

BARNSTABLE COUNTY HOME CONSORTIUM ADVISORY COUNCIL
THURSDAY, JANUARY 17, 2013
CAPE COD COMMISSION OFFICE
MEETING MINUTES

Members Present: Jillian Douglass, Bill Grant, Jon Holt, Michelle Jarusiewicz, Gerry Loftus, Elaine McIlroy, Sandee Perry.

Members Not Present: Lee Berger, Richard Carroll, Lorri Finton, Vicki Goldsmith, Marlene McCollem, Mary McDermott, Bernie Kaplan.

Public Present- James Kyrimes.

Staff Present: Paul Ruchinskas, Michelle Springer.

MINUTES-

Elaine made a motion to approve the minutes of December 20, 2012. Sandee seconded the motion, 3 members in favor, 0 opposed, 2 abstained.

Correction to December 20, 2012 minutes- The agenda had the wrong date for the minutes. It should have been December 20, 2012 not December 30, 2012.

HOME Program-

Membership-

Lee Berger was re-appointed as an at large member. Cindi Maule will be the new Chatham Representative, Bill Grant is the new Bourne Representative, Carl Brotman will be the new Truro Representative, and James Kyrimes will be the new Dennis Representative.

HOME and Continuum of Care-

Paul began the meeting with an update on the Continuum of Care Homelessness Funding. The CoC funding application is due at HUD on January 18th. HUD's intent is to announce funding awards on Tier 1 projects within 45 days. The announcement of the Tier 2 projects (if any) is dependent upon the outcome of the budget process in Congress.

The Continuing Resolution to fund the government expires on March 27th. Therefore, Paul anticipates that mid/end of April would be the earliest that HUD would announce any Tier 2 funding awards and that would also be when we would know what the impact was on CoC project funding.

There are two potential HOME eligible use of funds options that the Consortium has to mitigate possible CoC funding cuts:

1. Community Housing Development Organization (CHDO) operating funds
2. Tenant Based Rental Assistance (TBRA) Program

HOME funds cannot be used to mitigate cuts to either of the social services only CoC projects: CHAMP Homes for case management and Legal Services.

The HOME Regulations allow Participating Jurisdictions to use up to 5% of their allocation for CHDO operating support; that would have been just under \$19,000 for our 2012 funding level. The primary purpose of the 15% HOME CHDO development project set aside and the possibility of CHDO operating support was to encourage non-profit housing development. CHDO operating support is typically used to support housing development staff at a CHDO. As the Community Action Committee (CAC) is the convening agency for the CoC and as CAC is not a CHDO, we could not use HOME funds to assist CAC should its request for \$20,000 for CoC planning not be funded in Tier 1. Should HAC ever replace CAC as the convening agency, CHDO operating support might become an option, albeit a stretch.

The second option would be a HOME TBRA program to replace any existing vouchers for homeless individuals that were lost by programs as a result of CoC budget cuts. We have discussed the possibility of a HOME housing voucher program as part of the 2010-2014 Consolidated Plan process as well as last year during our 2012 Annual Plan Process. Our February meeting will primarily be devoted to a public hearing on our 2013 Annual Plan, and even though we will not know our 2013 funding level, we will need to vote on our draft 2013 Annual Plan and allocations at our March 21st meeting in order to meet the HOME May 15th submission deadline.

Michelle has contacted the other 18 Massachusetts HOME PJ's to determine whether they had a TBRA program; if they did not; why not; and if they did, what were their program parameters, experience, and any recommendations. Of the 18 PJ's contacted, 12 responded. Three have TBRA programs and 9 did not. Of the three PJ's that did have a TBRA program they targeted the program for victims of domestic violence, homeless individuals with disabilities, and persons who are at immediate risk of homelessness (that also included households that were relocated due to a condemned and demolished building). We can get additional information of the programs should members desire.

The primary reasons from the 9 PJ's who have chosen not to fund TBRA programs included the cost of administering the program, the necessity of establishing a comprehensive set of program guidelines about eligibility, etc. and the policy belief that it was a more effective long term use of the HOME resources in terms of numbers of households who would benefit to create permanent affordable housing units than to provide ongoing housing vouchers for a set number of households.

To deal with our reduced 2012 admin allocation of about \$38,000, we have reduced HAC's DPCC admin contract fee to \$3,000 while increasing the project cost amount per loan to \$1,500, and we have reduced Michelle's weekly HOME hours from 27 to 20. We have the benefit of some past year's unexpended admin funds will only carry us for a couple of years. With each new completed rental project comes additional monitoring responsibilities, and we are doing our best to streamline our monitoring responsibilities as much as possible and still comply with HOME's requirements.

It would be a challenge to continue to pay for the DPCC program administration, fulfill our rental monitoring responsibilities, and pay and organization for the administrative funding. Should Consortium members want to pursue a TBRA program for 2013, it might be possible to fund most of the administrative costs on a program/project cost basis. Paul would want to have a conversation with the PJ's who are currently running TBRA programs as well as our HUD representative prior to recommending such an approach.

HOME Updates-

Paul reported that the revised HOME Regulations are now targeted to be released in March and that new Fair Housing Plan guidelines are one of HUD's priorities for 2013. The Resource Inc. also has received funding from the Federal Home Loan Bank for its 20 Shore Street project; therefore, that project looks as if it may very well happen as that was the last funding needed.

State Housing Policy-

Last summer DHCD adopted priority categories for funding and has proposed continuing those priorities in its draft 2013 Qualified Allocation Plan for the single funding round planned for 2013. To be eligible for funding, a project must qualify under at least one of the four categories.

Priority #1: Housing for Extremely Low Income Households (30% of area median income or less)

In order to qualify, a project must have at least 20% of its units targeted to households at/below 30% of area median income (AMI). This compares with the tax credit requirement of at least 10% of units targeted to those at 30% AMI. This category is open to the entire range of housing needs: families, seniors, and persons with special needs or disabilities. With the exceptions of projects in Barnstable or census tracts noted in the next priority, this would be the category under which the creation of age restricted projects would need to qualify.

Priority #2: Investment in Distressed and At Risk Neighborhoods

DHCD defines these as projects those located in any of the state's 24 Gateway Cities or in any of the Qualified Census Tracts (QCT) as defined by the IRS for tax credit financing. Projects serving all housing needs are eligible in this category.

Barnstable is the only Gateway City on the Cape, and thus any project in Barnstable would qualify under this priority.

In addition, there are 5 QCT's listed on the Cape for 2013:

Tracts 126.02 (Hyannis) and 153 (Rte 132/Rte 6/downtown Hyannis- Village Green and Cromwell Court are in this tract) in Barnstable which already qualify as located in a Gateway City;

Tract 117 (West Dennis);

Tract 120.02 (Southeast Yarmouth- Simpkins School is in this tract);

Tract 148 (Falmouth Center/Teaticket- 20 Shore Street and 704 Main Street are located in this tract).

Priority # 3: Preservation of Existing Affordable Housing

Generally projects must be in danger of potentially having affordability lost within the next 36 months, and all housing needs are eligible in this category. DHCD is proposing to allocate 50% of the available credit to new production, 30% to preservation, and 20% to HOPE VI projects in Boston and Taunton.

Priority #4: Family Housing Production in Areas of Opportunity

This is the category where the qualifying criteria appear to have a little bit of flexibility compared with the other three. A non age-restricted project must meet the following baseline criteria to be eligible under this category: 1) located in a census tract with a poverty rate below 15% although there is the possibility of qualifying if the project is located within a municipality whose poverty rate is less than 15% and even if the project fails both those tests, there is the option to qualify "... as long as the project is located in an area with compelling attributes that make the location desirable to renters." 2) project must contain at least 65% two-bedroom or larger units with at least 10% of the project units as three bedrooms "... unless either percentage is demonstrated to be infeasible or unsupported by public demand."

Assuming the required bedroom mix is doable, it seems that most family projects would have the potential to qualify under this priority.

The deadline for providing comments to DHCD on these priorities and other elements of the QAP is Friday, January 18th. Consortium members suggested sending a letter generally in support of the priorities but noting the importance of sufficient funding for project-based vouchers to make Priority #1 projects feasible (copy of letter attached).

Compact Neighborhoods-

DHCD announced a new zoning incentive for municipalities to adopt zoning districts that promote housing for working families of all incomes and in smart growth locations. These zoning districts will be called "Compact Neighborhoods." This new tool complements Chapter 40R, the Commonwealth's Smart Growth Overlay District statute.

In order to participate in the program a municipality must identify an "as-of-right" overlay zoning district (Compact Neighborhood).

- A density of at least 8 units per acre for Developable land zoned for multi-family residential use or at least 4 units per acre for “Developable Land zoned for single family residential use.
- Verify that not less than 10 percent of all units constructed within “Projects” of more than 12 units are affordable.
- Not impose restrictions on age or any other form of occupancy restrictions upon the Compact Neighborhoods as a whole (specific projects may have exclusivity for the elderly, persons with disabilities, or for assisted living)

The affordability requirement would apply to each Project of more than 12 units, rather than to the Compact Neighborhood as a whole. Municipalities may choose to require higher percentage of affordable units or to set a lower threshold for requiring projects to include affordable units.

If the Department certifies that the municipality has created a “Compact Neighborhood,” this certification can be used by the municipality as evidence of a “Previous Municipal Action” that must be considered by a Subsidizing Agency in making the findings that are necessary under Chapter 40B for a determination of Project Eligibility. If the Department certifies that the municipality has created a “Compact Neighborhood,” this certification can be used by the municipality when it applies for discretionary funding by state agency programs that have included a preference for adoption of a Compact Neighborhood. Such a preference is included in the Mass Works infrastructure program administered by the Executive Office of Housing and Economic Development and will be proposed for certain other funding programs this year.

Public Housing Reform-

There are currently 242 Local Housing Authorities (LHA) in Massachusetts. Each Housing Authority is an independent authority, overseen by a Board of Directors. The Board is responsible for oversight of the finances and operations of the LHA. Most LHAs are funded by a combination of state, federal and local funding. The Governor is proposing six regional authorities with a nine person board that he will appoint.

The state association representing housing authorities has filed legislation promoting voluntary cooperation agreements among housing authorities. Consortium members expressed a variety of views of the need for regionalization and the benefits or drawbacks of local control.

Town Reports-

Gerry reported that the Harwich CPC designated \$545,000 in funding with \$100,000 going towards a buy-down program and \$455,000 to HECH for its project in West Harwich.

The town of Harwich has set aside 3 acres of land in North Harwich for affordable housing. There is an on-going discussion over the back taxes due from this land.

Jon reported that there has been progress on the four home Hinckley Homes Project in Orleans. As of now three of the units are framed with roofs.

Michelle reported that the Town of Provincetown received a CDBG grant to use for resident services for all the affordable rental properties in Town.

Meeting adjourned: 9:45am

Meeting Enclosures:

1. HOME and Continuum of Care
2. Funding Priorities
3. Compact neighborhoods