

**BARNSTABLE COUNTY HOME CONSORTIUM
HOME PROGRAM**

**CONSOLIDATED ANNUAL PERFORMANCE EVALUATION
REPORT (CAPER)**

**FEDERAL FISCAL YEAR (FFY) 2008
JULY 1, 2008 – JUNE 30, 2009**



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PROGRAM YEAR	2008

SEPTEMBER 28, 2009

BARNSTABLE COUNTY HOME CONSORTIUM

2008 CAPER

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SECTION I. EXECUTIVE SUMMARY

A. Public Participation Process

In order to ensure that the public was given adequate opportunity to comment on this report, the Barnstable County HOME Consortium (BCHC) took the following steps:

1. The Consortium published a legal notice on August 6, 2009 of a public hearing about the evaluation report at the BCHC meeting on August 20, 2009. The BCHC posted a notice of the hearing on the Cape Cod Commission web site on August 13, 2009 and also notified about 150 people on the BCHC e-mail list of the hearing on August 7, 2009.
2. A legal notice was placed in the local Cape-wide paper (Cape Cod Times) on August 26, 2009 announcing the availability of this report for a fifteen (15) day comment and review period.
3. The report was distributed to the BCHC Advisory Council for its review and comments.
4. The BCHC distributed a notice of the report's availability both on August 7, 2009 and on August 26, 2009 to about 150 people on the BCHC e-mail list.
5. The draft report was posted on the Cape Cod Commission web site both on August 13, 2009 and on August 24, 2009 for review and comment.

B. Public Comments

The following are a summary of the comments received at the August 20th public hearing:

Comment: Despite the difficult economic situation of the past year, the Consortium was still able to achieve good outcomes in meeting most of its goals.

Comment: The attainment of 100% Energy Star compliance for all HOME-funded development projects is an important achievement and one that should be continued and perhaps mandated.

Response: While the Consortium does not mandate Energy Star compliance, the scoring incentives provided during the funding review along with the responsiveness and social responsibility of applicants to providing healthy and energy-efficient housing have combined to achieve the outcomes the Consortium was seeking. While HUD does not mandate Energy Star compliance for HOME, the Consortium will review this issue for the upcoming Consolidated Plan.

Comment: The Consortium's advocacy role in preserving affordable units threatened with foreclosure should be noted.

Response: The Consortium's role in a potentially precedent-setting court decision will be added to the report.

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The following are a summary of the comments received during the fifteen day public comment period:

Comment: The information about accessibility and visibility from Section II should also be included in the project summaries in Section I so that readers know which organizations are doing a good job in this area.

Response: The Consortium will add information about the number of units that will be accessible and/or visitable to the development project descriptions in Section I for those projects that have been completed or were under construction during the program year.

Comment: The Consortium should consider easing the eligibility requirements for the homeowner rehab program as there is both a need and also a scarcity of resources for people with disabilities to make repairs or modifications to their homes.

Response: The Consortium acknowledges that homeowner rehab needs exist and especially for those owners who need to make their homes accessible or visit-able; however, HOME regulations require that all health or safety related repairs be made on any property receiving HOME assistance. The Consortium cannot run a single purpose repair program. As described in Section II- page 14, this regulatory constraint combined with the limited regional impact and the time and cost to administer a homeowner rehab program at such a limited scale led to the Consortium's decision to discontinue the program in FFY 2009.

C. Summary of Expenditures

The Barnstable County HOME Consortium is comprised of the Cape's fifteen towns and Barnstable County, with the latter serving as the Consortium's lead entity. The only source of funding for the Consortium is the HOME Program. During this reporting period the Consortium expended \$950,248 in HOME funds allocated from FFY 2003 through FFY 2008. Included within the expenditures was \$28,019 in program income that was spent on down payment/closing cost and homeowner rehab program activities.

	Funds Expended	Funds Leveraged
Housing Production	\$656,652	\$44,009,303
Down Payment/Closing Cost	\$183,307	\$ 3,456,197
Homeowner Rehab	\$ 33,658	N/A
Administration	\$ 76,631	N/A
Total	\$950,248	\$47,465,500

The HOME funds were used for the following purposes: increase the Cape's affordable rental stock for very low and low income tenants; provide homeownership opportunities for low income, first time homebuyers; and provide home improvement loans for low income owners.

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During this reporting period numerous local, state, and federal resources were used in conjunction with HOME funds. These sources included federal Low Income Housing Tax Credits, Section 8 project-based rental subsidies, Massachusetts HOME, Massachusetts Housing Finance Agency Priority Development Fund, Massachusetts Affordable Housing Trust Fund, Massachusetts Housing Stabilization Fund, Massachusetts Community-Based Housing funds, Massachusetts Housing Partnership (MHP), Massachusetts Housing Investment Corporation (MHIC), Massachusetts Soft Second Loan Program, Rural Housing Service loans, private bank financing, town Community Preservation Act (CPA) funds, town housing trust and affordable housing funds, private land donations, and town donated and leased land.

D. Program Results

The Consortium was successful in directing HOME funds to address nearly all of the priorities identified in its 2005- 2009 Consolidated Plan. The Consortium continues to build on its past success and is making significant inroads with respect to broadening the availability and impact of the HOME program. **This was another very active year for the Consortium as three projects with twenty (20) affordable units completed construction; there were five projects with eighty (80) affordable units under construction; and new commitments totaling \$575,000 were made to five projects that will create thirty-four (34) affordable units.**

1) **Housing Production Program:**

Housing Production	# Projects	# Rental Projects	# Affordable Rental Units	# Ownership Projects	#Affordable Ownership Units	HOME Funds Committed
Projects Completed	3	1	12	2	8	\$330,000
Prior Years' Commitments That Closed and Have Construction Underway	5	4	67	1	13	\$695,000
FFY 06-08 Commitments Not Closed	7	3	69	4	42	\$875,000
Totals	15	8	148	7	63	\$1,900,000

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a) **During this reporting period, three (3) projects that created twenty (20) affordable units completed construction.**

Slough Road- Brewster: Habitat for Humanity of Cape Cod received an \$80,000 HOME commitment in FFY 2004 to construct four (4) affordable ownership units, all of which are HOME assisted, on Town-donated land. Habitat also secured Town of Brewster Community Preservation Act (CPA) funding for this project. Habitat secured its comprehensive permit in May 2007. Construction started in fall 2007, and the project was completed by fall 2008. All four units met visit-ability standards.



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Sam Turner Road- Falmouth: Habitat for Humanity of Cape Cod received a \$100,000 HOME commitment to construct four (4) affordable ownership units, all of which are HOME assisted, on a combination of Town and privately donated land. Habitat also secured Town of Falmouth CPA funding for this project. Habitat received its comprehensive permit in April 2007 and started construction in fall 2007. The project was completed by fall 2008. All four units met visit-ability standards.



Sam Turner Road- Falmouth

Lombard Farm- Barnstable: Housing Assistance Corporation (HAC), a CHDO, received a \$150,000 HOME commitment to assist in the new construction of twelve (12) affordable senior rental units, eight (8) of which are HOME assisted. The land is leased from the Town of Barnstable, and HAC received its comprehensive permit for the project in December 2006. HAC secured additional subsidy funding from the state's Housing Stabilization Fund and Affordable Housing Trust Fund, MassHousing's Priority Development Fund, Barnstable CPA and an allocation of federal low income housing tax credits for the project. The loan closing occurred in June 2008 with site work commencing shortly thereafter. Construction was completed by April 2009 with full occupancy by June 2009. Two of the units are fully handicapped accessible, and all twelve units are visit-able.

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Lombard Farm- Barnstable

b) During this reporting period the affordable housing staff continued to service five HOME development project awards that closed during this program year and that are under construction.

Route 132/YMCA- Barnstable: Housing Assistance Corporation (HAC), a CHDO, received a \$250,000 HOME commitment to assist in the new construction of twenty-eight (28) affordable family rental units, eleven (11) of which will be HOME assisted. The land will be leased from the Town of Barnstable, and HAC received its comprehensive permit for the project in December 2006. HAC secured additional subsidy funding from the state's Housing Stabilization Fund and Affordable Housing Trust Fund, MassHousing's Priority Development Fund, Barnstable CPA and an allocation of federal low income housing tax credits for the project. The loan closing occurred in June 2008 with site work commencing shortly thereafter. Construction was substantially complete by the end of June 2009 with rent up expected to be completed by fall 2009. Two of the units will be handicapped accessible and fourteen (14) units will meet visit-ability standards.

HECH- 916/920 Main Street- Harwich: Harwich Ecumenical Council for the Homeless (HECH), a CHDO, received a \$120,000 HOME commitment to assist in the new construction of nine (9) rental units, all of which will be affordable and four (4) of which will be HOME assisted units. HECH obtained additional subsidy funding for the project from the state Affordable Housing Trust Fund, MHP's Small Scale Rental Program, and Harwich's CPA and affordable housing fund. HECH received its

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comprehensive permit for the project in August 2007. Construction started in November 2008 and was substantially completed by May 2009 with rent up underway and expected to be completed by fall 2009. One of the units will be handicapped accessible.

Shore Road- Truro: Highland Affordable Housing, Inc. received a \$50,000 HOME commitment to assist in the new construction on land donated by the Town to the Truro Housing Authority (THA) of two (2) affordable rental units, both of which will be HOME assisted. The land will be leased to Highland by the THA. Highland secured additional subsidy funding from the Town's CPA. Highland received its comprehensive permit in summer 2008, commenced construction in fall 2008, and construction was substantially completed by May 2009 with rent up underway.

Canal Bluffs- rental- Bourne: Housing Assistance Corporation (HAC), a CHDO, received a \$150,000 HOME commitment to assist in the new construction of twenty-eight (28) affordable family rental units, eleven (11) of which will be HOME assisted. HAC has secured additional subsidy funding from state HOME and the Affordable Housing Trust Fund, MassHousing's Priority Development Fund, and an allocation of federal low income housing tax credits for the project. HAC received its comprehensive permit for the project in January 2006. The loan closing and construction start occurred in July 2008. Construction is expected to be completed by July 2009 with occupancy by fall 2009. Two of the units will be handicapped accessible and eleven (11) will meet visit-ability standards.

Gomes Way- Harwich: Habitat for Humanity of Cape Cod received a \$125,000 HOME commitment to assist in the new construction on Town-donated land of thirteen (13) ownership units, all of which will be affordable and five (5) of which will be HOME assisted units. Habitat has secured additional subsidy funding from Harwich CPA and Harwich's affordable housing fund. Habitat received its comprehensive permit for the project in June 2008. Site work began in fall 2008 with construction and project completion expected by the end of 2009. All thirteen units will meet visit-ability standards.

c) Five projects received commitments of HOME funds totaling \$575,000 during this reporting period, and staff continued to service two projects from FFY 2006 that have not yet closed.

35 Main Street Extension- Harwich: The Community Development Partnership (CDP)/Lower Cape Cod CDC, a CHDO, received a \$150,000 HOME commitment to assist in the new construction of twelve (12) LEED certified affordable rental units, nine (9) of which will be HOME-assisted units. This is a Town-supported project with the CDP leasing the land from the Harwich Housing Authority. The CDP secured its comprehensive permit in December 2008 and has received funding commitments from the Harwich CPA and affordable housing fund, the Cape Light Compact, the state's Community-Based Housing program, Mass Housing Partnership, Housing Stabilization Fund, and Affordable Housing Trust Fund. The CDP expects to close with the funders by fall 2009.

Barnstable Home Ownership Project (HOP)- Barnstable: Housing Assistance Corporation (HAC), a CHDO, received a \$150,000 HOME commitment to assist in a program to purchase five (5) existing homes, and then use the public funds to buy down the price to an affordable level for sale to a first time, low income homebuyers. All five (5) homes will be HOME-assisted. HAC has received additional subsidy funding from the Barnstable CPA. The project will start in summer 2009 with project completion expected by the end of 2010.

First Discovery Road- Truro: Highland Affordable Housing, Inc. received a \$25,000 HOME commitment to assist in the new construction on land donated by the Town to the Truro Housing Authority (THA) of two (2) affordable rental units, one of which will be HOME assisted. Highland will acquire the land via a Land Disposition Agreement with the THA. Highland secured additional subsidy funding from the

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Town's CPA. Highland received its comprehensive permit in summer 2009 and expects to close on the HOME loan by fall 2009.

Yarmouth Affordable Housing Trust (YAHT)- Yarmouth: The Yarmouth Affordable Housing Trust, an independent municipal housing trust, received a \$125,000 HOME commitment to assist in a program to purchase ten (10) existing homes, and then use the public funds to buy down the price to an affordable level for sale to a first time, low income homebuyers. All ten (10) homes will be HOME-assisted. YAHT has received additional subsidy funding from the Yarmouth CPA. YAHT expects to close on the HOME loan in summer 2009 with project completion expected by the end of 2010.

Harwich Housing Authority Buydown- Harwich: The Harwich Housing Authority (HHA) received a \$125,000 HOME commitment to assist in a program to purchase five (5) existing homes, and then use the public funds to buy down the price to an affordable level for sale to a first time, low income homebuyer. All five (5) homes will be HOME-assisted. HHA has received additional subsidy funding from the Harwich affordable housing special revenue fund and will request CPA funding in fall 2009.

Dana's Fields- Sandwich: Housing Assistance Corporation (HAC), a CHDO, received a \$150,000 HOME commitment to assist in the new construction of fifty-five (55) affordable rental units, eleven (11) of which will be HOME assisted. HAC received its comprehensive permit for the project in January 2007. HAC did not secure state funding in the fall 2007 funding round and has redesigned the project so that it will be more competitive. HAC plans to submit its next state funding application in the spring of 2010.

Canal Bluffs- ownership- Bourne: Housing Assistance Corporation (HAC), a CHDO, received a \$150,000 HOME commitment to assist in the redevelopment and new construction of eighty-nine (89) ownership units, twenty-two (22) of which will be affordable with eleven (11) HOME assisted units. HAC has secured additional subsidy funding from state HOME and the Affordable Housing Trust Fund for the project and will be seeking funding from MassHousing. HAC received its comprehensive permit for the project in January 2006. Because of the downturn and uncertainty in the region's ownership market, HAC has temporarily put the project on hold; and in fact has been permitted to convert the second of the three phases from ownership to rental.

Since its inception, the Consortium has funded 53 projects that have been completed and occupied that have resulted in 700 affordable units: 38 rental projects with 596 affordable units and 15 ownership projects with 104 affordable units. HOME-funded projects represent approximately 14% of the affordable housing inventory in the region. While Consortium funds are typically the smallest source of a project's funding, they have been critical in assisting sponsors in securing the other necessary state and federal support.

The 15 projects described in this section (12 of which are in the pipeline) will result in the creation of two hundred eleven (211) affordable units, of which one hundred one (101) will be considered HOME assisted and subject to the HOME regulations governing income and rent limits, as well as long term affordability. These projects will produce one hundred forty-eight (148) affordable rental and sixty-three (63) affordable homeownership units. A total of \$1,900,000 in local HOME funds has been committed to these projects.

2. Down Payment Closing Cost Assistance (DPCC) Program:

For this reporting period twenty-two (22) low-income first-time homebuyers received assistance totaling \$150,172. The \$5,944 in American Dream Downpayment Initiative (ADDI) funds that assisted two of the homebuyers is included in this total. From its inception, this program has proven to be of great benefit to low-income residents seeking to purchase their first home. The average DPCC loan was \$6,826; the average purchase price of a single family home was \$157,906; and the average purchase price of a condominium was \$149,333. Given the current real estate market in the region, it is not a surprise that only two of the assisted households were very low income (30-50% of area median income) and that the other twenty (20) assisted households had incomes of between 51% - 80% of median income. Habitat for Humanity is about the only entity that is able to provide homeownership for very low income households. **To date five hundred thirty-eight (538) households have received assistance through the DPCC Program.**

3. Homeowner Rehab Program (HRP):

The HRP underwent a program review from a HUD consultant in the fall of 2007 that resulted in the Consortium adopting a number of policy changes: the maximum loan amount was increased from \$10,000 to \$25,000; program income qualifications, while not lowered from 80% of area median income (AMI), now give preference to households under 60% of AMI; and the number of areas of repair needed to qualify was increased from one to four. In general the program attempted to target needier homes and needier households. **For this reporting period, seven households received assistance totaling \$128,771 (an average loan amount of \$18,396). To date one hundred ninety-nine (199) households have received assistance through the HRP.**

The Commission contracted with the Housing Assistance Corporation (HAC) to administer delivery of both the DPCC and HRP assistance to eligible households.

	Households Assisted- FFY 08	Households Assisted- Total Program
Down Payment/Closing Cost Program	22	538
Homeowner Rehab Program	7	199

The Consortium continues to meet its affordable housing goals with respect to its Consolidated Plan and its use of HOME funds. HOME assistance- either project or client based- was distributed or committed to projects or households in ten (10) of the fifteen (15) communities in Barnstable County during this program year. For a statistical profile of the households receiving this assistance, see the attached Table 1 – "Households and Persons Assisted with Housing" on page 23.

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SECTION II. PERFORMANCE MEASUREMENTS

The following tables with outcome measures were included in the 2005-2009 Consolidated Plan, The actual units totals include only those projects that had HOME funds invested. In addition, HUD's objective and outcome performance measures are referenced.

Rental Housing Objectives: Affordability for the purpose of providing decent housing

Obj #	Specific Objectives	Performance Measure	Annual Goal	Units- 2008	Goal- 2005-2008	Units- 2005-2008
1.	<u>Rental Housing Objectives</u>					
1a)	Create affordable rental housing.	Number of units	60/year	12	240	151
		Number of units for HH at or below 30% AMI	6/year	6	24	52
		Number of units for HH between 30-50% AMI	14/year	6	56	61
		Number of newly built units that are accessible under Section 504	10% of newly built units	17% (2 of 12)	10% of newly built units	10.5% (14 of 133)
		Number of newly built units that meet Energy Star standards	100% of newly built units	100% (12 of 12)	100% of newly built units	100% (133 of 133)

Explanation of Rental Housing Outcomes

Objective 1a) While the Consortium fell far short of its units production goal for the year and has now fallen short of its rental production goal for the first four years of the Consolidated Plan, it has still produced a significant amount of rental housing- 151 units or an average of 38 per year. With four projects now under construction and nearing completion and with one more likely to start by the fall of 2009, it is likely that the Consortium will meet its annual target for FFY 2009; however, it is clear that the Consortium will not meet its five year target. Ownership housing is an easier development option on the Cape for a variety of reasons, and the Consortium will need to assess how aggressive a rental housing production goal is feasible for the next Five Year Plan.

The Consortium met its annual units goal for extremely low income (below 30%) households but fell short of the units goal for very low (30-50%) income households; however, the Consortium is ahead of its income targets for the first four program years of the Consolidated Plan, especially for those households most in need (30% of AMI or below). According to HUD's SNAPSHOT report as of 6/30/09, over 85% of households in HOME-assisted units have incomes below 50% of area median income and 51% have incomes below 30% of area median income. These percentages exceed both the state and national averages in both income categories.

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The Consortium met both its accessibility and Energy Star annual goals and has met these goals overall for the first four program years of the Consolidated Plan.

Ownership Housing Objectives 2a) and 2b): Affordability for the purpose of providing decent housing

<u>Obj#</u>	<u>Specific Objectives</u>	<u>Performance Measure</u>	<u>Annual Goal</u>	<u>Units/HH-2008</u>	<u>Goal-2005 - 2008</u>	<u>Units/HH-2005-2008</u>
2a)	Create affordable ownership housing.	Number of units	10/year	8	40	66
		Number of units for HH at or below 50% of AMI	1/year	2	4	10
		Number of newly built units that are accessible under Section 504	10% of newly built units	0% (0 of the 8 newly built units)	10% of newly built units	16% (10 of the 62 newly built units)
2b)	Provide down payment/closing cost assistance for first time homebuyers	Number of buyers assisted	20/year	22	80	133
		Number of minority HH assisted	10% of assisted HH	23% (5 of 22)	10% of assisted HH	19% (25 of 133)

Explanation of Ownership Housing Outcomes

Objective 2a) While the Consortium just fell short of meeting its units production goal for the year as both the Habitat for Humanity Slough Road and Sam Turner Road projects were completed, it is pleased that it has far exceeded its overall ownership housing production goal for the first four program years of the Consolidated Plan. Through the completion of these two Habitat projects, the Consortium met its income targeting goal and has exceeded its 50% AMI goal for the first four years of the Consolidated Plan. While none of the eight units completed this year were fully handicapped accessible, all units met visit-ability criteria. The Consortium again met its Energy Star goals for the year, and with the exception of a Habitat project that was completed in FFY 2005 but that was awarded funds in June 2001 when the Consortium did not have an Energy Star requirement, all other new construction projects have met the Energy Star standards. With that exception, the Consortium has met its four year Consolidated Plan goals in this objective.

Objective 2b) The Consortium again exceeded its goals for down payment assistance this program year and is well ahead of target for the first four years of the Consolidated Plan. Despite the difficult real estate, lending, credit, and economic environments, through a combination of lotteries, resale of affordable units, and market rate sales, the DPCC program had another active and effective year. HAC has run the down payment program since its inception by the Consortium and has developed an effective outreach strategy to minority households and thus has once again exceeded the target for minority household participation in the program- both the annual target as well as for the first four years of the Consolidated Plan.

Ownership Housing Objective 2c): Accessibility for the purpose of providing decent housing

<u>Obj #</u>	<u>Specific Objectives</u>	<u>Performance Measure</u>	<u>Goal</u>	<u>Households-2008</u>	<u>Goal-Households-2005-2008</u>	<u>Households-2005-2008</u>
2c)	Provide homeowner rehab assistance for needed health, safety, and disability related repairs	Number of HH assisted	10/year	7	40	35
		Number of minority HH assisted	10% of assisted HH	14%/NA (1 of 7)	10% of assisted HH	14% (5 of 35)

Explanation of Ownership Housing Outcomes

Objective 2c) The HRP underwent a program review from a HUD consultant in the fall of 2007 that resulted in the Consortium adopting a number of policy changes: the maximum loan amount was increased from \$10,000 to \$25,000; program income qualifications, while not lowered from 80% of area median income, now give preference to households under 60% of area median income; and the number of areas of repair needed to qualify was increased from one to four. In general the program attempted to target needier homes and needier households. Since the Consortium increased the loan amount while continuing the same funding level, the result for this program year was that fewer households than targeted benefited from the program.

While a CDBG-funded homeowner repair program can just deal with one pressing rehab need, HOME requires that all areas that are health, safety, or code-related be fixed. This requirement along with the \$25,000 loan cap has been one reason for the limited number of homeowners who qualify for the program. This type of rehab program is very labor intensive to manage and typically requires a large scale in order to operate efficiently and to have the staffing needed. Finally a program of this size has a limited regional impact (4-5 households assisted) compared with the 60 or so households that will be assisted through \$2 million in state homeowner rehab funding that will be directed to four communities in the region. All of these factors led the Consortium to recommend a discontinuation of funding for this program in FFY 2009. As the Consortium has chosen not to allocate any funds to the program for FFY 2009, obviously we will not achieve our performance goals for next year.

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Homeless/Special Needs Objectives

<u>Obj. #</u>	<u>Specific Objectives</u>	<u>Performance Measure</u>	<u>Goal</u>	<u>Units- 2008</u>	<u>Goal- 2005-2008</u>	<u>Units- 2005-2008</u>
1.	<u>Homeless Objectives</u>					
1a)	Create permanent supportive housing for homeless individuals or families.	Number of units	8/year	0	32	0
		At least 75% of units for high priority category of need	6/year	0	24	0
2.	<u>Special Needs Objectives</u>					
2a)	Create rental housing for any of the high priority special needs populations.	Number of units	5/year	0	20	2

Explanation of Homelessness and Special Needs Outcomes

The one HOME assisted rental project that was completed this program year (Lombard Farm) was targeted toward households age 62 and over. Public resources, especially from the federal government, are extremely scarce for the production of special needs housing, and this resource scarcity clearly contributes to the difficulties of meeting the five unit annual goal in this area. While there has been progress in the region in moving homeless individuals and families into permanent supportive housing, it has mainly been achieved through the use of rental subsidies rather than the creation of new affordable units. Consortium staff actively participates in the Cape and Islands Regional Network To End Homelessness and will continue to encourage organizations that are developing permanent supportive housing and/or special needs housing to consider applying for HOME funding for their projects.

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SECTION III. PROGRAM ADMINISTRATION

1. HOME Advisory Council:

The Consortium's Advisory Council, made up of representatives of the Consortium's fifteen towns, two at-large members and the Cape Cod Commission's affordable housing specialist, continued to provide valuable input regarding the policies and implementation of the HOME program. The Affordable Housing Specialist continued to meet with the seventeen-member council on a regular basis (monthly) to review and discuss program policies and actions.

2. Program Administration:

Overall administration is provided by the Cape Cod Commission's Affordable Housing Specialist and Administrative Assistant. Day to day operation of the Consortium's down payment and homeowner rehab programs continued to be contracted out to the Housing Assistance Corporation, the area's regional non-profit housing agency. The Consortium puts the administration of these two programs out to bid every three years. The Consortium issued an RFP for the administration of these programs in June 2007, and once again awarded the contracts to HAC.

3. Annual Plan:

As required, the Consortium submitted its FFY 2008 Annual Plan in a timely manner on May 29, 2009. The 2009 Annual Plan was subsequently approved by HUD on July 17, 2009.

4. Community Housing Development Organization (CHDO) Participation:

The Consortium two years ago modified its funding allocation guidelines to allow a slightly higher amount of housing development funding for CHDO housing development projects. During this year the Consortium received and approved two funding requests from two of its three designated CHDO's: Housing Assistance Corporation (HAC) and Community Development Partnership (CDP)/aka Lower Cape Cod CDC. HAC received a commitment for the Barnstable HOP ownership project; while the CDP received a commitment for its 35 Main Street Extension rental project in Harwich. These CHDO commitments totaled \$300,000. **Through its history, 30.6% of the Consortium's funding has been directed to CHDO's; well in excess of HOME's 15% requirement.**

5. On-Site Inspections:

The Consortium requires that all HOME assisted units comply with the Federal Housing Quality Standards. The Consortium has contracted with a local inspection entity to conduct inspections of project-based assisted units, while DPCC and HRP assisted units are inspected by HAC personnel. This program year twenty Consortium rental housing development projects have been scheduled to have their units inspected. In addition, twenty-nine rental projects were scheduled for on-site monitoring visits. See attachment of HQS inspections and income verifications.

6. Match Report:

As previously reported the Consortium is allowed to apply a portion of the state's expenditures for its Massachusetts Rental Voucher Program (MRVP) towards meeting our HOME match requirement. The over \$1.6 million in MRVP confirmed match to date will enable the Consortium to significantly exceed this year's match requirement of \$209,914. In addition, HAC's Lombard Farm and Route 132/YMCA

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projects that started construction this program year received local Community Preservation Act funding that collectively totaled \$300,000. The Consortium will carry forward a match surplus of at least \$14.6 million into FFY 2009. The match reporting form is attached to this report.

7. Leveraging:

The HOME Program is successfully leveraging other funds for specific projects and programs, thus broadening its impact on this community. **During this reporting period, the investment of \$1,025,000 in HOME funds for the eight projects that were completed and/or still under construction during this period resulted in almost \$26 million in leveraged public and private funds (a 25 to 1 ratio).** The Consortium believes such leveraging is essential, given the relatively small pool of funds it has at its disposal.

8. Fair Housing:

The Consortium in its impediments to fair housing analysis identified insufficient income and high housing costs, lack of affordable housing, and the NIMBY (not in my back yard) syndrome as the primary impediments to fair housing. The Consortium's activities to address the impediments primarily were directed toward increasing the supply of affordable housing through the resources directed to the housing production and down payment/closing cost programs described earlier. In addition, the Commission has provided technical assistance grants to five towns over the past four years to conduct housing needs assessments and/or housing action plans. Finally, in an effort to provide public education regarding NIMBY, the affordable housing specialist provided comments on seven comprehensive permit application in the County.

The Consortium sponsored a Fair Housing workshop in October 2008 that focused on the state's fair housing plan along with information about the new affirmative marketing plan requirements to include affordable units on the state's Subsidized Housing Inventory. In addition, the Commission selected a consultant in June 2009 to update the region's Fair Housing Plan/Analysis of Impediments. The Fair Housing Plan update will be completed by December 2009, and the findings and action items will be included in the new Five Year Plan that will be submitted to HUD by the end of May 2010.

Administratively, the Commission is committed to administering and marketing its program and policies in an affirmative manner. Specific steps have been taken to solicit minority participation as client and vendors in the HOME Program. For example, the agency that administers the HOME Down Payment and Homeowner Repair assistance programs are required to conduct targeted outreach to potential clients and contractors. **15.5% of the recipients receiving HOME assistance this program year were minorities, while the County minority population is 6.6%. For the first four years of the Con Plan, 15% of the recipients (46 of 310) receiving HOME assistance were minorities.**

9. Continuum of Care: Cape and Islands Regional Network To End Homelessness

For the past several years several human service providers and housing agencies have worked to define the continuum of care strategy for this community. In 1997 several of these organizations formed the Cape Cod Coordinating Council for the Homeless. The Council's main objectives are to convene public meetings, share information, create a community strategy to end homelessness and coordinate this community's response to the McKinney-Vento SuperNOFA application. To reflect a new emphasis on the national goal of ending chronic homelessness, the Council in 2004 decided to change its name to the Leadership Council To End Homelessness. In addition, the Council engaged in a broad community effort in 2005 to develop the region's Ten Year Plan To End Homelessness. As a result of the process of

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securing state prevention and case management services noted below, the Continuum adopted a new name: Cape and Islands Regional Network To End Homelessness.

The region's continuum of care strategy rests on two goals: creation of permanent housing for all homeless individuals and families and providing supportive services to maintain that housing. Several strategies have been identified by the Regional Network to achieve these goals. Briefly stated, these involved increasing permanent affordable housing, taking action to prevent homelessness, coordinating community based housing and existing services, and improving discharge planning for people leaving other systems of care.

The Consortium strongly supports this effort and the strategy adopted by the Regional Network. Staff and members of the HOME Advisory Council have taken an active part in the development of the Cape's Continuum of Care strategy. The Consortium certified that the programs included in this reporting period's SuperNOFA application were consistent with the goals and priorities of our Consolidated Plan. **The Regional Network's application last year was successful in securing \$1,313,138 in funding for various ongoing homelessness efforts and programs, including \$174,492 to assist in the creation of five new leased housing units over the next two years by the Barnstable Housing Authority (2 units) and Duffy Health Center (3 units).**

Through a collaboration among a number of agencies in the Continuum, over \$700,000 in state funding was secured for the region for homelessness prevention efforts and for provision of case management services in a more geographically decentralized manner. Finally, the CCC provided funding for a study on the public costs of homelessness compared with the public costs of providing permanent supportive housing. The year long study provided the region with a wealth of useful data; however, one significant finding was that the public costs of providing permanent supportive housing was 12% less than the public costs associated with street homelessness. The Consortium intends to continue to lend its moral, technical and financial assistance to the Cape's Continuum of Care strategy.

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SECTION IV. SELF EVALUATION

The Consortium's HOME Program continues to function in a very effective and productive manner. HOME funds are being directed to address the goals and objectives contained in its Consolidated Plan. This program year the Consortium was allocated \$681,075 (\$675,131 in HOME and \$5,944 in ADDI); we made commitments of \$800,000 toward program activities; and we expended \$950,248.

FFY 2008 was the second consecutive busy year for housing production commitments as the Consortium approved five housing development funding requests that resulted in \$575,000 of conditional commitments. Despite the still costly real estate market that makes it difficult for low income buyers to find affordably priced homes; despite the cessation of nearly all new residential development; and despite the deepening recession and much tighter credit and lending standards; the Consortium has committed all but \$9,552 of the \$175,000 allocated to the down payment/closing cost program, and the Consortium is confident that the remaining funds will be committed by September 30, 2009. The Consortium has committed all but \$14,867 of the \$150,000 in funds budgeted over the last two years for the homeowner rehab program, and the Consortium is confident that the remaining funds will be committed by September 30, 2009. We committed \$300,000 toward the CHDO development set-aside which far exceeded our 15% requirement of \$101,275. Historically, through the end of this program year, the Consortium has committed 30.6% of its funds to CHDO development projects- well in excess of the 15% HOME requirement.

The region witnessed a continued increase in foreclosures from 348 in 2007 to 599 in 2008. The pace of foreclosures has slowed somewhat with 249 for the first six months of 2009; however, the number of foreclosure filings in the first six months of 2009 is higher than the comparable period in 2008. While the expectation is that the historically high foreclosure rate will continue at least through the upcoming program year, the foreclosure crisis has to date not significantly impacted HOME-assisted units or households as the rare foreclosure notice that the Consortium has received has been triggered for the normal reasons- loss of income, medical emergency, etc.- and not because of a sub-prime mortgage product. With deepening of the recession, however, it would not be unexpected in the coming year to see an increase in foreclosure filings, even on HOME-assisted units. The Consortium's lending policies combined with the homebuyer counseling and foreclosure prevention infrastructure that has been built in the County through the Housing Assistance Corporation has been primarily responsible for the very low default and foreclosure rate in HOME-assisted units. The Consortium also played an active advocacy role in a potentially precedent-setting court decision to preserve the affordability of Chapter 40B permitted units that were threatened by or had undergone foreclosure. Finally, the Town of Barnstable received \$400,000 in federal Neighborhood Stabilization Program funds allocated by the state in order to acquire and rehabilitate foreclosed properties in targeted neighborhoods.

As described in Section II, the Consortium had mixed results in achieving its annual goals in 2008; however, in most instances the Consortium is ahead of its targets for the first four years of the 2005-2009 Consolidated Plan. Of the sixteen (16) performance measures in the Consolidated Plan, the Consortium is meeting or exceeding its targets on ten (10) of them for the first four years of the Consolidated Plan and has met an 11th (Energy Star on homeownership projects) for all of the projects funded during the Consolidated Plan period. The down payment program continued to exceed its annual and cumulative targets; the Consortium is doing extremely well in meeting its income targeting, accessibility, and Energy Star goals; and minority participation in HOME-funded projects continues to be one of the Consortium's strengths.

The two most challenging goals to attain in the final year of the Consolidated Plan will be the homeowner rehab and homeless/special needs production goals. As also noted in Section II, while the

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Consortium is likely to meet its annual rental production goal for 2009, it will fall short of its ambitious goal for the five year Consolidated Plan period.

As noted earlier and as explained in more detail in the Consortium's 2009 Annual Plan, the Consortium will not be funding the homeowner rehab program in 2009 and thus will not meet its performance objectives. The modest amount of funding available to the program contributed to its relatively small regional impact, and it was difficult to effectively and efficiently administer/manage such a labor-intensive program on such a small scale. The Consortium decided that its resources would have more impact by focusing its programmatic efforts for FFY 2009 in two areas: housing production and the down payment/closing cost program.

While there has been progress in the region in moving homeless individuals and families into permanent supportive housing, it has mainly been achieved through the use of rental subsidies rather than the creation of new affordable units. Consortium staff actively participates in the Regional Network To End Homelessness and will continue to encourage organizations that are developing permanent supportive housing and/or special needs housing to consider applying for HOME funding for their projects. Finally, the dearth of federal and state subsidy funding for special needs housing will continue to be a barrier to the Consortium's achievement of its special needs production goals as the Consortium is typically the smallest subsidy source among the variety of sources that are normally required to make affordable special needs housing feasible.

The low income housing tax credit program has been the primary subsidy source for affordable rental housing development, and it typically requires a project size of at least thirty units. However, because of the region's environmental constraints and high land costs, larger scale development is difficult to achieve. Larger scale rental housing developments have also become exceptionally difficult to finance as the low income housing tax credit market has come to a virtual standstill over the last year with no clear sense of when the tax credit market will rebound. The Consortium will continue to maintain ongoing contact with the region's affordable housing developers to encourage them to continue to utilize HOME funding for any rental housing projects they may be considering. However, given the experience of this Five Year Plan, the Consortium will need to carefully review how ambitious a rental housing production target it can realistically set for the next Consolidated Plan.

While the slowing real estate market of the last three years has eliminated any County budget surpluses that could be available for housing or other critical regional needs, it is important to note that the presence and success of the HOME Consortium played a critical role in persuading the County to allocate over \$1,800,000 from surplus and regular budget funds for affordable housing since 2000, including a number of initiatives on homelessness. The sponsors of these initiatives, which have included the Cape Cod Commission, members of the HOME Consortium Advisory Council, homeless service providers, other housing activists, environmentalists, and elected officials, have been able to draw on the experience and success of the Consortium in demonstrating that the capacity and infrastructure existed to ensure that the objectives of the programs would be achieved.

The Consortium continues to maintain its strong commitment to public participation and sound programmatic management, as well as to act as a facilitator of action and clearinghouse of ideas and technical expertise. The affordable housing specialist continued to administer the County allocations for affordable housing from surplus funds over the prior nine years. These funds were used to support seven rental and two homeownership projects, an Individual Development Account (IDA) program as well as provide start-up funds for the Housing Land Trust for Cape Cod. The affordable housing specialist and the Consortium were responsible for administering \$450,000 of the \$500,000 that was allocated seven years ago from the County's FY 2001 surplus for affordable housing. All of the \$435,000 set aside for

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rental housing development from these funds was committed and spent on seven projects that created 133 affordable rental units.

Finally, the Consortium has maintained its commitment to making the important links among affordable housing, the Cape's fragile environment and the area's economic health. We inform the public of the critical links between affordable housing and the long term economic health and diversity of the region. Through such reports as the 2005 Nexus Study, we call attention to the relationship between the area's wage levels and the cost of owning or renting a home on Cape Cod, and advocate for policies that will result in opportunities for low income households to continue to live on the Cape. Finally, the Consortium continued its public education efforts through funding of its study on the Costs of Homelessness and workshops on Fair Housing/Affirmative Marketing and the Local Initiative Program/Subsidized Housing Inventory.

Barnstable County HOME Consortium

Affirmative Marketing
APR
Narrative

The Cape's minority population (6.6%) is much lower relative to other communities of similar size and population and lower than that of the state of Massachusetts. Nevertheless the Consortium has consistently carried out a genuine effort to inform and invite the Cape's minority population to avail themselves of benefits offered through the HOME Program.

The Consortium in accordance with 24 CFR 92.351 (b) has adopted the following procedures to ensure fair and affirmative marketing of HOME assisted housing containing five (5) or more housing units. The Consortium and its contracted agencies have:

1. Informed the public, owners and potential tenants about the existence of fair housing laws and the Consortium's policies;
2. Notified towns, public and non-profit agencies and organizations that serve and/or represent minorities and women of the availability of HOME assisted housing;
3. Utilized local media, electronic and print, to market and promote, on the widest scale possible, the availability of HOME funds;
4. Appeared before local boards, tenant groups, non-profits, social service agencies and others to inform and market the Consortium's HOME program to women and minorities.

During this reporting period **15.5%** of the households receiving assistance were minorities. This figure exceeds the Cape's 6.6% of minority households. For the first four years of the Consolidated Plan, **15%** of the recipients (46 of 310) receiving HOME assistance were minorities.

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Barnstable County HOME Consortium

Minority Outreach

APR

Narrative

The Consortium has established a statement of policy and procedures to meet the requirements for establishing and overseeing a minority and women business outreach program and affirmative marketing under 24 CFR 92.350 and 92.351 respectively; consistent with HUD responsibilities under Executive Orders 11625 and 12432 (concerning Minority Business Enterprise-MBE) and 12138 (concerning Women Business Enterprise-WBE). The Consortium has made all efforts to encourage the use of minority business and women business enterprises in connection with HOME funded activities. These will be in conformance with 24 CFR 85.36 (e).

As with the Cape's minority population, the number of MBE's and WBE's is smaller relative to other communities of comparable size and population. Nevertheless the Consortium made a genuine effort to give MBE's and WBE's a fair opportunity to participate in the HOME Program. To achieve this goal the following activities were carried out:

1. Utilized the State Office of Minority and Women Business Assistance Directory (SOMBA) to ensure the inclusion of MBEs and WBEs in activities of the HOME Program;
2. Used local media, electronic and print, to market and promote contract and business opportunities for MBEs and WBEs;
3. Developed solicitation and procurement procedures that facilitate opportunities for MBEs and WBEs to participate as vendors and suppliers of goods and services;
4. Maintained a centralized record with statistical data on the use and participation of MBEs and WBEs as contractors/subcontractors in HOME assisted program contracted activities.

Three tax credit rental projects under construction this program year did submit MBE/WBE information. While two of the projects are still under construction although nearly complete, the data through June 30, 2009 indicates that about \$1 million of the \$14.4 million in construction contracts went to MBE/WBE companies; on two of the projects minority workers constituted about 20% of the total project hours and about 30% of the total workers; and on the other project minority workers constituted about 37% of the total project hours and about 36% of the total workers.

CHAS ANNUAL PERFORMANCE REPORT Table 1
Households and Persons Assisted with Housing

U.S. Dept of Housing & Urban Development
Office of Community Planning & Development
Comprehensive Housing Affordability Strategy (CHAS)
Instruction for Local Jurisdictions

FFY 08

BARNSTABLE COUNTY HOME CONSORTIUM

Assistance provided by income group	Renters					Owners				Total
	Elderly 1 + 2 member household	Small Related (2-4)	Large Related (5 or more)	All other households	Total Renters	Existing Home-owners	1 st time homebuyer w/children	1 st time home buyer Others	Total Home owners	
Very Low-Income (0 -31 MFI)	6	0	0	0	6	3	0	0	3	9
Very Low- Income (31 -50% MFI)	2	0	0	0	2	2	2	0	4	6
Other Low Income (51- 80% of MFI)	0	0	0	0	0	2	25	3	30	30
Total Low-Income	8	0	0	0	8	7	27	3	37	45

Racial/Ethnic Composition of Households and Persons Assisted with Housing

<u>Total</u>	1
Hispanic	44
Non-Hispanic	
<u>Race</u>	
White	39
Black	2
Native Am	
Asian & Pacific	2
Islander	
Other	2
Total	45

HOME Match Report

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(exp. 09/31/2005)

Part I Participant Identification		Match Contributions for Federal Fiscal Year (YYYY) 2008	
1. Participant No. (assigned by HUD)	2. Name of the Participating Jurisdiction	3. Name of Contact (person completing this report)	
M08-DC25-0217	Barnstable County HOME Consortium	Paul Ruchinskas	
5. Street Address of the Participating Jurisdiction		4. Contact's Phone Number (include area code)	
3225 Main Street- PO Box 226		508-362-3828	
6. City	7. State	8. Zip Code	
Barnstable	MA	02630	

Part II Fiscal Year Summary

1. Excess match from prior Federal fiscal year	\$	12,941,931	
2. Match contributed during current Federal fiscal year (see Part III.9.)	\$	1,961,742	
3. Total match available for current Federal fiscal year (line 1 + line 2)	\$		14,903,673
4. Match liability for current Federal fiscal year			\$ 209,914
5. Excess match carried over to next Federal fiscal year (line 3 minus line 4)			\$ 14,693,759

Part III Match Contribution for the Federal Fiscal Year

1. Project No. or Other ID	2. Date of Contribution (mm/dd/yyyy)	3. Cash (non-Federal sources)	4. Foregone Taxes, Fees, Charges	5. Appraised Land / Real Property	6. Required Infrastructure	7. Site Preparation, Construction Materials, Donated labor	8. Bond Financing	9. Total Match
MRVP	6/30/2009	\$1,661,742						\$1,661,742
West Barnstable Com.	11/13/2007	\$300,000						\$300,000
TOTAL-		\$1,961,742						\$1,961,742

PROJECT	M	# of HOME Based	2008 MONITORING	Rents	Mont. Appoint.	Mont. exit. ltr.	Complete	HQS
27 Nelson Ave/CDC	DUE	2	Incomes ok	ok	lt. mailed		yes	scheduled w/ Brown
27A Conwell St/CHR	DUE	5	ok	ok	9/17/2009		yes	scheduled w/ Brown
32 Conwell St/CHR	DUE	11	ok	ok	9/17/2009		yes	DONE
40A Nelson/CHR	DUE	4	1 blank/ok	1 blank/ok	9/17/2009	7/30/2009	yes	DONE
704 Main St./FHA/DHCD	DUE	11	ok	ok	Done 7/14/09	7/29/2009	yes	DONE
Ashley Drive/BHA	DUE	1	ok	ok	Done 7/2/09	7/29/2009	yes	DONE
Assisted Living/DHCD	DUE/DHCD	11	3 certs old/ok	ok	rec. DHCD report 5/09	7/30/2009	yes	DONE
Aunt Sarahs/BHA	DUE	10	ok	ok	Done 7/2/09		yes	DONE
Bridgeport/FHA	DUE	5	ok	ok	Done 7/14/09		yes	DONE
Camp Street/HECH	DUE	4	ltr. Mailed 5/13/09	ltr. Mailed 5/13/09			yes	DONE
Canal House/CDC	DUE	6	ok	ok				DONE
CHIPs /BHA	DUE	4	ok	ok				DONE
Dennis Commons/DHCD	DUE/DHCD	11	ok	ok	rec. DHCD report 11/08		yes	DONE
Eastham Duplexes/OHA	DUE	10	low 50%	ok		7/30/2009	yes	DONE
Edgerton Drive/FHA	DUE	6	ok	ok	Done 7/14/09		yes	DONE
Fairwinds/FHA/DHCD	DUE/DHCD	10	ok	ok	rec. DHCD report 11/08		yes	DONE
Flynn House/FHA Manages	DUE	7	ok	ok	Done 7/14/09	8/3/2009	yes	DONE
Foley House/PHA/DHCD	DUE	10	ok	ok	not due		yes	DONE
Foundations/HAC	DUE	6	ok	ok	not due		yes	DONE
Gifford Street/FHA	DUE	8	ok	ok	Done 7/14/09	7/30/2009	yes	DONE
Gull Cottages/CDC	DUE	5	2 old	1 low rent				DONE
Hatry Kemp/CDC	DUE	4	sent need to review	?				DONE
HECH Duplexes	DUE	10	Should have by 6/26/09	ltr. Mailed 5/13/09			yes	DONE
Lake Street/Prop. Mang./DHCD	DUE	11	ok	ok	rec. DHCD report on 1/09			DONE
Little Home/CDC	DUE	8	ok	ok				DONE
May Institute Pine St/Prop. Mang	DUE	4	ok	ok				DONE
Northside/Prop. Mang./DHCD	DUE	11	ok	ok	not due		yes	DHCD
Osprey Lane/Prop. Mang.	DUE	11	low over 50%/ok	ok				DHCD
Pine Oaks Village/Prop. Mang	DUE	13	1 over 50%	ok				DONE
Sisson Road/HECH	DUE	4	ltr. Mailed 5/13/09	ltr. Mailed 5/13/09			yes	DONE
Southside/HAC	DUE	5	1 inc. 50%	ok	not due		yes	DONE
Telegraph/Owner	DUE	5	rec. 5/28/09/ok	ok	not due		yes	DONE
Wellfleet Apartments/CDC	DUE	11	ok	ok			yes	DONE
Wells Court/Prop. Mang.	DUE	24	1 over 50%	2-more than 30%			yes	email 7/29
Winter Street/BHA	DUE	9	ok	ok				to get copy of HQS