

Provincetown Community Housing Council

Community Development Conference Room Town Hall

260 Commercial Street

January 12, 2018

1:05 p.m.

Members Present: Paul Richardson, Elaine Anderson, Susan Cook,

Excused: Ron Irwin, Kristin Hatch

Staff: Community Housing Specialist Michelle Jarusiewicz

Housing Specialist Michelle Jarusiewicz noted that Ron Irwin returned to the hospital and was not able to attend.

Public Statements: none

Growth Management Annual Housing Update: Housing Specialist Michelle Jarusiewicz summarized the draft housing section which outlines progress in 2017, has the Housing Playbook as an attachment, available gallons, and options for recommendations on new 2018 gallons. Chart shows equal distribution but could put all gallons in one category or shift distribution.

<i>1/2/18</i>	Category 1a Affordable: low/moderate Income Up to 80% AMI	Category 1b Median Income Up to 100% AMI	Category 1c Middle Income Up to 150% AMI
Previous Year Carryover	8,584	7,683	5,661
Gallons used	0	0	0
Remaining Balance	8,584	7,683	5,661
Approximate equivalent	78 bedrooms	69 bedrooms	51 bedrooms
Potential 2018 addition	+ 550	+ 550	+ 550
New balance	9,134	8,233	6,211
Approximate equivalent	83 bedrooms	74 bedrooms	56 bedrooms

Paul Richardson: MOVE to recommend 550 gallons be allocated to each category, 1a, 1b, and 1c; Elaine Anderson second; approved 3-0.

First-Time Homebuyer [FTHB] Scholarships: Housing Specialist Michelle Jarusiewicz explained that the previous allocations have been totally depleted with a \$15 balance. With the 2 units for sale at Winslow Farms there was significant interest in the Down Payment & Closing Cost program which requires the FTHB certificate.

Paul Richardson: MOVE to allocate \$500 from the Affordable Housing Trust Fund for First-Time Homebuyer scholarships; Susan Cook second; approved 3-0.

Emergency Housing Fund HPC Request for \$20,000: The Executive Director of the Homeless Prevention Council submitted a request for additional \$20,000 but was unable to attend this meeting. The CHC has the option to table the request until they can attend or to consider it. The Housing Specialist outlined the history of this funding which was initiated by the Board of Selectmen and is a very important tool for residents to maintain housing. Over past 12 years, the average amount has been \$12,083 per year. Funds are only used as direct assistance and not for administration. The HPC provides case management and utilizes other funds first as appropriate as can be seen in the 2017 report such as Lower Cape Outreach or St. Vincent de Paul. The HPC did

explore the possibility of applying for additional funds elsewhere including the human services grant. They were told that those funds are for operations and not for direct assistance. They do receive about \$6,000 from the human services grant. Members discussed a lesser amount to encourage seeking other funding sources.

Elaine Anderson MOVE to award \$14,000 for 2018 from the Affordable Housing Trust Fund; Susan Cook second; approved 3-0.

FY 2019 Budget: Housing Specialist indicated that the Town Manager is unable to fully fund the Housing Office within the Town's operating budget as discussed in the past, but to continue with 50% funding of the office and the benefits to roll into the Town's benefits budget. An application has been submitted for CPA funds – \$50,853.

Annual Report: due by 1/26/18: Paul Richardson met with Housing Specialist and reviewed highlights of 2017. He will submit draft for circulation.

Local Comprehensive Plan Representative: with Town Planner Gloria McPherson gone, Assistant Town Manager David Gardner will be moving the LCP forward and is looking for a housing rep for that section. It does not have to be a member of the CHC but can be a knowledgeable housing advocate. Paul Richardson will consider it but would like to know more about what is involved. Ask David to contact him with more information.

UPDATES:

Winslow Farms: Housing Specialist received 6 applications for the two 1-bedroom ownership units; 5 fell under local preference one was a former resident. The Lottery was held 12/12/17 and 2 local residents are moving forward with purchasing the units. The non-local had been offered a unit but withdrew due to family emergency.

Harbor Hill: The Trust hired LDA as the Architectural/Engineering firm. They will begin the assessment phase this month. The Town received no proposals for the RFP for Management Services. The Town is still exploring options. The Trust is considering advertising for a Notification List.

Housing Authority: Elaine Anderson described the ED search which they re-advertised with a due date of 1/19/18. DHCD insisted they do so since the initial advertising process did not include a local paper. Still waiting for waiver for Executive Director from DHCD; very frustrating. DHCD also changed the number of hours listed in original search, reducing to 16 hours per week with no benefits.

CPA: 3 applications were received by the due date, all housing, including \$15,000 for Cape Housing Institute, \$50,000 for additional Down Payment & Closing Cost Assistance, and the Housing Office.

Minutes:

Paul Richardson MOVE to accept minutes for 12/4/17; Elaine Anderson second; approved 2-0-1[SC].

Next Meeting: Monday, February 12, 2018 at 1:00 pm

Meeting adjourned at 2:12 pm

*Submitted by:
Michelle Jarusiewicz, Community Housing Specialist*

ATTACHMENTS:

***Affordable Housing Needs Assessment Annual Update
2017 DRAFT***

A common thread throughout all of the town's planning documents is the need for affordable housing. Affordable housing has been a town-wide goal since 1997 and again is among the top goals in the FY'18 annual town-wide goals. The availability of stable housing is intrinsically linked to our economic development. No business is untouched by the need for housing. While housing costs plateaued for a bit, they are again on the rise. This

pressure threatens the ability of residents to remain in Provincetown and the ability of businesses to access the labor force needed during the critical summer months and the off-season. Provincetown has seen significant out-migration of residents (and the labor force) due to housing pressures. This has impacted the school system, which facing a declining enrollment due to an exodus of families, had the last graduating high school class in 2013. The Town of Provincetown completed a Needs Assessment and a Housing Action Plan in 2013/2014. The process included two Affordable Housing Summits inviting all members of the public to participate on 12/9/13, 1/10/14, and 2/28/14. Reports and additional information are available at the town's website. While the great recession leveled the escalation, the housing market is revving up again as property owners that waited out the recession are now putting up their properties for sale. These sales often lead to current tenants being evicted to sell the property as vacant; which in turn often is purchased as a second home with weekly rentals; thus eliminating both year-round and seasonal rentals. Housing costs – IF a unit is found - remain out of reach for the largely low and moderate income population [HUD: 57%] and for those of median and middle income as well. This was demonstrated in the application rounds for the new rentals on Shank Painter Road, Stable Path, and 26 Alden Street – many applicants were above income and ineligible to apply. The Housing Action Plan calls for designated staff to focus on housing. Town Meeting has consistently supported efforts to provide for affordable housing.

In 2017, the Town of Provincetown hit the ground running for community housing; with the Year-Round Rental Housing Trust special legislation approved by the legislature and signed into law by the Governor on 11/3/16 [Chapter 305, Acts of 2016] AND with the opportunity to purchase a 26-unit condominium in foreclosure at Harbor Hill. The Town and the newly created Year Round Housing Trust Board of Trustees were very busy. Special Town Meeting on 2/6/17 overwhelmingly approved the bonding for the acquisition of this property for middle and market rate rentals. The Town continues to pursue that process. The Trust has hired an architectural and engineering firm to perform the assessment and design work for the renovations with the goal to begin those renovations as soon as possible after acquisition. In turn, to provide some rental units as soon as possible with rolling rent-ups as units become available. This acquisition speaks to the need for stable housing across a broad range of incomes. Year round rentals are simply not available at any income level.

Two new-ownership units at the median and middle income range were completed at the very end of 2017. On 10/28/16 the Community Housing Council approved 2 community housing permits under growth management for the creation of 2 new ownership units at 44 -48 Winslow as part of 6 new unit development. These units are within the median income range with eligibility up to 120% & 150% Area Median Income. Marketing and outreach took place in the fall with a lottery conducted on 12/12/17. Occupancy is expected in the winter of 2018.

The Problem

Since 1997, the Town of Provincetown has been aggressively tackling the need for stable housing for the people that live and work here. Given the increase in home prices over the last twenty years, housing is priced outside the reach of the majority of residents, with Provincetown median household income at \$43,272¹. The median price of a single family home has crossed the \$1.1million mark in 2017 as the Provincetown market continues to thrive. There are housing needs at all local income levels. The general rule is that housing costs [including utilities] should be no more than a third of income. So for a household with \$43,272 income, maximum housing & utility costs would be \$1,190 per month. The Provincetown median household income of \$43,272 could afford to purchase a home at approximately \$125,000; an income of about \$100,000 could purchase a home at approximately \$350,000.

The needs are great and cross the spectrum of incomes. Lack of stable housing has a severe impact on our community character and our future viability. We have witnessed the outmigration of many of our year-round residents and families which has led to the closing of our high school and loss of our year-round population by 14% from 2000 to 2010. ²

¹ US Census Bureau American Community Survey 5-year estimates 2010-2014

² US Census: 2000 - 3,431; 2010 - 2,942

As we struggle to maintain and grow our local economy, it is imperative that we concurrently strengthen our housing options. Without housing, there are no workers; without workers there is no economy. Because our economy is primarily tourist-based, seasonal worker housing is also a problem. Without a diverse population, there is no Provincetown as we know and love. Provincetown's needs go beyond the traditional categories of affordable housing and reach up into the middle income brackets. Much of our workforce is positioned above the conventional affordable income limits, thereby excluding them from the otherwise available state and federal subsidy programs. As a result, the middle class segment of our workforce, along with the lower income segment, is being and has been squeezed out of Town. This is reflected in the 13.3% decline in the average number of employed residents,³ while the average number of local jobs stayed the same. This almost certainly means that an increasing number of workers are commuting to Provincetown from other communities on the Cape. This problem starts local, becomes regional, and without a long term consistent and persistent program, will permanently alter, and potentially eliminate as we know it, community life on the Outer Cape.

We have identified three categories of housing need that must be addressed effectively in order for Provincetown to support and expand its economy and retain a viable year-round population: Affordable, Community and Seasonal. Because the housing need problem extends across all levels of affordability and seasonality, no single project, or type of project, will be able to meet all the housing needs of the community. The Town needs to take a comprehensive approach, including multiple smaller projects which collectively can begin to address the need.

The Consequences

In simplest terms, if the status quo continues and the loss of viable housing options for all income levels is left unchecked, the year round community will continue to shrink and potentially even eventually effectively disappear. With a shrinking local population, the Town will feel not only a community impact, but a financial one as well. The cost of converting from a volunteer to a fully paid fire department is just one example, while businesses will need to factor in the cost of importing their workforce each day. The identity and local culture that lies at the heart of the way of life in Provincetown, its economy, and even tourism will be fundamentally altered. The unique characteristics of Provincetown's restricted land base, its low-wage seasonal economy, and the attractiveness of its housing for seasonal use, are steadily eroding the Town's capacity to sustain itself on a year-round basis.

**Provincetown
lost 489
households
from 2000 to
2010!**

US Census:
2000 3,431; 2010 2,942

The Goal

To implement a consistent, robust and aggressive housing program that builds on the efforts outlined in the Community Housing Action Plan, expanding it to include three categories of housing: 1) Affordable Housing, 2) Community Housing, and 3) Seasonal Workforce Housing.

The Town's Housing Playbook drafted in 2016 begins our work on a more comprehensive approach. It's a roadmap that builds upon the existing data and the work (236 units so far plus the 28 units in the pipeline) that has already been accomplished. It establishes a one stop reference for all the programs, efforts and financial sources and tools currently available. It takes into consideration new opportunities, public and private properties and new initiatives identified since the 2014 Housing Summit.

Organizationally, this Playbook is divided into three main sections (1) Affordable Housing, (2) Community Housing and (3) Seasonal Worker Housing. In each section we attempt to comprehensively cover the topic for Provincetown. We then identify the current real estate opportunities. Finally, we lay out recommended action steps.

³ MA DWD, 12/13

With significant support from the Provincetown community, the Town has developed an expansive toolbox that addresses some of the housing needs in the community. While the various programs and approaches described in this Housing Playbook will continue to allow the Town to work toward protecting the vitality and sustainability of the community, the Town must remain flexible in adopting new tools and seizing new opportunities as they arise.

While the Town continues to promote housing for all incomes and all household sizes in order to encourage and retain families and our year round workforce, the highest demand has consistently been for one-bedroom units for single person households. This is reflected in the January 2016 applications received for Stable Path, where 58 of 104 (56%) applications submitted were from single person households, although there were only 5 one-bedroom/efficiency units available out of a total of 23 units.

As reflected in the chart below, of the 236 deed restricted units we have, 223 of those are Affordable Housing units and only 13 have been Community Housing units. Once acquisition of Harbor Hill [26 non-40B SHI community rental housing units] and Winslow Farms [2 non-40B SHI Community ownership units] are complete, our total deed restricted units will be 264 units. As housing prices have steadily risen, outstripping the ability of anyone on a median income to secure housing, this has steadily pushed the need for housing at below market prices up into higher income levels. The production of Community Housing can respond to this need and will require a focused effort on par with our affordable housing production, while recognizing that as of today the overwhelming number of programs and financial tools available are for Affordable rather than Community Housing.

Existing Deed Restricted Units

As of 2017	40B SHI		Non-40B SHI		Total
	Affordable	Community	Affordable	Community	
Rentals	168	5	9	0	184
Ownership	35	0	11	8	54
Totals:	203	5	20	8	236

Pursuant to Zoning Bylaw Section 6600 (1), The CHC provides the following recommendation:

The need to have a full range of affordability options in housing is a key component of any vibrant and diverse community. However fully achieving this is a very challenging undertaking that requires a long-term and ongoing commitment by that community. In Provincetown, our unique geographical location and the seasonal nature of our economy combined with an expensive housing market present us with significant challenges in housing. The Community Housing Council stands ready to work with anyone to move development forward for safe, decent, and affordable housing.

Provincetown has always shown a tremendous commitment to creating a safe and welcoming environment for all. However it is critical that we continue the work to create a range of affordability in housing to ensure that we are able to attract and retain a diverse group of individuals and families that make up our workforce and our community. The *October 2016 Housing Playbook* along with ongoing loss of year-round population, demonstrates a continued and growing need for affordable housing in the area. We urge the Town to continue its commitment to helping meet our affordable housing needs through the creation of new housing resources in the future.

Based on the analysis of existing inventories within Growth Management for affordable housing and the anticipated demand from existing projects in the pipeline, the Community Housing Council voted on 1/12/18 to recommend the full allotment of affordable housing gallons be placed as follows:

- 550 gallons to Category 1a (Low Income Affordable Housing)
- 550 gallons to Category 1b (Median Income Community Housing)
- 550 gallons to Category 1c (Middle Income Community Housing)