



Proposed Property Tax Exemption Affordable Year-round Rental Housing

Town of Provincetown - 260 Commercial Street - Provincetown, MA 02657

The April 1, 2002 Annual Town Meeting will be asked to vote whether to submit a home rule petition for special state legislation allowing the Town of Provincetown to offer **a property tax exemption available to owners of housing units that are rented on a year-round basis to low income households at rents (including utilities) not exceeding HUD limits for low income households.** Here are the program details:

Property Tax Exemption – No property tax would be charged for that portion of the property which is used for affordable housing purposes under this program. The amount of the exemption would be equal to the tax otherwise due multiplied by the square footage of the units set aside for affordable housing purposes divided by the total square footage of the structure (i.e., same formula proposed at town meeting last year).

No deed restrictions – Properties would qualify annually, with exemptions granted by the Board of Assessors on a year-to-year basis. If property qualifies for that year, exemption is granted for that year. Review of tenants' income information would be a task performed by the Affordable Housing specialist as an agent for the Board of Assessors. (Eliminates the deed restriction requirement proposed at last year's town meeting).

Rental Properties Only - Tax exemption would only be available to owners of housing units which are *rented* to low income households, as defined in the program.

Low Income Households only – Renters' household income limits could not exceed 60% of the median household income for the region, as established by HUD. Those limits—based on household size— are shown in Table 1.

Low Income Rent Limits – Owners could not charge rents— *including utilities*— which exceed the HUD limits for low income households, as shown in Table 2.

Table 1	
Annual Income Limits	
Household size	Low Income (HUD 60%)
1 person	\$21,840
2 persons	\$24,960
3 persons	\$28,080
4 persons	\$32,100
5 persons	\$33,720
6 persons	\$36,180
7 persons	\$38,700
8 persons	\$41,160

Table 2	
Monthly Rent Limits	
# of bedrooms	Low Income (HUD 60%)
0	\$546
1	\$585
2	\$703
3	\$811
4	\$905