

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN
MEETING MINUTES - SPECIAL MEETING (ROUND TABLE)
FRIDAY – JULY 29, 2016 – 10:00 a.m.
JUDGE WELSH ROOM - 260 COMMERCIAL STREET**

Chairman Richter convened the open meeting at 10:03 a.m. noting the following attendees:
Board of Selectmen members: Raphael Richter, Tom Donegan, Cheryl Andrews, and Robert Anthony.

Excused: Erik Yingling

Other attendees: Town Manager David Panagore, Asst. Town Manager David Gardner, Town Counsel John Giorgio, Town Planner Gloria McPherson, Housing Specialist Michelle Jarusiewicz, Finance Committee Chairman Mark Hatch, Douglass Cliggott, Paul DeRuyter, and Abigail Chapman from the Community Development Partnership.

Recorder: Loretta Dougherty

1. Round Table discussion on the Year-round Market Rate Rental Housing Trust Fund:

Raphael stated that the bill has passed the House but will most likely not be voted on until after the elections. A copy of the bill may be found at the Town's website under the Board's agenda packet.

John Giorgio worked with the Finance Committee and the document in its proper legal form was sent in. It is winding its way through the legislative process now. The idea is to create a structure in Provincetown that would help with year-round market rate housing. It is modeled after the affordable housing general legislation. It is declared to be a valid public purpose and you can expend money for this purpose. It creates a five-member Board of Trustees and the concept is this entity would have authority to identify various opportunities to create market rate rental housing. Town Meeting has appropriated funds for the benefit of the Trust to create year round units. The funds would be transferred by operation of law into the Trust as soon as it is signed into law.

Raphael wants the goal for today to be talking about organization. What is it going to look like? How will we use the \$1.5 million given by the Town for this trust?

David P. put this question to members of the Urban Land Institute (ULI) panel and asked how best to make this happen. The members will put their ideas into their draft and he will update the Board as soon as the ULI gives him the report.

Tom stated that it does not address issues of revenue; should it operate with some amount of reserves? What is the expectation; costs of units; affordability of the occupant; how the rent will be set; condo units handled one way for maintenance, etc. These things need to be more clearly defined.

John stated that the Trustees will determine what types of expenditures there will be. The Trust can borrow money and acquire property. In the beginning there may be a need for additional revenue outside of what the Trust can actually raise.

Cheryl stated that this is cutting edge; the concept of this being public purposed.

John agreed that no other town is doing this; it is cutting edge. This has been discussed with the Dept. of Revenue. The bill contains that it is a valid public purpose.

Cheryl wondered if we could lay out a chart that would compare the Provincetown Public Pier Corp and Housing Authority and this Trust so she can compare what the similarities and differences are. How do you dissolve this Trust?

John stated that the PPPC has a process to dissolve through a town meeting vote. This would have to be done by another act of the Legislature. Where do the funds and assets go if it were dissolved? Any alternate use would have to go through the legislative process. This bill is similar more to the Housing Authority.

David P. suggested that this is a publicly chartered entity; a trust with powers and duties of the municipality to appoint the Board.

Paul is concerned as to how we would identify the path to be taken by this Trust; its use of the monies. He wants to ensure a level of productivity and have it engaged as a public/private partnership.

John believes that in using these dollars wisely consistent with the legislation the Trust could acquire a restriction on a piece of property maintained as a rental unit with a formula as to rents could be charged. Still privately owned but held by the Town by restriction.

David P. stated that if the Trust can do that then it can purchase a fractional interest in real estate or new real estate. He asked if there was any clear definition of what it could not do regarding real estate.

John stated that there are no restrictions.

Doug pointed out that a lot of time was spent on who this is for, what did they want and what they can afford and then we witnessed what happened at town meeting. One class of individuals' hope to target this for people who work for the Town and who cannot afford to live here such as our firemen, policemen, teachers, and town workers. He wants to survey all town employees asking them about what kind of housing they are interested in having and what they can afford. He believes that this trust is to provide good living space to people we want to live here year round. Other ideas the FinCom had when he was a member was that the Town seemed to be biased against buying existing units rather than being in new investment properties. From an investment standpoint it is a good idea to have a diversified portfolio such as buying some housing so that over time they will be paid for. It may take 20 years. Another was the financial structure; how much should be borrowed; pay someone for the debt services. Buy at the lowest possible prices for people who want it.

Tom stated that at the end of 40 years the Town will have an asset.

Mark stated that FinCom calculated that if the town purchased property it was equity; they tried to level debt out of it. What is the operating cost of the Trust on an ongoing basis regarding rent? It is pure operating costs?

David P. stated that it is equity for the Trust and revenue for the Town. The Town might have to get debt on something else because the Town only has so much cash.

Paul stated that it is not just equity; it is equity, debt and private capital. Private capital can go a long way. The Trust must be defined in a transparent and clear way. Where is the justification when you give this property to one person but another does not get it? Investment and return can be massaged. The Trust needs to be able to defend itself.

John believes that in terms of the Town providing funds to the Trust using free cash would be no problem. The Town can appropriate it through town meeting. If you want to borrow using general obligation bonds you will have to go through a number of steps, but the town could acquire an interest in the property and it would be deal specified; joint interests held by both the Town and the Trust.

Mark stated that it is not a problem with income but rather market failure. The only way to correct it is to go into the market and try to undo the distortion to some degree. On the affordable end we have it covered.

Paul believes that time is an issue. The issue of time is such high risk for Provincetown. Private capital and how it might play a significant role in subsidizing should be considered. There is pool of private capital in the form of employers who have a vested interest in having people available year round to help the economy work.

Raphael stated that we only have \$1.5 million and we can talk about strategy. He believes that the Trust can do both as it relates to deed restrictions and a public/private basis of operation. We can use multiple approaches.

Doug stated that the goal would be a line item in the Town's budget; like contributions to police payroll. A fixed dollar amount was not the point. We are looking at a long time to get out of this market debacle.

Raphael asked for the next Round Table to be scheduled for Friday, September 9th at 10:00 a.m. The ULI report should be digested by then. At this point, the panel will consist of: Chairman Raphael Richter, Selectman Thomas Donegan, Selectman Cheryl Andrews, Selectman Robert Anthony, Town Manager David Panagore, Assistant Town Manager David Gardner, Town Planner Gloria McPherson, Housing Specialist Michelle Jarusiewicz, FinCom Chairman Mark Hatch, former FinCom member Douglas Cliggott, Town Counsel John Giorgio, Paul DeRuyter, and Abigail Chapman from the Community Development Partnership.

David P. will be putting together the process for moving forward.

Cheryl wants to see comparisons of the Provincetown Public Pier Crop., the Provincetown Housing Authority and the Year-round Market Rate Rental Housing Trust Fund.

Raphael wants to just have a small concise summary of the comparison.

John will put together the comparisons and also add the Affordable Housing Trust.

Raphael asked Mark Hatch to be the Board Liaison and an email string of all panel members will be sent to both Raphael and Mark.

The Board will be looking at setting some policies and goals for this Board along with a Mission Statement as to what exactly the goals will be.

2. Other: None.

Without objection Raphael adjourned the meeting at 11:41 a.m.

Minutes transcribed by: Loretta Dougherty