

# Provincetown Community Housing Council

Grace Gouveia Building

26 Alden Street

September 7, 2010

9:00 a.m.

Members Present: Joe Carleo, JD Bower, and Arturo Alon

Staff: Community Housing Specialist Michelle Jarusiewicz; Assistant Town Manager David Gardner

Public Statements: none

## Resale at 6 Sandy Hill Lane:

Member AJ Alon noted that he is the owner of a low/moderate income deed restricted unit and may want to sell his in the future. It was noted that the sale of a low/moderate income unit would be different than a median unit as it involves the state [DHCD] in the process. DHCD would also have right of first refusal and would dictate the process along with the language of the specific deed restriction.

The Town has received a request from the owner of Unit #11 to sell her median income deed-restricted unit. Housing Specialist request that the CHC recommend to the Board of Selectmen that the Town approve a letter to the owner of 6 Sandy Hill Lane #11 with a maximum resale price, that the town does not intend to exercise its right of first refusal, does not intend to locate an eligible buyer, but will assist the owner in doing so in accordance with the deed restriction. See attached memo.

Arturo Alon **MOVE** to support the Housing Specialist recommendation; second JD Bower; approved 3-0.

90 Shank Painter Rd.: TCB met with Board of Selectmen on August 23<sup>rd</sup> for a project update and received their full support including their request for an amendment of their 40B permit. The Community Builders was not funded in the spring tax credit round but will resubmit for the September 13<sup>th</sup> fall round. TCB has also received federal NSP2 funds. These funds could allow them to “quick start” the project with construction beginning this fall. They are rebidding the project as we speak. They would then repay the funds once the tax credits are approved and finalized. In their original proposal they had included 8 units targeted to less than 30% income level, subsidized with section 8 project based permits. The issues with the section 8 application process are (a) the application process takes time which would delay start-up and (b) they cannot be awarded if construction has already started. By changing the language, TCB is allowed more flexibility and does not need to go through that application process which would delay the project. TCB would still target that income population by searching for other tenant-based section 8 voucher households.

The Community Builders, Inc. (“TCB”) has requested that an affordability condition, set forth in the June 18, 2009 comprehensive permit issued for 90 Shank Painter Road, be modified and that it be determined to be an “insubstantial” change. Presently, Section III, ¶9 of the Comprehensive Permit provides that:

**AFFORDABILITY.** All of the 50 dwelling units shall be permanently affordable rental units and shall be permanently eligible for inclusion in the Town’s SHI by DHCD, so long as the Project does not conform to applicable local requirements and so long as the Project utilizes any local grant funding provided by the Town. The Applicant also shall be responsible to timely provide any confirmatory data to the Town, upon request, to support inclusion of all of the units in the Town’s SHI.

The affordable units shall be restricted, in perpetuity, as low or moderate income housing for rent to households, as follows:

- 8 units shall be available to individual or couples with annual household income at or below 30% of the Barnstable County media annual income (the “median”), including those who

hold a tenant-based Section 8 or other rental subsidy (with the tenant paying 30% of income).

- 33 units shall be available to individuals or couples with annual household income at or below 60% of the Barnstable County median annual income (the “median”) at rents affordable to households with incomes at 60% of the median; and
- 9 units shall be available to individuals or couples with annual household income at or below 80% of the Barnstable County median annual income (the “median”) at rents affordable to households with incomes at 80% of the median.

TCBI proposes to modify the 2009 Comprehensive Permit by changing a portion of the above condition, so that it reads as follows:

- ~~• 8 units shall be available to individual or couples with annual household income at or below 30% of the Barnstable County media annual income (the “median”), including those who hold a tenant-based Section 8 or other rental subsidy (with the tenant paying 30% of income).~~
- ~~33~~ **41** units shall be available to individuals or couples with annual household income at or below 60% of the Barnstable County median annual income (the “median”) at rents affordable to households with incomes at 60% of the median;

Housing Specialist recommends that the CHC vote to support the amendment request to facilitate project start-up as soon as possible with the understanding that TCB will provide due diligence in housing that income group.

Arturo Alon **MOVE** to support the amendment to the 40B permit for 90 Shank Painter with the understanding that TCB will continue to work to fill the same income levels, i.e. 30%, with section 8 voucher or similar households; second by JD Bower; approved 3-0. Discussion included the potential of creating a town-based subsidy program that may assist this income level and noted that the project as amended still is 100% affordable and fits the original RFP.

### **Community Housing Specialist Report**

*Included in above & below*

#### **Related section 8 information:**

Cindy Maule, the Director of Leased Housing at Housing Assistance Corp., indicated that there is no way of tracking how many people might have section 8 vouchers and not able to use them, but she told me the following:

Anecdotally – Provincetown historically has difficulty in placing people with section 8 vouchers due to the lack of housing stock and high rents.

Currently there are 30 section 8 households in Provincetown; 9 of them are project based, 21 are mobile.

There is an additional 14 HH with a mixture of other similar assistance: 12 - HUD shelter plus care, 1 - AHVP, 1 - MRVP. Total of 44 voucher-type assistance.

**83 Shank Painter Rd.:** Arturo Alon abstained from discussion and vote. No change in project. Community Housing Resource has been told that DHCD will not consider its application out of round and will be required to submit in the competitive September round. Awards are announced in November and, if funded, loan closings and construction in January 2011. **CHR has requested a letter of support for its application.**

Joe Carleo **MOVE** to submit a letter of support for financing of 83 Shank Painter Road; JD Bower second; approved 2-0-1 [AA].

**Upcoming dates:**

September 7, 2010

6:00 pm Bd. Of Selectmen: Resale median unit

September 9, 2010

7:00 pm ZBA: TCB/90 SP 40B amendment

**GRANT ADMINISTRATION:**

Submitted the FY 2011 Commonwealth Capital application on 8/27/10.

**CPC Appointment:** Arturo Alon prefers not to continue. Is it possible to have a float position? TABLED until next meeting.

**Minutes:** Arturo Alon MOVE to accept the minutes of 8/23/10 as written; Joe Carleo second; approved 2-0-1 [JB].

**Schedule:** JD Bower is flexible with his schedule. Next meeting TBD.

**Community Housing Specialist Report**

MOTION to adjourn. 9:40 am.

**Attachment:**

# Memo

To: Board of Selectmen & Community Housing Council  
From: Michelle Jarusiewicz, Community Housing Specialist  
CC: Town Manager Sharon Lynn, Assistant Town Manager David Gardner  
Date: August 26, 2010  
Re: Resale  Median income deed restricted unit

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**Request:** Town approve a letter to the owner of 6 Sandy Hill Lane #11 with maximum resale price, that the town does not intend to exercise its right of first refusal, does not intend to locate an eligible buyer, but will assist the owner in doing so in accordance with the deed restriction.

The owner, Marie McMahan, of a median income deed-restricted condo unit at 6 Sandy Hill Lane [a one-bedroom unit] submitted to me on 8/23/10 a written request to sell her unit as she is trying to purchase a larger unit. The clock is ticking. Ms. McMahan contacted me last Thursday and met with me on Monday regarding the process to sell. The deed restriction [copy attached] outlines the process and parameters for the resale of the unit. Since this is a median income unit, and not a low/moderate income unit, it does not involve the state's Department of Housing & Community Development [DHCD]. It is not listed on the state's 40B Housing Inventory as that only lists low/moderate income units. This is the first resale of a deed restricted unit for the town. Previously in a generic discussion on resales, the Community Housing Council has indicated that they would prefer not to purchase a unit outright, but does want to retain as many units as affordable as possible.

**Facts & Definitions:**

Median income community housing is defined as being available for a household at or below 100% Barnstable County median income.

Original purchase price: \$165,000 [Feb 2008]

Maximum resale price: \$176,202

Deed restriction is in perpetuity

In accordance with the deed restriction:

Day 1: **8/23/10:** Owner gives the town notice of intent to sell

“Forthwith” but no later than 30 days [**by 9/22/10**]: Town determines Maximum resale price and gives owner notification as to whether the town is proceeding to locate an eligible purchaser of the property or exercise its right of first refusal or allow the owner to find an eligible purchaser.

**11/21/10:** end of 90 day period from date of notice for the town to find an eligible purchaser who is ready and willing to purchase the property within the 90 days

**12/21/10:** end of 120 day period from date of notice for the owner to find an eligible purchaser who is ready and willing to purchase the property within the 90 days.

Locating an eligible purchaser essentially requires the following steps:

- 1) outreach and advertising: for the owner this means – as a minimum --placing an advertisement in the real estate section of at least one newspaper of general circulation for 3 consecutive weeks; the town can assist with notifications to various interested parties and posting at the town’s website
- 2) review of applications and documentation for determination of eligibility
- 3) lottery if needed
- 4) ranking of applicants
- 5) final review, proceeding with closing & new deed restriction

At least some of this process, the review of applications and documentation and conducting a lottery, will require outside assistance. Various agencies, including HAC, CHR, CDP, and others, are potentially available, all at a cost. The cost could be 2 to 3%. This deed restriction does not have language that the owner shall pay if the town conducts the process. The Town at a minimum will have staff involvement and legal expenses with executing a new deed restriction. The Town does not have the expertise to review the applications and documentation, nor to conduct the lottery. It is my recommendation that the owner conduct this process with assistance from the town in the outreach and follow through.

It should be noted that if no eligible purchaser is located, the owner may sell the unit to any third party for not less than fair market value with the windfall amount [the difference between the market rate and the maximum resale amount] to be deposited into the town’s affordable housing trust fund.