

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN
MEETING MINUTES - SPECIAL MEETING (ROUND TABLE)
FRIDAY – SEPTEMBER 09, 2016 – 10:00 a.m.
JUDGE WELSH ROOM - 260 COMMERCIAL STREET**

Chairman Richter convened the open meeting at 10:01 a.m. noting the following attendees:

Board of Selectmen members: Raphael Richter, Tom Donegan, Cheryl Andrews, and Robert Anthony.

Excused: Erik Yingling

Other attendees: Town Manager David Panagore, Asst. Town Manager David Gardner, Housing Specialist Michelle Jarusiewicz, Paul DeRuyter, Louise Venden FinCom, Mark Bjorstrom FinCom, Chris Mathisen FinCom, Acting Chair of Housing Authority & member of CHC Kristin Hatch. Recorder: Loretta Dougherty

1. Round Table Discussion – Update on the Year-Round Market Rate Rental Housing Trust Fund

Raphael believes this is going to pass this fall possibly in October or November. It was discussed as to how the money will be used in the Trust Fund. The Urban Land Institute is putting together a report that recommends a possible action for the Trust's use of money that would be to purchase housing on the market and hold it. The housing could be rented out to help generate income for future investments by the Trust. There would be some issues to work out taking this route such as the cost of housing, procurement requirements in order for a municipal entity to manage a residential property, and third party management issues. Other possible avenues to explore would be purchasing deed restrictions to preserve some rentals for year-round use and possible hybrid private/public partnerships. He referred to the chart comparison put together by Town Counsel which is included in the packet. The next step is the actual make-up of the five Trustees.

Cheryl wants to make sure that she understands the different models. One thing we have not done in Town yet, other than through the Grace Gouveia Agreement, is to have affordable units mixed in with market rate units. She believes it is important to analyze this type of agreement to see in what direction we want to go and what we have learned from this process. Is it still a viable option and if weaknesses exist can they be corrected. She wants to talk about this before getting the Trustees.

Tom believes that the strength is actually the model. One of the weaknesses would be that you would have to send someone to the condo association meetings. It should be a policy decision either by the Board of Selectmen, this group or the Trustees.

David P. wants to discuss where we are today and where the Board needs to go in terms of identifying issues of concern as deals get analyzed. An idea for discussion in the early phases would be to think about the needs of municipal employees such as teachers, firemen, and policemen, etc.

Louise believes that we need to have a clear idea of what the market demand is and what people can pay. People are staying for two or three days now not for weeks at a time anymore. AirBnBs are being used for weekly rentals. She believes that due diligence is essential regardless of what course we take. She suggested we get the kind of people that can help identify these issues.

Chris did sales and marketing in New York City and believes that by identifying the buyer or renter first to determine the demand would help everything else flow from that point on. He spoke about how financing would allow for "crowd funding" to help people in Provincetown become investors and part of our community involvement. Thinking about crowd funding of 20% from the Housing Trust and then financing through the bank would allow the Trust to put as little money as possible in and allow us to buy more.

Raphael reminded everyone that at this point in time this is only for year-round renters.

Kristin stated that a lot of places in Town have affordable units with market units such as Seashore Point, The Meadows and Stable Path.

Michelle stated that Seashore Point is for rentals only. All ownership properties have deed restrictions and Homeowner's Associations.

Tom spoke about setting up a task force by the Board of Health regarding having sober housing in Town. There are only 200 on the Cape and the closest is in Orleans. They are rented out by the bedroom with everyone using the common areas and are year-round rentals for about three to four people per house. The Trust could manage this with a house manager and the residents would take care of the housing tasks.

Mark stated that everything is in play at the very beginning.

Raphael believes that it is inevitable that at some point that the Trust would have to hire a management company.

Mark wants clarification as to what the role of the Trustees will be once elected.

Raphael stated that the Trustees will be appointed by the Board and they will have all of the control of the aspects of the Trust. The Board will have early on meetings and provide policy direction just like they do with the Provincetown Public Pier Corp.

Cheryl stated that when you have a management company they perform for a fee to keep the units full. You are paying them to perform.

Tom stated that it would be the same model as the Historic Deed Restrictions. A person could donate the property as a deed restriction and the owner would then be responsible for the maintenance. He stated that we are seeing more and more employers buying housing for their workforce to use, particularly for the non-profits.

Louise wants us to be able to foster a year-round economy that will draw other employers to our town.

Cheryl wants to help the Trust get off on the right foot.

David P. is in favor of asking KP Law about rewriting the growth management piece to help create an incentive. Let's look at workforce housing having zero taxes for the first two years and in the third year start to collect them.

Michelle mentioned that the average tax exemption is approximately \$800 per year and that deed restricted from market rate will be \$2,000 per year.

Raphael wants the taxpayers to be able to see what is being done so they will continue to put money into the Trust. The Board will potentially convene another Round Table on this at some point.

Legislation reads that appointments of the Trustees must be made within 60 days after the Trust is passed. The Board needs to talk about whether we want a sub-committee that will keep this discussion going or should we task staff to work with people who want to volunteer to look at individual properties. Section 133 states who will be appointed.

Louise recommended doing a survey to see who is out there and might be interested.

Tom believes that everyone knows that we have more demand than we have housing and feels that spending time to find it is less productive. We need to talk about leverage such as public/private partnerships. We need to put boundaries around the preferred mechanisms. What are we looking at? We have a very short time to show that it succeeds. We need to get going once it is passed.

Kristin believes this seems like an opportunity to work with the business community in a way we have not found an inlet for as in the past. Will the business community jump on this?

Paul suggested that it would be useful to go ahead and appoint the Trustees and actually start. It has advantages to help prime the pipeline. They could start talking with businesses and developers.

David P. stated that if you do things before they are official they take on a life of their own. Doing it methodically government wise is the best way. If we are going to do this, we need to have a business sense of what the community would agree to. Concerning revenue – does this discussion group think that we should pass a vote that creates dedicated funding using the Land Bank replacement model or have appropriations every year.

Paul stated that the Trust needs to be ready and flexible to move at opportunities as they present themselves. The Board needs to do a good job and not let happen to this Trust what happened with the Pier Corp.

Chris stated that it is very important to understand what types of units are needed; studios, one bedrooms, two bedrooms or more for bigger families. We need to identify what the demand is, know who the renters are and that would streamline the process.

Cheryl wants everyone to think about what kind of town we are going to leave behind. What is our vision in creating this Housing Trust?

At approximately 11:08 a.m. Under-Secretary of Housing Chrystal Kornegay, Representative Sarah K. Peake, and their aides stopped by on their way to a meeting.

2. Other: None.

Without objection Raphael adjourned the meeting at 11:10 a.m.

Minutes transcribed by: Loretta Dougherty