



The Town of Barnstable
Affordable Housing Growth & Development
Trust Fund Board

367 Main Street, Hyannis MA 02601 www.town.barnstable.ma.us

Mark S. Ells, Chair

March 21, 2024

Lindsey Counsell, Chair
Community Preservation Committee
367 Main Street
Hyannis, MA 02601

Re: Report on the Affordable Housing/Growth & Development Trust Fund
Activities Relating to the Award of Community Preservation Funds for End of Calendar Year
2023

Dear Mr. Counsell:

On behalf of the Affordable Housing/Growth & Development Trust Fund Board, I am submitting the following report regarding the Trust's activities. Although the Declaration of Trust indicates that reports shall be submitted quarterly, on May 5, 2023, the Trust Board voted that to align with current fiscal cycles, it would be more effective for written reports to be made semiannually, at the close of each Fiscal Year and again at the close of each Calendar Year, instead of quarterly. Please advise if this is not agreeable.

Outreach & Marketing of the Notice of Funding Availability (NOFA)

The Town is in the final stages of updating both the Local Comprehensive Plan and its Housing Production Plan. These updates coincide with release of 2020 decennial census data and 2022 updates. These plans, once completed, will guide targeted marketing and outreach efforts of the Trust. To date, the analysis of newer housing and demographic data bears out the growing unmet demand for housing production, as well as foundational changes in the valuation and ownership of residential property. While applicant inquiries continue to come, local developers continue to remain shy of accessing public funds. It has become evident that the Trust will need to establish different outreach strategies if our goal is to adequately incentivize private developers to produce lower priced housing options, but specific strategies targeted to developers have not been finalized.

This year the Trust expended \$2,102.93 of non-CPA dollars on digital, print and broadcast advertising targeted to builders, developers and real estate professionals including banks and financing entities. While it appears that many local builders are aware of the availability of public funds, results from our outreach and marketing to this sector have not produced to our satisfaction. This year we received 10 inquiries, 4 of which were follow-up inquiries and 6 of which resulted in face-to-face meetings with staff. Given the mild interest in our offering as advertised, the Trust

is considering revising the Notice of Funding Availability (NOFA) to include additional supply-side subsidy options and programs that would supplement demand-side costs, to housing consumers. Examples of potential programs might be subsidy assistance to income eligible renters, landlords and property owners willing to place deed restrictions on future rents and/or sale prices. Trust and Town staff will continue to outreach to local and regional housing service professionals and property owners to encourage re-investment in existing housing stock and renovation and re-purposing of vacant developed properties. Revisions to the NOFA will be accompanied by updated marketing and advertising.

In lieu of continued advertising, during 2023, the Planning & Development Department has made great progress implementing updated zoning and tax incentives to encourage new housing development. Initiatives stimulating market-rate multi-family development have proven most successful, with 460 occupancy permits issued in 2023 for completed new multi-family housing units, 49 of which are deed restricted for affordability. 350 new multi-family units are currently under construction, 37 of which are deed-restricted for affordability, and 209 more units are in production, with 19 of those to be deed restricted. Given anticipated construction timelines of three (3) years, the Trust is turning its more immediate attention to subsidizing programmatic opportunities, which will connect subsidies and services to people in need more quickly and allow for quicker intervention to preserve and stabilize existing housing.

Community Preservation Funds Expended During the 1st Half of Fiscal Year 2024:

Administrative Support:

\$7,263.21 was expended for administrative staff wages.

Projects:

Standard Holdings, LLC for the Residences at 850 Falmouth Road

In 2021, the Trust awarded a grant of \$1,400,000 towards this 53-unit rental building in return for the inclusion of ten (10) indistinguishable Affordable rental units, which shall be maintained as affordable in perpetuity to households earning 50% or below of the Area Median Income (AMI). The final report of the Fair Marketing and Lottery process has been submitted and reviewed by the Town and all ten units have been successfully leased.

Pending Expenditures:

Grant to the Cape and Islands Veterans Outreach Center, Inc. (CIVOC) for \$90,000 in to support the creation of 5 single room occupancy (SRO) units for homeless veterans to be located at 1341 route 134, Dennis, MA

As reported earlier, CIVOC successfully completed the construction and leasing of these units in 2022. The Housing Coordinator for the Town of Dennis reports that documentation is being exchanged with EOHLIC and state certification for this project is in process. The primary delay has been that both CIVOC and the State had internal personnel changes at the same time, and CIVOC's documentation had not been entered in the State's MassDOCs tracking system. Once we have State certification of full compliance, the Town's committed funding can be released.

New Funding Commitments 1st ½ of Fiscal Year 2024:

Friends Or Relatives With Autism Related Disorders (FORWARD) Phase 2

In 2019, the Town allocated \$120,000 of CPA funding toward FORWARD at the Rock's regional communal project at 151 Hokum Rock Road, in Dennis. FORWARD stands for Friends or Relatives with Autism Related Disorder. The original project created eight (8) bedrooms for four (4) men and four (4) women in a group home, specifically so that adults over 22 years of age (including seniors) with Autism could live independently, through Massachusetts Department of

Developmental Services case management and the provision of tailored supportive services from Cape Abilities of Cape Cod and Kennedy Donovan Center.

On February 3, 2023, the Trust Board voted to award conditional commitment of up to \$375,000 towards "FORWARD at the Rock, Phase 2", also in the Town of Dennis, on the property adjacent to the Phase 1 Duplex at 131 Hokum Rock Road. The second phase will include the addition of eight (8) one-bedroom case-managed independent living apartments, and this new award is for the expansion of a successful regional housing initiative, specifically for income-eligible adult clients of the Massachusetts Department of Developmental Services, who can live independently, with project-based vouchers for structured support. FORWARD has once again received Community Preservation Act funding awards from multiple Towns. Phase 2 commitments include \$120,000 from Brewster, \$75,000 from Bourne, \$685,000 from Dennis, \$180,000 from Yarmouth, \$43,500 from Sandwich, and now \$375,000 from Barnstable.

The Town of Barnstable's legal department is currently working to draft a reimbursable grant and related documents consistent with all funding source agency requirements.

Bread & Roses Pre-Development Reimbursable Grant: Renovation for 2nd floor Apartments at 298 Main Street

On September 8, 2023, the Trust voted to award reimbursable pre-development funding for the cost of professional services required to explore the feasibility of deed-restricting apartments that will be created through the renovation of the 2nd floor. Based on pre-construction cost estimates, the applicant anticipates permanently restricting two (2) units, at least one of which will be affordable to a household of 60% AMI.

Linnell Landing Development Reimbursable Grant: Renovation and New Construction at 50 Yarmouth Road

On October 13, 2023, the Trust voted to award a reimbursable development grant of up to \$500,000 to CCR Holdings, LLC to leverage affordability of five (5) units, in addition to one (1) mandatory "inclusionary" apartment, of the total fifteen (15) units being created. The complete project includes the renovation of three (3) and the creation of twelve (12) new apartments on .39 acres at 50 Yarmouth Road. The existing building dates from 1870 and contains three (3) apartments. The existing apartments are being fully renovated. One of the units will be permanently restricted for affordability to occupants with household income of no more than 80% of AMI. The other two (2) units will be permanently restricted for affordability to occupants with household income of no more than 100% of AMI.

Of the twelve (12) new units, one (1) unit will be permanently restricted for affordability to occupants with household income of no more than 65% of AMI and two (2) units will be permanently restricted for affordability to occupants with household income of no more than 100% of AMI.

Through discussions and negotiations with these recent applicants, it is becoming apparent that, in addition to re-imbursing developers for some of the costs related to constructing new Affordable units, there may be an appetite for property owners to sell deed-restrictions on renovated units, as a means of recouping re-investment costs associated with maintaining existing housing stock. Our staff hopes to explore the viability of this concept further.

Use of Town-Owned Parcel for the Development of Affordable Housing

On November 17, 2022, the Town Council, in Item No. 2023-062, authorized the investigation into disposition of the Town's interests in the 0.85-acre parcel located at 164 Route

149, Marstons Mills for the creation of affordable housing. In collaboration with the Planning & Development Office and the Asset Management Division the Town Manager released a Request for Proposals, seeking qualified housing developers to submit proposals for the creation of housing for income-eligible owner-purchase, in accordance with MGL Chapter 30B.

On October 13, 2023, the Town received one responsive proposal which resulted in the December 7, 2023, Town Council vote to transfer the parcel to Habitat for Humanity of Cape Cod for \$10, with conditions that Habitat develop up to two (2) single family homes. These two homes will be permanently deed restricted to remain affordable to individuals or households at or below 80% of the Area Median Income and will qualify for inclusion in the Town's Subsidized Housing Inventory (SHI).

While no Trust funds have yet been expended on this project, it is anticipated that Habitat for Humanity may apply to the Trust for funding to supplement their pre-development or development budget.

Trust staff is available to appear before the CPC to answer any questions that you may have regarding this report, or if CPC members have additional concepts or ideas you wish to suggest or explore for greater Community Housing benefits or outcomes. Thank you.
Sincerely,


Mark S. Jells, Trust Chair

w/Balance & Commitment Sheets (2)

cc: Town Council
Housing Committee

Affordable Housing Growth & Development Trust Fund
Statement of Financial Position
Inception to December 31, 2023

	CPC Funded Affordable Housing
<u>Resources:</u>	
Community Preservation Funding	\$ 7,500,000.00
Interest income	183,278.77
Total Resources	7,683,278.77
 <u>Expenses:</u>	
HAC - Emergency Assistance	4,830.00
850 residencies project support	1,400,000.00
Professional services - 850 residencies	1,000.00
Administrative project support	7,263.21
Registry of deeds	105.00
Total Expended	1,413,198.21
 <u>Commitments:</u>	
Cape & Islands Veterans Outreach Center grant	90,000.00
Linnel Landing - 50 Yarmouth Rd	500,000.00
Housing Assistance Corporation	500,000.00
FORWARD - Phase II (contingent)	375,000.00
Pre-development 302 Main St. Hyannis (Bread & Roses)	50,000.00
Total Commitments	1,515,000.00
 Balance Available after expenses and commitments	\$ 4,755,080.56

Affordable Housing Growth & Development Trust Fund
Statement of Financial Position
As of August 24, 2023

	<u>Economic Development</u>	<u>Affordable Housing</u>	<u>CPC Funded Affordable Housing</u>	<u>Total</u>
Balance forward from fiscal year 2023	\$ 98,779.52	\$ 131,554.31	\$ 3,698,522.94	\$ 3,928,856.77
FY24 operating/project expenses	-	(8,418.18)	(318.66)	(8,736.84)
Balance available	<u>98,779.52</u>	<u>123,136.13</u>	<u>3,698,204.28</u>	<u>3,920,119.93</u>
 <u>Commitments:</u>				
Cape & Islands Veterans Outreach Center grant	-	-	(90,000.00)	(90,000.00)
FORWARD - Phase II (contingent)	-	-	(375,000.00)	(375,000.00)
 <u>Applications Under Consideration:</u>				
Linnel Landing - 50 Yarmouth Rd.	-	-	(500,000.00)	(500,000.00)
Pre-development - 302 Main St.	-	-	(50,000.00)	(50,000.00)
HAC - 55 Falmouth Rd.	-	-	(500,000.00)	(500,000.00)
 Remaining balance	 <u>\$ 98,779.52</u>	 <u>\$ 123,136.13</u>	 <u>\$ 2,183,204.28</u>	 <u>\$ 2,405,119.93</u>