



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

Monday, May 13, 2024
Affordable Housing Growth & Development Trust Fund
Fund Board Meeting Minutes
2:00 P.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, Wendy Northcross and Mark Ells.

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. Robert Brennan and Adam Stein, Representatives for Winn Development.

Call to Order

With a quorum present, Chairman Ells 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 else 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, Andy Clyburn and Mark Ells.

Public Comment

Town Councilor Betty Ludtke, who said she also had commented at the May 3, 2024, Affordable Housing Trust meeting, said her comments today will speak to comments made by the public at the previous meeting. She applauded the work of the Trust and the use of CPA funds for housing, saying that 10% of CPA funds is required to be spent on Community Housing every year but she questioned the adequacy of policies and procedures. Ms. Ludtke said that the aesthetics of the project were approved by the Hyannis Main Street Historic District Commission, however she felt the developer could do more noting also concerns about adequate parking and lack of knowledge about the community. She stated that the minimum allowance

for parking under the zoning ordinance is not always the best way to go. Ms. Ludtke said that the Brighton Marine development used by Winn as an example where \$4M in community money was contributed is not really a good comparison to this project saying Winn was not the architect and that great efforts to move historic buildings had been made. She said that she hoped there is a high standard moving forward for Main Street Hyannis and that the Trust will hold high standards in their service to the community.

Mr. Eric Schwaab called attention to the letters sent to the Trust by the community saying that they were 99% against funding Winn's project. He said that the project undermined efforts to preserve the historic nature of downtown Hyannis and while the need for affordable housing is understood, he felt a highly successful company like Winn could have worked around demolishing the old bank. He said the old bank could instead be purchased, restored and repurposed with the \$2M and did not think Winn should be the recipient of the town's tax dollars for this project.

Mr. Stuart Bornstein commented that the \$2M in Trust funds should be spread around to several different developers to build a few affordable units here and there instead of loading up one area that does not have adequate parking. He noted that a lot of developers build 8 or 9 units, but not 10 because they cannot afford the required affordable units under the inclusionary ordinance. He stated that there are a lot of developers in town that would like to build affordable housing, but the responsibility is left to the developers who end up burdening the costs of the affordable units onto the market rentals. He said by giving the per unit amount from the Trust fund towards the creation of affordable units, it could lower the cost of market rental housing which he said is the fair thing to do.

Hector Guenther said he is interested in the financial aspect of the Winn proposal which lists the use of financing tools and 10-12 sources of funds. He agreed that Winn's expertise is unmatched and noted the company has 630 apartment communities in 17 states and D.C. Mr. Guenther said that Winn's proposed equity contribution to this project is only \$1.1M out of \$80M or 1.4% of the project cost and said that like other commentators, he did not feel that such a huge player with a lot of access to many other funding sources should receive \$2M of the town's tax dollars. He expressed appreciation for Winn's interest in Barnstable and agreed that affordable and work force housing are a strong need in the community, however, did not think the town should be subsidizing a huge player like Winn because they do not need the money. Mr. Guenther noted the outstanding request for clarification and details in the sources of funds and uses section of the pro forma.

Mr. Chris Kuhn of Centerville said he is very familiar with downtown Hyannis and is surprised by the fact that there is no explanation of how parking will be resolved. He questioned where, beyond the 120 assigned parking spaces, would tenants find a place to park and he outlined the various parking options that are not available noting that the town had struggled with parking years ago because people coming to and from the islands were taking up available parking, leaving none for merchant customers. He said there now is a mechanism in place that regulates parking in favor of commerce, and we should not be jeopardizing that.

Mr. Stuart Bornstein explained that a developer takes a development fee that is between 10-20% off the top as profit and could represent as much as \$8M-\$15M. The requested \$2M in development funding would be on top of the development fee that they are going to receive and the developer usually puts in 20-30% of their own funds. He described this request as a free ride

and not right for taxpayers to fund it. He said he felt the parking design is too tight and difficult to support 120 cars.

Town Councilor Terkelsen said she researched the two projects that Winn used as examples of projects receiving community funding. She noted that Winn's request for \$2M uses half of the funds the Trust has available for affordable housing, saying this seems excessive.

Public comment was closed.

Topics for Discussion

1. Continued Review - Development Activity Application – Winn Companies – Harbor Vue, 307 Main Street, Hyannis. Request for development funding for affordable units within proposed new construction at 307 Main Street, Hyannis.

Chair Ells noted that many of the comments provided, were regarding the merits of the development project itself and he said that the use of funds by the Trust is specifically for the subsidy of affordable housing units in this case, that go above and beyond those that are requisite. He asked Elizabeth Jenkins to summarize the Trust's role.

Elizabeth Jenkins explained that the Affordable Housing Growth & Development Trust Fund Board was formed through state legislation. Barnstable, like many other Massachusetts communities, set up Affordable Housing Trusts to fund the protection, preservation and production of affordable housing within a community. The Barnstable Affordable Housing Trust is largely funded through Community Preservation Act (CPA) funds therefore the units that are funded through the CPA must be permanently deed restricted affordable at 100% AMI if they are community units, or 80% AMI or less for affordable housing units. The Trust put together a program that essentially helps build more affordability into new development projects and through the NOFA, identifies the type of development activities, priorities, and guidelines for projects the Trust wants to fund. These priorities are informed by the CPC as well as other town plans and priorities. She noted that many of the comments from the public are relative to compliance with zoning or availability of parking, location, and appearance, however the charge of the Trust is to focus on the affordable housing component and how it complies with the priorities that the Trust has set.

Mr. Robert Brennan confirmed that after several hearings, Hyannis Main Street Historic District Commission approved the aesthetics of the housing development that also complies fully with zoning requirements, including parking. He explained that most people seeking affordable housing do not own two cars and often do not own a single car. The perspective tenants are attracted to live in downtown Hyannis because they are working in downtown Hyannis and can also avail themselves of the CCRTA nearby. He commented that the newly created units will meet an important and currently unmet need saying the goal of Winn is to secure units in perpetuity for Barnstable in return for the funding that will unlock other funding for the project at the state level. The Trust funds are predicate funds under the state program for creating affordable housing and leverage the investment being made by Barnstable in securing the affordable units.

Mr. Adam Stein of Winn Company outlined the prior proposal which included 12 (10%) inclusionary units of the 120 units be set aside in perpetuity at 60% AMI, reduced from the required 65% AMI. There had been a per unit value assigned to those 12 units within the prior

\$2M request. The new proposal is that the 12 inclusionary units at 60% AMI in perpetuity will not have a per unit value assigned, and 13 units at 80% AMI in perpetuity based on the \$150K per unit amount that was discussed but not finalized by the Trust, for a total of 25 units, up from 19 units in the previous proposal.

There was discussion regarding the need for a formally submitted updated proforma and application package reflecting the new proposal that includes details for sources and uses and missing resources.

Laura Shufelt explained that prior to application and approval from the state's HLC, all the funding sources may not be known because HLC chooses the resulting funding source. She asked that the \$3M gap in funding be identified. Ms. Shufelt reminded that the Trust has a sliding scale from \$75-\$150K per unit and said she would be more comfortable with a lower amount per unit for the 80% AMI units. She confirmed that the write down from 65% AMI to 60% AMI is something that is required to accommodate tax credits and she had not been willing to fund these buy down units. She noted that some of the questions and comments from the public on the finances are due to a lack of understanding of how this complicated process works, however there are things that Winn could do to make the application more palatable to the Trust.

Wendy Northcross commented that the Trust has a rolling amount of funding and that \$2M is only half of the amount currently held by the Trust. She called the project well vetted and noted that the developer has been responsive saying that she hoped the Trust should try to fast track the process as much as possible.

Mark Milne agreed with Laura and said he would like to see a per unit amount on the lower end of the subsidy guidelines for Trust funding. He asked if there was an intention to apply for a Tax Increment Exemption (TIE) in the future and if an approved TIE agreement could replace the Trust funding request and be included in applications to other subsidies.

Andy Clyburn reminded that the proponent had stressed the importance of receiving Trust funds to demonstrate locale support to leverage other subsidies. He asked if the Town's contribution of form-based zoning can be leveraged also.

In answer to the Trust members' questions and comments, Mr. Stein said that form-based zoning is one of many reasons why the site is appropriate for this type of housing development, and he confirmed that it will attract resources from the state. He explained that the state is aware of a housing shortage on Cape Cod for restaurant and hospitality workers, specifically in the downtown Hyannis district. He confirmed that form-based zoning will be highlighted in their applications to the state, however the state always seeks municipal dollars committed to the project as it is a requirement for the state applications. He noted at the state level, there is competition for scarce resources for the best type of projects and it will be Winn's job to put the best possible application package together with the support of the Town.

Laura Shufelt commented that the project represents housing for the work force in the town reaching both lower and higher earnings levels and said it is refreshing to see a project that is truly affordable.

Elizabeth Jenkins confirmed that to qualify for a TIE agreement for a tax benefit for market rate units, a project must have 80% of the units set at market rate and she noted that this development would not meet the threshold for eligibility for a tax increment exemption under HDIP.

Chair Ells asked if Winn could consider providing additional affordable units beyond the 21% being offered, suggesting 23-25% with 15-18 affordable units up from 13 units. Chair Ells explained the Trust is seeking to secure affordable housing units above and beyond what is required. Mr. Stein agreed that Winn would review again. There was discussion regarding providing Winn with a list of the Trust's questions relevant to the scope of what the trust fund is reviewing and it was agreed a written summary would be provided to Winn for their response to be submitted a week prior to the next Trust meeting scheduled for June 3, 2024.

Andy Clyburn reminded of the Trust's sliding scale from \$75K - \$150K per unit and said that the Trust has exceeded \$100K per unit in the past for reasons such as offering a low AMI. He suggested \$100K per unit for 80% AMI units and if considering \$150K per unit, the AMI should be in the 60-65% range. There was discussion that for a project this size, it is best to be as inclusive as possible for the various income ranges of persons eligible.

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

Jillian Douglass reminded the Trust members that the funding caps on page three of the draft NOFA had previously been discussed and read the proposed language:

Affordable Housing per affordable housing unit will initially be considered at \$75K per unit. The specific amount awarded will depend on the Trust's evaluation of the particular aspects of each project as they relate to the established priorities and criteria referenced in this document and the Trust's evaluation instrument and point allocation system.

Also:

Point allocation is at the discretion of the Trust Board, and projects that show the greatest adherence to the criteria may be eligible for funding of up to \$150K per unit. Projects get additional bonus points for their context and approach to meeting local priorities and may be eligible to receive additional funding per unit. She noted that this leaves the maximum cap open.

It was agreed that this updated language reflected what had previously been discussed and states clearly that the per unit amount is at the discretion of the board and based on a criterion. It was confirmed that the per project maximum funding cap of \$2M, up from \$1M, is also reflected in this updated draft NOFA.

There was discussion regarding including the scoring sheet in the NOFA so people will be informed of how the bonus point component and sliding scale is applied. It was agreed the criteria is current, however the point system needs to be amended and criteria and point system content should be revisited periodically. It was agreed that these policy decisions should be reoccurring and made independent of an application before the Trust.

The motion of Mark Milne was seconded by Wendy Northcross to accept the updated NOFA as drafted. Roll Call Vote: Laura Shufelt (yes), Wendy Northcross (yes), Mark Milne (yes), Andy Clyburn (yes), and Mark Ells (yes). Motion passed unanimously.

3. Approval of Minutes from the 4/5/24 and 5/3/24 Trust Meetings.

The motion of Wendy Northcross was seconded by Mark Milne to approve the April 5, 2024, Trust meeting minutes as submitted. Roll Call Vote: Laura Shufelt (yes), Wendy Northcross (yes), Mark Milne (yes), Andy Clyburn (abstained), and Mark Ells. Motion carried.

The motion of Wendy Northcross was seconded by Mark Milne to approve the May 3, 2024, Trust meeting minutes as submitted. Roll Call Vote: Laura Shufelt (yes), Wendy Northcross (yes), Mark Milne (yes), Andy Clyburn (yes), and Mark Ells (abstained). Motion carried.

4. Matters Not Reasonably Anticipated by the Chair

None.

5. Topics for Future Meetings /Agendas

- Continued review of Development Funding Application - Harborview
- Review of scoring and criteria for NOFA and determination of schedule of recurring reviews.
- Application for Development Funding for 199 Barnstable Road Hyannis is anticipated.

6. Next Meeting Dates

The next meeting is scheduled to be held remotely on June 3, 2024, beginning at 2 p.m.

Adjournment

The motion of Andy Clyburn was seconded by Mark Milne to adjourn the meeting. Roll Call Vote: Laura Shufelt (yes), Wendy Northcross (yes), Mark Milne (yes), Andy Clyburn (yes), and 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 Meeting Agenda for May 13, 2024.

Exhibit 2 – Public Comments related to Winn Company – Harbor Vue Proposal - 307 Main Street, Hyannis.

Exhibit 3 – Draft Updated NOFA

Exhibit 4 - Affordable Housing Growth and Development Trust Fund Board draft meeting minutes – April 5, and May 3, 2024.

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