

Provincetown Year-Round Market Rate Rental Housing Trust Board of Trustees

Minutes: July 26, 2022

Caucus Hall, Town Hall, 260 Commercial Street, Provincetown

6:02 p.m.

YRRT Members Present: Nathan Butera, Doug Cliggott, Louise Venden, Cass Benson

YRRT Members Remote: Austin Miller

CDP Remote: Jay Coburn, Cindi Maule

Staff: Community Housing Specialist Michelle Jarusiewicz, Assistant Town Manager David Gardner, Finance Director Kate Carey

6:05 pm

Agenda 1:

Nathan Butera MOVE that the Year Round Market Rate Rental Housing Trust vote to go into Executive Session and to reconvene in regular session pursuant to: MGL c30A Sec 21(a) Clause 6 for the purpose of: To consider the purchase, exchange, lease, or value of real property for the purposes of affordable and community housing, as the Chair so declares that an open meeting may have a detrimental effect on the negotiating position of the Town; Doug Cliggott second; approved 4-0 by roll call:

Cass Benson	aye	Nathan Butera	aye
Doug Cliggott	aye	Louise Venden	aye

Austin Miller in Teams "Room"

Reconvene Regular Session 7:15 pm

Agenda 2: Public Statements: none

Agenda 3: 3 Jerome Smith/VFW site development update with TCB/ Lindsey Gael [remote]: Lindsey Gael of TCB provided a Power Point presentation of the development with 65 rental units targeting a range of incomes from 30% AMI [Area Median Income] to Market rate. Unit sizes range from studios to 3-bedroom units with more in the studio and 1-bedroom categories. They have begun the 40B permitting process and anticipate meeting with ZBA on September 15, 2022. They will be applying in the subsidy round in January 2023. If funded on first application cycle, awards announced about June 2023 with financial closing early 2024 and construction start. Generally, you need to apply more than once, but they are optimistic. Given the current economy, rising interest rates, labor shortages, their original budget has increased, and they are projecting a gap of about \$3,471,347 with total budget of \$38,865,638.

Agenda 4: Financial Update with Finance Director Kate Carey

Finance Director Kate Carey indicated that the update would follow the end of fiscal year wrap-up as there was not much change from the last one. She said that Harbor Hill receipts were greater than \$601,000.

Agenda 5: Harbor Hill update

CDP Update/Cindi Maule

Occupancy

- Full occupancy

- 2 roommates added to leases
- Waitlist: One Bed: 20; Two Bed: 16; Three Bed: 4

Life Safety: Building 6 & 7 Deck (egress) Footings

- Assessments conducted by 2 structural engineer companies. No significant concern. Waiting on second assessment to be submitted to CDP for review. We believe the recommended “repairs” can be completed in-house.

Capital Improvement Planning: Building 6 Envelope – bid process needed.

Repairs

Unit 5: Ordered new microwave

Unit 12: Replaced screen door

Unit 14: Mold assessment scheduled; John R Fuller changed door locks

Unit 15: Mold assessment completed on carpet and floor **\$908.23**; remediation scheduled

Unit 17: Washer/dryer delivery – **\$1339.00**; Carpet cleaning; RPM measured unit to re-stretch

Unit 19: Washer/dryer delivery - **\$1339.00**

Unit 20: John R Fuller changed door locks

Unit 22: A/C unit maintenance - **\$904.62**

Unit 23: A/C unit maintenance – **\$480.00**

Units 3, 11, 17 and 19 need carpets re-stretched - \$2,995.00

Landscaping

Cindi has spoken with Margaret Murphy regarding the donated trees. She is requesting additional irrigation be added to the tree at the parking lot (with plaque). Maintenance will water rather than install additional irrigation.

Parking: Issuing parking stickers to identify approved vehicles

Ms. Maule highlighted that two roommates had been added to existing leases. Two structural engineers had examined the decks at B#6 and B#7, one report is in-hand, the other is pending. Both did not have any concerns about the footings and recommended simpler approach that can be done in-house. They have issued dehumidifiers to each unit. Just today, received the parking stickers to be issued to tenants to help alleviate the parking issues.

Agenda 6: Property Management Contract Extension through 8/12/23

The request is to extend the CDP contract for one year to August 12, 2023.

The Town’s exploration of potential property management options for Harbor Hill continues. CHR anticipates completing a contract agreement by this fall with TCB to manage their portfolio and CHR is not taking on additional management. TCB evaluated the possibility of property management of Harbor Hill including a site visit with CDP staff in May but has declined. The Harbor Hill model as is, does not fit their model. They operate with complete control of their properties including all revenues, all expenses, and all activities. While we continue to evaluate our options for property management of Harbor Hill, Town Council did opine that we could extend the current contract with the CDP for another year and the CDP is willing to do so.

Generically speaking, the selected firm [property manager - PM] will act as the sole and exclusive agent and primary contact with tenants on behalf of the Trust, to ensure the safe, efficient, continuous, and economical operation of the Buildings and Property. The Contractor is responsible for operating, managing, and maintaining the Buildings and Property, and for providing identified services within the scope of services. The PM receives and processes applications from tenants including review of income & assets, credit checks, CORI checks, and executing leases. They prepare the apartment for new tenants including painting and repairs as needed. The PM collects rents, follows up on any overdue rents, and

any potential evictions. The PM renews leases, and deals with tenant issues including complaints, noise, parking, pets, etc. The PM handles the property itself from ongoing monitoring and inspections, alarm systems, pest control, landscaping. It includes routine repairs and maintenance of windows, doors, keys, appliances, flooring, walls, and emergencies such as no heat and water issues. Some work is done by staff, other work is contracted out. The Property Manager [previously David Abel, Rob Doane, and now Cindi Maule] is the point person but other staff manages financial aspects including invoices, tracking, and reporting and maintenance. All report to CEO Jay Coburn. All of the above falls into standard operating procedures, when something is unusual, staff contacts the Housing Specialist for advice. If necessary, either due to budget or policy, it may be brought to the Trust. A key component to PM at Harbor Hill that differs from everywhere else, is the Trust is a municipal entity and therefore municipal regulations apply including procurement laws. Procurement adds time and money.

Ms. Venden asked as things change, could either party end the extension? Ms. Jarusiewicz stated that the original contract has termination language should either party need to. Mr. Coburn indicated that he feels the CDP has the capacity for another year. Ms. Jarusiewicz said that Town Counsel said that we could extend for one more year but would need to issue an RFP in that time.

Nathan Butera MOVE to extend the Harbor Hill Property Management contract with the Community Development Partnership [CDP] through August 12, 2023; Doug Cliggott second; approved 4-0-1 by roll call:

Austin Miller	aye	Nathan Butera	aye
Doug Cliggott	aye	Louise Venden	aye
Cass Benson	abstain		

Agenda 7: Housing Workshop Joint meeting with Select Board & Community Housing Council, potential agenda items discussion, date to be determined.

Comments submitted to date from both CHC & YRRT:

Member Year-round Market Rate Rental Housing Trust:

From: Doug Cliggott <dcliggott@gmail.com>

Date: 6/23/22 12:22 PM (GMT-05:00)

To: Michelle Jarusiewicz <mjarusiewicz@provincetown-ma.gov>

Cc: nathanbutera@mac.com, David Abramson <dabramson@provincetown-ma.gov>

Subject: Topic ideas for a housing workshop

Hi Michelle -

Here are five ideas that I hope could be included as agenda items for a housing workshop. All of the ideas are focused on expanding year-round rental housing for our workforce -- or families with incomes above 80% of AMI but less than 200% of AMI.

1) Set a numerical target for Town-owned and Town funded year-round rental housing units to be achieved before the end of the 2020 decade. We tend to focus intensely on \$\$ spent rather than what those dollars actually achieve. A numerical target would allow clear measurement of success or failure, but more importantly, add urgency and clarity to our efforts to address our "housing crisis"

2) Apply to MassHousing for a grant to fund needed capital improvements at the Harbor Hill property. It appears that funding could be available - see link: <https://www.masshousing.com/developers/preserve-refinance>

3) Allocate funds to the Year-round Market Rate Rental Trust to be used to: (a) invest in housing projects such as that planned for 3 Jerome Smith, or (b) to purchase existing multi-unit properties (similar to the 6-unit property at 28-32 Standish) if and when they come on the market so that the Town could act expeditiously in any purchase negotiations. Engage a local real estate broker that would have a running dialogue with David Gardner and Alex Morse to keep them "in the loop" on current activity in the multi-unit housing market or parcels of land that could support multi-unit housing development.

The allocated funds would not, and could not, be used for maintenance or capital improvements of Harbor Hill or any future rental properties held by the Trust on behalf of the Town. They would be in an account in the Trust that would be reserved for additions to the rental housing stock. A benefit of this financial structure is that funds could be added to the Trust as they became available each year from free cash and/or rooms tax receipts with the goal that they would be spent in future years on projects as approved by the Select Board. Funds are now being accumulated in a similar manner for future retiree health care costs in the Town's OPEB Trust.

4) Discuss the financial form the Town's investments in the 3 Jerome Smith housing developments will take. The investment is currently planned at \$3.0 million plus the VFW land value. Will these investments be in the form of an equity stake, so the Town retains an ownership position in the project; or a grant, so the Town forfeits any ownership claim; or a loan that will be repaid at some point by TCB?

5) Discuss Paul Benson's idea that won the "Provincetown Housing Pitch" contest in May -- Paul's idea was to cap the number of short-term rental (STR) permits granted by the Town and allow the owners of existing STR permits to sell them if they are no longer interested in using their property for short-term rentals. There would become a fixed number of short-term rental units in Provincetown but the actual physical units and their owners could change over time.

Here is a good guide to what cities and towns are now doing to regulate short-term rentals.

<https://www.nlc.org/wp-content/uploads/2022/05/Short-Term-Rental-Regulations.pdf>

Thanks for your consideration.

Doug Cliggott

Member Community Housing Council & Year-round Market Rate Rental Housing Trust:

From: Austin Miller <austin.d.miller@gmail.com>

Sent: Tuesday, June 21, 2022 1:42 PM

To: Michelle Jarusiewicz <mjarusiewicz@provincetown-ma.gov>

Subject: Re: Potential Housing Workshop topics

In order of importance/immediacy:

1. Next steps on Harbor Hill, we are running dangerously low on reserves with some near term significant expenditures expected to address issues like the deck footings for 6&7... we need some direction on whether we should be preparing to ask for more funds at Town Meeting in the Fall or potentially exploring selling the property. We also have no clear path forward on long term management of the property.
2. Long term vision for the Year Round Market Rate Rental Housing Trust, how does the trust fit into the town's housing priorities beyond Harbor Hill? We have explored several options available to us, would love input on those options including possibly amending the legislation to support more homeownership/deed restriction options per town counsel discussion
3. Town housing goals and priorities for AHTF, making sure we are balancing appropriation of funding for VFW & Maushope projects with supporting other CHC priorities like down payment assistance and creating more deed restricted units. How should we prioritize these funding needs with limited funds available for all of them in the AHTF?

Austin D. Miller

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Member Year-round Market Rate Rental Housing Trust & Select Board:

From: Louise Venden <lvenden@gmail.com>

Sent: Wednesday, June 22, 2022 10:46 AM

To: Michelle Jarusiewicz <mjarusiewicz@provincetown-ma.gov>

Subject: Re: Potential Housing Workshop topics

1. Establish Friends of Provincetown Housing Fund to provide down payments, gap funding for workforce housing, fund costs of creating an ADU.
2. Evaluate how to make existing ADU, inclusionary zoning and existing zoning by-laws to identify ways to make them more effective in creating desired housing.
3. Establish effective tools to slow down zoning that has removed many summer rentals by converting Inns and multi family houses to single family homes.
4. Eliminate Single Family zoning.
5. Ensure that existing Health, Building and zoning by-laws do not unnecessarily restrict house or apartment sharing.

That's it for now.

Thanks, Michelle

Member Community Housing Council:

From: fmccoco@aol.com <fmccoco@aol.com>

Sent: Friday, July 1, 2022 12:09 PM

To: Michelle Jarusiewicz <mjarusiewicz@provincetown-ma.gov>

Subject: Re: Potential Housing Workshop topics

Good morning, Michelle.

Sorry it took me awhile to get back to you, but things have been a little hectic what with company, the Portuguese Festival/Blessing of the Fleet, my husband in the hospital for 4 days, etc. Anyway, the only idea for a topic that I have at the moment is the possible utilization of the the former No. Truro Air Force Base for "tiny homes" to provide in-season housing for seasonal workers. Because this would involve the Federal Government, I suggest we invite Senators Warren & Markey to attend the workshop (I would hope they could attend remotely) or provide their thoughts & input on this. The City of Seattle created "Rosie's Tiny House Village" to address homelessness, so they could be a source of information on how to accomplish this. Here's the link:

[Rosie's Tiny House Village Opens \(seattle.gov\)](https://www.seattle.gov/news/2020/05/13/rosies-tiny-house-village-opens) If a workshop is held, I suggest that we invite Sen. Cyr, Rep. Peake, representatives from Barnstable County, MA Dept. of Housing & Community Development, MA Housing Partnership, Community Development Partnership, Housing Assistance Corp., Homeless Prevention Council, Provincetown Chamber of Commerce, Provincetown Business Guild & the Truro & Wellfleet Housing Authorities as well as a Real Estate broker & a developer. All parties must come to the table because, as I've said before, the lack of housing, affordable or otherwise, is a regional & county-wide problem & affects those who are homeless or on the verge of homelessness, those who are elderly and/or disabled & those who are employed either year round or seasonally. We must all work together to make quality of life, especially decent housing, for all on Cape Cod a priority over profits, real estate appreciation & the focus on luxury, high-end properties.

Thanks for seeking our input.

Fran Coco

Member Year-round Market Rate Rental Housing Trust & Select Board Louise Venden:

Expanding the activities of the Year-Round Market Rate Rental Housing Trust Fund to meet the Town's goals for community housing

The Year-round Market Rate Rental Housing Trust (YRHT) urgently needs funding to fulfill the Town's existing responsibilities related to the Harbor Hill apartment complex, and to grow the Town's inventory of year-round homes for our community members with family incomes between 80% and 200% of area medium income (AMI).

Rooms tax revenues have grown rapidly in recent years. Total rooms tax receipts in FY 2021 and FY 2022 equaled \$8.55 million, with \$4.38 million (51%) coming from the short-term rental (STR) tax. The latter

represents a natural source of funding for the YRHT since the STR tax was implemented with the clear goal of addressing the negative community housing impacts of the rapid increase in short-term rentals. The YRHT can access these funds by showing need, and presenting clear plans to address these needs, to the Select Board, to the Finance Committee, and to Town Meeting.

Wait list data for the Harbor Hill complex compiled by the Community Development Partnership (CDP) illustrates a clear and urgent need for more community rental housing. As of mid-June, the 28 units at Harbor Hill were fully occupied and there were 20 families on the wait list for a one-bedroom apartment, 15 waiting for a two bedroom and 4 waiting for a three bedroom.

A pro-bono capital needs assessment conducted in 2020 (check) indicated significant capital improvements are necessary in the near-term to maintain the value and the quality of life for residents at Harbor Hill.

The tables below illustrate the sources and uses of funds for the YRHT.

Annual sources of funds		Annual uses of funds **	
Rental income	\$596,400	Property mgmt.	\$165,000
		Contracted services	\$150,000
		Trust expenses	\$100,000
General fund	\$593,500	Debt service	\$593,500
Totals	\$1,189,900		\$1,008,500
Net surplus		\$181,400	

** Except for debt service, uses of funds figures are estimates based on January 2022 budget projections.

Future sources of funds	Future uses of funds
General fund	Capital improvements ? at Harbor Hill
??	Property & deed ? acquisitions

Currently, the YRHT is generating a relatively small annual net surplus. To perform needed capital improvements and provide funding for new housing efforts allowed under the enabling legislation such as buying deed restrictions, contributing to purchase of additional community housing, or offering grants and loans for creating auxiliary dwelling units (ADUs).

The YRHT needs a place at the table to present both a long-range plan for expanding community housing in Provincetown and to secure funding for required capital improvements at Harbor Hill. Finance Committee and Select Board review would ensure that the Trust can effectively contribute to town wide housing goals.

Below are two specific ideas to discuss that we believe would fall within the scope of the enabling legislation for the Trust, and a third idea that would likely require an amendment to the existing legislation since it would enable home ownership.

1. Establishment and maintenance of **rent receipt escrow** for the benefit of a resident, for the purpose of saving towards a future down payment on a primary residence. The rent receipts could be composed of funds collected from housing seasonal workers in spare bedrooms within existing units or voluntary contributions from residents or others.
2. Fund a **grant, or forgivable loan program**, for existing or prospective homeowners in exchange for placing deed restrictions (period TBD) encumbering the use of portions of a property for exclusive use towards

providing year-round rental housing. This could include, for example, current or prospective Accessory Dwelling Units (ADUs), a certain number of bedrooms, and/or an entire home or condominium.

3. Fund a program for existing year-round rental residents within the town of Provincetown with qualifying household incomes between 80-200% AMI to provide a **down payment for purchase** of a home or condominium conditioned upon filing of a deed restriction encumbering the use of the property as a primary year-round residence. This could be structured as a shared appreciation mortgage.

Ms. Venden stated that we have time and it's late so this should be focus of next agenda discussion. Need to think about ideas for legislation, resources, and financial options. Mr. Cliggott spoke to the MassHousing funds for up to \$100,00 per unit for serious renovation that TCB is considering for VFW. Mr. Mille said that he had looked at this and it is tied to financing and capped at 120% AMI.

Agenda 8: Minutes: Austin Miller MOVE to accept the minutes of 2/1/22, 3/1/22, 3/8/22, 5/17/22, and 6/14/22, as amended; approved 5-0.

Agenda 9: Invoices: Nathan Butera MOVE to approve the invoices for KP Law \$2,451.50 [for Dec. 2021, May & June 2022] [Land court, Reciprocal License Agreement, Authority under Special Act], and Insurance for Directors & Officers \$1,508; second by Cass Benson; approve 5-0.

Agenda 10: Other:

Agenda 11: Meetings & events:

Next YRRT meeting to be Thursday, August 11th at 6pm. Mr. Miller will be recuperating from procedure but will try to connect.

Adjourned 8:10 pm

*Minutes drafted by:
Community Housing Specialist Michelle Jarusiewicz*