

**BARNSTABLE COUNTY HOME CONSORTIUM ADVISORY COUNCIL
THURSDAY, JUNE 18, 2015
CAPE COD COMMISSION OFFICE
MEETING MINUTES**

Members Present: Carl Brotman, Arden Cadrin, Richard Carroll, Jillian Douglass, Neva Flaherty, Michelle Jarusiewicz, James Kyrimes, Elaine McIlroy, Cindy Maule, Laura Shufelt,

Members Not Present: Vicki Goldsmith, Charleen Greenhalgh

Staff Present: Patty Daley and Commission Consultants Paul Ruchinskas & Paula Schnepf

Barnstable County Staff Present- Beth Albert, Michelle Springer

Minutes-

Upon a motion by Richard Carroll, second by James Kyrimes, the minutes of March 19, 2015 and the correction below, were approved with 7 in favor, 0 opposed, 2 abstentions.

Correction to March 19, 2015 Minutes- Neva Flaherty was present at the March 19, 2015 HOME meeting.

Project Review Committee Minutes-

Upon a motion by Richard Carroll, second by Carl Brotman, the minutes of March 19, 2015 were approved with 2 in favor, 0 opposed, 0 abstentions.

Update on County HOME Program Transition to the Human Services Dept.-

Patty Daley began by explaining that the funding to move the HOME program from the Cape Cod Commission to the Human Services Dept. was amended out of the FY16 County budget. At the suggestion of the Barnstable County Commissioners' a supplemental budget was filed and that budget was approved on June 17, 2015 by the Barnstable County Assembly of Delegates. On July 1st, 2015 the HOME program will be moving to the Barnstable County Human Services Dept. under Beth Albert's direction.

HOME Program Legal Counsel-

Our current HOME Attorney Ben Fernandez has informed us that he is no longer able to be the HOME legal staff, so we are looking for new legal staff. Currently, Attorney Jonathan Idman, Chief Regulatory Officer for the Cape Cod Commission, has been helping in the interim, but we do need to locate a new attorney. HOME Staff will contact potential new legal staff.

Funding Request –

Coady School Residences-Stratford Capital Group-

The Coady School Residences, located at 85 Cotuit Road in Bourne, has requested \$250,000 in HOME funds. This will be the third time that Coady School Residences has come to us for HOME funding. In August 2013 we made a \$175,000 award, but they did not get funded by DHCD. They came back again in March of 2014, and the costs had increased so they increased their HOME funding request to \$250,000, which we approved with a September 30, 2015 condition to close. DHCD again did not fund the development. They have requested that we confirm the March 2014 award of \$250,000 with a revised closing date of December 31, 2015. This development will include the adaptive reuse of the former Coady Middle School into a 58 units, rented to households with incomes at or below 60%, 100% affordable, age restricted (55+) rental development with eight project based vouchers. They will also have four non rent assisted units at \$483 per month for rent reserved for household at 30% of AMI. The development will consist of 1 studio unit, 31 one-bedroom units, and 26 two-bedroom units. The total development cost is \$17,584,000 which is only \$42,000 higher than the numbers from March 2014. The Project Review Committee voted to fund this development the \$250,000 in HOME funds and extend the closing date to 12/31/15. These funds have been reserved in IDIS so this will not be coming out of our current funding that we have available.

Upon a motion by Richard Carroll, second by James Kyrimes, the funding request for Coady School Residences in the amount of \$250,000 was approved with 10 in favor, 0 opposed, 0 abstentions.

Village Green II-Dakota Partners-

Village Green II located at 770 Independence Drive in Hyannis has requested \$125,000 in HOME funding. This request is for the second phase of the project that will result in 120 units total in the development. Phase II (like Phase I) will have 60 units, 45 units will be leased to households with incomes less than 60% of AMI, 7 units at 50% AMI via the projects based MRVP's and 8 units will be leased to households at less than 30% AMI for Barnstable County via Section 8 PBV's. These 15 project based units will be reserved for individuals or families who are at risk of homelessness. The development will consist of 14 one-bedroom units, 42 two-bedroom units, and 4 three bedroom units. Due to the location of the development Michelle Springer asked the Dakota partners for an update on the lease up of Phase I, which seems to be going well with a good amount of applications having been received, 9 units are currently occupied, 17 due to move in this month, 6 applications are waiting on compliance approval, and 12 are in the process of being approved.

The Project Review Committee voted to approve funding for this development. We previously approved \$125,000 HOME award back in November 2013 with a closing date of October 30th, 2014. As the award letter was never executed by Dakota and the award deadline expired, the funds were never reserved with HUD. The original development cost was \$14,841,900 in August 2013 and is now \$16,122,383 (about a 9% increase) as of April 2015 and about \$300,000 of that total is "builder's overhead profit". Due to the fact they are both the developer, and general

contractor, DHCD's guidance states that if there are relationships between the contractor and developer, that the combined "builders profit overhead and general conditions" be no more than 14% of the construction cost, which they are over. If and when the project is funded they will have to reduce the total cost by \$300,000 and will need to be reduction to the first mortgage/pro forma. This phase will also include a full time Residence Services Coordinator for the 120 unit. The Project Review Committee voted to fund the project for \$125,000.

Upon a motion by Jillian Douglass, second by Neva Flaherty, the funding request for Village Green II in the amount of \$125,000 was approved with 9 in favor, 0 opposed, 1 abstentions.

Gull Pond-Community Housing Resource Inc.

Gull Pond located at Gull Pond Road in Provincetown, has requested \$200,000 in HOME funding. This will be new construction of 6 rental units. The 2.27 acre parcel was taken by the Town in a tax taking and designated for affordable housing and transferred to the Housing Authority in 2003. CHR was awarded designated developer status in 2006 and proceeded to secure its Chapter 40B permit for a 5 unit home ownership development in 2008. Because of the recession, DHCD stopped funding ownership developments; however, CDBG infrastructure funding was secured in 2011 and that work was completed by mid-2012. CHR acquired the deed to the property in April 2014. Marketing commenced in mid-2014 however, not enough eligible buyers were found, and the Housing Authority and CHR made a joint decision to convert the development into six rental units. The ZBA approved the amendment to the 40B permit to change to rental in May 2015.

There will be three buildings constructed, each with a one bedroom and two bedroom apartments. Two of the units will have project-based Section 8 vouchers for households at or below 30% AMI, two units will be available to households at or below 60% of AMI, and two will be market rate units for households at 100% AMI. All 6 units will be wired for adaptability and will convert one of the two-bedroom units into a wheel chair accessible 9as it was not required with home ownership). The accessible unit will cost an additional \$20,000 so CHR's revised request is for \$220,000 to include the cost of the accessible unit. The scoring only provides for a maximum project funding amount of \$160,000, therefore the Consortium will need to discuss whether a waiver of the scoring guidelines is warranted in this case. The Project Review Committee voted to fund the project for \$200,000 and waive the scoring guideline requirement. They voted not to cover the additional \$20,000 to cover the accessible unit.

Upon a motion by James Kyrimes, second by Richard Carrol, approve the funding request for Gull Pond in the amount of \$200,000, the one condition to the award is that Community Housing Recourse not use their current Tenant Selection Questionnaire Application or Application Scoring System, 10 in favor, 0 opposed, 0 abstentions.

Canal Bluffs II-POAH (Preservation of Affordable Housing, Inc.) and HAC (Housing Assistance Corp.)-

Canal Bluff III located at 102 Harmony Hill Road in Bourne, has requested \$200,000 in HOME funds for Phase III. The new phase consists of 44 rental units that will expand upon the existing

development. Of the 44 units, 35 units will be restricted at 60% of AMI, 7 of the units will be available to households at/below 30% AMI through project-based Section 8 vouchers and 9 units will be at market rate at 110% AMI. The existing development consists of two buildings, Clay Pond Cove (Phase II), which is 45 units, one and two bedroom apartment building that is fully restricted at 60% of AMI (with a preference for 55+) and Canal Bluffs (I) has 28 affordable rentals restricted to 60% of AMI. The original plan for the phase III was to be homeownership but due to economic changes POAH & HAC decided to make it a rental development, as rental are in such demand.

One of the challenges of the site was waste water. A waste water infrastructure was built to accommodate all three phases and the need infrastructure for this project will be connecting it to the waste water treatment system. This will be their first request for funding for both our HOME funds and DHCD HOME funds. A couple of the concerns from the Project Review Committee were lack of storage outside of the units, originally they were not going to have washer/dryer hookups in the units, but Paula has confirmed that there will be hookups in each unit, electric heat/cooling is a concern and when Paula asked about this and they explained that they have not made a final decision about that yet but would provide a generator to the development if they did go with electric heat/cooling. They are also still waiting for their 40B permit modification, which has been submitted, but the Town has not responded as of yet. The Project Review Committee voted to conditionally fund the development. The conditions are the additional storage outside of the unit (shown on the building plans), the electric heat/cooling system, and the Section 5 Threshold information that was missing from the pre-application.

Upon a motion by Richard Carroll, second by James Kyrimes, the funding request for Canal Bluffs III in the amount of \$200,000 was approved with 8 in favor, 0 opposed, 2 abstentions.

Increase in HOME funds to Downpayment & Closing Cost Program-

Michelle Springer explained that Karin Bar from HAC has asked for an increase to the DPCC program as she has \$4,000 left until the new funding comes in this fall. The average DPCC loan is for \$7,500. We have been allocating \$75,000 per year. Paul Ruchinskaskas recommended allocating up to \$50,000 and anything they do not spend will go back into the entitlement fund.

Jillian Douglass made a motion to allocate an additional \$50,000 to the Downpayment and Closing Cost Program, seconded by Laura Shufelt, 8 in favor, 0 opposed, 1 abstention.

Local Preference Language Change to Section 2 of the Rental Guidelines

Paul recommended the language be changed to:

“As a condition of funding the Consortium will require the submission of an Affirmative Fair Housing Marketing Plan (AFHMP) including Tenant Selection procedures that fully comply with the form and content of DHCD’s chapter 40B AFHMP guidelines. Any approved local preference in tenant selection will apply to the initial lease up only

Laura Shufelt did communicate that this “Local Preference” condition could not be used on re-sale of deed restricted homes.

Paul explained that this has been DHCD's practice as of recently and will make our policy consistent with DHCD's practice.

The Consortium will need to vote on this change in language at the September 17, 2015 as we no longer have a quorum.

Town Reports-

Laura Shulfelt announced that next Thursday, June 25th The Executive Office of Housing and Economic Development is having a listening tour at Cape Cod Community College from 1-3pm for input into their Economic Development Plan. There will have six topics and you can choose one to be at the table for (one of the topics is housing & development).

Laura Shufelt explained that MHP has an email opinion from the Department of Revenue on Affordable Housing Trust. The email states that if a trust was established under Chapter 44, Section 55C, which is the enabling legislation for municipal affordable housing trusts, the purposes of the trust are to provide for creating and preserving affordable housing. The statute allows municipalities to accept the powers of the trust as listed and you can add or subtract from those powers, but the purpose is to create and preserve. A lot of trusts are funded by community preservation funds which are used to create, preserve, support and rehab. DOR is stating that you cannot do support from a trust because it's not one of the purposes of the trust. MHP, CHAPA and the Community Collation are proposing some amendments to the trust statute that would add support as a use of the trust funds. They are waiting to get a consensus as to whether people want them to push forward with this before they do anything.

It also brought up the anti-aide amendment a proviso of Mass law that says that you cannot use public funds except for a public purpose, Affordable housing is a public purpose but there has to be a re-capture, so you cannot give grants to individual or agencies e without some sort of recapture. You can use if for rental assistance, but you need to have a contract with the landlord that includes recapture. You cannot use the funds for 1st, last, & security because there is no recapture. This opinion was triggered by CPA's that are doing homeowner rehab programs which are not allowable under CPA funds due to the fact they are not affordable housing (unless you use a deed restriction).

Meeting adjourned at 9:55am

Meeting materials distributed:

1. Minutes of March 19, 2015
2. Project Review Committee Minutes of June 12, 2015
3. Rental Housing Development Project Underwriting
4. HAC letter requesting additional funding for the DPCC program

