

PROVINCETOWN YEAR-ROUND  
RENTAL HOUSING TRUST

HARBOR HILL

# THE AGENDA

## 25 OCTOBER 2017

1. A Quick Refresher on Provincetown's Housing Crisis (10 mins)
2. The Solution: The Provincetown Housing Playbook (3 mins)
3. How the Trust fits into the big picture (3 mins)
4. How Harbor Hill fits into the big picture (5 mins)
5. The history of Harbor Hill Acquisition (10 mins)
6. Where Acquisition Process Stands Now (10 mins)
7. Proposed Rental Framework (10 mins)
8. Proposed Housing Policies (10 mins)
9. Question/Answer (30 mins)
10. Public Comment (30 mins)

REGIONAL HOUSING MARKET ANALYSIS  
AND 10-YEAR FORECAST OF HOUSING  
SUPPLY AND DEMAND

BARNSTABLE COUNTY, MASSACHUSETTS

JUNE 30<sup>TH</sup> 2017



Submitted to  
Barnstable County  
and the  
Cape Cod Commission



Prepared by



Burlington Vermont  
[www.craneassociates.us](http://www.craneassociates.us)

A Baseline Assessment of Economic  
Conditions in  
Provincetown, Massachusetts

Implications for the Growth Management Policy



**Public Policy Center**  
UMass Dartmouth

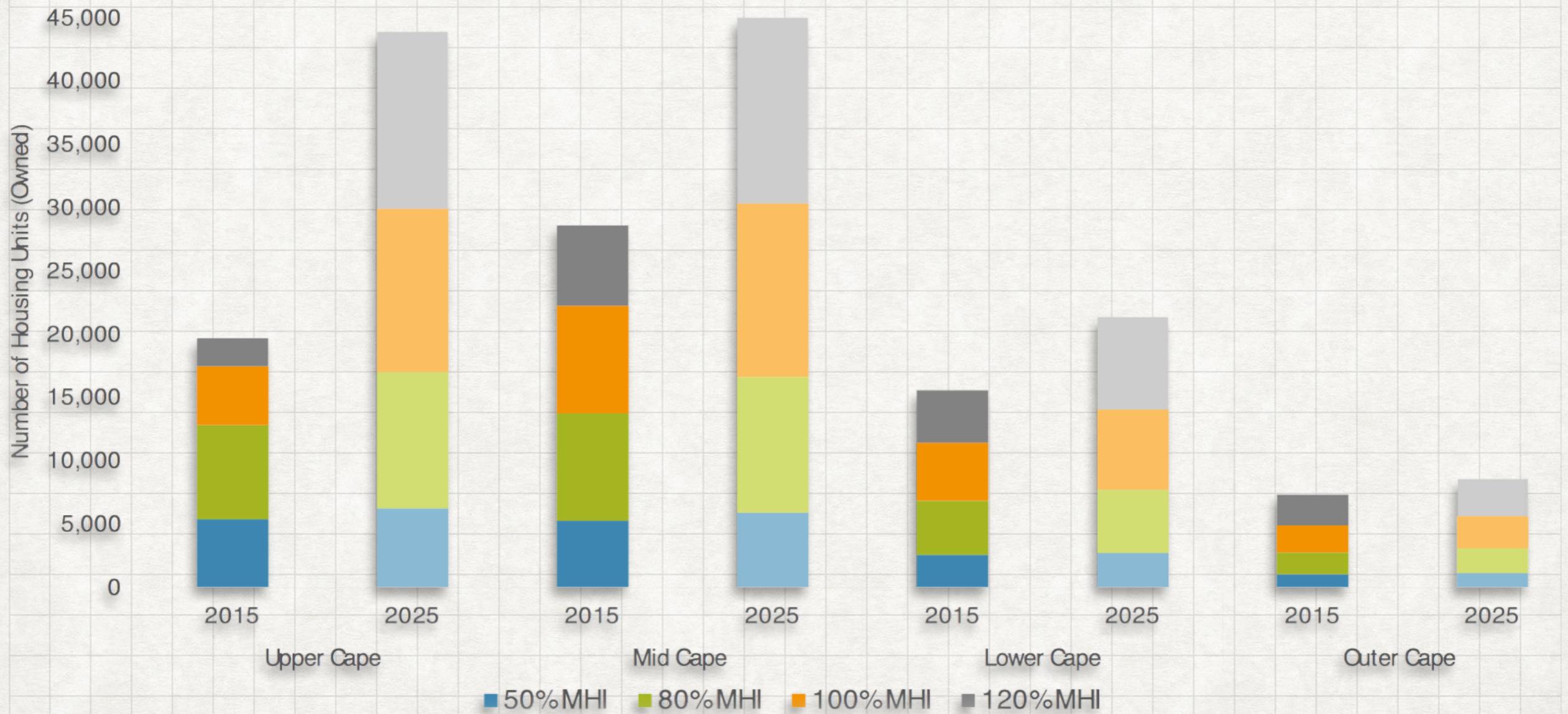
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**Macro-economic forces, combined with natural resource constraints and local government growth control policies, have resulted in low prevailing wage but high demand for seasonal homes and retirement homes, and created a highly constrained housing market for residents to a level which has never been experienced.**

”

*— Regional Housing Market Analysis and 10-Year Forecast of Housing Supply and Demand, report submitted to the Cape Cod Commission and Barnstable County, June 30th, 2017*

## Sub-Regional Housing Affordability Gaps by Income Level for Owners, 2015 and 2025



# STUDY TAKEAWAYS

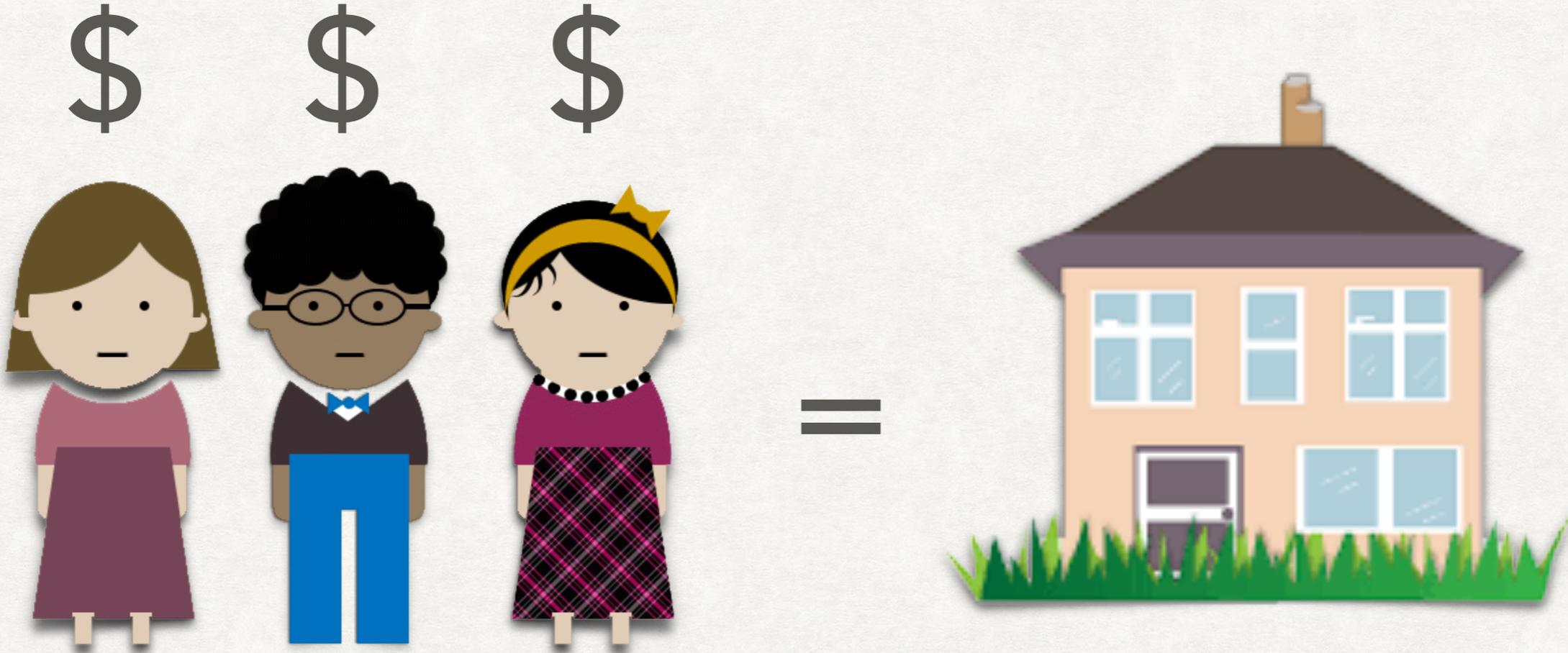
## PART ONE

At the end of 2016, the median price per square foot in Provincetown was:

- 121% higher than Barnstable County
- 150% higher than Massachusetts
- 16% higher than Boston

# STUDY TAKEAWAYS

## PART TWO



FOR 2017 SO FAR IN PTOWN:

AVERAGE PRICE OF SINGLE FAMILY HOME:  
\$1,292,000

MEDIAN PRICE OF SINGLE FAMILY HOME:  
\$1,175,000

# RENTERS

- 64% OF RENTERS IN PTOWN SPENT MORE THAN 35% OF THEIR INCOMES ON RENT IN 2015
- HALF OF THOSE PAYING MORE THAN 35% ARE PAYING ABOVE 50% OF THEIR INCOME ON HOUSING
- 1 IN 3 RENTAL HOUSEHOLDS SPEND MORE THAN HALF OF THEIR INCOME ON HOUSING

# PROVINCETOWN WORKERS:

50% LIVE IN TOWN  
50% COMMUTE

OVER THE LAST 5 YEARS, THERE HAS BEEN A 13% DECLINE IN THE NUMBER OF EMPLOYED RESIDENTS WHILE THE NUMBER OF JOBS HAS STAYED THE SAME.

FOR CAPE COD TO ADEQUATELY ADDRESS ITS HOUSING CRISIS, WE NEED TO BRING ONLINE **4,800** NEW RENTAL UNITS OVER THE NEXT TEN YEARS.

HARBOR HILL REPRESENTS: **.005%** OF THE AFFORDABLE/COMMUNITY HOUSING THE CAPE NEEDS TO BECOME A MANAGEABLE PLACE FOR THE VAST MAJORITY OF PEOPLE TO LIVE.

# THERE IS HOPE.

## THE PROVINCETOWN HOUSING PLAYBOOK

The Housing Playbook outlines the housing challenges that Provincetown faces in three sectors:

1. Affordable Housing
2. Community Housing
3. Seasonal Workforce Housing

## PROVINCETOWN HOUSING PLAYBOOK



COVER PHOTO BY JULIAN BRENNER

10/18/2016

Past, Present, & Future

A Compilation of Provincetown's current and future housing strategies divided into three categories: Affordable Housing, Community Housing, and Seasonal Workforce Housing.

# Subsidized Housing Inventory by Town (as of 9/14/17)

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- Barnstable.....7.1%
- Bourne.....7.7%
- Brewster..... 5.3%
- Chatham..... 5.0%
- Dennis..... 4.2%
- Eastham..... 2.1%
- Falmouth..... 6.4%
- Harwich..... 5.5%
- Mashpee..... 5.2%
- Orleans..... 9.2%
- Provincetown..... 9.8%
- Sandwich..... 3.8%
- Truro..... 2.3%
- Wellfleet..... 1.9%
- Yarmouth..... 4.4%

**Cape Cod: 5.8%**

# PROVINCETOWN YEAR-ROUND RENTAL HOUSING TRUST

## MIDDLE-INCOME HOUSING

- The YRRHT was created to address the Community Housing shortage, and serve the income segments that are overqualified for the Affordable Housing properties

### THE 190TH GENERAL COURT OF THE COMMONWEALTH OF MASSACHUSETTS

[Bills & Laws](#)

[Budget](#)

[Legislators](#)

[Hearings & Events](#)

[Session Laws](#) » [Acts \(2016\)](#) »

## CHAPTER 305

### AN ACT ESTABLISHING A YEAR-ROUND MARKET RATE RENTAL HOUSING TRUST FUND IN THE TOWN OF PROVINCETOWN.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:*

SECTION 1. There shall be a municipal trust to be known as the Provincetown Year-round Market Rate Rental Housing Trust. The trust is established to create and preserve year-round rental units in the town of Provincetown including, but not limited to, market rate units, for the benefit of residents of the town.

SECTION 2. (a) The trust shall be managed by a 5 member board of trustees. In selecting members of the board of trustees, the board of selectmen shall:

- (i) designate 1 of its members to serve on the board of trustees;
- (ii) appoint at least 1 member of the public at large, preferably a resident who lives in year-round market rate rental housing in the town, to serve on the board of trustees; and
- (iii) consider a broad range of expertise, including education and experience in real estate development and financing, in appointing the remaining 3 members to the board of trustees.

(b) Members of the board of trustees shall be sworn to the faithful performance of their official duties. A majority of the 5 members shall constitute a quorum for the transaction of any business. The board of trustees shall elect from among its members a chairman, vice-chairman, clerk and other officers as it finds necessary and determine their duties.

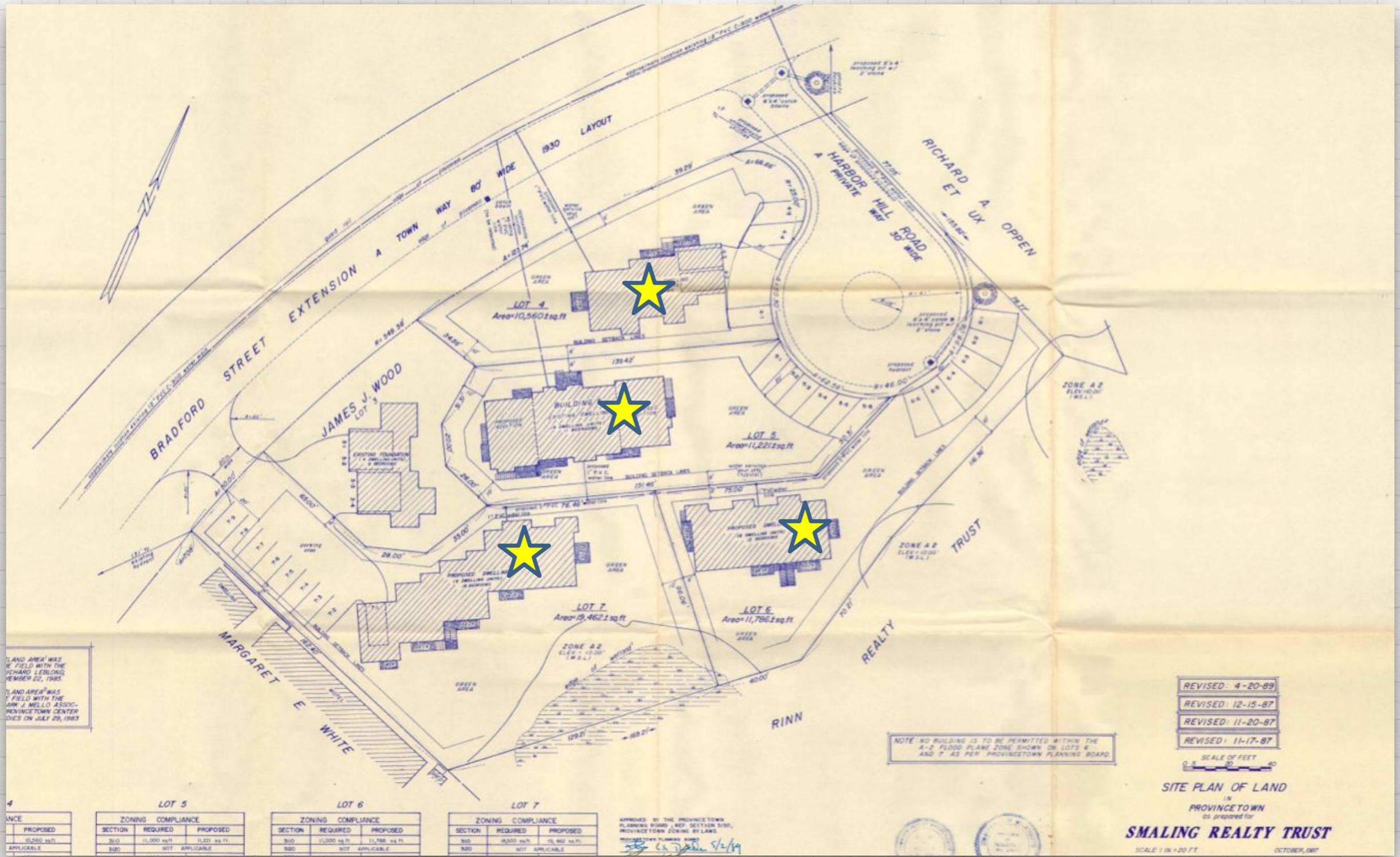
(c) The original members of the board of trustees shall be appointed within 60 days following the effective date of this act. Of the members of the board of trustees first appointed, 1 member shall be appointed to serve for a term of 1 year, 2 members for a term of 2 years and 2 members for a term of 3 years. The initial appointments may be adjusted to coincide with the regular appointment cycle of the town. All terms thereafter shall be for 3 years. In the event of a vacancy on the board of trustees, a successor member shall be appointed

1. Current residents of Provincetown
2. Municipal Employees of Provincetown
3. Employees of local business
4. Households with children attending schools in Provincetown

# LOCAL PREFERENCE





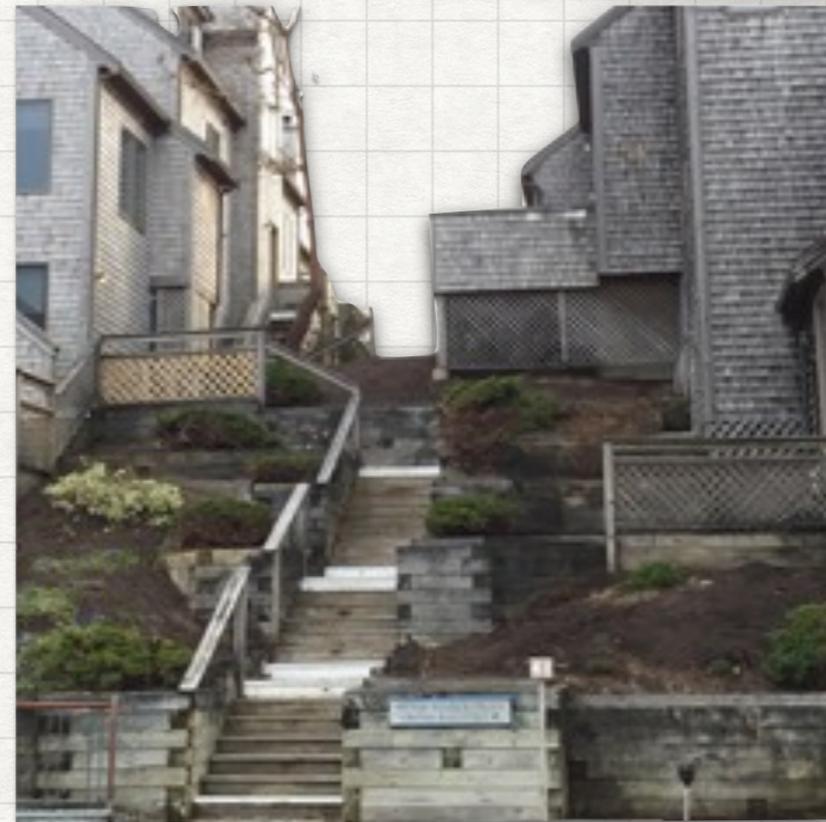
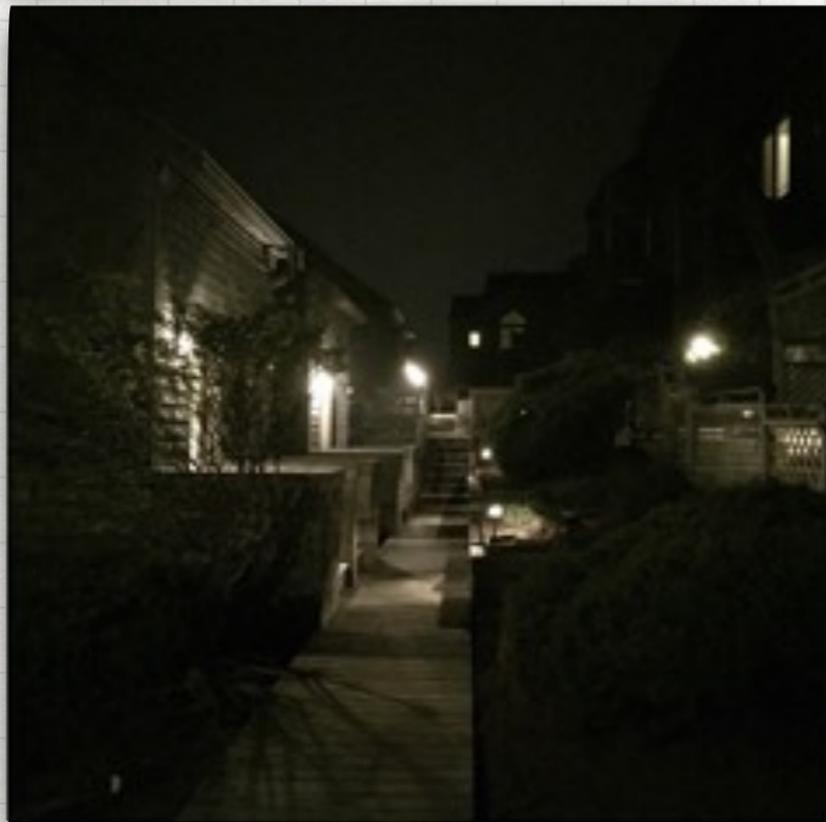
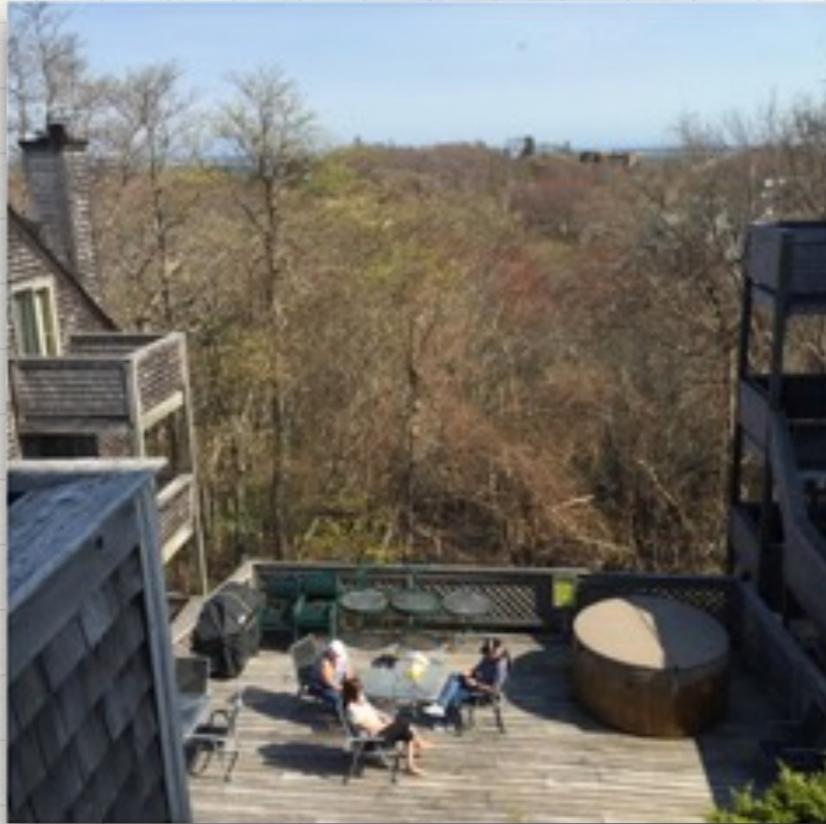


# HARBOR HILL SITE PLAN











# HARBOR HILL

## THE STATS PART ONE

- LOCATION; BRADFORD ST EXT, WEST END, 1056 FT FROM CAPE COD NATIONAL SEASHORE.
- BUILT IN 1995-96, SET ON 1.2 ELEVATED ACRES
- 23 TWO BEDROOMS WITH 1119 SQ FT OF SPACE
- 2 ONE BEDROOM UNITS 671 SQ FT
- 1 THREE BEDROOM UNIT 1956 SQ FT

# HARBOR HILL

## THE STATS PART TWO

- 4 Buildings
  - 26 Units
  - 51 Bedrooms 8.1 million dollars
  - 29,057 square feet \$278 per square foot
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After renovation and legal fees:

\$325 per square foot

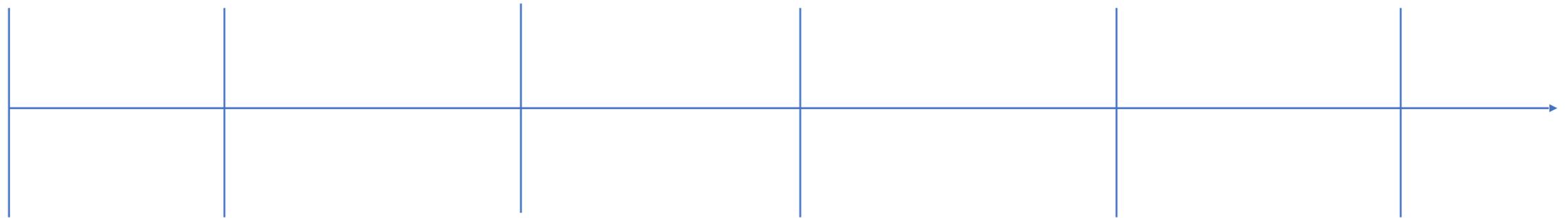
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Acquisition cost of one 1000 sq. ft. 2 bedroom condo at Harbor Hill  
= \$325,000

SUMMARY OF  
ACQUISITION PROCESS

TIMELINE

# Harbor Hill acquisition timeline



Feb. 6

Feb 27

Apr 5

June 14

June 15

Oct 11

Special  
Town  
Meeting

1<sup>st</sup> Bid due  
to  
Bankruptcy  
Court. We  
are high  
bidder

Bankruptcy  
Hearing.  
2<sup>nd</sup>  
Auction.  
We are  
high  
bidder.

Settlement  
reached with  
LemonJuice.  
Provincetown  
confirmed as  
winning bid

Foreclosed  
shares in  
HH are  
auctioned  
off

Trustee  
confirms 80% of  
interval owners  
have approved  
dissolution.  
Process goes to  
Land Court

# REQUEST FOR PROPOSALS

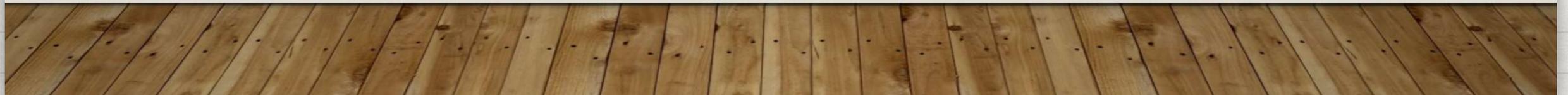
- Selection of an architectural firm
- Selection of a property management firm

# PROPOSED INCOME QUALIFICATIONS

## AMI TABLE-BARNSTABLE COUNTY 2017

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Household Size	80% Limit Moderate HUD	100% Limit Moderate HUD	120% Limit Moderate HUD	140% Limit Moderate HUD	160% Limit Moderate HUD	180% Limit Moderate HUD	200% Limit Moderate HUD
1	\$54,400	\$63,140	\$75,768	\$94,710	\$101,024	\$113,652	\$126,280
2	\$61,200	\$72,160	\$86,592	\$108,240	\$115,456	\$129,888	\$144,320
3	\$68,000	\$81,180	\$97,416	\$121,770	\$129,888	\$146,124	\$162,360
4	\$73,450	\$90,200	\$108,240	\$135,300	\$144,320	\$162,360	\$180,400
5	\$78,900	\$97,416	\$116,899	\$146,124	\$155,866	\$175,349	\$194,832



# YEAR ROUND RENTAL HOUSING TRUST

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- Examples of those who do not qualify for traditional affordable housing could include:
  - Police Patrol Officer, salary range \$56,429 to \$66,777
  - Police Records Clerk, salary range \$52,618 to \$62,243
  - Town Clerk, salary range \$65,919 to \$81,992
  - Treasurer and Collector, salary range \$61,312 to \$76,249
  - Public Works Foreman, salary range \$48,577 to \$59,087
  - School Teacher, mid-level salary range \$46,557 to \$79,206

# HARBOR HILL PROPOSED RENTS

Bedroom Qty	Rent	Monthly Rent	% of one person AMI 80	% of two person AMI 80	% of one person AMI 100	% of two person AMI 100	% of one person AMI 120	% of two person AMI 120	% of one person AMI 140	% of two person AMI 140	% of one person AMI 160	% of two person AMI 160
1 2	\$ 1,650	\$ 3,300	36%	32%	31%	27%	26%	23%	21%	18%	20%	17%
2 6	\$ 1,900	\$ 11,400	42%	37%	36%	32%	30%	26%	24%	21%	23%	20%
2 11	\$ 2,100	\$ 23,100	46%	41%	40%	35%	33%	29%	27%	23%	25%	22%
2 6	\$ 2,300	\$ 13,800	51%	45%	44%	38%	36%	32%	29%	25%	27%	24%
3 1	\$ 3,500	\$ 3,500	77%	69%	67%	58%	55%	49%	44%	39%	42%	36%
26		\$ 55,100										
	Avg/Sq Ft	\$ 1.90										

**Legend:** Green indicates rent is 33% or less of Income  
 Yellow indicates rent is 33% to 40% of Income  
 Red indicates rent is 40% or more of Income



# RECENT RENTAL ADVERTISEMENTS

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Year-round apartment available immediately. 1-bedroom; \$1,500/month plus utilities. Detached cottage on two levels. Meticulously maintained, centrally located, parking for one car, plus shared laundry. THIS IS NOT MY PROPERTY. POSTING FOR A FRIEND (for real). PM me with your email address and I'll forward it to the property owner, from whom you'll hear if there is an interest in renting to you.

One bedroom furnished apartment for rent in Provincetown starting November the 1st. Looking for a year round renter. Need to be employed, settled, and low on the drama scale. Provide good rental references. 750 sq ft of apartment. Furnished. Living room/dining room/kitchen area. Separate bedroom and bath. Washer and Dryer in apartment. Private deck. 2nd floor apartment. Asking 1400 a month on a year round basis. First and last and damage deposit. Will consider one pet with damage deposit. Non smokers only. Private parking space can be provided if needed. You pay heat and we pay the rest of the utilities. Private message me to arrange to see it.

# I WANT IN THE LOTTERY

**THE APPLICATION** - There is a strict due date for the submission of complete applications. Complete applications typically include a multi-page form, income tax returns, bank statements, asset statements, pay stubs, and other documentation. The developer performs initial review of eligibility.

**THE LOTTERY** - Lotteries are done in public places such as Town Hall or the Veterans Memorial Community Center. Applicants are assigned a number and those numbers are placed in a container. Applicants may attend but are not required to do so. A neutral party draws ALL the numbers, presents them to the group, and they are posted in order. If there is local preference, there will be an additional container that contains those applicants that qualify. The local preference candidates are also placed in the open- category container.

**THE CERTIFICATION** - Following the lottery, starting at the top of the list and processed in order as appropriate [based on available units per size and income category], the developer will continue with the final review steps and third-party verification of income, assets, and other information of applicants with a potential unit. This may include reference checks, interviews, CORI checks, and other confirmations.

**THE WIN** - The successful applicant will be offered a unit and has a limited time to accept. The developer will provide a year-round lease that requires annual re-certification of income eligibility. All remaining applicants become part of the waitlist for this development only and undergo the above certification process as an appropriate unit becomes available.

# YEAR-ROUND RESIDENCY

ONE YEAR MINUS 6 WEEKS = 46 WEEKS

Under discussion are some ideas to enforce the year-round requirement:

- Periodic checks by the management company
- Monitoring electricity/water/phone use
- Asking tenants to pay rent in person

ROOMMATES

# INCOME ELIGIBILITY

# PROPOSED INCOME ELIGIBILITY

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# WORKFORCE HOUSING

# PROPOSED HOUSING POLICIES

- **SMOKING**

The units will be non-smoking, but a smoking section will be established outside on-site.

- **PETS**

Pets will be allowed, but the breed, size and number of pets will be taken into consideration. An additional security deposit will be required for households with pets.

- **FIREWOOD**

No firewood or wood-pile storage will be allowed on-site.

- **AIRBNB / HOMEAWAY / ETC**

No short-term rentals will be allowed.

# RECONFIGURING SPACES

**FURNITURE AND  
SMALLWARES CURRENTLY  
ON THE PROPERTY**

# LINKS TO REPORTS AND DOCS

- Housing Playbook: <http://www.provincetown-ma.gov/DocumentCenter/View/6072>
- UMass Dartmouth report: <http://www.provincetown-ma.gov/DocumentCenter/View/8905>
- Cape Cod Commission report: <http://www.capecodcommission.org/resources/housing/MarketAnalysis/Final%20Report/2017-09-11-Regional%20Housing%20Market%20Analysis%20and%2010-Year%20Forecast%2C%20Final%20Report.pdf>