

Provincetown Community Housing Council

Veterans Memorial Community Center ☞

2 Mayflower Street

January 14, 2019

1:06 p.m.

Members Present: Kristin Hatch, Betty Williams, Keith Hunt

By Phone: Paul Richardson

Staff: Community Housing Specialist Michelle Jarusiewicz, Town Planner Jeff Ribeiro

Membership & Re-Organization:

Kristin Hatch moves to vote Susan Cook as Chair, seconded by Keith Hunt and approved 4-0.

Keith Hunt moves to vote Betty Williams as Vice Chair, seconded by Kristin Hatch and approved 4-0.

Public Statements: none

Growth Management: Summary provided by Housing Specialist Michelle Jarusiewicz, with explanation of options; see below and attached.

Introduction

The Annual Growth Management report required by Section 6600(3) of the Provincetown Zoning Bylaw on which a Public Hearing is to be held on Monday, February 11, 2019 at 6:00 pm.

The Annual Report evaluates the effects of growth on our resources over the past year, including but not limited to potable water supply, solid waste disposal, wastewater disposal, and the inventory of affordable housing.

Annually, during the Growth Management Review, the Board of Selectmen may allocate up to a specified number of gallons per day (gpd) for each of Categories 1, 2, 3, and 4, provided that the Board of Selectmen shall have made a finding that the Town is in compliance with the water withdrawal permit issued by the Department of Environmental Protection (“DEP”) pursuant to 310 CMR 36.00 and all applicable rules and regulations promulgated by DEP with respect thereto.

The Selectmen shall have the flexibility with the General Use Category 1 to distribute up to the specified gallons amongst the Use Categories 1a, 1b, and 1c based on the recommendation of the Provincetown Community Housing Council. Assistant Town Manager has suggested allocating all 1650 gallons to 1c to even out the categories [Option 2]; Option 1 represents recent allocations.

1/14/19	Category 1a Affordable: low/moderate Income Up to 80% AMI	Category 1b Median Income Up to 100% AMI	Category 1c Middle Income Up to 150% AMI
Previous Year Carryover	9,134	8,233	6,211
Gallons used	0	0	0
Remaining Balance	9,134	8,233	6,211
Approximate equivalent	83 bedrooms	74 bedrooms	56 bedrooms
Option 1:			
Potential 2019 addition	+ 550	+ 550	+ 550
New balance	9,684	8,793	6,761
Approximate equivalent	88 bedrooms	80 bedrooms	61 bedrooms
Option 2:			
Potential 2019 addition	+ 0	+ 0	+1,650
New balance	9,134	8,233	7,861
Approximate equivalent	83 bedrooms	74 bedrooms	71 bedrooms

Zoning By-Law Definitions:

Affordable Housing Dwelling units subject to affordable housing restrictions based on the Barnstable County median income as is periodically defined by United States Department of Housing and Urban Development adjusted for household size, as further defined below.

(a) **Low Income Community Housing.** Dwelling units, subject to an affordable housing restriction, for a term of perpetuity or the longest period allowed by law, that limits rental rates, limits eligibility for occupancy and purchase, and provides a right of first refusal to the Town of Provincetown. Low Income Community Housing units shall be available for rental at a cost (including utility allowances) not exceeding 30% of annual income for a household at or below 50% of the Barnstable County median income; or, available for ownership at a cost (including mortgage interest, principal, taxes, insurance and common charges if any, but excluding utilities) not exceeding 30% of annual income for a household at or below 50% of the Barnstable County median income. Occupancy shall be limited to households whose income is **at or below 65% of Barnstable County median income.**

(b) **Moderate Income Community Housing.** Dwelling units, subject to an affordable housing restriction, for a term of perpetuity or the longest period allowed by law, that limits rental rates and resale prices, limits eligibility for occupancy and purchase, and provides a right of first refusal to the Town of Provincetown. Moderate Income Community Housing units shall be available for rental at a cost (including utility allowances) not exceeding 30% of annual income for a household at or below 65% of the Barnstable County median income; or, available for ownership at a cost (including mortgage interest, principal, taxes, insurance and common charges if any, but excluding utilities) not exceeding 30% of annual income for a household at or below 65% of the Barnstable County median income. Eligibility for occupancy shall be limited to households whose income is **at or below 80% of Barnstable County median income.**

Community Housing: Dwelling units subject to community housing restrictions based on the Barnstable County median income as is periodically defined by United States Department of Housing and Urban Development adjusted for household size, as further defined below.

a) **Median Income Community Housing.** Dwelling units, subject to a housing restriction, for a term of perpetuity or the longest period allowed by law, that limits rental rates and resale prices, limits eligibility for occupancy or purchase, and provides a right of first refusal to the Town of Provincetown. Median Income Community Housing dwelling units shall be available for rental at a cost (including utility allowances) not exceeding 30% of annual income for a household at or below 80% of the Barnstable County median income; or, available for ownership at a cost (including mortgage interest, principal, taxes, insurance and common charges if any, but excluding utilities) not exceeding 30% of annual income for a household at or below 80% of the Barnstable County median income. Eligibility for occupancy shall be limited to households whose income is **at or below 100% of Barnstable County median income."**

b) **Middle Income Community Housing.** Dwelling units, subject to a housing restriction, for a term of perpetuity or the longest period allowed by law, that limits rental rates and resale prices, limits eligibility for occupancy or purchase, and provides a right of first refusal to the Town of Provincetown. Middle income community housing dwelling units shall be available for rental at a cost (including utility allowances) not exceeding 30% of annual income for a household at or below 120% of the Barnstable County median income; or, available for ownership at a cost (including mortgage interest, principal, taxes, insurance and common charges if any, but excluding utilities) not exceeding 30% of annual income for a household at or below 120% of the Barnstable County median income. Eligibility for occupancy shall be limited to households whose income is **at or below 150% of Barnstable County median income.**

Kristin Hatch moves to approve option 2; allocate 1,650 gallons Category 1C at middle income, seconded by Betty Williams and approved 4-0.

Community Preservation Act Housing Requests: CPA housing applications summary provided by Michelle Jarusiewicz.

Community Housing (4):

Cape Housing Institute

\$7,500

Buy-Down Program	\$175,000	
Foley House Preservation	\$40,000	
Housing Office: Housing Specialist	\$25,000	
CH subtotal		\$247,500

Community Housing Office \$25,000: continues trend to move full-time housing office to town budget, now a 50/50 split, this will bring to 75% town and 25% CPA. Paul Richardson: great moving in the right direction.

Wondered about conflicts?

Kristin Hatch stated that she can disclose that she is Executive Director for Housing Authority, not the writer for this application but for the Foley House application.

Paul Richardson: Expressed his support of the project and moves to approve recommendation for \$25,000 Housing Office, seconded by Keith Hunt and approved 4-0

Buy-Down Program: A pilot program for one property for \$175,000 subsidy in exchange for a deed-restriction modeled after Wellfleet's Buy-Down Program. Challenges discussed.

Kristin Hatch expressed support of the program, and moves to support, seconded by Betty Williams and approved 4-0.

Paul: Down Payment and Closing Cost Program questions. Total CPA requests and budget of up to \$375,000

Foley House Renovation: preservation funding request of \$40,000 for building including exterior work, clapboards, gutters, with \$2,000 for admin to manage the project; it may be clerk of the works or Housing Authority Staff. Paul Richardson questioned conflict? Kristin Hatch discloses Executive Director of Housing Authority. Keith Hunt disclose member of Housing Authority Board.

Paul Richardson moves to approve recommendation for the Housing Authority restoration CPA request; seconded by Keith Hunt and approved 3-0-1, Kristin Hatch abstains.

Community Development Partnership: \$7,500 request for year 3 of the Cape Cod Housing Institute.

Kristin Hatch stated that it is a great, regional effort.

Kristin Hatch moves to approve recommendation for the \$7,500 CDP request for the Cape Cod Housing Institute; seconded by Betty Williams and approved 4-0.

30 Shank Painter Road: Doug Dolezal: Housing Development Discussion

Doug Dolezal has been following affordable housing and inclusionary zoning efforts and participated in the discussions with the boards. He is an architect in Boston and has a place in Provincetown. His proposal will be 1st Inclusionary Zoning project. Been working to help define the process for small projects. The proposal for 30 Shank Painter presents challenges and opportunities. The Brown Street area is within FEMA Flood Plain. If renovation is above 50% of the market value, it must be compliant. New construction will be better. In GC dist. Goals – compliant with setbacks or as many as possible, LEED compliant, FEMA compliant, sustainable materials. Includes a retail space, 11 car parking below, community space on the roof, 12 units with 3 (25%) of them as affordable at 80% AMI and deed-restricted, all are 1 bed 1 bath ownership properties.

About 550 to 725 SF each affordable and market rate units; mixed different levels for first and second floor; third floor for market rate units. Particulars to be decided, working on details. Going to Planning Board -- possibly seeking approvals in February or March. Under P & S, closing in March is the goal.

Town Planner Jeff Ribeiro stated that the inclusionary zoning structure directs to affordable housing 100% AMI and priced at 80% AMI. The planning board determines affordability in consultation with CHC and CHC signs off on Growth Management Bylaws. It is important that they are on the same page.

Kristin Hatch: Other projects with small units agree to sell for ownership, all the above needs the Path to Ownership. Doug Dolezal agrees that it is challenging. Betty Williams believes it is a great project in a great neighborhood. Kristin Hatch asked if needed, can the percentage be fiddled with?

Doug Dolezal stated that under Community Housing the numbers don't work. If under 10% on SHI, Affordable Housing takes precedence above Community Housing. There is a different bonus structure under each. It's a challenge to get 2 bonus units, community housing gets 1. The budget is tight. Jeff Ribeiro stated that there is a need to balance higher income with purchase price comparable to market rate. Doug Dolezal said that he looked at it in 2016, the timing impacts for sale now.

Members agreed priced at 80% with eligibility at 100%. Jeff Ribeiro stated that this is just a consultation.

Paul Richardson wants to ensure equitable share of livable SF units. Some market rate and affordable units are the same other market rate units are larger. Doug: Zoning relief needed on scale from Zoning Board. Paul stated that they don't need to be the same but comparable. Jeff said that the bylaws require comparable.

Annual Report is due by 1/25/91. Discussion that the Chair Susan Cook and Betty Williams would draft.

2:48: Paul leaves meeting.

UPDATES: Harbor Hill updates regarding renovation and construction bids presented by Housing Specialist Michelle Jarusiewicz. VFW & Housing Authority CPA Grant

Other: Housing Specialist indicated that she expected a resale of a 3-bedroom unit to be forthcoming.

Meeting adjourned at 3:00 pm

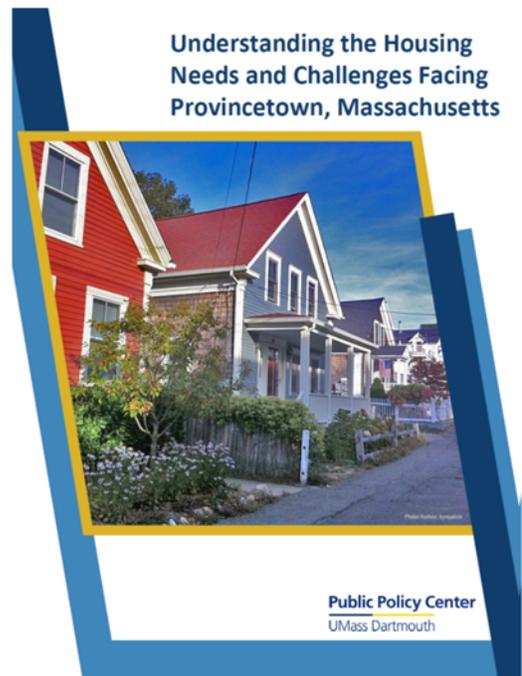
*Submitted by:
Michelle Jarusiewicz, Community Housing Specialist*

Housing Section Growth Management Report 2018

The Town of Provincetown has had the creation and retention of affordable and community housing as a top goal since 1997 and has aggressively pursued many housing strategies - making it the leader on Cape Cod in its efforts. Provincetown currently has 9.8% deed-restricted units under the State's C. 40B Subsidized Housing Inventory [SHI]; representing 208 units. The Town has an additional 30 deed-restricted units that are not counted on the SHI and in 2018 the acquisition of Harbor Hill will add 28 new year-round rental units bringing the non-SHI total to 58; for a grand total of 266 restricted units.

The need for housing is part of every conversation in Town. Since 1997, the Town of Provincetown has been aggressively tackling the need for stable housing for the people that live and work here; adopting many various strategies to fortify our housing toolbox. In 2018, the Town conducted two studies: a housing analysis by the Public Policy Center at UMass Dartmouth [see Attachment] and one for economic development, a Strategic Plan by Camoin Associates, with Housing as a major theme.

Both plans reinforce what we already know – that the lack of stable housing for all income levels is THE most critical issue in Town. Provincetown's year round population has declined by 16.8% from 1990 to 2016, while statewide the population has increased by 12.1%. The majority of Provincetown residents are over 54 years old [51.8%] compared to 28.2 statewide. The median household income [\$42,228] is lower than the county's \$65,382 and the state's \$70,954. Notably by 2025, 55% of all households will be headed by someone over 65.



Provincetown's Housing Challenge

- Provincetown has worked for decades to balance needs of its seasonal economy with the needs of year-round residents. In many respects, its approach to its housing challenges has been a model for the Cape and the Commonwealth.
- Provincetown's success as a destination has increased the demand for community and seasonal housing.
- Workers are out-competed for housing by visitors who are willing and able to pay the premium prices on short-term rental platforms.
 - Property owners stand to make larger profits seasonally on sites like Airbnb than they would with the same apartment year-round.
 - Interviews suggest this leads workers to overcrowd apartments and hotbed in motel rooms.
- The hot housing market has driven up prices and led to an increase in condo conversions.

Public Policy Center
UMass Dartmouth



Prevailing wages do not allow most year-round residents to afford housing in the area.

- The majority of jobs in Provincetown are seasonal and pay relatively low wages.
- The median household income in Provincetown is \$42,228, compared with \$65,382 in Barnstable County and \$70,954 in the state.
- From 2000 to 2016 the median household income (adjusted for inflation) in Provincetown fell by -10.7%, compared with -3.4% statewide.
- Median home price requires a household income of \$120k/year or \$58/hour.
- Median rental price requires a household income of \$43k/year or \$20/hour.

Public Policy Center
UMass Dartmouth



Even at the median household income, prices are unaffordable.

- From 2000 to 2016, household incomes in Provincetown declined by 10.7 percent while the median home sales price increased by 53.1 percent.
- Affordably purchasing a Provincetown home at the median price requires an annual income of \$120,040, which is \$77,812 more than the median household income in town.
- At the median sales price in 2016, 23.4 times the annual median income would be required to purchase a single-family outright.
- Provincetown's median rent requires an annual income of \$42,560 to rent affordably, or \$16,358 more than the median rental household's annual income.

Public Policy Center
UMass Dartmouth

Given the increase in home prices over the last twenty years, housing is priced outside the reach of the majority of residents, with Provincetown median household income [always the lowest on the Cape] and the median and average price of a single family home surpassing the \$1-million mark, there are housing needs at all local income levels. The general rule is that housing costs [including utilities] should be no more than a third of income.

The needs are great and cross the spectrum of incomes. Lack of stable housing has a severe impact on our community character and our future viability. We have witnessed the outmigration of many of our year-round residents and families which has led to the closing of our high school and loss of our year-round population by 16.8% from 2000 to 2016.

Data Summary and Analysis

Town of Provincetown, MA

November 20, 2018

Prepared for:
Town of Provincetown
Town Hall
260 Commercial Street
Provincetown, Massachusetts, 02557



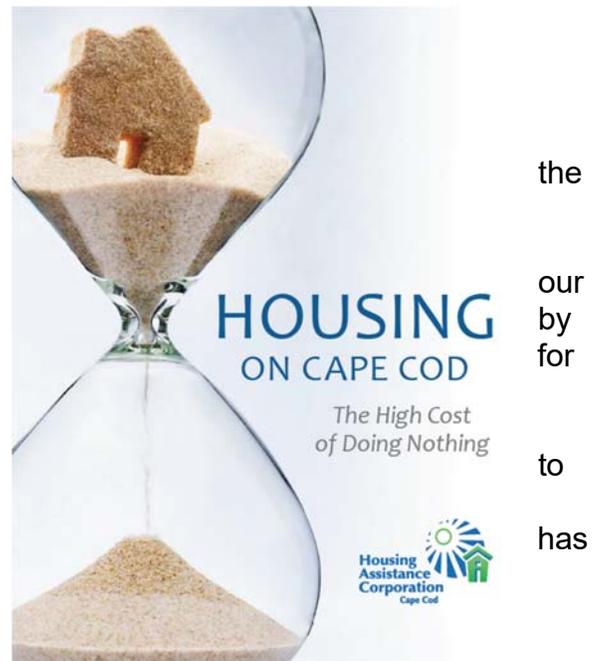
As we struggle to maintain and grow our local economy, it is imperative that we concurrently strengthen our housing options. Without housing, there are no workers; without workers there is no economy. Because our economy is primarily tourist-based, seasonal worker housing is also a problem. Without a diverse population, there is no Provincetown as we know and love.

Provincetown's needs go beyond the traditional categories of affordable housing and reach up into the middle income brackets. Much of our workforce is positioned above the conventional affordable income limits, thereby excluding them from the otherwise available state and federal subsidy programs. As a result, the middle class segment of our workforce, along with the lower income segment, is being and has been squeezed out of Town. This problem starts local, becomes regional, and without a long term consistent and persistent program, will permanently alter, and potentially eliminate as we know it, community life on the Outer Cape. This is reflected in the report released by Housing Assistance Cape Cod:

Housing on Cape Cod: *The High Cost of Doing Nothing.*

A common thread throughout all of the town's planning documents is the need for affordable housing. Affordable housing has been a town-wide goal since 1997 and again is among the top goals in FY'19 annual town-wide goals, and as described above, is a central theme in all our planning. The availability of stable housing is intrinsically linked to economic development. No business is untouched the need for housing. While housing costs plateaued a bit during the recession, they are again escalating. This pressure threatens the ability of residents to remain in Provincetown and the ability of businesses access the labor force needed during the critical summer months and the off-season. Provincetown seen significant out-migration of residents (and the labor force) due to housing pressures. This has impacted the school system, which facing a declining enrollment due to an exodus of families, had the last graduating high school class in 2013. While the great recession leveled the escalation, the housing market is now escalating again. The market prices are driven by those purchasing the property as a second home [or third home] with weekly rentals; thus eliminating both year-round and seasonal rentals. Housing costs – if a unit is found - remain out of reach for the largely low and moderate income population [HUD: 57%] and for those of median and middle income as well.

In 2017, the Town embarked on very new territory. The Governor had just signed the special legislation to create the Year Round Market Rate Rental Housing Trust when the opportunity arose to acquire Harbor Hill by bidding on a 26-unit condominium property. A significant crowd showed up at the



the
our
by
for
to
has

February Special Town Meeting to approve the bonding of \$10.2-million for the acquisition and renovation of the property – a sign of support for the need for housing! The Trust closed on the property in September 2018, has begun renovations, has hired a Property Manager, and plans to have rentals available beginning in the spring.

Major Accomplishments for 2018

- Year Round Rental Trust: 2018’s focus was the acquisition of Harbor Hill [accomplished Sept. 2018]; the development of Request for Proposals and Invitations for Bids for the Management Company and renovations; and requests for tenant applications. The Housing Specialist is staff liaison and works closely with the Trustees.
- VFW & 26 Shank Painter Rd.: submitted grant application for funding assistance to MassHousing which resulted in receiving technical and funding assistance from MHP for pre-development work.
- Housing Analysis: working with the Town Manager and UMass Dartmouth Public Policy Center to create a data analysis of the demographics, housing , and economy
- Winslow Farms: through the Growth Management permitting process, 2 one-bedroom condos were constructed as community housing. The Housing Specialist conducted the marketing, outreach, and the application & lottery process targeting households with income up to 150% Area Median Income. Both units closed in February 2018.
- Down Payment & Closing Cost: As part of the *Pathway to Ownership* and with CPA funding assistance, a new program has been offered for Down Payment & Closing Cost Assistance; 3 Provincetown residents completed the process and received \$10,000 in assistance; and several others have applied in search of their new home.

Based on the analysis of existing inventories within Growth Management for affordable housing, the Community Housing Council voted on 1/14/19 to recommend the full allotment of affordable housing gallons be placed in Category 1c to provide balance in each category:

1650 gallons to Category 1c (Middle Income Community Housing)