

BARNSTABLE COUNTY HOME CONSORTIUM ADVISORY COUNCIL
THURSDAY, MARCH 13, 2014
CAPE COD COMMISSION OFFICE
MEETING MINUTES

Members Present: Richard Carroll, James Kyrimis,

Members Not Present: Lee Berger, Carl Brotman, Jillian Douglass, Lorri Finton, Vicki Goldsmith, Michelle Jarusiewicz, Bernie Kaplan, Elaine McIlroy.

Staff Present: Paul Ruchinskis, Michelle Springer

Minutes-

Richard made the Motion to approve the Minutes of January 16, 2014. James seconded the motion, 2 members in favor, 0 opposed, 0 abstained.

FFY 2014 HOME Annual Plan-

The next Annual Plan will be submitted electronically through the HUD website. Paul will still have to prepare a written copy to make available for Public Comment.

Paul began the review of the Annual Plan with Section 2: Allocation of Funds and Administration. This section includes the five priorities, historical allocations of HOME funds, the rental housing production status in the region, including Route 134 Community Housing as the only tax credit project funded by DHCD in the 2013 funding round. Also included is a summary of the requirements needed to apply for Housing Production funding and the homeownership market coming back. Unfortunately, we are still not able to fund homeownership projects due to the HUD ruling on the Universal Deed Rider. DHCD is still waiting for HUD to give them an answer on what they submitted over two years ago. It's getting tougher for people to find homes in the low two-hundred thousand dollar range. Of the homes in that range there is a lot of rehab that needs to be done so it's possible we would have to start going up to \$20,000 per down payment loan. So far the DPCC program has spent \$50,000 out of the \$75,000 allocated this year. There is also a summary on the February 20, 2014 Public Hearing. The proposed funding recommendations for the FFY 2014 HOME funds were as follows: \$217,500- Housing Production; \$58,500- CHDO Housing Production; \$75,000- DPCC; and \$39,000- Administration. Paul will revise them once HUD issues the actual FFY 2014 allocation. HUD now uses the most current 5 year census data to calculate allocations.

The remainder of Section 2 describes that the County is the lead agency, the Community Housing Development Organizations (CHDO's) that qualify for the HOME CHDO funding, and the geographic distribution which outlines the 9 out of 15 towns that the HOME funds have reached via the client and project based projects we have funded. The Consortium is required to match 25% and relies on a variety of sources in order to do this. As permitted by HUD the state has allowed a portion of the state's Massachusetts Rental Voucher Program budget to local jurisdictions for meeting local match requirements. PJ's are allowed to bank match resources into future years in order to guarantee access to the funding stream. As reported the

Consortium's FFY 2012 annual report, there is an excess of \$21.7 million in match funds available for use in this and future program years.

Section 3 covers Monitoring and Performance Measurements. We went through the procurement process last summer to find entity to administer our DPCC program, and HAC was once again the only applicant. Annual goals remain as before: rental housing- 30 units, homeownership production- 3 units, and the homebuyer assistance- 5 units.

Section 4 covers Objectives and Strategies which are unchanged from the 2010-2014 Con Plan; however, HUD is requiring much more of a narrative about the region's homelessness efforts. Barnstable County is the convening entity and that provides staff support to the region's Continuum of Care (CoC): The Regional Network to Address Homelessness. In the CoC 2013 McKinney-Vento application, the needs identified for the region included 24 beds of transitional housing for households without children and 148 beds (137 of which for households without children) for Permanent Supportive Housing. Shelters for the region include the NOAH Shelter in Hyannis operated by HAC which has a capacity of 60 beds and that serves an average of 500 people a year. We are not able to use HOME funds for shelters but the goal is to get people into permanent housing. The amount of McKinney funding available to the CoC to create new beds has sharply diminished since 2009 to about \$45,000 per year. A lot of the funding that supports homelessness programs is for project based housing vouchers. HUD requires that the funding amount to be set assuming that the tenants will not have any income so that you are funded at the full fair market rent. People usually have some source of income so there are funds that go back to HUD every year. This year HUD allowed the CoC to calculate what you reasonable expect to need and then the excess funds could be used to create new beds.

Section 5 covers strategies for reducing barriers to affordable housing, Lead Based paint strategies and anti-poverty strategies. Section 6 covers Public Housing. Section 7 covers the annual plan institutional structure and coordination. Section 8 covers the HOME submission requirements including the resale/recapture provisions for homebuyer assistance for both deed restricted and non-deed restricted purchases, and homeownership development requirements. The remainder of the Section includes information about the affirmative marketing procedures and requirements, minimum acceptable outreach standards, minority outreach, fair housing and analysis of impediments to fair housing. Section 9 covers the citizen participation process.

James asked about Section 1 the Executive Summary on page 5. How were the criteria for the priorities established? On what standard were the five criteria based on?

Paul responded that the priorities get set within the five year planning process (which was done 4 years ago). We are required to do a host of consultations with other housing and social service professionals in the region. There is a series of data that includes the level of housing stock, rental housing needs, the homeownership stock and prices, what the market is, and how many people are paying more than 30- 50% of their income towards housing. We also look at the number of people within various income brackets and what their needs are for housing. It's based on analyses of all that information and Public input.

James made the Motion to approve the FFY 2014 HOME Annual Plan for Public Comment. Richard seconded the motion, 2 members in favor, 0 opposed, 0 abstained.

HOME Policies and Procedures-

Richard made a request last meeting to have the phrase “for good cause” which appears within our HOME policies, procedures, and guidelines, revised. Paul found the phrase “in exceptional circumstances for good reason” within the LIP guidelines, which would replace “for good cause”.

Richard made the Motion to approve the change in phrasing within our HOME documents to “in exceptional circumstances for good reason” from “for good cause”. James seconded the motion, 2 members in favor, 0 opposed, 0 abstained.

DHCD Funding Rounds and Policies-

DHCD’s rental funding round deadline (which three Cape projects have submitted for) will be March 21st, 2014 and the next round after that will be in January 2015. Some of the potential projects that might come up by early next year are:

- Sandwich Housing Authority for a 24-30 unit development off Quaker Meetinghouse Road and have an RFP out now.
- HECH has a project in West Harwich.
- Brewster Housing Authority is looking to do 50 rental units on land they own, but do not have an RFP out yet.
- The Town of Mashpee has a parcel that is going to town meeting this spring, and they are looking to create 20-30 rental units.
- The Cape Cod Village in Orleans is looking to get CPA funding to build 4 homes with 16 units for young adults with Autism.

The deadline for the DHCD Homeownership funding round was March 7th, and there were no Cape projects that submitted. The match for “areas of opportunity”, which includes the Cape, has to be equal to the DHCD request. New construction of affordable units cannot exceed \$300,000 per unit. The price for market rate units has to be at least one and a quarter times higher than the affordable units. This also applies to the Gateway Cities. DHCD will now be using three types of deed rider now:

- For “Gateway Cities” (this includes Barnstable), there will be a declining balance deed rider with re-sale to households of any income.
- Within “Opportunity Areas” they will use a shared apperception deed rider with re-sale to households of any income..
- For “High Market Areas” they will use a deed restriction that does not survive foreclosure (which is what they submitted to HUD as an alternative to the UDR).

Richard asked what the “opportunity areas” were on the Cape. Paul responded that he thought the rest of the Cape other than Barnstable was considered an “opportunity area.” DHCD uses school MCAS scores, located within a mile of a health care facility, community college within a mile, and within a mile of public transportation to make the opportunity area determination.

DHCD has come out with a new Fair Housing Plan last year and starting May 1, 2014 any state funded homeownership project or any project requesting a project eligibility letter will require

at least 10% of homeownership units be three bedrooms with the exceptions of senior or special needs housing.

DHCD will be coming out with a policy in regards to there being a balance between age restricted and family housing for Towns to qualify for the 10% requirement.

Staff Report-

Michelle gave a staff report and spoke about the Regional Ready Renters Program being very busy at this time with five units available. She spoke about the big gap between the rent amounts being charged and the income range of more than half of the list being at 30% of median income. She talked about the flyer that is sent out to over 300 contacts advertising the available units. Staff is currently looking for another entity to take the program over in June. So far staff has not been able to find an entity to take the program.

Michelle reported that she will start going out to do her on site monitoring of the 16 rental projects that are due this year. She is also in the process of setting up housing quality inspections for the 16 rental developments.

Paul reported that he is sending a letter to HUD (due by March 1st) stating that we intend to renew the Consortium for three more years: 2015-2017. Paul will be sending a letter out to all the towns stating that we want to renew. The towns will have the opportunity to drop out of the Consortium if they so wish; otherwise, they will be auto renewed.

Paul signed onto a National Organizations letter to Congress's Appropriations Committee to get as high an appropriations level as possible for HUD and Transportation's part of the budget.

The President's budget came out and there is a slight increase to HUD. Unfortunately, there is a proposed cut to the both the CDBG & HOME program. The Section 8 program had 70,000 fewer vouchers at the end of 2013. The budget proposal tries to get about 30,000 of the vouchers back so there is a bit more funding for Section 8 and Public Housing in the budget which required a cut to CDBG & HOME. The President, for the second year in a row, has recommended a policy that you will need to receive a \$500,000 HOME allocation every year. Otherwise, if you don't get that for three out of the five years, you will be disqualified. The goal is to get rid of the smaller jurisdiction so there is less to administer which would make it easier for HUD to administer the HOME program.

There is a re-sale located within the Homesteads project that HAC did in Sandwich on Osprey Lane. It has a pre-universal deed rider that is pretty complicated due to the fact that we had a different formula for re-sale than the state. HAC will be the agent and are looking for a buyer within the next 90 days to keep the unit affordable.

Meeting adjourned at 9:45am.

Enclosures:

1. Minutes of January 16, 2014
2. FFY 2014 HOME Annual Plan