

Edgartown Affordable Housing Committee Meeting

Tuesday October 22, 2019 at 5:00 PM

Members in Attendance: Vice Chairman Tim Rush, Nancy Trimper, Christine White, Christina Brown

Tim Rush opened the meeting at 5:00 PM.

Minutes: The minutes from October 1, 2019 were reviewed Christine White made a motion to approve, Nancy Trimper seconded and the motion passed unanimously.

Old Business:

28 Jason Drive: Jennifer Morgan and her attorney Candace Nichols were present to discuss the potential resale of Ms. Morgan's property.

Tim Rush opened the discussion stating that the Affordable Housing Office received a hand delivered letter on October 9th, stating that it is the intention of Ms. Morgan to sell her two bedroom home at 28 Jason Drive on Chappaquiddick per her deed restrictions.

Candace Nichols, Ms. Morgan's legal representation, presented to the Committee, Ms. Morgan's story regarding having to sell her property and what led to that decision. Ms. Nichols asked the Committee for help regarding the situation. Ms. Nichols explained to the Committee what Ms. Morgan relayed to her as the sequence of events from the beginning of her purchasing of the property from the Vickers family, through her permitting process. Also mentioning that the Vickers wrote in their own affordable housing right restriction in the deed, a reverter clause. Ms. Nichols stated that if the Committee wanted to go to a fair market value sale the Vickers family is in support of Ms. Morgan and after Ms. Nichols spoke with them she believes they could try to make things "workable" for the situation. Ms. Nichols went on to say that Ms. Morgan put in \$40,000.00 cash and (everyone) expected a \$250,000.00 construction mortgage but the bank was taking a while so Ms. Morgan did a private mortgage for \$50,000.00. Ms. Morgan then started construction and when she received the \$250,000.00 from the bank Ms. Morgan paid off the private mortgage bringing her total investment to \$290,000.00. Ms. Nichols stated that Ms. Morgan continued to build and construct and it was more costly for her being that she was building on Chappy, with the boat and bringing heavy equipment on and off etc. In the end she could not acquire an occupancy permit. The bank said that she had to take out a \$50,000.00 equity line of credit in order to finish the project, which they required. At that point, Ms. Morgan asked if she could roll the \$50,000.00 equity line into one \$300,000.00 mortgage refinance which the bank declined to do. Instead, the bank gave her the \$50,000.00 interest only for five years and after that point she could reapply try to make it interest only again. Ms. Nichols then stated that unfortunately at that time the Edgartown National bank went to Rockland Trust and Rockland Trust had some issues with that arrangement. Ms. Nichols then goes on to say that Ms. Morgan's house is a modest one but is excellent construction but it is worth every penny Ms. Morgan put into it. Ms. Nichols states that Ms. Morgan is into the project for \$340,000.00 and her understanding was that anything that she invested into the house she would get back plus the percentage stated in the deed. Ms. Nichols briefly touched on Ms. Morgan's position with the town being terminated and she did not have a job. Ms. Morgan continued making payments for a period of time but could not afford to make them anymore. Ms. Morgan has had trouble working since that time as well as PTSD and physical problems such as needing surgery on her knee. Additionally it has been difficult for Ms. Morgan to receive disability income because she worked for the town and the town does not have social security. Ms. Nichols stated that although Ms. Morgan knew she was not supposed to rent her home, she did in order to pay her mortgage. At the time Ms. Morgan thought that she would get a job and come home but that did not happen. Recently, Ms.

Morgan had two summer tenants that bailed on her, one of which did an enormous amount of destruction where she had to do her own work and pay for it, 3-4 months without income to get the house back together. The next summer Ms. Morgan had the same problem but they did not trash it as badly, however, there was still work to be done and Ms. Morgan lost 1 or 2 months income. At that time the equity mortgage of \$50,000.00 became due, it was no longer interest only. Rockland Trust was unable to do anything regarding that situation. Ms. Morgan thought she might be able to make it work but was unable to and finally came to Ms. Nichols. Ms. Nichols recounted that Ms. Morgan came to the board a little over a year ago not knowing what to ask for and the Committee was unsure what she needed so Ms. Morgan did not know how to proceed. Therefore she came to Ms. Nichols a couple of months ago. Ms. Nichols stated that the bank is in foreclosure. Ms. Nichols went on to explain her understanding of what is in Ms. Morgan's deed restrictions and what they understand the process is for resale of the property.

Ms. Nichols spoke about the possibility of selling for fair market value with adjustments made to the deed restrictions. Ms. Nichols introduced Lesley Floyd, a realtor on the island with specialty in Chappaquiddick sales who agreed to help with the sale.

Tim Rush replied, that most of the information stated was known to the Committee before hand from past conversations with Ms. Morgan. The Committee agreed to let Ms. Morgan rent her property for a brief amount of time. The zoning board of appeals granted the conditions on her property and the Committee verified income qualification. Ms. Morgan stated that when she came to the Committee 14 months ago that she came to modify the deed rider and that is when the Committee referred her to the ZBA.

Vice-Chairman Rush asked if it was true that the Committee had 60 days from receipt of the letter Ms. Nichols sent to the Committee which Ms. Nichols replied yes. The administrator interjected that the 60 days was applicable if the deed rider is not in default, however Ms. Morgan's deed has been in default on two counts. First, when she violated her deed by not residing in her domicile and renting past the point that the Committee approved and second when the home went into foreclosure proceedings. The administrator goes on to say that by the deed rider, if Ms. Morgan is in default of her deed rider she is unable to sell the property and therefore the 60 day time frame is null and void (in addition there was no appraisal attached to the letter). The administrator then says that of course the Committee does not want to prolong the process but she wanted to make everyone aware of what was in the deed rider. Ms. Nichols stated she was aware what was in the deed rider however that wouldn't work, specifically the time frame as the foreclosure would happen before the 60 days.

Vice-Chairman Rush explained the involvement of DCRHA, the administrator explained that DCRHA's role would be to help find and income qualify potential buyers for the property. Ms. Nichols then expresses concern that DCRHA would not be able to help because \$510,000.00 (the amount Ms. Morgan is proposing to sell her property for) would no longer be within the affordable percentages. The administrator stated that \$510,000.00 is not the number that would be calculated from the deed rider. Ms. Nichols stated that the administrator was correct but that would not go anywhere because there was an amendment, the town approved the \$50,000.00 mortgage and she would not sit there (with) Jennifer put \$340,000.00 into the house and she will not argue that it should be \$290,000.00. The administrator stated the Committee was not in a position to argue the point, Ms. Nichols asked who was in the position to and the administrator stated that town counsel was in the position. Ms. Nichols discussed her interpretation of the situation and concluded that she would speak to town counsel to negotiate a resale price. Ms. Nichols asked if after she has spoken to town counsel if she can receive help finding a buyer through DCRHA or the Committee to which vice-chairman Rush replied she could come directly to the Committee and we would consult DCRHA. The discussion ended with Ms. Nichols planning to speak with town counsel.

Meshacket update: The administrator informed the Committee that Isabelle Lew from Reynolds

Rappaport has finished the Ground lease and LDA for Meshacket and is waiting for approval from Cindy after she has had a chance to review the documents. The administrator will be in touch with Cindy in the following week to see where she is in the review process.

Beeson and Avakian update: The administrator has been in touch with both parties. Beeson is still in consultation with lawyers and the Avakian property should be standard in its process.

Demo Delays: There were no new demo delays.

Correspondence: There was no new correspondence

The meeting was adjourned at 6:00 PM

Respectfully Submitted,
Arielle Faria