

Provincetown Year-Round Rental Housing Trust Board of Trustees

Minutes: July 14, 2020

Virtual Meeting Town Hall, 260 Commercial Street, Provincetown

5:02 p.m.

YRRRT Members Present: Nathan Butera, Doug Cliggott, Louise Venden, Kevin Mooney, Cass Benson

Staff: Community Housing Specialist Michelle Jarusiewicz, Finance Director Josee Cardinal Young

CDP: David Abel

MODERATOR [Michelle Jarusiewicz]:

The July 14, 2020, meeting of the Provincetown Year Round Market Rate Housing Trust is about to be convened. As a precautionary measure to reduce the spread of coronavirus, all Town buildings are closed to the public; therefore, this meeting will be held by remote participation. My name is Michelle Jarusiewicz, I am the Town's Housing Specialist, and will be moderating participation. I will begin by taking a roll call for quorum.

Provincetown Year Round Market Rate Housing Trust:

Nathan Butera, Chair: HERE

Doug Cliggott: HERE

Kevin Mooney: HERE

Louise Venden: HERE

Cassandra Benson: HERE

The chair of the Board will now call the meeting to order and I will then explain how remote participation works before proceeding.

CHAIR [Nathan Butera]:

calls the meeting to order at 5:02. I will now ask the moderator to explain how remote participation works.

MODERATOR:

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 limitations 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 Housing Trust is being conducted via remote participation. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access and participate in the proceedings. Participation is only available through telephone where members of the public will be allowed to speak during the public comment portion of the hearing by dialing (833) 579-7589. When prompted, enter the conference ID: 100 792 819 #. Please do not speak until the chair asks for public comments or questions and keep your phone muted at all times. Use *6 to mute or unmute your phone. Clearly state your name each and every time prior to speaking and remember to mute your phone when not talking. We will post a record of this meeting on Provincetown's website as soon as possible. All votes must be roll call votes. After a motion is made and there is a second, the Chair will ask for a roll call vote. All motions, decisions, documents, and letters should be verbally referenced for the record.

If it appears the meeting cannot or should not proceed, then the moderator will recommend that the Chair request to continue the hearing to a later date and time. I will now hand the meeting back to the Chair.

CHAIR: Please clearly state your name each time prior to speaking. At the completion of each agenda item, ask “At this time I did not hear any request for additional comment, if you wish to speak, please check that your phone is not muted using *6 and this is the final time I will ask if there is anyone who wishes to speak on the matter at hand.” [allow a moment and ask participants to speak one person at a time.]

Agenda item #1 Public Statements: NONE

Agenda item #2 Harbor Hill Update:

CDP UPDATE:

Leasing:

23 Occupied
1 Leased, occupancy July 20th
Total Leased – 24 out of 28 [86%]; 4 units available

Property Maintenance:

- Neighbors on the cul-de-sac side have complained about issues related to the trash dumpsters including noise [closure by tenants and pick-up], windblown litter, and the like. They requested the dumpster be relocated within the parking area. This cannot be done, as our parking plan was part of our permitting process; unfortunately, there is very little space for any changes. After several discussions, the CDP has proposed “sliding” the receptacle down along the fence. This will cost about \$500 or so for ground work for under the dumpster.
- Cazeault Roofing replaced a blown off section of cheek wall cedar shingles on B#7 on 6/23/20 and has begun a measurement analysis through *eagleview* for each building at \$75 each. Building #5, 4 Harbor Hill, is complete. This will provide the basis for any work to be done.
- Electric meters – a unit in B#4 had some electrical issues due to faulty old electrical meter which is being replaced [not shelf item]; given current codes there is a need to replace all the B#4 meters; estimated cost is now about \$10K - \$13K and is under consideration.

Harbor Hill Demographics

24 of 28 units occupied [86%]
Number of People: 46
Number adults 38
Number of children 8
Pets: 6 dogs, 4 cats

Household size: 10 single person
9 2-person
2 3-person
3 4-person

Income:

Average household income \$71,453
Average income per person \$45,128
Income range \$36,608 - \$145,852

Employment sector:

Service	19 [50%]
Trades	6 [16%]
Town	2 [5%]
Professional	9 [24%]
Retired/disabled	2 [5%]

Louise Venden thanked the CDP for the demographic update indicating that it is important to look at to see if we are addressing the targeted need.

Rent Increase:

Draft future budgets included annual 2% rent increases. Currently there is a moratorium on increasing rent due to COVID and recent lease renewal rents have not been increased. The CDP has inquired about future upcoming lease renewals starting in September. Ms. Jarusiewicz recommends not to increase rents for the duration of 2020 *and to reconsider in the fall for future renewals.*

Nathan Butera MOVE to suspend rent increases at Harbor Hill through the end of 2020; Louise Venden second;

All members agreed that rents should not be increased at this time; it is the right thing to do

Roll call vote:

Nathan Butera, Chair: YES

Doug Cliggott: YES

Kevin Mooney: YES

Louise Venden: YES

Cassandra Benson: YES

Approved 5-0.

Agenda #3 Finance Dept. Financial Update:

Finance Director Josee Young did not have a further update from the last meeting but indicated that there were end-of-year positive balances in cash accounts. Ms. Bensen asked about “both” accounts? Ms. Young said that there are three accounts – the primary Trust account, the acquisition account, and the rental activity fund.

Housing Trust Status
June 29, 2020

CASH ON HAND	
Cash 8411 Housing Trust	308,785.22
Cash 8412 HH Rental Activity	(195,835.69)
Cash 4018 Acquisition	(73,589.13)
Total Cash	39,360.40

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			38,456.00
NEI PCCO #3			25,938.86
NEI PCCO #4			30,862.14
NEI PCCO #5			4,308.47
NEI PCCO #6			43,827.03
NEI paid to Date			(2,751,521.52)
Legal	5,000.00	6,735.75	-
Condo Conversion	25,000.00	1,204.50	-
LDA (architect)	39,563.00	27,803.38	11,759.62
PTV \$1,950			
Horsley Whitten \$1,800			
Water	3,000.00	4,948.88	-
Eversource	7,200.00	24,993.66	-
Insurance	45,000.00	44,498.16	-
Betterment	15,000.00	12,532.14	-
FY20 Debt Service	594,000.00	594,000.00	-
Total Remaining Expenditures			164,594.50
	<u>EST REVENUE</u>		
Net Cash Deficit			(125,234.10)
ADA Grant	250,000.00	250,000.00	-
Net Rental Income per CDP FY20 Revised Budget (June)			8,931.86
Potential Investment Needed			(116,302.24)

RENTAL ACTIVITY	
FY20 Net Rental Income to Date 5-31-20	115,076.45
FY20 CDP Property Development Costs 5-31-020	(174,458.33)
YTD Deficit	(59,381.88)

Agenda #4: Capital Needs Assessment with Thomas Nutt-Powell

With Mr. Thomas E. Nutt-Powell of Capital Needs Unlimited

Ms. Jarusiewicz noted that this evaluation was done mid-March, pre-COVID, pre-town meeting postponement. Since the Trust meeting of 6/29/20, Mr. Nutt-Powell has provided 2 options for financial planning. For each there is a separate summary report along with full report. Plan A is a 5-year plan for \$1,147,137 and has the Trust borrowing funds to complete the majority of the exterior building work in Year 2 [\$810,727]. Given that we are currently in a spending freeze and may need to wait before we can ask town meeting to approve borrowing, Ms. Jarusiewicz requested an option. Plan B has no loan and assumes about \$150,000 per year as a resource. It spreads out the repairs in phases over time; generally doing one building at a time. In either case, it is highly recommended that there be annual updates to the Capital Needs Assessment and a third-party assessment every five years.

Mr. Nutt-Powell indicated that the basic premise of Plan A was to complete all the major exterior building work [walls, roofs, windows] in year 2; estimated at \$811,000. There is not enough capital improvement funds available and would require a loan. Plan B uses about \$150,000 per year and does one building at a time. It is a gamble given the condition. Other large future costs will be the stairs, walkways, and paving.

Ms. Benson said that she was interested in hearing Ms. Gallo's reality perspective but thought it would be a tough sell at this time. Ms. Venden said that she has done asset management in real estate and doesn't believe it should be put off; that we should explore options. We can't ignore it. She inquired about what disruptions might occur to tenants? Mr. Nutt-Powell said that the roof and wall work would be minimal with construction noise; windows would be unit by unit with minimal impact. Mr. Abel agrees with the approach and said that window replacement would be about a day impact per unit.

Mr. Cliggott asked about the advantages to doing the roof, walls, and windows at the same time; could they be sequenced? Mr. Abel said that they could be sequenced but it is not the best way. There are sections with above roof siding and there are integrated systems – where they connect, you want to strip and do the work at the same time. Tom Nutt -Powell agrees; it is best to do all at the same time. He also indicated that there are ways that cash flow could be committed to pay for a loan and not be tied to the Town's financial status.

Agenda #5: Financial Modeling Proposal: Bev Gallo of Peregrine Urban Initiative Ms. Gallo called in to the meeting to discuss. Ms. Gallo introduced herself and stated that she has 25 years of experience as a financial consultant and private developer. Ms. Gallo's indicated that a 2/3 vote is needed for the Trust to take on debt. Lenders are hungry. Perhaps a financial packet could be generated to present to lenders; perhaps through the creation of a single purpose LLC. Ms. Venden inquired about exploring public/private partnerships for creative investment that would provide additional funding to cover a shortfall. Ms. Gallo said that the opportunity zone could be explored but that it has not been very successful yet as envisioned. She expected that it would evolve. She said that there is always a way; maybe could explore combining with other projects. Ms. Venden stated that there are other projects in the pipeline including expansion by the Housing Authority and development at the VFW site. She is looking for a comprehensive well thought out strategy. Ms. Gallo said that you gather info; models evolve, and layer in new information as you go. It is never straightforward; there are always bumps. Mr. Cliggott said that in the past they had discussed the opportunity zone and understood that renovating an existing structure did not qualify. Ms. Gallo said that it needs to be finessed; combined with other projects. It is not an easy way to go. Mr. Cliggott said that they could go to town meeting for CIP like other town projects. It is hard to imagine private investors at lower rate of return than the Town could

borrow. Ms. Gallo said that there are legal questions and that the opportunity zone will probably evolve. There are some funds available for low income housing; very little for middle income [80-150% AMI range]. Should start with what you want & need. Maybe can work with non-profit partner; maybe with another project. Mr. Cliggott said that if the goal is to reduce the footprint by the Town and decrease the financial responsibility, wouldn't selling units with a deed restriction work? Ms. Venden said that maybe could impose the same restriction with whoever takes over. It needs more research.

Mr. Butera thanked Ms. Gallo for great presentation and said that it was a lot to consider.
6:10 Bev Gallo and Tom Nutt-Powell sign off meeting.

Agenda #6 & #7 Annual & Special Town Meeting & Public Hearing:
The Annual Town Meeting is now scheduled for September 21, 2020

The Trust will need to reschedule the public hearing in advance for early September along with discussions of outreach. Please recall a video was produced but not finalized and open houses were scheduled for early April. Ms. Benson suggested that we use free advertising. Ms. Jarusiewicz said while we would do so, we are required to advertise the public hearing. Ms. Young pointed out that there would be only 1 town meeting, the article from the special town meeting in April will be combined with the article for the annual.

David Abel from the CDP indicated that a 7-minute video would be ready by September 1st for the public hearing along with 3 1-minute videos for social media to post around Labor Day. If the Trust wants a video for town meeting, need to know by August 1st. Nathan Butera suggested a video between the 7 and 1-minute one, perhaps 4 minutes.

Suggested timeline & date:

Submit ad by	8/27/20
Ad appears 2x	9/3 & 9/10/20
PH	9/15/20 Tuesday @ 5 pm

NOTE that it has not been determined as yet if this PH will be live or virtual

Louise Venden MOVE that the Year Round Rental Trust schedule the annual Trust public hearing for Tuesday, September 15, 2020 at 5:00 pm to present information and update on Harbor Hill; Doug Cliggott second; roll call vote:

Nathan Butera, Chair: YES
Doug Cliggott: YES
Kevin Mooney: YES
Louise Venden: YES
Cassandra Benson: YES

approved 5-0

Agenda #8: Invoices:

Louise Venden MOVE to approve the Quahog Electric invoice as presented for \$6740; Cass Benson second; roll call vote:

Nathan Butera, Chair: YES
Doug Cliggott: YES
Kevin Mooney: YES
Louise Venden: YES
Cassandra Benson: YES

approved 5-0

Agenda #9: Minutes: 6/29/20

Nathan Butera MOVE to approve the minutes of 6/29/20 as submitted; Kevin Mooney second; roll call vote

Nathan Butera, Chair: YES
Doug Cliggott: YES
Kevin Mooney: YES
Louise Venden: YES
Cassandra Benson: YES

approved 5-0

Other:

Doug Cliggott mentioned that his son is a firefighter and that there have been smoke alarm issues at Harbor Hill? Ms. Jarusiewicz said that the new smoke detectors are more sensitive than the old ones. The stove/microwave fans do not vent the smoke outside but recirculate the air inside. So the “burnt toast” leads to smoke alarms going off for the entire building. Working on resolution with CDP. Mr. Abel said that they are working with the Alarm Company that manages the system, but did not install it. He gets the calls.

Next Meeting:

General discussion about July 28th, Cass Benson would be away that week for family vacation. Members agreed on the following Tuesday, August 4th at 6:15 pm.

Doug Cliggott MOVE to adjourn at 6:33 pm; Kevin Mooney second; roll call vote:

Nathan Butera, Chair: YES
Doug Cliggott: YES
Kevin Mooney: YES
Louise Venden: YES
Cassandra Benson: YES

approved 5-0

Minutes drafted by:

Community Housing Specialist Michelle Jarusiewicz