



TOWN COUNCIL
Tax Increment Financing Subcommittee
Monday September 15, 2023
MEETING MINUTES

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Members present: Councilor Eric Steinhilber; Councilor Jennifer Cullum; Councilor Nikolas Atsalis

- **STAFF PRESENT:** Elizabeth Jenkins, Director Planning and Development; Arden Cadrin, Housing Coordinator, Mark Milne, Director of Finance
- **OTHERS PRESENT:** 171 Main Street, Hyannis, Atlantic Apartments (Todd Elwell)
50 Yarmouth Road, Hyannis, "Linnell Landing" (Jacob Dewey)
68 Yarmouth Road, Hyannis (Bransen Group/Mark Hansen)

Councilor Eric Steinhilber called the meeting to order at 8:00am; Cynthia Lovell, Administrator of the Town Council took a Roll Call of members present.

Councilor Jennifer Cullum	here
Councilor Eric Steinhilber	here
Councilor Nikolas Atsalis	here

Quorum being present Councilor Steinhilber asked Elizabeth Jenkins, Director of Planning and Development and Arden Cadrin, Housing Coordinator to explain the application.

The Town of Barnstable has received 3 applications seeking a Tax Increment Exemption through the Housing Development Incentive Program (HDIP). The goals of HDIP are to spur residential growth, expand diversity of housing stock, support economic development, and promote neighborhood stabilization in Gateway municipalities.

All 3 applicants are seeking local tax increment exemptions only; they are not seeking State HDIP tax credits.

The Staff Review Committee has determined that all 3 applications are complete and meet the eligibility requirements of the HDIP Program.

171 Main Street Hyannis. Atlantic Apartments

The developer of this project is Todd Elwell.

The project will convert a former office building into 11 new market rate rental units (3 studios, 4- 1 bedroom, 4 -2 bedroom) and retain one office space. Amenities include on-site laundry and will provide high energy efficiency units. The project has received all required permits. It is connected to municipal wastewater. The owner will be responsible for management and maintenance of the property. The proposed rents are moderately priced market rate rents, lower than 2 recently completed projects in the area. The TIE requires all units to be leased on a year-round basis. The operating pro forma is in line with industry standards.

The total development cost, with acquisition, is \$2.3 million. The per unit development cost is \$209,090.

The requested Tax Increment Exemption is for 100% of the increased value for the first 5 years, 85% for the next 5 years and 55% for the remaining 10 years. The Assessor estimates the TIE to be valued at \$237,869.95 over the 20 years.

The HDIP staff review committee has reviewed the application and found it to be complete and the proposed development meets the objectives of Barnstable's HDIP Zone Plan by increasing residential stock, increasing diversity which currently is overwhelmingly homeownership, and provides workforce housing opportunities thereby supporting economic development.

50 Yarmouth Road Hyannis, "Linnell Landing"

The developer of this project is Jake Dewey. The construction contractor is Seashore Homes.

The project consists of new construction of 12 rental units on the site of an existing 3-unit dwelling, (which will remain and be improved). Upon completion there will be 4- 2-bedroom, townhouse style units and 8-1-bedroom units in a multifamily building. The project can be developed "as of right" in the Downtown Village zoning district. It is connected to municipal wastewater.

The owner will be responsible for management and maintenance of the property. The proposed rents are moderately priced market rate rents, lower than 2 recently completed projects in the area. One of the units is required to be an Inclusionary Housing unit, priced at 65% AMI and one additional unit will be priced at 80% of AMI. The project has received a subsidy award from the Barnstable Affordable Housing Trust for \$500,000.

The total development cost with acquisition is just under \$3.8 million. The per unit development cost is \$284,667.

The Tax Increment Exemption request is 100% of the increased value for first 5 years, 85% next 5 years and 55% remaining 10 years. The Assessor estimates the TIE to be valued at \$377,534.77.

The HDIP staff review committee has reviewed the application and found it to be complete and the proposed development meets the objectives of Barnstable's HDIP Zone Plan by increasing residential stock, increasing diversity which currently is overwhelmingly homeownership, and providing workforce housing opportunities thereby supporting economic development.

68 Yarmouth Road Hyannis

The developer of this project is Mark Hanson. The contractor is Branson Group, also owned by Mark Hanson.

This project is a raze and replace of an existing structure consisting of 9 total bedrooms and replacing it with new construction of 8 market rate duplex style units, each with 3 bedroom for a total of 24 total bedrooms. The project has an approved Regulatory Agreement and is ready to begin construction. The owner will be responsible for management and maintenance of the property. The property is connected to municipal sewer. The proposed rents are moderately priced market rate rents. The TIE requires all units to be leased on a year-round basis. Three-bedroom rental units are currently in particularly short supply. The operating pro forma is in line with industry standards.

The total development cost is \$2,450,000. The per unit development cost is \$306,250.

The Tax Increment Exemption request is 100% of the increased value for the first 5 years, 85% for the next 5 years and 55% for the remaining 10 years. The Assessor estimates the value of the TIE to be \$251,304.56 over the 20 years.

The HDIP staff review committee has reviewed the application and found it to be complete and the proposed development meets the objectives of Barnstable's HDIP Zone Plan by increasing residential stock, increasing diversity of stock which currently is overwhelmingly homeownership, and provide workforce housing opportunities there by supporting economic development.

Strategic Importance

All 3 projects are within the Housing Development Zone, the Growth Incentive Zone, and the new zoning Downtown Village district, an area the Town that has been identified as a focus for redevelopment of underutilized properties and promotion of residential development.

The location of all 3 projects is within walking distance of the two largest Cape employers, Cape Cod Hospital and the Town of Barnstable, the location provides easy access to public transportation options and a variety of downtown amenities. All are connected to municipal wastewater infrastructure. All 3 projects will provide visual improvements to existing, aging, blighted properties.

Each project provides an improved quality of housing for tenants with new construction of high energy efficient units.

Combined these projects will create 27 new market rate rental units in the Housing Development Zone.

The rent levels proposed are attainable by the Cape Cod workforce. They are moderately priced, market rate rents and all are less than recently completed developments nearby, thereby affording market rate renters at a slightly lower income bracket to afford these units.

The new market rate units will have a positive influence on the real estate market dynamic in the Housing Development Zone and improve the East Main Street streetscape.

Councilor Steinhilber asked Committee members for a motion to approve these TIF/TIE agreements and forward them for recommendation to the full Council.

Councilor Jennifer Cullum made the motion to approve all three (3) applications as submitted and to forward it to the full Council for recommendation. Councilor Nikolas Atsalis seconded the motion. Cynthia Lovell, Administrator of the Town Council took a Roll Call vote:

Councilor Jennifer Cullum	yes
Councilor Eric Steinhilber	yes
Councilor Nikolas Atsalis	yes

Councilor Steinhilber asked Committee member for a motion to Adjourn, Councilor Jennifer Cullum made the motion to Adjourn; Councilor Nikolas Atsalis seconded the motion; Cynthia Lovell, Administrator of the Town Council took a Roll Call:

Councilor Jennifer Cullum	yes
Councilor Eric Steinhilber	yes
Councilor Nikolas Atsalis	yes

Committee Adjourned at 9:35am

Included below is the link for the meeting discussions in its entirety:

<https://streaming85.townofbarnstable.us/CablecastPublicSite/show/10730?channel=1>

Financial Attachments included.