

Provincetown

Workforce Housing Needs Assessment

Key Context

- Housing, Jobs, Community Infrastructure are all inextricably linked
- Need is about defining what kind of community you want to have in the face of changing market conditions, demographics and economics

Working Assumptions

The key goals of the community in defining housing need is to provide housing that promotes:

- A stable year-round community
- A stronger economic base
- Long-term residency and community involvement

Methodology

Key sources of information include:

- Survey of Residents
- Survey/ Interviews with Major Employers
- Review of Employment & Wage Information
- Review of Sales Data
- Review of Market Rents & Waiting List Information
- Review of Demographic Information

Rental Trends

Current Year-Round Rental Market

Year-Round Renter Households	750-800
Income Eligible for Affordable Units (<80% AMI)	350-450
True Year-Round Rental Units	500-600
Subsidized Year-Round Rentals	125

Market Rents

# of Bedrooms	HUD FMR <i>FY 2006</i>	Current Year Round Market Rent	Income Needed to Support
0	\$619	\$700	\$28,000
1	\$725	\$900	\$36,000
2	\$954	\$1,200	\$48,000
3	\$1,138	\$1,500	\$60,000
4	\$1,174	\$1,500	\$60,000

Waiting Lists

From Community Housing Resource

	One Bedroom	Two Bedroom	Three Bedroom	Mix of Need
Wait List for Housing				
To Rent	190	81	24	33
To Purchase	181	107	32	n/a
<i>Percent Seeking Either</i>	<i>57%</i>	<i>50%</i>	<i>51%</i>	<i>n/a</i>

Rental Wait List, By Current Address

Provincetown	75%	79%	75%	79%
Rest of Cape	16%	15%	25%	9%
Other	9%	6%	0%	12%

Ownership Wait List, By Current Address

Provincetown	70%	75%	63%	n/a
Rest of Cape	13%	13%	28%	n/a
Other	17%	12%	9%	n/a

From Provincetown Housing Authority

Elderly/ Disabled	51	0	0
Scattered Site Family	17	165	148
Foley House (SRO)	8	0	0
<i>From Provincetown</i>	<i>43%</i>	<i>1%</i>	<i>1%</i>
<i>From Rest of Lower Cape</i>	<i>9%</i>	<i>3%</i>	<i>1%</i>
<i>Other</i>	<i>47%</i>	<i>96%</i>	<i>98%</i>

NOTE: Duplication almost certainly occurs between the two lists.

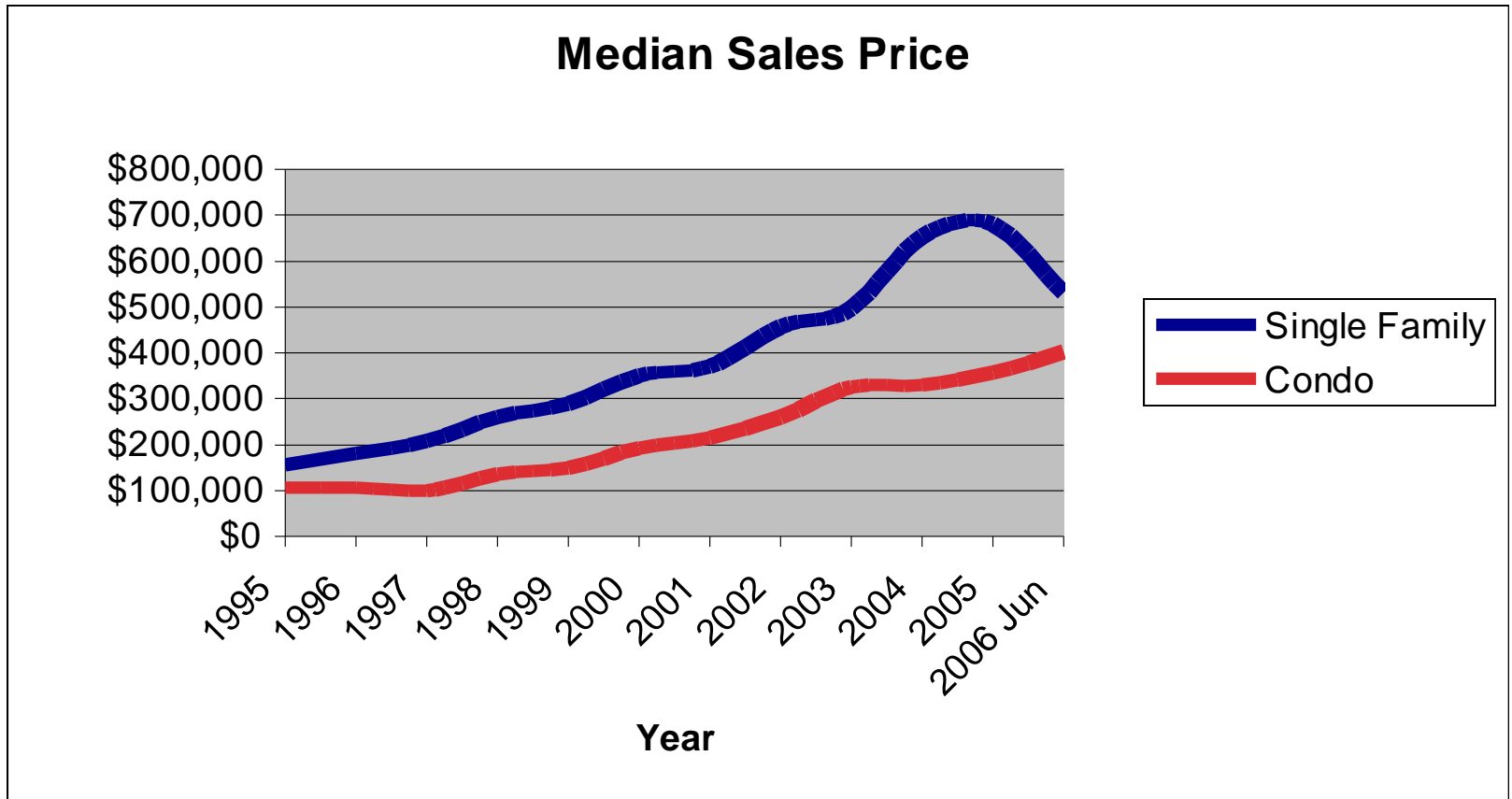
Sales Trends

Sales Distribution, Single Family & Condominiums Provincetown, 2004-2006

	2004 #	%	2005#	%	2006 #	%
Under \$250,000	30	12%	19	9%	4	7%
\$250,000- \$399,999	85	33%	63	31%	7	13%
\$400,000- \$499,999	42	17%	27	13%	10	19%
\$500,000- \$749,999	58	23%	40	20%	15	28%
\$750,000-\$999,999	23	9%	22	11%	8	15%
\$1 million and over	16	6%	31	15%	10	19%
Total	254		202		54	
Median	\$420,000		\$451,250		\$607,413	

SOURCE: Provincetown Assessor, 6/06

Sales Trends



Affordability Gap

Maximum Affordable Home Price by Household Size and Income

HUD Limit	One Person	Two Person	Three Person	Four Person	Five Person
<i>MHP Soft Second</i>					
<50 Percent of AMI	\$110,125	\$125,920	\$141,495	\$157,290	\$169,795
50-79 Percent of AMI	\$180,980	\$201,385	\$225,720	\$248,180	\$265,950
80-99 Percent of AMI	\$220,250	\$226,945	\$276,105	\$304,230	\$326,495
<i>Conventional Financing</i>					
100-120 Percent of AMI	\$203,785	\$233,015	\$261,840	\$291,100	\$314,275

* NOTE: Lower limit for condominium purchases

Affordability Gap

What's Available/ What's Needed

Type	Affordable Price	Current Market	Gap
One Bedroom Condos	\$160,000- \$180,000	\$325,000- \$500,000+	\$165,000- \$340,000
Two Bedroom Condos	\$180,000- \$200,000	\$325,000- \$500,000+	\$145,000- \$300,000+
Three Bedroom Condos & Homes	\$225,000- \$300,000	\$450,000- \$850,000	\$225,000- \$500,000+

Housing Need

Priority 1

Affordable Year-round Rental Housing for Core Workforce & Those Experiencing Serious Housing Problems

200-250 Units

Size

❖ Studio/ 1 Bedroom	60-65%
❖ 2 Bedroom	25-30%
❖ 3 Bedroom	10-15%

Percent of HUD Area Median Income

❖ <50% AMI	40-50%
❖ 60-79% AMI	20-25%
❖ 80-99% AMI	20-25%
❖ 100%+ AMI	10%

Housing Need

Priority 2

Affordable Homeownership Opportunity for Core Workforce to Address Attrition through Retirement

30-40 Units/ Year (for foreseeable future)

Size

- ❖ 1 Bedroom 40-45%
- ❖ 2 Bedroom 35-40%
- ❖ 3 or 4 Bedroom 20-25%

Percent of HUD Area Median Income

- ❖ 60-79% AMI 30-35%
- ❖ 80-99% AMI 30-35%
- ❖ 100-120% AMI 30-35%

Eligibility Criteria

- ❖ Some set aside for key essential service jobs (as defined by town)
- ❖ Weighted advantage for longer term residents
- ❖ Enforcement to Insure 12-month occupancy

Housing Need

Priority 3

Seasonal Rental Housing for
300- 450 Seasonal Workers

- ❖ Dormitory Style
- ❖ Employer Driven
- ❖ Relieve pressure on existing rental stock (100+ units)
- ❖ Potential for regional development

Survey Responses

	Yes	Maybe	No	Don't know
Municipal borrowing for affordable community housing development, with debt service paid through a Proposition 2 1/2 debt exclusion?	28%	34%	25%	12%
A transfer tax of 1% on the sale of residential property (with an exemption on the first \$500,000 of value) to help fund affordable community housing development?	62%	12%	16%	10%
An affordable community housing requirement as part of any conversion of commercial property to residential condominium?	59%	18%	15%	9%
A voluntary program to sell homes at slightly below market rate (6%+/-) with the proceeds going to support long-term affordability?	39%	23%	24%	14%
Zoning amendments allowing greater density if dedicated to affordable community housing?	35%	25%	29%	10%
Priority for sewer system extensions that serve affordable housing?	59%	17%	17%	8%

Key Challenges

- ❖ Sheer Size of Affordability Gap
- ❖ Professional Capacity to Manage Long Term Commitment
- ❖ Land Cost and Availability
- ❖ Infrastructure
- ❖ Zoning/ Permitting Regulations
- ❖ Integration with Economic Development Plan
- ❖ Competing Interests: individual rights, land conservancy, historic preservation, tax limits, family/ non-family, individual agendas

Recommended Next Steps

- ❖ Acknowledge Scale of Problem (30 days)
- ❖ Determine Depth of Interest in Lower Cape Regional Housing Plan (60 days)
- ❖ Develop a Specific Action Plan (180 days)
- ❖ Create or Authorize a Professionally Managed Non-profit Housing Corporation to Implement Plan (120-180 days)

Action Plan

- ❖ Set Goals & Timeline: Housing Tenure, Type, New/ Existing, Income Served
- ❖ Establish Responsible Authority to Implement Plan: professional management, skilled local governance, lobbying capacity
- ❖ Identify Land: available properties, regional opportunities, CCNS, conservancy partnerships, eminent domain
- ❖ Identify Permitting Incentives and Challenges: Zoning, Sewer and Water, Commercial Conversion
- ❖ Identify Funding Capacity: CPA, State and Federal Funding, Transfer Tax, Employer role, Community Fundraising
- ❖ Seasonal Housing: Successful examples, options, connection to intermodal transport hub
- ❖ First Project: Identify and focus resources