



Year Round Market Rate Rental Housing Trust September 15, 2020

To participate dial (833)579-7589
Conference ID: 288-584-656 #

The Provincetown Year-Round Market Rate Rental Trust Board of Trustees will hold a remote public meeting on Tuesday, September 15, 2020, at 4:00 pm, in Town Hall, 260 Commercial Street at Town Hall, Provincetown, MA 02657.

NOTE: THIS IS A REMOTE PARTICIPATION MEETING

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, the Governor's March 23, 2020 Order imposing strict limitation on the number of people that may gather in one place, and Chapter 53 of the Acts of 2020, this meeting of the Provincetown Year Round Market Rate Rental Trust will be conducted via remote participation to the greatest extent possible. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting can be found on the Provincetown website, at <https://www.provincetown-ma.gov/>. For this meeting, members of the public who wish to listen and participate in the meeting may do so in the following manner:

To participate in this meeting, dial **(833) 579-7589**.

When prompted, enter the following Conference ID number: **288 584 656 #**

1. PUBLIC HEARING

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Please:

- Keep your phone muted at all times when not talking
- Mute all background noises
- Mute the television or computer and use only the phone audio
- Please do not speak until the chair or the meeting moderator asks for public comments or questions. Use *6 to mute or unmute your phone.



Year Round Market Rate
Rental Housing Trust
& Harbor Hill

Public Hearing

September 15, 2020

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Harbor Hill Video

- [Produced by the Community Development Partnership & Created by David Cox](#)
- https://www.youtube.com/watch?time_continue=15&v=hZ3CLIf5N9g&feature=emb_logo

Ch. 305 Acts 2016 *excerpt*

“The trust is established to create and preserve year-round rental units in the Town of Provincetown including, but not limited to, market rate units, for the benefit of residents of the Town.”

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End goal

The Town of Provincetown has been aggressively tackling the need for community housing for decades; while we have had many successes, more needs to be done. The Year Round Market Rate Trust was created to address a gap in our housing tools – provide housing for those who are not eligible for the traditional affordable housing in a broken market. The 2019 Camoin economic development report identified the primary issue impacting ED is lack of housing.

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Challenges

Our outside the box, cutting edge effort is not without its challenges, including more time for acquisition, legal hurdles, a very hot construction market with few bidders at higher costs, and un-occupied buildings for about 2 1/2 years - as a municipal property owner and landlord subject to all municipal regulations – practically unheard of. While it has taken longer than anticipated – it has been just over 3 years since that town meeting vote – this is amazingly fast compared to typical housing development which is usually 10 years.

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Harbor Hill: How did we get here?

ACQUISITION

2015 & 2016: Town Meeting approved submission of special legislation; funded \$1,500,000 start-up funds for Trust

December 2016: Year Round Market Rate Rental Housing Trust created & Harbor Hill opportunity surfaces.

February 2017: voters approved \$10,700,000 to purchase & renovate Harbor Hill, a former timeshare resort at auction, 26 rental units.

September 2018: closing happens after legal challenges and court proceedings delay purchase

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Harbor Hill: Renovations & Operations

2017:

- ❖ RFP for architectural firm issued with 1 proposal.
- ❖ RFP #1 for management company issued; no proposals received

2018:

- ❖ Architectural firm hired to do assessment & prepare for bidding renovation
- ❖ \$250,000 grant awarded for 2 new accessible units bringing total units to 28
- ❖ Renovation IFB issued; RFP for property management re-issued; 1 proposal received
- ❖ No acceptable construction bids received

Harbor Hill: Renovations & Operations

October 2018: Building #5 renovations begin

January 2019: CDP Property Management begins; IFB #2 for renovation work re-issued

Winter/Spring 2019: new mini-split systems for heat & AC installed through Cape Light Compact at no cost [est. value \$340,000]

March 2019: 3 bids received; award to lowest eligible bidder

May 2019: Building #5 reno complete; Tenants move in

July 2019: renovation construction begins

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Harbor Hill: Rent-up

Summer 2019: Building #5 with 6 units becomes available 8 months after acquisition through in-house renovations and is occupied by end of summer

NOW - September 2020:

- ❖ Primary renovation project completed in April 2020
- ❖ 25 of 28 units [89%] are occupied plus 1 unit scheduled for move in [93%] and applications pending for the remaining 2 units [100%]

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Harbor Hill Property

Target market: households that are not eligible for traditional affordable housing with median incomes from 80% to 200% Area Median Income

For example: traditional AH maximum 80% AMI for household of 1 is \$54,150, for 2 people \$61,850 - while Teacher salary range \$52K - \$88K. Police Officers range \$61K - \$70K

Rents Range:

ADA units: \$1000 - \$1200

1 Bedrooms: \$1450 - \$1550

2 Bedrooms: \$1650 - \$2000

Features include: Large unit size, Laundry in every unit, Efficient heating and cooling, Parking available

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Harbor Hill Pro Forma

- From the onset, a gap was anticipated between rent receipts and expenses
- Monthly Revenue is projected at approximately \$50K at full occupancy for total of about \$600K per year.
- Annual debt service is about \$594K
- The Trust is working with the Finance Dept and the CDP on updating annual budgets as we approach full occupancy
- A Capital Needs Consultant conducted an assessment *pro-bono* in March 2020 to begin long term capital planning
- The Trust has engaged a financial consultant to explore financial options for long term capital planning
- As stated in 2017, we anticipate the need for gap funding for both FY 21 and future years

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Harbor Hill & Trust Financing

- Options include
 - Town appropriation
 - Pursue allocations from upcoming revenue streams, including Marijuana and Short Term Rental Tax revenues
 - Work on operating expenses after revenue and expenses normalize
 - Sell more valuable units to create a cushion for bond payment for upcoming years

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Community

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.



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& Harbor Hill

Public Hearing September 15, 2020

Public Comments

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End of Public Hearing September 15, 2020

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Agenda #2: Annual Town Meeting

September 16, 2020 *virtual* Town Forum

**September 21, 2020, at 5:00 pm Annual
Town Meeting: Town Meeting to be held
St. Peter's parking lot**

Discussion, preparation & outreach efforts

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Agenda #3: Select Board Presentation:
Discussion

Agenda #4: Invoices

Agenda #5: Minutes

Agenda #6: other

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