross (yes), Laura Shufelt (yes), Andy Clyburn (yes); Mark Ells (abstained). Motion carries.

3. Update on efforts to market the Trust's Notice of Funding Availability (NOFA).

Elizabeth Jenkins provided an update regarding marketing strategies identified in meetings with staff including development of materials for distribution to developers locally as well as using contacts that Amy Harwood has for affiliate organizations such as the local and state chapters of the Home Builders & Remodelers Association and Realtors Association to talk with them about publications and other ways to promote the NOFA and deliver the message forward to their members. She noted that the report Ruth had provided identified that digital marketing is probably the best way to go as opposed to print marketing publications, saying that Amy will do research on this as well. Ryan Bennet added that the internal preliminary marketing plan that Amy developed has two near term items of note: an insert in Banker and Tradesman issues; and hosting a community discussion with key stakeholders and developers.

4. Discussion of provisions that the Trust might want to consider included in a Request for Proposals (RFP) for the development of affordable housing on the property now addressed as 1200 Phinney's Lane, Hyannis, MA (Map 274, Parcel 031) which was formerly owned by the Disabled American Veterans (DAV).

Laura Shufelt referred to her memorandum containing questions she usually uses when working with communities. She said some questions may be premature because the amount of land and number of units are not determined yet. Laura noted that the Trust should narrow the focus of the RFP for the type of housing that is desirable. Elizabeth said that staff is hoping for direction from the Trust so there can be a more productive discussion around the other considerations on the site. Andy Clyburn reminded those assembled that at the last Trust meeting there was discussion about the decision of utilizing the parcel as it exists or modifying it to gain a larger project footprint. He said that the question is - what is the gap in funding needed between these options? Laura noted that there is a sweet spot in the number of units for developers to be interested in moving forward on the RFP. There was discussion regarding the sweet spot and the number of units that could be gained by taking the time and effort to modify the lot, as well as the timeline involved and compatibility with the neighborhood to the south. Chairman Ells commented that affordable housing is clearly wanted here but questioned if it should be density driven or subsidy driven noting that this needs to be identified, while being mindful of the importance of quality of life and maintaining character.

Laura Shufelt said one of the threshold questions is whether there is a need for affordable housing and that has been clearly established by the recent lottery for 40 affordable units in Yarmouth where 600 qualified responses were received. Laura noted that this development was for 60% Average Median Income (AMI) and under. Laura said it is important to get both the desired outcome that the Town wants for who the housing will be serving and the design of the housing. She noted that if the number of units needed for a project is not reasonable, then the funding gap should be determined, noting that the optimum number of units for developer interest in a project is about 40 units with anything above 35 units also getting responses but from fewer developers. Elizabeth Jenkins reviewed the zoning options available these being a zoning amendment or permitting through the Chapter 40B. She explained that if the zoning was changed to HB there are no per acre limits for the number of units. Laura said that 40 units per acre is with minimal use of Town funds, the number of units could be less if the gap created can be funded by the Trust or others. She noted that although the lot has the advantage of being on a sewer line, this cost savings is likely to be offset by the rising cost of construction. Laura said

that the RFP cannot include that a certain amount of gap funds will be provided, only that the Trust is open to receive an application for those funds.

Ryan shared her screen depicting the Utile test fits. She reviewed all the different scenarios and building types and number of units including those that required the adjustment of the interior property line, noting that some designs are likely a less desired option from a neighbors' perspective. There was discussion regarding the optimal number of units being 40 and the need for subsidy to fill the gap because only 36 units fit on the parcel without adjustments to its size or dimensions. The option for podium parking with the apartments above was also discussed. Ryan noted that the level of affordability that is assumed also makes a difference if willing to go up to 100-120% AMI. Laura noted that anything above 60% AMI does not count for tax credits so additional subsidies would be required for a higher AMI noting that those subsidies max out at \$100,000 per unit which usually does not cover the cost of the unit. There was discussion regarding the fact that the land will be offered at no cost to the developer and without sewer connections costs added for this project. Laura noted again the major difference between 40 and 36 units for the attractiveness to developers explaining that most will not look at it if it is under 40 units especially because now construction costs are \$425 per s.f. and an average per unit cost is \$500,000. She explained that the tax credits have not increased, and subsidies have not increased much, but she hopes the American Rescue Plan Act of 2021 (ARPA) funds will help get projects moving over the next two years. Laura explained that there is \$100,000 in workforce housing per unit available by the State for between 60-120% AMI, however with \$500,000 per unit total development cost does not support taking on \$400,000 in debt. She said that the sooner the Trust can get a developer on board, the sooner an application for ARPA funds can be made.

Discussion ensued relating to the process for the disposition of the parcel once the Town Manager declared the property as surplus. Elizabeth Jenkins noted that a 2/3s vote of the Town Council would be needed for this parcel to be used for any use other than police purposes. Ruth explained that the Trust does have the authority to acquire real estate and the Town Council did have the option to transfer the property to the Trust for the development of affordable housing. The other approach would be for the Town Council to authorize the Town Manager to dispose of the property for affordable housing purposes. Laura mentioned that she has worked with communities that had used a "hybrid" approach where affordable housing trusts were assigned the task of marshalling the RFP process.

The Trust members discussed whether there is any consensus that the DAV parcel should remain as it is with 36 units or expand the lot for 40 units or more. Laura suggested that to obtain density, a third floor would be needed with elevators, accessibility and some screening and space around the building as benefits. There was discussion regarding whether the use of the 3-story apartment building across the street was going to change and if it did not, a 3-story apartment building on this lot would be of the same scale.

There was discussion regarding whether encroachment onto the police parcel adds value and it was noted that obtaining the right size community housing on the parcel will require a more significant subsidy from the town. It was decided that a discussion with leadership regarding disposition of the parcel along with discussion about zoning issues is required to move forward. Town Council would need to agree that affordable housing is a good use of the parcel as they hold authority over its disposition

5. Update from Laura Shufelt on State housing funding initiatives.

Laura shared that the Massachusetts Homeowners Assistance Fund (HAF) has been rolled out on the website: massmortgagehelp.org. To be eligible, applicants need to be three or more months in arrears in their mortgage for funding to fill the gap. She noted that this funding can also pay for utility arrearage and is available to households that are at or below 50% of AMI in 1 – 4 family primary residences going back to March 2020. Laura said she is sharing this in case the town encounters anyone looking for this type of help. She said the State got ARPA federal money in the amount of \$178M for this program. Laura noted the only difficulty is that the money went to the servicers of the loans who all need to be on board with the program but once enlisted, the program works seamlessly.

6. Update from the Planning and Development Department relating to housing projects in various stages of the development pipeline.

Ryan Bennet explained that the Planning and Development Department has been tracking housing production since 2017 and that information was shared with the Housing Committee at their last meeting. Ryan shared her screen showing the matrix which she said has also been made available on the Town's website following the Housing Committee meeting noting she got a call from the Cape Cod Times inquiring about the numbers. She explained that the proposed numbers are going to shift because there are some significant developments that are only in preliminary discussion. Ryan said there are a total of 658 units proposed of which 67 would be affordable: The regulatory agreements that are associated with these may adjust these numbers as they move forward. She noted that there are 38 units in permitting, 3 will be affordable at 65% AMI. Since 2017, 347 units have been constructed, including 36 affordable. There are 197 units either under construction or nearing permitting completion, including 19 affordable. Ryan said that the matrix document will be updated as things change. There was discussion about the Affordable Accessory Apartment Program (AAP) and the number of units that have been taken off the SHI for various reasons including refinancing, noting that conversion under the Accessory Dwelling Unit (ADU) ordinance is not necessarily preferred by those participating in the program. Elizabeth Jenkins explained that an AAP program cleanup was performed over the last 2 years which accounts for folks that fell off the radar or are no longer responding to monitoring, or because the property has sold.

7. Review of Community Preservation Committee (CPC) quarterly report for the period from November 1, 2021 through January 21, 2022.

Ruth explained that the quarterly report reflects the Trust's discussion over the last few months about marketing and the use of 1200 Phinney's Lane for affordable housing. The expenditures for the quarter will also be filled in. The \$1.4M for Standard Holdings was released to Bank 5 at the end of November at the recordation of the Affordable Housing restriction. Funds will be disbursed on a construction loan basis with inspections. Under the Trust grant agreement there will be 10% of the grant withheld until all occupancy permits are issued for the development. Ruth noted that quarterly reports were discussed by CPC for the first round of Community Preservation Act funds to the Trust funding, but there were no requirements for reporting to continue for the Trust's second request for CPA funds. The CPC Chairman suggested reporting every 6 months instead which will be confirmed.

8. Correspondence.

None.

9. Discussion of topics for future meetings.

There was discussion about the availability of ARPA funds and how they can be best leveraged by the Trust. Laura explained that the ARPA funds are distributed to towns, however on the Cape, the funds will be distributed to the County. There is a county survey to comment on where the funding should be spent on the Cape with infrastructure preliminarily being decided as a priority. However, housing advocates have been commenting and attending public meetings to advocate for funds to go towards housing. State funds have been divided out, but there is \$2.5B that has not been assigned yet. Laura said it may require a conversation with Senator Julian Cyr as to getting a line item, explaining that Housing Assistance Corps got a line item for some of their developments that are in process and other towns have also received state funds this way. If the Trust can get a line item, it may be able to receive funds. Mark Milne noted that designating a community for receipt of ARPA funds is not the problem once designated, spending it within the timeframe becomes the challenge. Mark explained the Trust would have to obligate any funds received by December 31, 2024, to a particular project and there would be 24 months to expend those funds through December 2026. A viable project would have to be ready to go by December 2024 for which funds have been obligated.

If marketing efforts do not produce anyone proposing to access Trust NOFA money, the Trust can be in the market. Laura noted that there are opportunities for the Trust to buy property and send out an RFP. If the Trust had ARPA funds as a match this could be accomplished in the timeframe because there are properties available now.

Update regarding reporting to the Community Preservation Committee (CPC).

Adjournment

Motion to adjourn was made by Andy Clyburn and seconded by Wendy Northcross. Roll call vote: Wendy Northcross (yes), Laura Shufelt (yes), Mark Milne (yes), Andy Clyburn (yes), Mark Ells (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 2/11/2022.

Exhibit 2 – Draft minutes for the 01/28/2022 Affordable Housing Growth and Development Trust Fund Board meeting.

Exhibit 3 – Memo and Attachments – Laura Shufelt – Questions to Consider for the RFP

Exhibit 3 – Draft Affordable Housing Growth and Development Trust Fund Board Quarterly Report - Period from November 1, 2021, through January 31, 2022.

Respectfully submitted,
Ellen Swiniarski
CPC Coordinator
Planning & Development