

Provincetown Year-Round Rental Housing Trust Board of Trustees

Minutes: June 14, 2018

Community Development Conference Room, Town Hall, 260 Commercial Street, Provincetown

6:03 p.m.

YRRT Members Present: Kevin Mooney [6:30], Nathan Butera, Tom Donegan, Chris Andrews

Excused: Rob Anderson

Staff: Community Housing Specialist Michelle Jarusiewicz, Town Manager David Panagore

Public Statements: none

Minutes: Tom Donegan questioned the previous request regarding whether Harbor Hill could be covered under the Town's insurance policy? The Town Manager said that he had inquired and that he was told NO as it didn't fit. There was some discussion about getting updated quotes, perhaps invite Paul Silva to a meeting to explain the options; and to add the word "insurance" to the minutes.

Tom Donegan MOVE to approve the minutes for 5/31/18 as amended; Nathan Butera second; approved 3-0.

Invoices:

Tom Donegan MOVE to approve the invoice for \$17,000 for Standard & Poor's Financial Services for the General Obligation Bonds; Nathan Butera second; approved 3-0.

Contract Termination Policy:

Tom Donegan MOVE to amend section 7.2 to read 50 days instead of 60 days that is, *an Agreement may be immediately terminated in the event of substantial failure to perform in accordance with terms of the Agreement unless otherwise agreed to in writing. The Agreement may also be terminated by the Trust for its convenience but only upon fifty [50] days written notice for non-construction contracts;* Nathan Butera second; approved 3-0.

The Housing Specialist indicated that she had already made the change within the RFP for Management services. The Town Manager said that this request was from Bond Counsel and is an IRS requirement where 60 days is viewed as providing a private benefit but 50 days does not.

Harbor Hill Update:

Bonds: Bond bids were received and the great news is that the bonds are tax exempt which will save us significant amount of money. The revised debt service schedule as a result of the recent bids for the bond was distributed. The annual debt service is now \$594,000 per year at 3.57% and has been entered into the pro-forma. Approval of the bond will be presented to the Board of Selectmen on 6/25. The Town Manager and Tom Donegan thought BOS members may inquire about the status of Harbor Hill and the updated pro-forma. Kevin Mooney has potential conflict with attending. If unable to attend, the Vice-Chair Tom Donegan will present. Members were interest in also attending; so could post as joint meeting. The Chair will update the pro-forma and include comments as to how the numbers were derived. Bullet points can be prepared for the update. Kevin and Nathan will meet to prepare.

Members had general discussion about future funding including possibility of bonding that is not tied to specific property. The Town Manager thought there is a potential for a different type of entity, an urban renewal authority that could relieve some of the procurement burden. It would require special legislation.

Rents: The Housing Specialist distributed a worksheet with a couple tables that use the proposed rents from the pro-forma, added utility allowances, and placed in the closest AMI section of the table; keeping in mind that our local bylaws require eligibility at one AMI level with pricing at the next lower level. For example, income eligibility up to 140% AMI but priced at 120% AMI. The table also shows the maximum income for that AMI and

the minimum income. The minimum income is ½ of the maximum and is intended to prevent severely overburdening a household and potential future lack of ability to pay the rent which could lead to an eviction. It is the standard used. There is an assumption of one person per bedroom. The intent of the spreadsheet is to allow members to see how the rent numbers play out in the income categories. Rent rolls with the appropriate AMI levels are part of the Marketing and Tenant Selection Plan. One table has a few negative results when comparing the rent plus utility allowance to the maximum allowed for a certain AMI levels. Options include changing the rent amount or changing the targeted AMI levels. Mr. Donegan wondered if they were allowed to rent to someone with an income below 80% AMI as some of the minimum levels suggest. Some discussion on timing, that is, starting the marketing before we actually own the property or not? It is about a 4 month process. Mr. Donegan said that we may need 1 or 2 units as accessory units and may need them at 80% level. Kevin Mooney suggested that we drop the rents by \$80 & \$150 respectively. We can also add option for parking fee of \$20/month.

Mr. Mooney indicated that he would prepare a 10-year plan showing initial absorption of units coming on line and with previous assumptions such as 2% rent increase every other year; 3% annual increase in operations cost.

Members discussed upcoming opportunities for funds from “airbnb” tax and pot sales.

RFP Management Services: Housing Specialist indicated that the RFP has been issued with a due date of 7/12/18. It has been sent to known parties including those off-Cape.

Next meetings: Thursday, 6/21/18 at 5:30 pm and joint BOS meeting on 6/25/18.

Adjourned 7:52 pm

Minutes by: Community Housing Specialist Michelle Jarusiewicz