

BARNSTABLE COUNTY HOME CONSORTIUM ADVISORY COUNCIL
THURSDAY, MAY 16, 2013
CAPE COD COMMISSION OFFICE
MEETING MINUTES

Members Present: Jillian Douglass, Jon Holt, Michelle Jarusiewicz, James Kyrimes, Sandra Perry, Elaine McIlroy.

Members Not Present: Lee Berger, Carl Brotman, Richard Carroll, Lorri Finton, Vicki Goldsmith, Bernie Kaplan, Gerry Loftus, Marlene McCollem, Cindi Maule,

Public Present- Gael Kelleher

Staff Present: Paul Ruchinskas.

Minutes-

James made a motion to approve the Minutes of March 21, 2013. Elaine seconded the motion, 3 members in favor, 0 opposed, 1 abstained.

Executive Session Minutes-

Elaine made a motion to approve the Executive Session Minutes of March 21, 2013. John seconded the motion, 3 members in favor, 0 opposed, 1 abstained.

HOME Program-

HOME Consortium Member Updates-

Paul updated the Consortium members on the current vacancies on the HOME Consortium. The Sandwich spot is vacant and William Grant has resigned as the Bourne representative so that spot is now vacant.

Federal Fiscal Year 2013 HOME Annual Plan-Status Report-

Paul received one comment back on the Federal Fiscal Year 2013 HOME Annual Plan. The Yarmouth Community Housing Committee sent a letter in support of the allocation of funds for rental housing.

HUD still hasn't published the allocations so Paul sent a letter to HUD on Monday asking for an extension to submit our plan. The plan was due on May 15th but without the allocations Paul cannot finish the plan. HUD has to announce the allocations by June 10th.

The HOME rents for 2013 have been published and will take effect June 1st. This year the 2013 Incomes became effective March 15th but the rents are not effective until June 1st. The rents were

late because HUD had made a calculation error in prior years on the rents. They sent along a memo to explaining the mistake and how it has been corrected. In some areas the rents went down. In Barnstable they pretty much stayed the same with a slight increase. Initially the thought was if the incomes had come down then the rents would, but for some reason it was not the case.

There is no word on when the new HOME regulations will be published. They should have been published two months ago.

FFY 2012 Down Payment/Closing Cost Program Allocation-

The Housing Assistance Corp. is requesting an additional \$40,000 increase to the DPCC program. Brenda Rocklage sent a letter dated April 16th requesting \$15,000 in additional funds to cover two closings that were imminent. The second letter dated April 17th was for an additional \$40,000 due to increased interest in the program.

Gael Kelleher explained that the First Time Homebuyer classes now have a waiting list, the market is busy, and the rates are still very low. The Soft Second rates recently have been as low as 2.75% for a 30 year fixed. With that kind of interest rate the monthly mortgage payment is still very reasonable.

Sandra asked if people are finding it easier to get approval for a mortgage.

Gael responded that no, it has not become easier and you still need a credit score of 660 to 700 depending. The price of homes has been steadily increasing.

Sandee asked about the condo market.

Gael responded that it has gotten a lot better.

Jill asked what the terms were for the DPCC program. Do we get a deed restriction?

Paul responded no, all we can do is market rate homes because of the HUD legal ruling from 2009 that says we can't use HOME funds with the UDR. All the DPCC loans since 2010 are for market rate homes. The way the loan works is the person does not need to repay the loan until time of sale or if they refinance.

Gael explained that this is an income based program. That means someone at 80% of median income can afford a home at \$175,000-\$200,000.

Jill asked if we track the household's income at time of sale to see if there economic condition has improved.

Paul responded that no, we haven't tracked that information. He went on to explain that we do keep track of the re-payments, the amount of loans that been repaid and how many are still out standing.

Jill asked Paul if he could put together a report of this information. She feels like the program has been a success, but it is difficult to prove that.

Paul said he could work on a report of the information we have, but that we have no way of knowing anything about the households after the home has sold.

James explained that the Town of Dennis is working on gathering that information for their Rental Assistance Program to show the beneficial impact of keeping the affordable housing rental market and the effect of local consumer spending on the town. James is going to share the data once it has been compiled.

Paul asked Gael if potential homebuyers were still looking at single family homes.

Gael responded that yes that first time homebuyers are looking at single family homes. She went on to say that condos would be more popular but for the limited financing options.

Sandee responded that with condo ownership also comes condo fees, which can go up annually.

Paul noted that between last year's and this year's HOME funding we have approximately \$550,000 available to commit. We also need to commit approximately \$160,000 between now and September 30th or we will lose it. In terms of availability of funds we have a substantial amount to meet this request and Paul recommends approval of the increase due to the need, our ability to increase the allocation, and if we do increase the allocation, and the funds are not all used we can recapture the remaining funds for another activity. If there is a flood of interest and more than the \$55,000 in funding is needed, then HAC can come back for additional funds.

Sandee made a motion to approve HAC's request to increase the 2012 DPCC allocation from \$40,000 to \$95,000, Michelle seconded the motion, 6 members in favor, 0 opposed, 0 abstained.

Jill made a motion to approve the DPCC loan on Pinewood Road in Yarmouth that resulted in our spending more than the \$40,000 allocation to the DPCC program, Jon seconded the motion, 6 members in favor, 0 opposed, 0 abstained.

HOME Development Projects-Status Report-

Paul included a Housing Development Projects status report in the meeting packet on projects with loans closed, loans in process, and projects with conditional funding commitments. Some things to note are the Simpkins School is 28% complete as of the end of March, but Paul has not received the April requisition to see the most current completion percentage. They are still aiming for a November 2013 completion date. Sally's Way in Truro is about 50% complete as of the end of April. Stage Coach is about 10% complete with an October 2013 completion date (originally the project was to be completed by December 2013). All the projects are either on target or a bit ahead of schedule. Great Cove in Mashpee hopes to close by the end of May. The HAC Dennis project plans on resubmitting their application to DHCD.

FFY 2012 Continuum of care Funding/2013 Point in Time Count-

HUD has released their funding announcement for the homelessness funding and all of the Cape projects that put in for renewal funding received it. This also included the projects that only provide social and legal services to the homeless. There were two new requests made for funding. One came from Community Action in the amount of \$20,000 for planning to run the Continuum. The other was for Duffy Health Center for a new project request for 2-4 project based vouchers for permanent supportive housing. HUD has said that funding cuts and possible non-renewals will not likely be the case next year with the sequestration.

Paul included in the meeting packet the Annual Homeless Counts report. The count has been going down since 2005 but went up slightly this year. That is directly related to the people on Martha's Vineyard making a huge effort to produce an accurate count, which resulted in 119 homeless individuals. There were people that questioned how accurate the number was but were told that it is an accurate number. The people on the Regional Network to Address Homelessness is going to have additional talks with the people from Martha's Vineyard to see what can be done to address the need for help.

HUD requires there be a count done every two years, in January, for about the last 20 years. There are a lot of entities that do the count on an annual basis. The number of individuals and families that are housed in permanent supportive housing has gone up from 157 to 265 over the last 8 years. There has been slow steady progress.

Mass. Supreme Judicial Court (SJC) 40B Rulings-

There was a case in Sunderland (a small town located in Western Mass) with about 1,500 housing units. Back in 2006-2007 they received an application for a 150 unit rental housing project, which consisted of five, three story, buildings. The Zoning Board of Appeals denied the request for a variety of reasons: there was enough affordable rental housing, in the region (based on what the market rent were at the time), the high of the building was 42 ft. and that the fire truck ladders they currently had only went up to 35 ft., and that it would require additional police, fire and school teacher staff, which would have a fiscal impact. The developer appealed to the Housing Appeals Committee which overturned the denial. The Town in turn appealed to the Appeals Court which supported HAC and then it went to the Supreme Judicial Court and the SJC supported the developer. Trying to count units that are market, but at a low rent, basically is in total violation of the Chapter 40B statute. The rents could be currently low, but that doesn't mean they will stay low in the future. The clear statutory intent was that the units need to be deed restricted, affirmatively marketed, and eligible households need to be a certain income. The argument about the count did not hold up because of this. The SJC gave the Housing Appeals Committee the authority to decide what the region was, and Sunderland was looking to include a broader region than the Committee felt was acceptable. In reference to the Fire Commissioners concern over the high of the building, the building was to have inside sprinklers and that the zoning by-law allowed for buildings up to 45ft. in certain areas under a special permit. Due to the factors the SJC dismissed that argument as well. The fiscal impact was dismissed due to the fact the only time there is considered a "fiscal impact" in a 40B case is if there is a prohibitively costly expense that's caused by the site itself that is going to have a fiscal

impact on the town budget would be a “fiscal impact” that ZBA could base a denial of the permit. They also had a \$10,000 attorney fee that the town was charging the applicants, and the SJC’s position is that a town cannot charge legal fees on a 40B project. The case was overturned in favor of the developer.

There was another case involving the town of Lunenburg. The project was going to be 156 condo units and they used the same arguments in terms of 10% of home sales in Lunenburg (over the last year to year and a half) have been under \$160,000 and those should be used towards the 10% count. The court said no you cannot do that. The second piece was that the proposed project was inconsistent with their “Master Plan”. They had just adopted a housing plan and identified four sites where affordable housing should go and the project was not located within those four sites. The SJC denied the ZBA’s position on this stating that they have not produced any affordable housing even though they have an affordable housing plan, that the proposed site would be adjacent to one of the four sites identified by the town, and that one of the four sites they identified as affordable housing was permitted by the town for a self-storage facility, not affordable housing. The SJC denied this argument.

These two cases reaffirm if a town has a housing plan, and you are making progress on the plan in certain areas, then the Housing Appeals Committee will take that into consideration, but if you have just identified sites and have created by-laws but nothing has happened, then ZBA’s won’t have a case for denial of a 40B project.

State Housing Budget and Federal Housing Budget-Status Report-

Included in the meeting packet is the FY14 Budget Chart for Selected Dept. of Housing and Urban Development and Dept. of Agriculture Programs. HOME was budgeted at \$950 million, which is where it ended up in FY13. It was at a billion but it took a 5% cut due to sequestration so the effective number for 2013 is \$950 million so the President is proposing level funding. The HUD budget has \$30 billion going directly towards the Section 8 program for tenant based or project based vouchers and another \$6.6 billion goes towards supporting public housing authorities, which represents about 75-80% of HUD’s budget. The attempt to preserve the number of vouchers for Section 8 will most likely not be possible with the upcoming budget cuts.

The Senate has just released their budget and the House passed their budget with a slight increase Mass Rental Voucher program and some other small increases, but most received level funding.

Announcements/other Business-

The Cottage Workshop hosted by the Mashpee Affordable Housing Committee and the Cape Cod Commission went very well and we do have video of the workshop if anyone would like a copy. We are also going to have it posted on the Cape Cod Commission website.

The SJC issued another ruling stating it's legal to rent a single dwelling unit to four or more unrelated people provided it meets the State's sanitary and building code. A lot of communities have by-laws that keep this from being legal.

Meeting adjourned: 9:25 a.m.

Meeting Enclosures:

1. Minutes of March 21, 2013
2. Minutes of March 21, 2013 Executive Session.
3. Housing Assistance Corp. letter of April 16, 2013 request of \$15,000 in additional funds.
4. Housing Assistance Corp. letter of April 17, 2013 request of \$40,000 in additional funds.
5. HOME Development Project Status Report
6. Point in Time Homeless Count Report
7. FY14 Budget Chart for Selected Dept. of Housing and Urban Development and Dept. of Agriculture Programs