BARNSTABLE COUNTY HOME CONSORTIUM ADVISORY COUNCIL
THURSDAY, OCTOBER 20, 2011
CAPE COD COMMISSION OFFICE
MEETING MINUTES

Members Present: Don Dickinson, Lorri Finton, Michelle Jarusiewicz, Elaine LaChapelle, Gerry Loftus, Marlene McCollem, Sandee Perry

Members Not Present, Jillian Douglass, Valerie Foster, Vicki Goldsmith, Jon Holt, Art Hultin, Bernie Kaplan, Gerry Loftus, Judith Riordan

Public Present-Mary Wagan-Town of Yarmouth

Staff Present: Paul Ruchinskas, Michelle Springer

MINUTES-

Lorri made a motion to approve the minutes of September 15, 2011. Michelle seconded the motion, 5 members in favor, 0 opposed, 2 abstained.

HECH-

Paul explained that there was an article in the paper this morning about (HECH) Harwich Ecumenical Council for the Homeless. Pam Parmakian the Executive Director of HECH called us last week to explain that there had been some financial issues with an employee that has since been let go. Paul went on to say that HECH has filed suit against the former employee for embezzling about $65,000 from the organization over a period of years. The employee had two of her children living in HECH units and was using some of the donations to pay their rent. HECH is asking for $125,000 in damages.

Habitat Award-

Paul accepted the "Habitat Partner Award" for the HOME Consortium at their annual meeting last week.

Town Report-

Mary Wagan from the town of Yarmouth's Community Development Department gave an update on the motel issues that have been going on in Yarmouth. The town started looking at the motels located on Route 28 a number of years ago and found that they really needed some redevelopment. Yarmouth has over 3,500 motel units only second to the city of Boston in the number of units. The motel stock was really starting to age and had an increasing rate of crime. The Dept. of Community Development started an incentive program for the motels to re-develop which resulted in the motel bylaw which was passed by Town Meeting in 2006. The bylaw allowed a by-right method which

allowed the motels to re-develop into mixed use or purely residential housing. After the bylaw was passed the word got out to the motel owners that the town was going to start to enforce the motel bylaw and regular bylaw. Most of the motels cleaned out everything and asked their long term tenants to leave and started closing down in the winter rather than renting the units year-round. There were two motels that wanted to stay residential and they have come forward to the town and are going through re-development.

Unfortunately, there were some motels that did not comply. They were rehabbing without building permits so the Town sent them letters. The Admiralty properties which include the Cavalier, West Yarmouth Lodging and Seagull Beach had no interest. The Town filed suit against the Admiralty properties for not complying with the zoning bylaw. In January 2011, a judge at Barnstable Court ruled in favor of the Town and stated that Cavalier, West Yarmouth Lodging and Seagull Beach were in violation of zoning and had to ask everyone to leave the motels. They gave the motel 120 days to do that and nothing was done. The town then brought Admiralty properties back to court and the judge found them in contempt of court. The owner did not appear for court so the judge appointed a receiver for the properties.

Starting in April of this year the town of Yarmouth developed a homelessness prevention program. One component of that was housing fairs that were held in May and two in October. There is also an Affordable Housing Trust that has been funded with Community Preservation funds. They put aside money for first and last month's rent to help people transition from hotel room to safe and decent housing. This program was modeled after a pilot project that the town did with their Community Block Grant funding that came from HUD and they have also worked with Hands of Hope. They have been meeting with the Regional Network to Prevent Homelessness which has been a huge help.

Mary went on to say this has been a very difficult project because of being in litigation with the properties and because of that she isn't able to go out to the properties on site and meet the people currently living there. She relies a lot on the property managers to get the word out to the tenants that the need to come to Town Hall and get housing and financial counseling as well as apply for the first and last program. The town goes back to court on October 28th. The West Yarmouth Lodging has thirty-four units, twelve are occupied and seven have found housing. The Cavalier has sixty-four units, thirty –four units are still occupied and three have found housing. The Town is trying to get everyone currently living in the motels the services that they need. This has included things like medical insurance and job placement not just housing. There are leaders in the town of Yarmouth that are thinking of purchasing these properties and making them SRO (single room occupancy) complexes with services.

Elaine asked are the people living in these hotels living there for small amounts of money?

Mary responded it's about $1000 per month including utilities. They are very small units about 250-450 square feet motel rooms with illegal hotplates and are not designed for long term stays. They are expensive if you take into account the square footage.

Paul explained that a lot of these motels do not require first, last and security and are rented by the week.

Mary went on to say that she hears a lot from the property managers that these tenants really just need first and last month's rent to get on their feet. The program requires they be income eligible, find a unit with a written agreement and the rent has to be reasonable compared to their income. They were going to use the federal rent limits, but they are too high in Yarmouth. If Hands of Hope or HAC feels that they can afford the rent, then the payment goes directly to the landlord.

Sandee asked if there has been any research done on the demographics of this group of people. Are they very low income?

Mary responded that of the people that have come forward it is a range of 65-80% AMI. They already have a subsidy or a member of the family is working. Mary feels that when they get to the people that are not doing anything and squatting at this point will be more in the 30% AMI. There is at least one man that is bed ridden that has a visiting nurse that comes in.

Another issue is that some these people have a criminal record, which is difficult when trying to place people.

Paul asked Mary if there were other properties that are still having similar issues?

Mary responded that yes there are and the reason that Admiralty was prioritized was because the police were being called once to twice a day to the properties and when that happens, the police budget goes over and costs the town.

Lorri asked about if the first and last program was only for people who would be staying the town of Yarmouth?

Mary explained that the funds have been going through the non-profit Hands of Hope and they disburse the funds and thus people can find housing anywhere.

Paul asked Mary if she could speak about the Yarmouth Housing Authority proposal?

Mary explained that the land on Forest Road is 18 acres of vacant land near the Yarmouth Senior Center and the housing authority has had ownership of the property for 20 years. There was a 202 application back in the nineties and all the plans were done, but the 202 funding dried up. The state gave Priority Development Funds to do feasibility and market study for senior and age inclusive housing on the land. They came up with a model of 80 units and the housing authority feels they can put 100 units there. The Board of Selectman met with the housing authority, but they did not meet with the

neighborhood before this and the neighborhood put in a petitioned article on the last warrant for the Town to take the property. The Town can take land if the party is not cooperating, but the petition by citizens is different than an article put on by the Board of Selectman. The article passed, but has no legal impact on the Housing Authority.

HOME Program-

Development Projects Update-

Clay Pond Cove in Bourne closed and went to record on October 7th. The original date was June 30th. Paul suspects they will start work soon on the property.

Both buildings at Veterans Park have occupancy permits.

Cromwell Court is still on target to be finished mid-November.

We are in the midst of closing two projects in Provincetown. Province Landing will hopefully close this week or early next week. They are working on finalizing their tenant selection and marketing plan. Shank Painter Road is targeting October 31st to close and start work.

DHCD announced their funding awards for this round and the only project out of the five that applied on Cape was Breezy Acres in Mashpee. The state funded twenty five projects, and nine of the twenty-five projects were twenty units or less. The other four projects we gave awards to will most likely go back for the next funding round this winter. Stage Coach Road and a project in Yarmouth will likely be applying for HOME funds in our next round.

Villages at Marston Mills-

This is a project done by the non-profit Housing Land Trust for Cape Cod back in 2004 and was completed in the spring of 2005 at the height of the market. It has eighteen affordable units, five moderate deed restricted and seven market rate units. The housing land trust is no longer a functioning organization. The land is under a ground lease, and it's a condo association with deed restrictions. We have a situation where two of the moderate units have been foreclosed on already and have not been resold as far as we can tell. The buyers bought them at just over $250,000 and the foreclosure deeds were $150,000-$160,000. Of the eighteen affordable units currently there is one on the market right now for $164,000. There is one owner who had a loan modification completed another with a default last year, but was able to resolve it. There is one person looking to sell her unit and another working with the bank to avoid foreclosure. One of the affordable units lost a year ago when the bank bought it for $79,000 and sold it to an investor for $84,500 who then sold it two months later for $115,000 without a deed restriction. Last week Paul, Nancy Davison and Gael Kelleher form HAC, Rebecca Frawley from DHCD, Lynn Sheilds from the Affordable Housing Trust, Arden Cadrin

from the Town of Barnstable, and Michelle had a conference call to see what could be done to help these people sell their units and to help the condo association. There are a number of people who are behind in their condo fees. Condo loans cannot be sold in the secondary market if more than 15% of the owners are behind in their condo fees. The association should be putting 10% of the condo fees away in a reserve account but we don't believe that has been happening. Anyone trying to get a loan on these has to be a portfolio loan that the bank is willing to do or an adjustable rate mortgage. For right now the state is not willing to relax their policy on allowing adjustable mortgage. It's a challenging situation, and the group will continue to discuss steps to take.

Fairwinds-

The owner of the Fairwinds Development in Falmouth which was built in the 90's and has 20 units, with 10 project based vouchers from the housing authority, that primarily serves people with disabilities(is a part of a larger retail complex) passed away last year. Before he passed away he sold his interest for $2 million dollars to a set of investors. Paul and the people at DHCD have been trying to work with the new owner to find out what experience he has in managing affordable housing developments and to approve him, which Paul and DHCD feels is required by the loan documents. It has been a struggle in the last six months to get anything out of him. He does have real estate experience, but no affordable housing experience. He has sent in the requested documents so that a management plan can be put into place. Paul feels that they are getting closer in approving him and getting something in writing on how he is going to manage the property.

Monitoring-lease terms-

In Michelle's annual monitoring a possible lease issue has come up between HOME and Section Eight. HOME requires the lease be for one year at lease up and at renewal. A number of the HOME assisted units that have Section Eight leases has a lease renewal on a month to month basis. Our issue is if it auto renews it has to be for a year and some of the leases that we have seen it's not.

Sandee responded that there is a thirty day notice that both the tenant and landlord need to give so it may just be a conflict in the language.

Fair Housing Grant-

We did not get funded for the Fair Housing Grant that we applied for; we scored 97 out of 100.

Federal Issues-

HUD Budget-

The Senate is planning to vote on three different agency budgets including HUD sometime later this week or early next. It does not look very good for the HOME program. It could be due to the Washington Post articles. It is not clear how strongly HUD will be fighting for the HOME allocations. Section Eight, Public Housing and Homelessness funding is at a higher priority for HUD right now if they can get additional funding. A 25% cut would bring us down to half a million dollars, and a 40% cut would bring us down to about $400,000.

CHAPA Letter on Deficit-

Paul included a letter that CHAPA sent to Senator Kerry in regards to the Joint Select Committee on Deficit Reduction.

Regional Housing Policy/News-

Paul included a copy of CHAPA's testimony on the Importance of the Affordable Housing Law on Chapter 40B. Paul noted in the testimony thatMassHousing is saying no to some site eligibility letters, which has rarely happened in the past.

2010 Census Data/Housing Cost Data-

The Center for Budget and Policy Priorities put together the data on Section Eight utilization rates statewide. The Cape has six housing authorities that get Federal Section Eight Barnstable, Bourne, Dennis, Falmouth, Sandwich and Yarmouth and the rate is 97.5%.

Sandee explained that this is only one part of the whole picture. Every housing agency is given an allotment of vouchers, but they also have a budget authority that they have to adhere to. For example if they are given 50 vouchers, but they can only fund 45 vouchers, then they only fund 45 and cannot release the other 5 vouchers because then they would be in violation of HUD's rules and regulations as far as the budget authority goes. It is helpful to see the allotment for each agency, but if you see that 95% of the vouchers are under lease, then there are other things going on behind the scenes. It's a challenging program because there are a lot of variables. If they meet over 100% of their budget authority they are subject to penalties from HUD.

Paul asked if they ever run the risk of losing the authorized number of vouchers?

Sandee responded that it depends on HUD if for example the budget gets cut then they could lose the vouchers.

The Cape Cod Commission has developed a website with some of the latest Census data www.statscapecod.org. Indiana University keeps track of this data on a county to county basis and the Cape Cod Commission has contracted with them to provide the data. The economic development staff updates the website with this information. Paul highlighted some of the data in reference to housing cost, minority, etc.

Town Report-

Lee Berger reported that the Bourne Affordable Housing Trust has accepted a new home that is handicap accessible. The owners will be moving in next week. It was town owned land that the town gave to the trust. The trust will continue to get land now while it is less expensive and not nescaryly build anything but hold onto to it until the market gets better and people start buying again. They presently have a home located on Adams Street that they have not been able to find a buyer for which seems to be any issue for other units as well. The condo complex located on the Cape Cod Canal has been able to sell the (4) affordable units, but the (12) market rate units have not sold. They have rented some of the market units and they have also reduced the market unit price to half in hopes of finding buyers.

Lorri reported that DHCD has released funding to the Mashpee Housing Authority to expand on the Breezy Acres. It will add 10 more units to the family development.

Meeting adjourned at 9:45am