



Select Board

Meeting Agenda

The Provincetown Select Board will hold a special meeting on Monday, March 9, 2020, at 5 pm in Judge Welsh Room, Town Hall, 260 Commercial Street, Provincetown, MA 02657.

1. Public Hearing (Votes May Be Taken)
 - a. Joint Public Hearing with Finance Committee: Proposed FY2021 Operating Budget – to hear comments from the public.
2. Joint Meeting with Finance Committee and Year Round Market Rate Rental Housing Trust (Votes May Be Taken)
 - a. Discuss Year Round Market Rate Rental Housing's Articles for April 6, 2020 Special and Annual Town Meeting.

Posted by the Assistant Town Clerk www.provincetown-ma.gov, 03/05/2020, 9:20 am AR



**Provincetown Select Board
AGENDA ACTION REQUEST**

Monday, March 09, 2020 5 pm

1

JOINT PUBLIC HEARING with FINANCE COMMITTEE

FY 2021 Budget pursuant to Provincetown Charter 6-4(g)

Requested by: Select Board

Action Sought: Discussion

Proposed Motion(s)

General Discussion of Proposed FY 2021 Operating Budget. Votes may be taken.

Additional Information

Per Section 6-4-g of the Provincetown Charter: "The Select Board and the Finance Committee shall jointly hold one or more public hearing on the proposed Budget not later than twenty-on (21) days prior to the Annual Town Meeting at which it is to be submitted for adoption. 190."

Town of Provincetown FY 2021 Budget Summary documents are attached.

<i>Motion</i>	<i>Second</i>	<i>Yea</i>	<i>Nay</i>	<i>Abstain</i>	<i>Disposition</i>



Town of Provincetown

Public Hearing

Select Board

Finance Committee

Proposed FY2021 Operating Budget

In accordance with §6-4-g of the Provincetown Charter, the Select Board and the Finance Committee will hold a Joint Public Hearing on **Monday, March 9, 2020, at 5 p.m.** in the Judge Welsh Hearing Room, Town Hall, 260 Commercial Street, Provincetown, MA, to hear comments from the public on the Town's proposed Fiscal Year 2021 operating budget.

Copies of the budget are available for inspection in the offices of the Town Manager or Board of Selectmen at Town Hall, 260 Commercial Street, Provincetown, MA, or on the town's website at www.provincetown-ma.gov.

The public is encouraged to submit any comments in writing by Tuesday, March 3, 2020, to the Select Board, Provincetown Town Hall, 260 Commercial Street, Provincetown, MA, 02657, by email to selectmen@provincetown-ma.gov, or in person at the hearing.

David Abramson
Chair, Select Board

Mark Hatch
Chair, Finance Committee

Posted: Town Hall, <http://www.provincetown-ma.gov>, 01/14/2020 3:30 pm AR
Published: Provincetown Banner: February 20, and February 27, 2020

**TOWN OF PROVINCETOWN
FY 2021 BUDGET SUMMARY**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposal
REVENUES					
Real Estate Taxes					
Prior Yr Property Tax Levy Limit	\$ 17,962,208	\$ 18,704,869	\$ 19,337,491	\$ 20,380,556	\$ 21,180,140
2.5% Tax Levy Increase	449,055	467,622	483,437	509,514	529,504
New Growth	293,606	165,000	185,000	185,000	185,000
Potential Operating Override	-	-	308,000	-	-
Tax Rate Recap Adjustment to Actual	-	-	66,628	105,070	-
LEVY LIMIT	18,704,869	19,337,491	20,380,556	21,180,140	21,894,644
Debt Exclusions	1,401,474	1,218,953	1,003,516	988,046	1,241,395
Other Adjust-County Assessment	111,513	111,513	232,055	241,337	250,990
Adjustment to Actual	(74,646)	(117,673)	(335,273)	-	-
Current Year Property Tax Levy	20,143,210	20,550,284	21,280,854	22,409,523	23,387,029
Other Revenues					
Cherry Sheet Aid (net of offsets)	526,820	537,834	644,675	652,062	587,039
Estimated Local Receipts	6,015,316	6,392,374	6,566,072	5,884,060	6,159,006
Other Financing Sources (Transfers in)					
Overlay Surplus	-	-	-	120,000	-
Waterways & Wetlands	61,000	63,000	106,000	66,000	96,000
Ferry Embarkation	40,000	40,000	50,000	50,000	30,000
Septic Loans / Other	31,752	35,098	130,000	30,000	200,000
Other Funds	-	-	120,763	-	-
Landbank (now paid directly from LB Fund)	131,398	128,604	-	-	-
Tourism Fund	-	-	122,000	123,040	264,101
Enterprise Fund Indirect Costs	467,062	502,621	548,240	411,180	400,000
TOTAL REVENUES	27,416,558	28,249,815	29,568,604	29,745,865	31,123,175
EXPENDITURES					
Other Charges					
Cherry Sheet Charges	645,174	661,317	833,121	852,503	698,087
Other Raise & Appropriate	170,703	215,573	248,570	487,062	548,866
Operating Overrides	-	-	-	-	-
Overlay	-	-	-	223,045	220,000
Departmental Operating Budgets	23,140,727	24,498,924	25,879,122	28,064,545	29,623,896
TOTAL EXPENDITURES	23,956,604	25,375,814	26,960,813	29,627,155	31,090,849
REVENUES less EXPENDITURES	\$ 3,459,954	\$ 2,874,001	\$ 2,607,791	\$ 118,710	\$ 32,326

**TOWN OF PROVINCETOWN
FY 2021 DEPARTMENTAL BUDGET SUMMARY**

	FY 2020		FY 2021		Increase \$	Increase %			
	Personnel Budget	Operating Budget	Total	Personnel Budget			Operating Budget	Total	
DIVISION 1 GENERAL GOVERNMENT									
113	-	13,358	13,358	-	14,206	14,206	Elections	848	6.3%
122	74,677	14,125	88,802	78,706	12,250	90,956	Select Board	2,154	2.4%
123	294,672	50,095	344,767	337,895	31,500	369,395	Town Manager	24,628	7.1%
151	-	210,000	210,000	-	210,000	210,000	Legal Services	-	0.0%
156	-	65,550	65,550	-	66,100	66,100	Administration	550	0.8%
161	119,707	7,110	126,817	122,267	8,760	131,027	Town Clerk	4,210	3.3%
482	-	158,600	158,600	-	93,550	93,550	Airport	(65,050)	-41.0%
672	-	8,250	8,250	-	8,250	8,250	Art Commission	-	0.0%
TOTAL DIVISION 1	489,056	527,088	1,016,144	538,868	444,616	983,484		(32,660)	-3.2%
DIVISION 2 FINANCE									
131	-	129,325	129,325	-	132,450	132,450	Finance Committee	3,125	2.4%
135	248,445	77,100	325,545	192,394	75,400	267,794	Town Accountant	(57,751)	-17.7%
136	229,060	447,400	676,460	233,914	492,900	726,814	MIS	50,354	7.4%
141	211,754	52,010	263,764	214,894	49,195	264,089	Assessor	325	0.1%
145	193,110	49,600	242,710	278,412	45,400	323,812	Treasurer/Collector	81,102	33.4%
710	-	1,602,837	1,602,837	-	1,746,375	1,746,375	Debt Service	143,538	9.0%
910	-	7,612,177	7,612,177	-	8,255,581	8,255,581	Retirement/Benefits/Insurance	643,404	8.5%
TOTAL DIVISION 2	882,369	9,970,449	10,852,818	919,614	10,797,301	11,716,915		864,097	8.0%
DIVISION 3 PUBLIC SAFETY									
210	2,676,867	206,805	2,883,672	2,928,024	234,115	3,162,139	Police	278,467	9.7%
220	787,569	238,382	1,025,951	880,599	246,347	1,126,946	Fire	100,995	9.8%
231	-	1,002,385	1,002,385	-	1,022,257	1,022,257	Ambulance	19,872	2.0%
250	541,618	32,552	574,170	541,997	46,152	588,149	Community Development	13,979	2.4%
251	202,683	9,360	212,043	214,147	9,100	223,247	Building Division	11,204	5.3%
253	118,887	141,125	260,012	121,272	141,125	262,397	Health Division	2,385	0.9%
255	74,746	22,000	96,746	76,212	2,000	78,212	Housing & Economic Dev	(18,534)	-19.2%
291	25,000	12,300	37,300	26,035	13,700	39,735	Emergency Management	2,435	6.5%
295	-	206,307	206,307	66,473	245,513	311,986	Marine/Harbormaster	105,679	51.2%
296	48,419	12,050	60,469	50,058	12,050	62,108	Shellfish	1,639	2.7%
299	395,431	138,500	533,931	280,342	123,850	404,192	Parking	(129,739)	-24.3%
TOTAL DIVISION 3	4,871,220	2,021,766	6,892,986	5,185,159	2,096,209	7,281,368		388,382	5.6%
DIVISION 4 PUBLIC WORKS									

**TOWN OF PROVINCETOWN
FY 2021 DEPARTMENTAL BUDGET SUMMARY**

	FY 2020		FY 2021		Total	Personnel Budget	Operating Budget	Total	Increase \$	Increase %
	Personnel Budget	Operating Budget	Personnel Budget	Operating Budget						
192	837,064	640,268	837,263	574,031	1,411,294	837,263	574,031	(66,038)	-4.5%	
421	297,306	242,450	304,411	240,350	544,761	304,411	240,350	5,005	0.9%	
422	495,214	120,825	488,868	113,505	602,373	488,868	113,505	(13,666)	-2.2%	
423	27,000	140,700	27,000	140,700	167,700	27,000	140,700	-	0.0%	
431	490,073	446,100	483,922	680,600	1,164,522	483,922	680,600	228,349	24.4%	
432	-	11,950	-	10,950	10,950	-	10,950	(1,000)	-8.4%	
545	-	5,000	-	5,000	5,000	-	5,000	-	0.0%	
550	-	300	-	300	300	-	300	-	0.0%	
560	-	8,000	-	8,000	8,000	-	8,000	-	0.0%	
TOTAL DIVISION 4	2,146,657	1,615,593	2,141,464	1,773,436	3,914,900	2,141,464	1,773,436	152,650	4.1%	
DIVISION 5 PUBLIC SERVICE										
512	18,102	23,770	18,492	23,570	42,062	18,492	23,570	190	0.5%	
541	228,816	23,070	240,145	22,620	262,765	240,145	22,620	10,879	4.3%	
543	-	49,422	-	55,000	55,000	-	55,000	5,578	11.3%	
610	295,985	106,024	301,402	108,128	409,530	301,402	108,128	7,521	1.9%	
630	188,490	23,800	201,478	25,150	226,628	201,478	25,150	14,338	6.8%	
TOTAL DIVISION 5	731,393	226,086	761,517	234,468	995,985	761,517	234,468	38,506	4.0%	
DIVISION 6 EDUCATION										
300	-	3,590,927	-	3,590,927	3,590,927	-	3,590,927	-	0.0%	
305	-	607,472	-	645,379	645,379	-	645,379	37,907	6.2%	
TOTAL DIVISION 6	-	384,469	-	494,938	494,938	-	494,938	110,469	28.7%	
		4,582,868		4,731,244	4,731,244		4,731,244	148,376	3.2%	
TOTAL OPERATING BUDGET	9,120,695	18,943,850	9,546,622	20,077,274	29,623,896	9,546,622	20,077,274	1,559,351	5.6%	

**TOWN OF PROVINCETOWN
ESTIMATED LOCAL RECEIPTS**

ESTIMATED LOCAL RECEIPTS - SUMMARY

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposal	2017-2019 Average
Motor Vehicle excise	586,277	568,959	588,995	560,000	580,000	581,410
Other excise	1,202,568	1,241,465	1,261,374	1,233,200	1,381,149	1,235,136
Penalties and interest on taxes/excise	151,282	282,121	152,280	157,000	73,000	195,228
Payment in Lieu	6,051	9,125	6,485	6,000	6,000	7,220
Charges for Services-trash disposal	279,616	325,772	329,248	285,000	338,000	311,545
Fees	11,400	11,125	11,859	10,400	8,400	11,461
Rentals	330,296	179,684	138,876	127,465	169,767	216,285
Departmental Revenue; Libraries	2,614	2,702	1,061	2,325	900	2,126
Departmental Revenue; Cemeteries	6,725	4,325	2,500	6,000	2,500	4,517
Departmental Revenue; Recreation	60,040	51,872	52,661	50,000	50,000	54,858
Other Departmental Revenue	121,547	84,841	115,424	117,400	153,020	107,271
Parking Revenue	2,000,000	2,050,000	2,050,000	2,000,000	2,100,000	2,033,333
Licenses and permits	1,002,971	947,805	1,020,086	1,040,270	972,270	990,287
Fines and Forfeits	121,287	138,685	146,284	133,000	131,000	135,419
Investment Income	21,093	151,847	312,414	100,000	150,000	161,785
Medicaid SPED Reimbursement	14,521	20,168	19,415	14,000	18,000	18,035
Miscellaneous recurring	50,564	87,741	52,656	30,000	25,000	63,654
Miscellaneous non-recurring	46,464	234,137	304,454	12,000	-	195,018
Total	6,015,316	6,392,374	6,566,072	5,884,060	6,159,006	5,951,378

**TOWN OF PROVINCETOWN
OTHER RAISE & APPROPRIATE**

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Budget	FY 2021 Proposal
Greenhead Fly Article	1,439	1,439	1,439	1,439	1,939
Fireworks Celebration**	32,000	32,000	-	-	-
Human Service Grants*	79,775	84,725	76,750	77,377	64,300
Economic Development Grants	-	-	26,000	26,000	51,000
Cultural Council Grants	-	-	-	-	4,800
Cape Cod Technical School Tuition	57,489	97,409	144,381	233,875	284,538
Cape Cod Technical School Building Assessment	-	-	-	148,371	142,289
Total Other Raise & Appropriate	170,703	215,573	248,570	487,062	548,866

** Tourism Department funded beginning FY2019

**TOWN OF PROVINCETOWN
DEPARTMENTAL REVENUE & EXPENSE SUMMARY**

FY 2021

	Receipts	Personnel Budget	Operating Budget	Total Exp	Surplus (Deficit)
DIVISION 1 GENERAL GOVERNMENT					
113	-	-	14,206	14,206	-14,206
122	514,737	78,706	12,250	90,956	423,781
123	-	337,895	31,500	369,395	-369,395
151	-	210,000	-	210,000	-210,000
156	-	-	66,100	66,100	-66,100
161	19,000	122,267	8,760	131,027	-112,027
482	-	-	93,550	93,550	-93,550
672	-	-	8,250	-	-8,250
TOTAL DIVISION 1	533,737	538,858	444,616	883,484	-449,747
DIVISION 2 FINANCE					
131	-	-	132,450	132,450	-132,450
135	-	192,394	75,400	267,794	-267,794
136	20,000	233,914	482,900	726,814	-706,814
141	13,900	214,894	49,195	264,089	-250,189
145	25,365,578	278,412	45,400	323,812	25,041,766
710	-	-	1,746,375	1,746,375	-1,746,375
910	-	-	8,255,581	8,255,581	-8,255,581
TOTAL DIVISION 2	25,399,478	919,614	10,797,901	11,716,915	13,682,563
DIVISION 3 PUBLIC SAFETY					
210	48,320	2,978,024	234,115	3,162,139	-3,113,819
220	17,300	880,599	246,347	1,126,946	-1,109,646
231	-	-	1,022,257	1,022,257	-1,022,257
250	23,300	541,987	46,152	589,149	-564,849
251	500,000	214,147	9,100	223,247	276,753
253	185,000	121,272	141,125	262,397	-77,397
255	-	76,712	2,000	78,712	-78,712
291	-	26,095	13,700	39,795	-39,795
295	-	66,473	245,513	311,986	-311,986
296	-	50,058	12,050	62,108	-62,108
299	2,230,000	280,342	123,850	404,192	1,825,808
TOTAL DIVISION 3	3,003,920	5,185,159	2,096,209	7,281,368	-4,277,448
DIVISION 4 PUBLIC WORKS					
392	-	837,263	574,031	1,411,294	-1,411,294
421	-	304,411	240,350	544,761	-544,761
422	-	488,868	113,505	602,373	-602,373
423	-	27,000	140,700	167,700	-167,700
431	338,000	483,922	680,600	1,164,522	-826,522
432	-	-	10,950	10,950	-10,950
545	-	-	5,000	5,000	-5,000
550	-	-	300	300	-300
560	-	-	8,000	8,000	-8,000
TOTAL DIVISION 4	338,000	2,141,464	1,773,436	3,914,900	-3,576,900
DIVISION 5 PUBLIC SERVICE					
512	-	18,482	23,570	42,052	-42,052
541	-	240,145	22,620	262,765	-262,765
543	-	-	55,000	55,000	-55,000
610	900	301,402	108,128	409,530	-408,630
630	50,000	201,478	25,150	226,628	-176,628
TOTAL DIVISION 5	50,900	761,317	234,468	995,985	-945,085
DIVISION 6 EDUCATION					
300	-	-	3,590,927	3,590,927	-3,590,927
305	-	-	645,379	645,379	-645,379
321-323	-	-	494,938	494,938	-494,938
TOTAL DIVISION 6	-	-	4,731,244	4,731,244	-4,731,244
TOTAL DEPARTMENTAL SURPLUS (DEFICIT)	29,326,035	9,546,622	20,077,274	29,623,896	(297,861)



Provincetown Select Board
AGENDA ACTION REQUEST

Monday, March 9, 2020 5 pm

2

JOINT MEETING

Year Round Market Rate Rental Housing Trust & FINCOM

Requested by: Select Board Chair David Abramson

Action Sought: Discussion

Proposed Motion(s)

Move that the Select Board direct the Town Manager to provide a motion for the April 6th, 2020 Annual Town Meeting that raises and appropriates Harbor Hills debt services within the General Fund.

Additional Information

This meeting between the three Boards is in preparation for April 6, 2020 Annual and Special Town Meeting Articles the Year Round Market Rate Rental House Trust has placed on the Warrant.

Board Action

<i>Motion</i>	<i>Second</i>	<i>Yea</i>	<i>Nay</i>	<i>Abstain</i>	<i>Disposition</i>

Memo

To: Select Board

From: Robin L. Craver, Town Manager 

Date: March 9, 2020

Re: Harbor Hill – Financing Recommendation for FY20 and FY 21

At the initial February 2017 Special Town Meeting vote to approve purchasing Harbor Hill for \$10.7 million, it was correctly predicted the housing project would not be self-sufficient by rents alone. An investment by the Town via a designated revenue stream was identified as a necessity for the project's success. To date, no independent revenue source beyond rents has been identified nor allocated to the Trust. In 2019, a Special Town Meeting had to be called to allocate an additional \$492,000 to pay the Town's debt service obligation. It is time to consider actions to stabilize the project financially while other options are reviewed. To be a viable project, Harbor Hill residents and potential applicants must have confidence that their housing is stable. The Trust needs time to analyze a full cycle of operations to truly know annual obligations since many onetime expenditures have dominated spending. Also, a reliable capital study must be completed to fully know the true costs of the project.

During 2015 and 2016, Town Meeting approved submission of special legislation to create a Year Round Market Rate Rental Housing Trust and appropriated \$1.5 million start-up funds for the Trust.

In 2017, voters approved a debt exclusion in the amount of \$10.7 million to purchase and renovate Harbor Hill, a former timeshare resort at auction, with 26 rental units. Normally, such an approval contemplates debt being appropriated in the general fund but because of the earlier appropriation of \$1.5 million available, the Town agreed to use those funds before returning to the Town. In the meantime, a dedicated source was discussed at Town Meeting such as the rooms' tax. An RFP for an architectural firm was issued which received only one proposal.

In 2018, legal challenges and court proceedings delayed purchase, but funds were borrowed as there was concern regarding increased interest rates. Thus, to lock in a minimal rate, the whole \$10.7 mil authorization was borrowed rather than borrowing in increments as needed. Generally, projects are completed before permanently borrowing the full amount. This is important to understand that the Town's been paying the debt for two years, long before any rents were collected. It's worth noting that earlier predictions had the project fully up and running within 6 months.

Construction delays due to bidding added to this perfect storm. The bidding process for construction was performed twice because construction costs exceeded estimates. The Trust seed money was used to supplement property improvements and pay debt. The construction contingency was recommended at 10% which was industry standard but only 5% was carried. This is critical to understanding how the seed money was used and why the Town and Trust returned to the voters in 2019 and 2020 for additional funds. The good news was the Town received a \$250,000 grant awarded for 2 new accessible units bringing total units to 28 (51 bedrooms).

In January 2019, CDP Property Management began, and through a grant, new mini-split systems for heat and AC were installed through Cape Light Compact at no cost to the Town [est. value \$340,000]. First tenants moved in May 2019.

Early estimates predicted the project to be fully rented and operational within 6 months, namely in 2016. To date, the contractor, NEI, has substantially completed the renovation work and has vacated the property. Certificates of occupancy are pending for the last two buildings. Of the 28 units at Harbor Hill, eight are occupied, nine more have signed leases and four other applications are pending. This represents 75% of the total units. Additionally, there are other interested parties who have not yet submitted applications.

The target market are households that are not eligible for traditional affordable housing with median incomes from 80% to 200% Area Median Income. Features include: Large unit size, laundry in every unit, efficient heating and cooling, parking available. Presently, rents range from: ADA units: \$1000 - \$1200; 1 Bedrooms: \$1450 - \$1550; 2 Bedrooms: \$1650 - \$2100. It should be noted that the purchase price, construction and legal costs to the Town are \$416.00 per square foot, whereas much smaller condos selling today in Provincetown are being sold \$600 per sf to over \$800 per sf. Not only has this project been successful in containing costs and timeline; when counting bedrooms, it is equivalent to 51 one-bedroom condos.

The trust contracted with the Community Development Partnership (CDP) to manage the property and the rental operations. Due to the increased construction costs, some of the development work at Harbor Hill has been performed by CDP causing high one costs associated with the management company. Expenditures paid to CDP and estimated future payments to CDP are summarized below:

Fees Paid To CDP	FY20 (Actual & Est)	Budget FY21
Management Fees	139,500.00	145,800.00
Operating Costs	43,000.00	50,500.00
One Time Rent Up/Dev	<u>82,000.00</u>	<u>44,300.00</u>
Totals	264,500.00	240,600.00

Monthly revenue's projected at approximately \$50K at full occupancy for a total of about \$600K per year. The annual debt service is about \$594,000. The Trust is working with the Finance Department and the CDP on a revised budget for FY 20 and a budget for FY 21 and has engaged a Capital Needs Consultant *pro-bono* to begin long term capital planning.

In FY19, the Town voted to transfer \$492,000 to the Housing Trust for debt service and a 5% construction contingency which was surpassed due to unanticipated, but necessary, change orders. Because of these additional costs the Housing Trust is asking for \$100,000 at the STM to complete construction during FY20. The debt service payment due in June 2020 has been encumbered and will be paid.

Predictions for FY21 are Harbor Hill net rental income of \$260,000, capital costs of \$150,000 and non-rental trust expenditures (legal, insurance bonds, meeting recordings and condo conversion) of \$35,000 which nets \$75,000. Debt service related to the acquisition and renovation of the Harbor Hill property for FY21 is \$595,000. This bonding authorization was voted as a debt exclusion which means it can be raised and appropriated in the

general fund in any year. The amount to be raised and appropriated can change each year for any portion of the debt service the Town chooses to pay within the general fund.

The ATM article proposes to have the full \$595,000 raised and appropriated for FY21 and requires the Trust to transfer any remaining funds in excess of \$100,000 back to the general fund at year end. This would include any funds the Trust receives from private donors or investors up to the amount of the annual debt service.

Tax impact average cost to taxpayers is \$141.49. We are recommending that you not earmark marijuana nor rooms tax and allow them to backfill critical other Town needs such as coastal resiliency, police station and other affordable housing.

If this article fails and the Trust does not have funds available to pay the entire debt service amount, the Town is still obligated to pay this debt service from the general fund and raise it on the tax recap which will reduce available free cash and possibly damage our credit when bonding new projects.

An earlier administration presentation informed you of several options which could still be considered today such as what we are recommending. This would allow you to work on operating expenses after revenue and expenses normalize as well as consider, down the road, divesting in valuable units to create a cushion for bond payment for upcoming years, and/or creating public-private partnerships. We believe the two warrant articles and pending motions, as presented, will create stability for the project as well as protect the Town's considerable investment in the Harbor Hill property while giving the Town time to review options for restructuring debt.

The Year Round Trust discussed this recommendation at its last meeting and voted to recommend the Select Board and Finance Committee support the recommendation for funding FY20 and FY21.

*Harbor Hill is about community.
It is about providing homes where none can be found.
It is about keeping the lights on in the winter.
It is about viability.*

Attachments:

- Housing Trust Financial Status Report
- FY19 Consolidated Income Statement
- Harbor Hill Acquisition and Improvements to Date (includes price per square foot)
- Unit Bedrooms/Baths by building with rent
- Estimated Annual Operating Budget
- Warrant and Motions for STM and ATM

Housing Trust Status

March 6, 2020

CASH ON HAND	
Cash 8411 Housing Trust	698,217.94
Cash 8412 HH Rental Activity	(150,702.10)
Cash 4018 Acquisition	36,377.83
Total Cash	583,893.67

EXPENDITURES				
	Estimated FY20 Expenditures	FY20 Paid by Trust to Date	FY20 EXP Remaining	
NEI Contract			2,674,286.00	
NEI PCCO #1			20,133.59	
NEI PCCO #2			66,544.31	
NEI Change Orders PENDING			34,350.10	
NEI PCCO #3			25,938.86	
NEI PCCO #4			30,862.14	
NEI Change Orders PENDING			47,145.50	224,974.50
NEI paid to Date			(2,530,191.56)	8.4%
Legal	5,000.00	5,736.75	-	
LDA (architect)	39,563.00	23,878.38	15,684.62	
PTV \$1,950			1,200.00	
Horsley Whitten \$1,800				
Water	3,000.00	4,948.88	5,000.00	
Eversource	7,200.00	12,466.38	5,000.00	
Insurance	45,000.00	44,498.16	-	
Betterment	15,000.00	12,532.14	-	
FY20 Debt Service	594,000.00	204,403.13	389,596.87	
Total Remaining Expenditures			785,550.43	
	EST REVENUE			
Net Cash Deficit			(201,656.76)	
ADA Grant Pending	250,000.00	134,712.00	115,288.00	
Net Rental Income per CDP FY20 Revised Budget			(33,433.00)	*
Potential Investment Needed			(119,801.76)	

RENTAL ACTIVITY	
FY20 Net Rental Income to Date 1-31-20	45,442.20
FY20 CDP Property Development Costs 1-31-20	(94,273.60)
YTD Deficit	(48,831.40)

* The CDP prediction of rent is based on current signed leases

Harbor Hill Consolidated FY19 Income Statement
July 1, 2019 To June 30, 2020

FY20 Actual FY20 Mid-Year Budget Review

	Harbor Hill August		Harbor Hill September		Harbor Hill October		Harbor Hill November		Harbor Hill December		Harbor Hill January		Harbor Hill February		Harbor Hill March		Harbor Hill April		Harbor Hill May		Harbor Hill June		Total	Feb-June	
	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill	Harbor Hill			Harbor Hill
Harbor Hill Operations																									
Revenues																									
Tenant Rent	4,180.65	7,500.00	8,970.36	8,950.00	11,650.00	11,650.00	13,650.00	14,500.00	14,500.00	14,500.00	14,500.00	14,500.00	23,050.00	28,350.00	35,000.00	181,951.01	115,400.00								
HAP Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Interest	9.17	17.07	1.41	30.80	39.68	50.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	148.73	0.00	
Other (Damages/Fees/Maint)	0.00	62.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62.31	0.00	
Total Revenues	4,189.82	7,579.38	8,971.77	8,980.80	11,689.68	11,700.60	13,650.00	14,500.00	14,500.00	14,500.00	14,500.00	23,050.00	28,350.00	35,000.00	182,162.05										
Expenses																									
CDP Management	6,599.61	8,020.44	12,630.64	9,800.47	3,775.11	15,663.62	10,612.48	14,259.83	14,259.83	14,259.83	14,484.83	14,484.83	14,619.83	14,754.83	139,481.51	72,379.14									
Advertising	0.00	0.00	53.44	0.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,103.44	1,000.00								1,000.00	
Legal, Licenses & Fees	53.85	106.22	288.33	233.03	197.40	82.56	372.71	160.23	160.23	160.23	160.23	160.23	160.23	160.23	2,135.26	801.16									
Maintenance Grounds	0.00	150.00	1,370.00	0.00	0.00	85.00	0.00	0.00	0.00	0.00	0.00	0.00	3,542.50	3,542.50	12,232.50	10,627.50									
Maintenance Snow	0.00	0.00	0.00	0.00	0.00	1,797.00	2,022.00	1,686.33	1,686.33	0.00	0.00	0.00	0.00	0.00	7,315.65	3,372.67									
Maintenance Supplies	885.26	675.46	1,623.23	950.31	541.56	575.58	652.90	875.23	875.23	875.23	875.23	875.23	875.23	875.23	10,280.47	4,376.17									
Maintenance Contract	4,667.10	0.00	289.21	3,597.35	21.00	1,717.41	18,971.77	11,115.35	11,115.35	11,115.35	11,115.35	11,115.35	11,115.35	11,115.35	84,840.57	55,576.73									
Rubbish Removal	57.00	57.00	57.00	136.88	5,641.78	314.12	128.50	140.00	140.00	140.00	140.00	140.00	140.00	140.00	7,092.28	700.00									
Special Expense/Bad Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
Total Expenses	12,262.82	9,009.12	16,311.85	14,718.04	10,300.83	20,285.29	32,760.36	28,236.97	28,236.97	28,236.97	30,318.14	31,453.14	30,588.14	30,588.14	264,481.66	148,833.35									
Net Surplus	(8,073.00)	(1,429.74)	(7,340.08)	(5,737.24)	1,388.85	(8,584.69)	(19,110.36)	(13,736.97)	(13,736.97)	(13,736.97)	(7,268.14)	(3,103.14)	4,411.86	(82,319.61)	(33,433.35)										

Harbor Hill Acquisition & Improvements to Date	11,290,334.17
CDP Build Out (One time)	25,333.13
NEI Remaining	75,525.61
LDA Remaining	17,934.62
CDP Remaining (One time)	56,400.00
Total Costs	<u>11,465,527.53</u>

SQ FT All Units 27,455.00

Price per SQ FT 417.61

UNIT	SQ FT	COST per UNIT	Monthly Rent	Annual Rent
Unit 5a	405	169,132.71	1,225.00	14,700.00
unit 4-1	1,027	428,887.15	1,650.00	19,800.00
unit 4-2	1,000	417,611.64	1,900.00	22,800.00
unit 4-3	1,021	426,381.48	1,650.00	19,800.00
unit 4-4	947	395,478.22	1,900.00	22,800.00
unit 4-5	1,204	502,804.41	2,100.00	25,200.00
unit 5-21	661	276,041.29	1,550.00	18,600.00
unit 5-22	1,087	453,943.85	2,000.00	24,000.00
unit 5-23	1,138	475,242.04	1,950.00	23,400.00
unit 5-24	1,980	826,871.04	2,700.00	32,400.00
unit 5-25	682	284,811.14	1,450.00	17,400.00
unit 5-26	1,029	429,722.38	2,000.00	24,000.00
unit 6-6	961	401,324.78	1,550.00	18,600.00
unit 6-7	1,048	437,657.00	2,000.00	24,000.00
unit 6-8	1,095	457,284.74	1,950.00	23,400.00
unit 6-9	937	391,302.11	2,700.00	32,400.00
unit 6-10	1,048	437,657.00	1,450.00	17,400.00
unit 6-11	961	401,324.78	2,000.00	24,000.00
unit 7-12	932	389,214.05	1,900.00	22,800.00
unit 7-13	1,042	435,151.33	1,650.00	19,800.00
unit 7-14	905	377,938.53	1,900.00	22,800.00
unit 7-15	1,052	439,327.44	1,650.00	19,800.00
unit 7-16	877	366,245.41	1,900.00	22,800.00
unit7-17	970	405,083.29	1,650.00	19,800.00
unit7-18	906	378,356.14	1,900.00	22,800.00
unit 7-19	765	319,472.90	1,450.00	17,400.00
unit 7-20	1,034	431,810.43	1,950.00	23,400.00
unit 7-20A	741	309,450.22	1,200.00	14,400.00
		<u>11,465,527.53</u>	<u>50,875.00</u>	<u>610,500.00</u>

	# of units	unit mix	Beds	baths	sq ft	Rent	price sq ft
8 HH Rd # 4	6	1,2	10				
Unit 5a			studio	1	405	1225	\$ 3.02
unit 4-1			2	2.5	1027	1650	\$ 1.61
unit 4-2			2	2	1000	1900	\$ 1.90
unit 4-3			2	2.5	1021	1650	\$ 1.62
unit 4-4			2	2	947	1900	\$ 2.01
unit 4-5			2	2.5	1204	2100	\$ 1.74
subtotal							
tax ID 05-3-038-4							

3 HH Rd # 5	6	1,2 & 3	11				
unit 5-21			1	1	661	1550	\$ 2.34
unit 5-22			2	2	1087	2000	\$ 1.84
unit 5-23			2	2	1138	1950	\$ 1.71
unit 5-24			3	3.5	1980	2700	\$ 1.36
unit 5-25			1	1	682	1450	\$ 2.13
unit 5-26			2	2	1029	2000	\$ 1.94
sub totals							
tax ID 05-3-038							

4 HH Rd Bldg #6	6	2 beds	12				
unit 6-6			2	2	961	1550	\$ 1.61
unit 6-7			2	2	1048	2000	\$ 1.91
unit 6-8			2	2	1095	1950	\$ 1.78
unit 6-9			2	2	937	2700	\$ 2.88
unit 6-10			2	2	1048	1450	\$ 1.38
unit 6-11			2	2	961	2000	\$ 2.08
sub totals							

tax ID 05-3-038							
37 Brad St ext #7	10	1,2	18				
unit 7-12			2	2	932	1900	\$ 2.04
unit 7-13			2	2	1042	1650	\$ 1.58
unit 7-14			2	2	905	1900	\$ 2.10
unit 7-15			2	2	1052	1650	\$ 1.57
unit 7-16			2	2	877	1900	\$ 2.17
unit7-17			2	2	970	1650	\$ 1.70
unit7-18			2	2	906	1900	\$ 2.10
unit 7-19			1	1	765	1450	\$ 1.90
unit 7-20			2	2	1034	1950	\$ 1.89

unit 7-20A			1	1	741	<u>1200</u>	\$ 1.62
					27455	50875	\$ 1.85

HOUSING TRUST

	HARBOR HILL FY2021	TRUST FY2021	TOWN FY2021	TOTAL FY2021
Estimated Annual Operating Budget				
Revenues				
Debt Override- Town Budget	-	-	594,500	594,500
Rent (90% occupied)	549,450	-	-	549,450
Total Budgeted Revenues	549,450	-	594,500	1,143,950
Expenses				
HH CDP Management Company	146,000	-	-	146,000
HH CDP Advertising	1,600	-	-	1,600
HH CDP Legal, Licenses & Fees	2,000	-	-	2,000
HH CDP Maintenance	36,000	-	-	36,000
HH CDP Snowplowing	6,980	-	-	6,980
HH CDP Rubbish Removal	4,400	-	-	4,400
HH Trust Water/Sewer	20,000	-	-	20,000
HH Trust Common Area Utilities	5,000	-	-	5,000
HH Trust Insurance	45,000	-	-	45,000
HH Trust Legal	5,000	-	-	5,000
HH Trust Betterment	17,500	-	-	17,500
Annual Capital Projects	150,000	-	-	150,000
Trust Debt & Interest	-	-	594,500	594,500
Trust Legal	-	5,000	-	5,000
Trust Insurance/Bond	-	1,400	-	1,400
Trust Meetings/PTV	-	3,600	-	3,600
Trust Condo Conversion	-	25,000	-	25,000
Total Budgeted Expenditures	439,480	35,000	594,500	1,068,980
Net Income	109,970	(35,000)	-	74,970

Article 9. Funding for Year-Round Rental Housing. To see if the Town will vote to raise and appropriate, borrow, or transfer from available funds, a sum of money for the purpose of supplementing capital and operating expenses for the Provincetown Year-Round Market Rate Rental Housing Trust for Fiscal Year 2020; or to take any other action relative thereto.

[Requested by the Select Board and the Provincetown Year-Round Market Rate Rental Housing Trust]

MOTION:

I move that the Town vote to transfer \$100,000 from Free Cash to the Year-Round Rental Housing Trust.

Signature

VOTES		Yes	No	Abs	Report by:
	Motion				Robin Craver
YRMRR Housing Trust	Recommends	5	0	0	
Select Board	Recommends	5	0	0	
Finance Committee	Recommends	5	0	0	None

Requires a Majority Vote

SCRIPT:

This motion appropriates additional funding to the Year Round Market Rate Rental Housing Trust from Free Cash. The vote at the June 24, 2019 special town meeting included a 5% construction contingency which was surpassed due to unanticipated, but necessary, change orders.

The Trust has certificates of occupancy in three of the four buildings and it has leased tenants in all three buildings with applications for vacant units being received weekly. The Trust has obtained a grant from the State for the two accessible one-bedroom units to the property which are now complete and occupied.

These supplemental funds will ensure that the Trust can cover the construction contract for the remainder of the project and cover all operating expenses through June 30, 2020.

Article 9. Funding for Year-Round Rental Housing. To see if the Town will vote to raise and appropriate, borrow, or transfer from available funds, a sum of money to increase the general fund debt service budget line item to pay FY21 debt service payments of the general obligation bond authorized at February 6, 2017 STM for the acquisition and improvements of the Harbor Hill property by the Provincetown Year-Round Market Rate Rental Housing Trust; or to take any other action relative thereto.

MOTION:

I move that the Town vote to raise and appropriate the sum of \$594,557 to increase the FY21 debt service budget of the general fund and further to transfer from the Provincetown Year-Round Market Rate Rental Housing Trust to the General Fund any amount remaining at the end of the fiscal year that exceeds \$100,000 which is to be retained as a capital reserve.

Signature

VOTES		Yes	No	Abs	Report by:
	Motion				Robin Craver
YRMRR Housing Trust	Recommends	5	0	0	
Select Board	Recommends	5	0	0	
Finance Committee	Recommends	5	0	0	None

Requires a Majority Vote

SCRIPT:

Explanation of Article 9: This article asks Town Meeting to approve funding the Housing Trust’s obligated debt service for the acquisition and renovation of Harbor Hill. The debt service was voted as excluded debt which means it can be paid from the general fund and included in the operating budget at any time. To date the Housing Trust’s available funds of \$1,500,000 has been depleted by financing of Harbor Hill renovations and related debt service. The early depletion of the Trust’s seed money is due, in part, to increased construction costs and a low construction contingency (5%). As disclosed when the acquisition and debt service was approved at the February 2017 Town Meeting, rental income was not expected to cover both operating expenditures and debt service obligations. Since no other revenue has been allocated to the Trust, this appropriation transfer is necessary to sustain the project. It is anticipated that Harbor Hill rental income will cover operating expenditures, while the voted debt override will fund the debt service. To the extent that the Housing Trust available funds exceed \$100,000 at the end of the year, that excess would be transferred to the general fund. This would include any funds the Trust receives from private donors or investors up to the amount of the annual debt service. If this article fails and the Trust does not have funds available to pay the entire debt service amount, the Town is still obligated to pay this debt service from the general fund and raise it on the tax recap which will reduce available free cash and possibly damage our credit when bonding new projects.