

April 23, 2015

Paul Ruchinskas  
Michelle Springer  
Barnstable County HOME Consortium  
3225 Main Street  
PO Box 226  
Barnstable, MA 02630  
Re: Gull Pond Road Wellfleet Application 4.23.2015

Dear Paul and Michelley:

I am pleased to submit this Application for Barnstable County HOME Consortium resources in the amount of \$200,000 to support a six-unit development Gull Pond Road Wellfleet Rental Housing. These funds will supplement committed local resources in the amount of \$144,112 from the Wellfleet Community Preservation Act Funds, and \$228,000 from Wellfleet Affordable Housing Trust Fund. Additionally the Town of Wellfleet support of this development includes a contribution of the land valued at \$250,000 and Infrastructure Site Improvements that were supported by a DHCD CDBG Reserves award in 2011.

Our development team includes Jessica Snare, Spring Hill Design Architects and East Cape Engineering, Inc., Development Consultant Dan Violi, Zoning / 40B Attorney Peter L Freeman and Closing Attorney Joel Feinberg; all of whom have worked together with Community Housing Resource, Inc. (CHR) on other successful affordable housing developments on the Outer Cape. CHR will serve as general contractor for the project, given the small size and expertise we have in-house.

This development is more than ready to proceed...

Building Permits have been issued based on 100% complete, For Construction architectural plans and specifications. Construction is on hold pending funding award

We have a high degree of readiness to proceed. CHR and our team have the capacity to move forward with the Gull Pond Road development within 3 months of funding award.

A little background is needed to explain the current situation of the development:

The land for development was a Tax Title taxing by the Town of Wellfleet and was committed to affordable housing purposes in by vote of Town Meeting in April 2003. In mid 2006, after an RFP process, Community Housing Resource, Inc. (CHR) was given Designated Developer status. From mid-2006 to late 2007, CHR, at its own cost, pursued site development engineering and architectural plans to submit for regulatory review. Following design work, construction and development budgets were prepared and financial feasibility was finalized including public subsidy sources needed.

With financial feasibility demonstrated, in February 2008, the regulatory process under Chapter 40B Comprehensive Permit could begin with a request submitted to the MA Department of Housing and Community Development (DHCD) for the required Project Eligibility Letter. On May 23, 2008, DHCD awarded Project Eligibility Letter for development of 5 home ownership condominiums with the potential for subsidy resources under the DHCD Housing Stabilization Fund Program.

With Project Eligibility Letter in hand the application to the Zoning Board of Appeals could be submitted May 27, 2008. The application to the ZBA was approved on October 30, 2008. With regulatory approvals in place, CHR was able to request subsidy funds from DHCD in December 2008, however, in January 2009 CHR was informed that due to changes in the economy DHCD would no longer be accepting applications for affordable home ownership developments.



Since 2009, efforts were made to assemble alternative funding sources. In early 2010, one major source was secured from DHCD Community Development Block Grant (CDBG) to pursue the infrastructure improvements. In August 2010 Wellfleet was invited to apply for these funds and by mid-2011 the funds were awarded to the Town. By the end of 2011, the Town had awarded a contract through a public bid process. The infrastructure construction began in December 2011 and was completed by July 2012.

While the infrastructure was underway, it became evident that the October 30, 2011 expiration of the ZBA Comprehensive Permit required an extension which was granted on October 6, 2011 by the ZBA for an additional three years to October 30, 2014.

Other than the CDBG award, only local resources were available to build the home ownership housing. Those funds were committed and increased. However with DHCD no longer funding home ownership projects as the original Project Eligibility Letter contemplated, a technical issue existed with the 40B Comprehensive Permit Project Eligibility Letter requirements which required an alternate "Subsidy Program", so a Local Initiatives Program application was pursued. The LIP approval was obtained in June 2014 and concurrent with marketing efforts construction on the homes was started to preserve the Comp Permit term requiring start by October 2014.

Unfortunately, marketing failed to attract enough eligible mortgagable homebuyers, and the decision was made, in conjunction with the Wellfleet Housing Authority, to pursue the rental housing approach. CHR presented a Notice of Change to the Comprehensive Permit to allow a change to rental and an increase of the number of units from 5 to 6. The ZBA held a Public Hearing on the requested changes on April 16, voted to approve the change pending a draft decision to be prepared by Town Counsel. It is anticipated that their decision will be filed May 8, 2015 following a vote on the decision at the May 7, 2015 meeting.

We hope you will agree that our Application demonstrates both readiness and feasibility. We thank you for your consideration and we are available to answer any questions you or your staff may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Malone", written over a large, stylized flourish that extends to the left and underlines the name.

Edward "Ted" Malone,  
President  
Community Housing Resource, Inc.