

May 14, 2019
West Tisbury Affordable Housing Committee
Minutes

Present: Larry Schubert, Mike Colaneri, Jeffrey Dubard, Ted Jochsberger, Angela Prout and Rise Terney

Absent with Regrets: Susan Feller

Also Present: Rhonda Conley and Philippe Jordi (IHT Ex. Director)

Mike made a motion seconded by Ted to accept the 4/23/19 minutes with name corrections. **VOTE 6 YES 0 NO**

ANNOUNCEMENTS AND CORRESPONDENCE

Housing Bank Meeting: Rhonda told the committee the Selectmen would like to have a joint meeting with the AHC to discuss the Housing Bank legislation. The Selectmen would like to have a meeting at their meeting on a Wed. Rhonda will set it up with Jen for Wed. May 29th at 4:30 PM in the Howes House if possible. The committee decided they will not meet on Tues. the 28th but handle any affordable housing issues on Wed. after the joint meeting.

Police Training: Rhonda stated there will be training for town employees and any board members on June 4th 8:30 to 1 in town hall.

MHP Workshop: Rhonda informed the committee of the workshop. No members will attend.

INVOICES

20 Lottie's Lane: Rhonda presented the invoice for the cost of recording required documents of the town for a sale/refinance of 20 Lottie's Lane. The owner paid and is requesting a reimbursement of \$400.00. This covers the new covenant, release of previous town mortgage, new town mortgage, permitted mortgage agreement and certificate of approval. ***Mike made a motion seconded by Ted to reimburse Michelle Aluia for these cost of \$400.00.***

VOTE 6 YES 0 NO

There was a short discussion of these costs and who should be responsible for them. Mike made a suggestion that the AHC will pay the first time the documents (above) are required for refinancing. It will be the homeowner's responsibility for any further refinancing **that** new docs are needed. All agreed and requested Rhonda to make that change to the AHC guidelines.

ONGOING BUSINESS

IHT Perlman House Grant: There was a discussion of the plan for the present BnB being converted to affordable apartments by IHT. IHT submitted a grant request to the Affordable Housing Trust previously and the AHC had questions about the grant request which Jordi answered (see attached). ***Mike made a motion seconded by Jeffrey to recommend approval of presentation to the Affordable Housing Trust with the condition a letter of agreement and understanding is included. This grant would not be issued if Trust approved until the commercial lease has been ended with no consideration of further commercial use of building.*** **VOTE 6 YES 0 NO**

16 Old Courthouse Rd.: Bidder conference will be scheduled for 5-22-19 at 11 AM with bids being due 6-5-19.

UPDATES

57 Rustling Oaks: Auction will be May 21, 2019 at noon. There was a discussion of how the auction works and Purchase and Sale agreement. The committee feels the Town Counsel needs to be involved in the closing due to AHC interest in the stated covenant after post bank cost. The covenant states that any profits after bank expenses go to the AHC. Mike suggested that Town Counsel compose a letter to the banks stating the Town's position and request to be included in the closing.

REPORTS

ZBA: Larry reported that Jim Powell came to the ZBA for approval of creating an assisted living facility. Larry said the application was approved with contingencies.

Other items on the agenda were postponed till a future meeting.
Adjourned at 8 PM

The next meeting will be May 28, 2019 unless the Selectmen agree to meet on the 29th. If the joint meeting, it will be at the Howes House at 4:30 PM.

The next Trust meeting will be June 25, 2019 in the 2nd floor conference rm. of Town Hall.

Respectfully submitted by Rhonda Conley

ATTACHMENTS West Tisbury Trust Fund

IHT Application

Comments and Questions

APPLICATION

Page 1

Under Funding paragraph 3: states that the towns will get 70% preference. How will this work with 4 towns involved. Does each town individually receive an apartment and if so of which size apartment?

Good question. It does say up to 70% which means some town(s) could get up to 5 units ($0.7 \times 7 = 4.9$). (Page 1 of WT application). How will this be decided? In proportion to contribution?

Page 3

First paragraph states that the 7 rental apartments to households earning 80% and 100% or less of the area median income. This differs from the Tisbury Planning Board decision. Which will the IHT follow?

This is confusing. According to ¶ 2 (under "Findings" of the Tisbury PB application) 25% of the rentals will be designated for 80% AMI or less and the rest for 140% AMI or less. - 25% of 7 unit's ≈ 2 units. This leaves ≈ 5 units for 140%. In the WT application (p. 3) it is stated that the 7 rentals are for 80% and 100% AMI. In the IHT "Project Operating Budget it states there will be a studio at 60%, 5 one bedroom apts at 80% and one two

bedroom apt at 80%. I also have in my notes that three of the apartments will be at 100% and the other 4 at 80%. In any event no CPC money can be used for > 100% AMI.

If the Trust does agree to grant this application a Letter of agreement and Understanding will be required specifying certain obligations and expected requirements such as proof of clean title-deed, required invoices of money use, preference clause, return of funds not used toward this project, etc.

PURCHASE AND SALE AGREEMENT

Does the IHT plan on using the funds raised from the Island Town Trusts to purchase the property? If so these questions arise.

Clause 11

If the sale falls through due to lack of clear title or any other reason how will IHT return Trust funding? The Trust would expect to get the full funding returned.

This must be stated in any contract. CPC will require it.

Clause 21, 22 and 39

Same questions

Clause 44 Lease Back

This lease back would not qualify under the CPC funding rules which limit income levels to 100% for funding. The use of this remaining a BnB would make it ineligible for funding. The West Tisbury Trust uses CPC funds and is mostly made up of CPC funds therefore would not be comfortable or legally (believe) allowed under the laws governing CPC fund use be able to support the project under these circumstances.

This should be cleared by Town Counsel

COMMERCIAL LEASE

This would be a violation of CPC funding laws if Trust monies are used in the purchasing of this property if the premise is leased back to owners for use as a BnB.

There are some further details within the commercial lease that would not set right with creating affordable housing per say.

Clause 11 Access to Premises

“Lessor and Lessor’s agents...to examine the same...and to show the premises to prospective purchasers and lenders...” What is the intent of this clause? This would not be acceptable.

How long will the lease be for? If IHT hopes to renovate/finish by the fall, the lease can't be for very long.

Clause 21 Indemnification and Liability

"Lessee agrees at all times during the term of this Lease and for such further time as Lessee occupies the Premise..." How long would this lease be renewed or extended?

See above under Clause 11

Clause 24 Assignment and Subletting

The whole clause of being able for the Lessee to do something other with premises with consent of Lessor doesn't fit into the use of Trust funding.

See above under Clause 11

Clause 31 Entire Agreement

Again this gives the parties the right to alter this commercial lease.

Town must have right of approval.

Although it may not be the intention of the IHT to do anything under this lease it gives them the right to which the Trust cannot support.

PLANNING BOARD SPECIAL PERMIT

This official document differs from the Trust application.

Findings

Page 3 Paragraph 2 of #2 reads "In the letter of application, the applicant states that twenty-five percent of the units will be designated for rental up to 80% or less of the AMI, while the remaining six (6) units will be rented up to 140% or less of the AMI" If this is the official Special Permit then why does it differ from the proposed use presented on the application of 7 units 100% or under?

See above under Question 1

Conditions and Restrictions

Page 6 #2 reads that other uses are prohibited but IHT is considering a commercial lease of the premises at first

This should be cleared by Town Counsel

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