



Town of Brewster Affordable Housing Trust

2198 Main St., Brewster, MA 02631

(508) 896-3701

AFFORDABLE HOUSING TRUST MEETING AGENDA

2198 Main Street

Thursday, November 2, 2023 at 5PM

Affordable Housing Trust

Timothy Hackert
Chair

Maggie Spade-Aguilar
Vice Chair

Ned Chatelain
Clerk

Antone Freitas

Vanessa Greene

Donna Kalinick

Paul Ruchinkas

Housing Coordinator

Jill Scalise

This meeting will be conducted in person at the time and location identified above. This means that at least a quorum of the members of the public body will attend the meeting in person and members of the public are welcome to attend in person as well. **As a courtesy only, access to the meeting is also being provided via remote means in accordance with applicable law. Please note that while an option for remote attendance and/or participation is being provided as a courtesy to the public, the meeting/hearing will not be suspended or terminated if technological problems interrupt the virtual broadcast or affect remote attendance or participation, unless otherwise required by law.** Members of the public with particular interest in any specific item on this agenda, which includes an applicant and its representatives, should make plans for in-person vs. virtual attendance accordingly.

Members of the public who wish to access the meeting may do so in the following manner:

Phone: Call (312) 626 6799 or (301) 715-8592. Webinar ID: 843 9277 5553 Passcode: 231023

To request to speak: Press *9 and wait to be recognized.

Zoom Webinar: <https://us02web.zoom.us/j/84392775553?pwd=T2pEbVFGTlNUSWtDMGk5RWFOd0s2dz09>

Passcode: 231023 To request to speak: Tap Zoom "Raise Hand", then wait to be recognized.

When required by law or allowed by the Chair, persons wishing to provide public comment or otherwise participate in the meeting, may do so by accessing the meeting remotely, as noted above. Additionally, the meeting will be broadcast live, in real time, via **Live broadcast** (Brewster Government TV Channel 18), **Livestream** (livestream.brewster-ma.gov), or **Video recording** (tv.brewster-ma.gov).

Please note that the Affordable Housing Trust may take official action, including votes, on any item on this agenda.

1. Call to Order
2. Declaration of a Quorum
3. Meeting Participation Statement
4. Recording Statement—"As required by the Open Meeting Law we are informing you that the Town will be video and audio taping as well as broadcasting this public meeting. In addition, if anyone else intends to either video or audio tape this meeting they are required to inform the chair."
5. Citizen's Forum – Members of the public may address the Housing Trust on Housing Trust matters for a maximum of up to 3 minutes at the Chair's discretion. Under the Open Meeting Law, the Housing Trust can only address each item listed on the agenda and may do so during the appropriate agenda item. The Trust also may add items presented to a future agenda.
6. 212 Yankee Drive update
7. Housing Program Assistant position update
8. Community Preservation Committee (CPC) items: Annual Hearing and Town Meeting Housing Funding Articles: BAHT's Affordable Buydown Program & Spring Rock Village
9. Housing Trust Guidelines and 2024 Priority Initiatives discussion and possible vote
10. Housing Coordinator update including Habitat for Humanity Phoebe Way
11. Cape Cod Sea Camps update
12. Town Meeting, November 13th, Housing related article update and discussion: Accessory Dwelling Unit Bylaw Amendments, Local Comprehensive Plan, and Citizen Petition Articles regarding short term rentals.
13. Example & discussion of potential site, 2750 Main Street, for affordable housing development
14. For Your Information
15. Matters Not Reasonably Anticipated by the Chair
16. Approval of Minutes from October 5, 2023 and joint meeting with CPC January 11, 2023
17. Next Scheduled Meeting: December 7, 2023
18. Adjournment

Date Posted:
10.31.2023

Date Revised:

Received by Town Clerk:

BREWSTER TOWN CLERK
23 OCT 31 12 38 PM

212 Yankee Drive Pictures







8. CPC Annual Hearing

CPC Annual Public Hearing Notes 10.25.2023

Presented by:

Donna Kalinick Assistant Town Manager & Housing Trust Member

Jill Scalise, Housing Coordinator

The Housing Program is implementing the 2022 Housing Plan that was developed with CPA funding. The plan was certified this summer with the approval of the comprehensive permit for 45 affordable housing units at Spring Rock Village. In the past 7 years Brewster has added 125 affordable units to the subsidized housing inventory which now represents 7.2% of Brewster year-round housing. The Town still needs to create 145 affordable units to meet the state's mandate of 10% affordable housing. Additionally, the Town is working to maintain the current subsidized housing inventory. All the items mentioned this afternoon are reflective of strategies identified in either (or both) the 2017 and 2022 Housing Plans. They are also consistent with the Housing Goal of the proposed Local Comprehensive Plan: *Provide more affordable, attainable, accessible, safe, and fair housing, and support residents to maintain and preserve their current housing in order to remain in the community.*

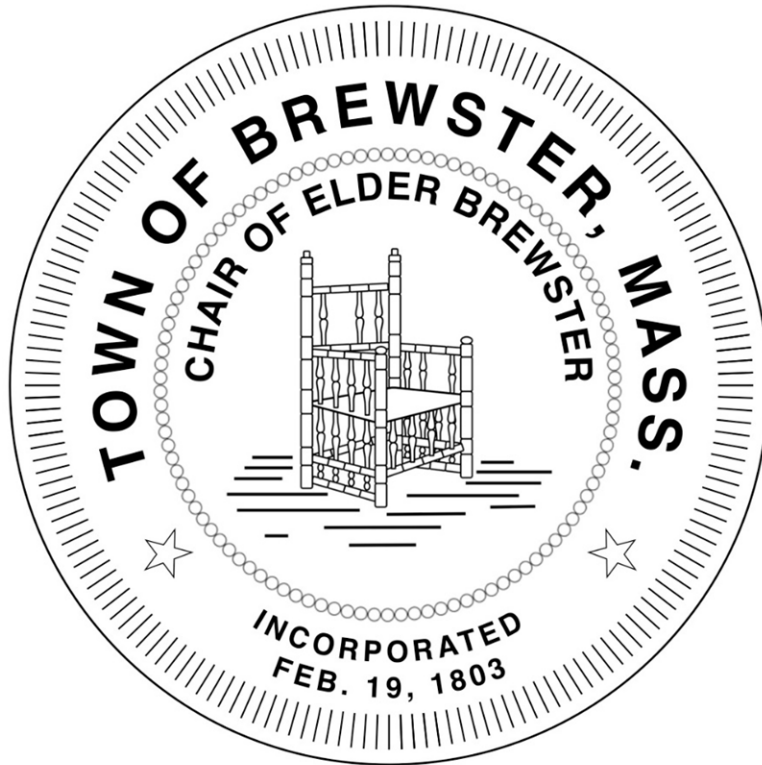
A five year Brewster Housing financial plan was provided to the CPC for the January joint meeting of the Housing Trust and CPC. The plan includes the items being shared today.

1. Preservation of Affordable Housing (Received \$500,000 Nov 2019 TM)
 - a. 212 Yankee Drive (\$50,000 spent last FY and contracted work \$240, 672)
 - b. Slow process. The Trust has been working to address 2 additional affordable homes that are vacant and in need of preservation.
 - c. No additional funds are expected to be needed for preservation as the Trust hopes to recoup some funds on the resale of 212 Yankee Drive.
 2. Rental Assistance (Trust received \$100,000 initially Nov 2018 TM and \$150,0000 May 2021 TM) Provides up to \$500/ month
 - a. \$14,175 spent in FY23.
 - b. In August, executed a 3 year contract with HAC. Now 10 households receiving monthly assistance. Authorization of up to 15 households.
 - c. With the initial funds used and the 2021 CPC allocation of \$150,000, the Trust expects to have funding for the next two years. There may be a \$150,000 CPA request regarding rental assistance in FY25 or FY26.
 3. CDBG: 1.7 million grant for housing rehabilitation & childcare assistance (\$50,000 housing rehab, up to \$6,000/ child-care)
 4. Spring Rock Village
 - a. Construction 45 affordable rental homes on Town-owned land off Millstone
 - b. Current TM request \$500,000. The Housing Trust also anticipates a request for funding for Spring Rock Village.
- Housing Trust receives additional funding from Short Term Rental Revenue

5. Housing Coordinator
 - a. Ongoing request, Salary only, benefits in Town budget
 - b. Part-time Assistant position, hiring in process- funded by BAHT
6. Buy-Down Program
 - a. Entire funds (\$360,000 over 16 years) spent
 - b. Current TM request \$250,000
 - c. According to financial plan additional \$300,000 in FY26. Request will be contingent on how much program is used.
7. Consideration of an annual request or allocation to a Housing Trust "Housing Opportunity Fund", especially to have funds for housing acquisition
 - a. Housing Trust is in process of priority setting. Discussed at joint meeting with CPC.
 - b. Possible request in FY25

9. Housing Trust Guidelines and 2024 Priority Initiatives

**Town of Brewster
Affordable Housing Trust Fund
Program Guidelines & Application**



Brewster Affordable Housing Trust Fund

Ned Chatelain

Tim Hackert

Madalyn Hillis-Dineen

Vanessa Greene

Donna Kalinick

Paul Ruchinskas

Maggie Spade-Aguilar

Staff contact: Jill Scalise, Housing Coordinator

Approved by the Brewster Affordable Housing Trust September 1, 2022

**Program Guidelines & Application
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Glossary of Housing Terms available at: (Link to be added with new website)

Town of Brewster
Affordable Housing Trust Fund
Program Guidelines and Application

I. Brewster Affordable Housing Trust Mission Statement and Goals

Housing Trust Mission Statement:

The Brewster Affordable Housing Trust (“BAHT”) seeks to expand and preserve year-round rental and ownership homes that are affordable to moderate, low, and very low income households. Our efforts will foster a welcoming environment for demographically and socio-economically diverse populations. The BAHT is committed to education, collaboration, and community engagement.

- Accepted April 4, 2019

Brewster Affordable Housing Trust (BAHT) Goals

The Trust has identified the following goals to use as guiding principles to implement Trust Mission Statement:

1. **Develop and Preserve Affordable Housing:** The BAHT will develop and preserve affordable housing and support the work of others seeking to do the same. Our work will serve very low-, low-, and moderate-income individuals and families, which means households with up to 100% Area Median Income (AMI).
2. **Educate:** The BAHT will work to educate individuals and organizations about Brewster’s community housing and why affordable housing is important to the town, its residents and visitors. Coordinating with the Brewster Housing Partnership (BHP), we will partner with other housing organizations from within and outside Brewster to provide educational opportunities to our citizens.
3. **Advocate and collaborate:** The BAHT will advocate for development proposals, projects, local bylaws, state and federal laws, and other programs that advance our mission to create and preserve affordable housing. We will collaborate with local, state, and federal officials as well as public, non-profit and for-profit entities to achieve our goals.
4. **Engage and Communicate:** The BAHT will engage and communicate with town residents, and listen to, and learn from, their ideas, so that our work reflects a broad consensus.

Originally approved by the Brewster Affordable Housing Trust August 15, 2019

II. Roles and Responsibilities of the Brewster Affordable Housing Trust

Purpose of the Trust:

The purpose of the Trust is to provide for the preservation and creation of affordable housing in the Town of Brewster for the benefit of low and moderate income households and for the funding of community housing as defined in and in accordance with the provisions of Massachusetts General Laws, Chapter 44, Section 55C. The Trust can use property, both real and personal, and expend funds as the Board of Trustees deems most appropriate to carry out such purpose consistent with the policies adopted from time to time by the Select Board regarding affordable housing.

Management of the Trust:

The Trust is governed by a Board of Trustees consisting of seven Trustees who are appointed by the Select Board for a term of two years. The Board is comprised of one member of the Select Board, Housing Partnership, Community Preservation Committee, and Planning Board; two residents at large; and the Town Administrator or his designee.

The Powers of the Trustees:

As stated in the Declaration of Trust, the Trustees may undertake any activity that would create and preserve affordable housing for the benefit of low and moderate income households. Their powers include, but are not limited to, the right to receive, purchase and convey real or personal property; to sell, lease, exchange or transfer property; to execute deeds, contracts, and grant agreements; to employ and compensate advisors and agents; to borrow money; to manage or improve real property and to abandon property which the Board determines not to be worth retaining; to issue policy goals and statements to serve as guidelines for the Trust and to provide funds for the benefit of low and moderate income households to assist in the acquisition, creation, preservation, rehabilitation and support of housing affordable for such families. Any expenditure of funds in an amount over \$50,000, and any sale, lease, exchange, transfer of conveyance of property having a value in excess of \$50,000, requires the approval of the Select Board.

Funding of the Trust:

The Brewster Affordable Housing Trust Fund (the "Trust Fund") was initially funded by the dissolution of the Affordable Housing Fund and the transfer of the funds to the Trust Fund. Community Preservation Act ("CPA") funds, in accordance Section 5 of the CPA, may be allocated to the Trust Fund. CPA funds appropriated into the Trust Fund may be used only for CPA approved activities, such as the acquisition, creation, preservation, and support of community housing, and for the rehabilitation of community housing acquired or created using CPA Funds. Additionally, the Trust Fund has received free cash from the Town of Brewster, including a portion of Brewster's Short Term Rental Revenue; these monies are not subject to the CPA restrictions, but are required to be used for the purposes of the Trust.

III. Housing Trust Priority Initiatives for FY 2022-23

A. Develop and Preserve Affordable Housing:

- Develop new affordable housing (by building):
 - Support and advance the development of community housing on the Millstone Road property. Subsequent to RFP issuance, select developer and support their efforts to develop rental housing in a timely manner. Determine the amount of funding that the Trust should reserve for a potential request, provide support through funding cycles and permitting process, continue to engage the public.
 - Participate in the exploration of the potential development of community housing on the Cape Cod Sea Camps Parcels.
- Develop new affordable housing (without building):
 - Evaluate the effectiveness of the current accessory dwelling unit bylaws and advocate for policy, financial, or implementation changes if necessary.
 - Evaluate the effectiveness of the current rental voucher program.
 - Revisit the feasibility of a rent-to-own program.
- Evaluate the effectiveness and reach of the existing Community Development Block Grant (CDBG) home rehabilitation program, refine procedures, and study whether the Trust needs to explore supplementing the program in any way.
- Continue to work to preserve the existing 3 Subsidized Housing Inventory (SHI) homes in distress and other units through outreach and, when required, with financial support.
- Work with the Community Preservation Committee (CPC) to determine the future of the Brewster Buy Down program
- Develop rules and program guidelines for the BAHT, particularly around funding requests
- Participate in the Local Comprehensive Plan (LCP) process, including advocate and explore a review of current zoning as it relates to housing.

B. Educate:

- Hold at least annual forums and Select Board updates as well as regularly post information on the Town website.
 - Community Housing Fair and Forum
- Hold ongoing joint meetings with other committees such as CPC, BHP, SB & FC
- Hold, and/or participate in, Community Housing education sessions and forums that address or include Fair Housing, Local Preference, and Regional Partnerships.

C. Advocate and Collaborate:

- Advocate for the Trust’s current funding strategy that includes allocations from the Community Preservation Act (CPA), dedication of the short-term rental revenue, free cash and/or budget allocations, and Community Development Block Grant (CDBG)
- Develop a 5-year Financial Plan
- Advocate for a more flexible CPA funding formula
- Explore other potential Trust funding
- Update Housing Production Plan
- Participate in the Local Comprehensive Plan (LCP) planning process
- Work with other housing partners in Town and in surrounding Towns.

For example:

- Partner: Explore partnering with local entities for street/yard clean-ups like the Big Fix or Huckleberry Lane event.
- Support: local initiatives such as Accessory Dwelling Unit (ADU) bylaw review with BHP, Community Preservation Committee (CPC) Buy-Down Program, Cape Housing Institute, Habitat for Humanity Red Top Road, Serenity at Brewster, and Cape Cod Sea Camps.
- Network: Attend events and communicate with housing partners.
- Guide: With other Town entities (including Open Space) create guidelines for land. Review town parcels and properties for suitability for housing.

D. Engage and Communicate:

- Provide opportunities for residents to share their thoughts and ideas.
 - Community Housing Forum
 - Continue engagement with residents during the Millstone Road developer selection process.
 - Citizen’s Forum
 - Develop a diversity inclusion working group

Approved by the Housing Trust January 6, 2022

IV. Eligible Activities

The Trust Fund can be used to support the following activities. Note that CPA funds must be used only for those purposes specified in the CPA as allowable activities, while the Trustees may use non-CPA funds for programs offering a broader range of purposes that are consistent with the Declaration of Trust and the provisions of MGL Chapter 44, Section 55C.

A. PRESERVATION PROGRAMS

Preservation of Subsidized Housing Inventory (SHI) Affordable Homes:

1. Housing Preservation and Improvement Activities

The BAHT received a CPA grant of \$500,000 in November 2019 to assist in the preservation and acquisition of SHI homes. Funds will be prioritized for affordable homes identified as non-compliant (for example, uninhabited) and/or at risk of losing their affordable deed restriction.

In certain instances, the BAHT may use funds to preserve affordability of units already included in the Town's Subsidized Housing Inventory ("SHI") by providing funds for repairs necessary to enable residents to continue to reside in their homes. This may include the purchase of homes in specific circumstances.

CPA Allowable Activities: CPA funds may be used for repairs that are necessary to preserve affordable housing from injury, harm or destruction, which may include, but are not limited to, the following:

- Building envelope and site work to preserve the structural integrity of the homes
- Roof, siding and window replacements to assure the water tightness of the housing units
- Upgrading of dangerous electrical or plumbing systems
- Replacement of dangerous building systems that threaten the housing units
- Failed Septic Systems
- Installation of hard-wired smoke alarms, sprinklers and other building fire suppression systems
- Funds cannot be spent for maintenance or operating costs

Whether the BAHT will fund a particular project depends on the facts involved in each case, the amount of funds sought, the eligibility of persons seeking assistance, the necessity of the repairs, the funds available to the BAHT to support such program, whether the homes were acquired or created originally with CPA funds, and other factors. The BAHT may obtain new deed restrictions on properties to ensure the future affordability of the homes. There is no guarantee of financial assistance.

B. SUPPORT PROGRAMS (Loans/Grants for Individuals)

1. Brewster Rental Assistance Program

Provide a monthly rent subsidy and support to income eligible households. This program is currently managed by Housing Assistance Corporation (HAC) for the BAHT. For more information, see the Housing Office Webpage or this link: [Microsoft Word - FACT SHEET Brewster Rental Assistance Program.docx \(brewster-ma.gov\)](#)

CPA Allowable Activities:

Grants, loans, rental assistance, interest-rate write downs or other assistance directly to individuals who are eligible for community housing for the purpose of making housing affordable

2. Brewster Affordable Home Buyers Buy-Down Program

The Town of Brewster, through Community Preservation Funds, provides up to \$30,000 of grant assistance for eligible buyers purchasing a home in Brewster. The program, contingent on existing funds, is available to households qualifying at 80% AMI (Area Median Income) who agree to place a permanent affordable housing deed restriction on the home. The grant assistance is provided as an interest free loan which is forgivable after 30 years if the owners remain in compliance with the terms of the restriction. This program is overseen by the Community Preservation Committee and specific applications for this program are available at Town Hall and on the Housing Office webpage: [Buy-Down Ready Buyer Application \(laserfiche.com\)](#)

CPA Allowable Activities:

Grants, Loans, Rental assistance, interest-rate write downs or other assistance directly to individuals who are eligible for community housing for the purpose of making housing affordable

3. Community Development Block Grant (CDBG) Housing Rehabilitation & Childcare Assistance Program

CDBG housing rehabilitation and childcare assistance funds are available for low to moderate income Brewster households earning up to 80% of the Area Median Income. Housing Rehabilitation funds can provide a 0% interest, deferred, forgivable loan to make critical home repairs. The program is designed to improve the housing conditions of income qualified households. Funds up to \$50,000 are available to eligible residents to pay for critical home repairs, like: roofing and siding, electrical, heating and plumbing work, structural repairs, lead paint abatement and energy efficiency upgrades such as windows and storm doors. This program is managed by The Resource Inc. (TRI) and applications are available from TRI at jean@theresource.org. Childcare funding offers eligible families subsidies of up to \$6,000 per child, to assist families in seeking or maintaining employment. Bailey Boyd Associates oversees the Childcare assistance and applications are available here: [Childcare Programs — Bailey Boyd Associates.](#)

C. CREATION PROGRAMS (Development Loans/Grants)

1. DEVELOP NEW RENTAL HOUSING (Rental Expansion Program)

- **New Construction Units**

Provide funding assistance to developers for construction of new affordable rentals with deed restrictions required for long-term affordability.

2. DEVELOP NEW HOME OWNERSHIP HOUSING (Home Ownership Expansion Program)

- **New Construction Units**

Provide funding assistance to developers for construction of new home ownership properties with deed restrictions required for long-term affordability.

V. Funding Guidance

The BAHT has established the following funding guidelines for eligible activities:

- All financial transactions undertaken by the BAHT where Community Preservation Act (CPA) funds are used must comply with the requirements of the Community Preservation Act (CPA).
- All affordable rental and homeownership units created through new construction must be deed restricted.
- Development loans provided under the Home Ownership and Rental Expansion Program are limited to up to \$100,000 per affordable unit and a maximum project amount determined by the Trust. Tax credit units are limited to \$50,000 per affordable unit. The BAHT will determine the applicable interest rate to assist with project feasibility. Payments will be deferred until the property is transferred unless the recipient is determined to be in violation of loan terms (allowances for extenuating circumstances with an appeal process), in which case payments will be due. Any loan proceeds will be deposited into the Housing Trust Fund. All loans must be secured by a mortgage against the property and may be subordinated to other project lenders. Deed riders for 10-15 years are required for projects where the loan is more than \$20,000 per unit and required for at least 30 years or in perpetuity for loans of \$50,000 or more per unit.
- For rental developments, the project sponsor must enter into a Regulatory Agreement with the Town and subsidizing agency that insures affordability in perpetuity to the greatest extent possible.
- A Land Development Agreement will be required for any Town-owned land.

- In addition to BAHT approval, expenditures over \$50,000 require Select Board approval.
- Funding is directed to creating and preserving affordable housing for low and moderate income households, as defined below:

Low-income housing – Housing for those persons and families whose annual income is at or below 80% of the area median income (AMI) for the Barnstable County area as determined annually by the U.S. Department of Housing and Urban Development (HUD) and adjusted by household size.

Moderate-income housing – Housing for those persons and families whose annual income is above 80% AMI but at or below 100% AMI for the Barnstable County area as determined annually by HUD and adjusted by household size.

While funded projects can include income tiers above the 100% AMI threshold, the Trust Fund cannot be used for projects that are solely targeted to income levels above the 100% level.

- Funding guidelines can be waived or modified, if permitted under applicable law, upon a majority vote of the BAHT and, if required, by the Select Board.

VI. Project Monitoring

The BAHT, with staff support from the Housing Office and/or management agency, will work with the state’s Department of Housing and Community Development (DHCD) and project sponsors to insure that all units that have been funded by the Trust Fund are eligible for inclusion on the SHI, meet all requirements to be counted as part of the SHI, and are monitored to ensure the continued affordability of such units.

BAHT will also monitor the affordability of units that have received Trust funds but are not eligible for inclusion on the SHI. In these cases, the BAHT, with support from the Housing Office and/or a management company, will annually confirm the continued occupancy and eligibility of unit occupants by:

- Checking Assessors records and resident mail listings to verify the continued occupancy of the units. If the units involve homeownership, the deed rider will require that the occupant notify the Town upon any intent to sell, and the Town will have an opportunity to purchase or resell the unit based on a prescribed process included in the deed rider (adaptation of DHCD’s deed rider). If the units involve rentals, send a letter to the project sponsor requesting documentation listing the incomes of the tenants and a copy of their leases to ensure that the tenants meet the income qualifications, and the rents continue to be affordable.
- Checking the Barnstable County Registry of Deeds to make sure that there have been no changes in ownership/residency.

- Preparing an annual compliance report that documents the continued affordability of these units.

VII. Reporting

With staff support from the Housing Office, the BAHT shall prepare an annual report that summarizes the use of Trust funds during the fiscal year including amounts of funding, type of funding, project description and status, as well as the balance in the Trust Fund. The books and records of the Trust shall be maintained by the Town Accountant and audited annually as part of the annual audit of the Town of Brewster. The results of the audit shall be provided to the Town.

VIII. Periodic Updating of the Guidelines

These Housing Guidelines shall be reviewed at least every three (3) years by the BAHT, with input from the CPC and the Brewster Housing Partnership, and updated as necessary. The BAHT is responsible for approving any changes and can also choose to amend the Guidelines any time if it determines that certain requirements are no longer effective or viable or are necessary or appropriate. Section III will be updated regularly to reflect the BAHT's new FY priorities.

IX. Application Process

The application process involves providing information to the BAHT before funding approvals can be granted. All submissions, scheduling and communications will be coordinated through the Brewster Housing Office. The BAHT will accept applications on a rolling basis.

Only those projects that receive the approval of the Board of Trustees and, if required, the Select Board, are eligible to access funding from the Trust Fund. In making its determinations on funding, the BAHT may consult with the Brewster Community Preservation Committee, Planning Department and Planning Board, Zoning Board of Appeals, and/or other Town commissions or boards. The approved applicant must enter into an agreement with the BAHT that specifies the purpose and scope of the project, projected timeframe, and approved funding for the project. The applicant must submit an original copy of the signed contract.

X. Selection Criteria

The BAHT will apply the following selection criteria in its review of applications:

Selection Criteria
<p>The project/program proposal is consistent with the BAHT’s Funding Priorities. These include the following:</p> <ol style="list-style-type: none"> 1. Increase affordable housing opportunities for year-round community to the extent permitted by law, by prioritizing opportunities that support the Trust’s mission to expand and preserve year-round rental and home ownership homes that are affordable to moderate, low, and very low-income households. These projects should provide a welcoming environment for demographically and socio-economically diverse populations. Proposals may serve a range of local housing needs, even if some of the units may not be eligible for inclusion in the state’s Subsidized Housing Inventory (SHI). 2. Advance the creation of year-round affordable rental units to serve Brewster's most financially vulnerable residents and other income-qualified persons and households. 3. Identify and take advantage of existing structures and/or properties that have discounted or nominal acquisition costs, such as town owned or tax foreclosure properties, to make the development of affordable housing more financially feasible. 4. Promote affordable housing using methods that minimize impacts on the built environment, such as accessory apartments, small infill developments in existing neighborhoods, or buy-down initiatives that convert existing housing into affordable units. 5. Develop a range of projects to serve a range of housing needs including housing for families, seniors, and special needs populations. 6. Encourage mixed-income development to promote diversity and inclusion.
<p>The funding request is reasonable as a portion of the overall project costs and on a per-unit basis and adheres to the BAHT Funding Guidelines.</p>
<p>The development pro forma demonstrates that the project is feasible (not applicable if Trust Funds are requested for predevelopment activities to determine feasibility of a project).</p>
<p>The applicant has demonstrated significant leveraging of the requested BAHT Funds with other public and/or private funding sources.</p>
<p>The applicant is qualified to undertake the project and has demonstrated success in similar capacity with comparable projects.</p>
<p>The applicant has demonstrated appropriate site control.</p>
<p>Projects provide additional public benefits such as open space, environmental/conservation, energy efficiency, historic preservation, public safety, economic development, etc.</p>
<p>The project meets demonstrated community needs.</p>
<p>The applicant has demonstrated project support by other Town boards, committees, the Cape Cod Commission, other pertinent organizations, and Brewster citizens, as appropriate.</p>

XI. Application Form/ Attachment List

Town of Brewster
Affordable Housing Trust
Application Package
APPLICATION FORM

Project/Program Name: _____

Trust Program: _____

Project Location

Street Address: _____ Assessor's Map & Lot #: _____

Legal Property Owner of Record: _____

Sponsor(s)/Organization: _____

Contact Person Name & Title: _____

Telephone: _____ Email: _____

Mailing Address: _____

Budget Summary

Total Trust Funds Requested:

Total Project Cost: _____

Sponsor's Signature: _____ Date: _____

5. Unit Composition (If Applicable): *List number of units in each category*

	Total	<=30% AMI	<=50% AMI	<=80% AMI	<=100% AMI	<=120% AMI	Market Rate
SRO							
1 Br							
2 Br							
3 Br							
4 Br/+							

Note: Refer to www.huduser.org for latest fair housing rates.

7. If applicable, Information about the Development Team including:

- Owner/sponsor/development entity-
- Experience-
- Architect-
- Engineer-
- General Contractor (if known)-
- Development Pro-forma-
- Operating budget for rental project (For example- One Stop funding application)
- Development pro-forma with sales prices for home ownership units.



Submission: All completed application packets should be submitted to:

Town of Brewster Affordable Housing Trust
 Jill Scalise, Housing Coordinator
 2198 Main Street
 Brewster, MA 02631
jscalise@brewster-ma.gov
 Phone: 5089-896-3701, ext. 1169

Brewster Affordable Housing Trust Priorities FY22-23

Priority Initiatives	Program		Status	
	Name/ (Entities)	Funding		
Develop & Preserve Affordable Housing				
#1	Develop new affordable housing (by building): <ul style="list-style-type: none"> Support & advance development of community housing on Millstone Property (HPP #16 & #8) Participate in exploration of housing at Cape Cod Sea Camps properties (HPP#12) 	Millstone Community Housing Preservation of Affordable Housing (POAH) & Housing Assistance Corp (HAC)	---	Developer selected, LDA executed, PEL received, Comp Permit approved. CPC funding requested. Regular updates provided.
		Representative on Pond Parcel Committee, Liaison on Bay Parcel Committee	---	Regular reports. Community Information sessions.
#2	Develop new affordable housing (without building): <ul style="list-style-type: none"> Evaluate current ADU bylaw (HPP#1) Evaluate effectiveness of rental voucher program (HPP#21) Revisit feasibility of rent-to-own (HPP #22) 	ADU Bylaw (PB)	---	SB & PB endorsed & recommended ADU bylaw revisions for Fall 23 TM.
		Rental Assistance Program (Current program: HAC)	\$225,000 CPA designated, 150,000 available	Quarterly reports. Evaluation 5/23, RFQ 7/23, HAC contracted for 3-year management of program 8/23.
		Rent-to-own	Not viable at this time.	No properties identified. May tie in with Sea Camps exploration.
#3	Evaluate effectiveness and reach of Community Development Block Grant (CDBG) for housing rehabilitation (HPP #20)	Housing Rehab & Childcare Assistance (Bailey Boyd Assoc. & The Resource Inc.) Brewster Finance & Admin	Regional CDBG \$1.7M FY22/23 (prev. \$100,000 free cash possible)	FY21 1.3M CDBG funds received. FY22/23 1.7M CDBG funds received. Regular reports from Bailey Boyd Effective program. Town support.
#4	Continue to work to preserve 3 Subsidized Housing Inventory (SHI) properties (HPP #21) <ul style="list-style-type: none"> 212 Yankee Drive 11 Sean Circle 88 Belmont Park Note: \$500,000 CPA SHI Preservation funding	212 Yankee Drive (HAC & TRI)	CPA & Trust funds available	DPW aid with cleanout & site work. HAC & TRI contracted to manage. Mold & infestation work complete. Septic repaired. IFB. Contracted Pearl Construction 8/23.
		11 Sean Circle	CPA & Trust funds available	Working with EOHL. Communication & negotiation with Freddie Mac. Waiting for response.
		88 Belmont Park	CPA & Trust funds available	Sent letters & called homeowner. No response. Several site visits. Appears to need repair/painting.

#5	Work with Community Preservation Committee (CPC) to determine future of Affordable Buy-Down Program (HPP#21)	Buydown Program (CPC)	CPA application for TM Nov. 2023 \$250,000	Evaluated program. Funds exhausted. Met with CPC, decision: Trust to manage program. CPA application 7/23 for Fall23TM.
#6	Develop rules and program guidelines for BAHT, particularly around funding (HPP #8)	BAHT Program Guidelines	--	Adopted 9.01.22. On webpage.
#7	Participate in the Local Comprehensive Plan (LCP) process, including advocate and explore a review of current zoning as it relates to housing. (HPP#14)	LCP (VPC)	--	BAHT participated in planning process, letter of support for TM 11/22. Reviewed 2023 draft. SB & PB recommended for Fall23 TM.
		Zoning (Planning, PB)	Town has grant app for multi-unit and mixed-use zoning review	Initial exploration by Town Planner with staff assistance.
Educate				
#1	Hold at least annual forums and Select Board updates as well as regularly post information on the Town website (HPP #14)	Community Housing Forum (BHP)	--	With BHP, Held in person forum & fair at library in October 2022.
		Select Board	--	Update provided June 2023.
		Website	--	Ongoing: Housing Office & Trust webpages & new website.
#2	Hold ongoing joint meetings with other committees	Joint Meetings	--	Held joint mtg with CPC.
#3	Community Education Sessions (HPP #7 & #15)	Community Education	--	Housing Institute. Local Preference Session held August 2023.
Advocate & Collaborate				
#1	Advocate for the Trust's current funding strategy that includes CPA, STRR, free cash and/or budget allocations and CDBG	Trust Funding (SB, CPC, FinCom)	FY22- \$250,000 GF -\$150,000 FY23- \$375,000 GF	SB Policy: ½ projected STRR to BAHT.
#2	Develop a 5-year financial plan (HPP#8)	Financial Plan (Finance Team)	--	Complete. Shared with SB, CPC, and FinCom.

#3	Advocate for a more flexible CPA funding formula (HPP#7)	CPA Formula (CPC)	---	Passed May 2022 TM. Provided Letter of Support.
#4	Explore other potential Trust funding (HPP#9)	Potential Funding	--	Discussions at meetings
#5	Update Housing Production Plan (HPP)	Housing Plan (BHP)	\$25,0000 CPA Funds (Town Admin)	Complete
#6	Participate in the LCP Process (HPP #14)	LCP (VPC)		Participated, see #7 above.
#7	Work with other housing partners in Town & in surrounding towns. (HPP #11,12 &22) <ul style="list-style-type: none"> • Partner: explore partnering for events • Support: local initiatives • Network: attend events & communicate with housing partners • Guide: guidelines for land. Review town parcels/properties suitable for housing. 	Partner for events	--	No clean-up/Big Fix events
		Support Local Initiatives (BHA, BHP, CPC, CDP, HAC)	--	Supported: ADU Bylaw, Brewster Woods, Cape Housing Institute, Serenity Brewster, etc.
		Network with Housing Partners (other Towns, CDP, HAC)	--	Regularly attend events: peer groups, housing trainings, etc. Invited partners to events
		Create Joint Guidance (Open Space, CPC, BHP)	--	Held joint meeting: BHP & CPC
Engage & Communicate				
#1	Provide opportunities for residents to share their thoughts and ideas.	Community Housing Forum	--	2023: Held Forum
		Millstone Community Engagement	--	BAHT meetings, Info Session October 2022
		Citizen's Forum	--	Available every meeting
		Develop a diversity inclusion working group	--	Informal group created 1/20

Notations:

BAHT- Brewster Affordable Housing Trust
 BHP- Brewster Housing Partnership Committee
 CDBG- Community Development Block Grant
 CDP- Community Development Partnership
 COA- Council on Aging
 CPC/A- Community Preservation Committee/ Act
 EOHL- Executive Office of Housing & Livable Communities
 FinCom- Finance Committee

GF- General Fund
 HAC- Housing Assistance Corporation
 MHP- Mass Housing Partnership
 RFP- Request for Proposals (RFQ- Request for Quotes)
 SB- Select Board
 STRR- Short term rental revenue
 TM- Town Meeting
 VPC- Vision Planning Committee

*Key priorities FY22-23



HOUSING PRODUCTION PLAN (HPP) IMPLEMENTATION TABLE OCTOBER 2023

The table below outlines the responsible parties for each strategy, as well as possible time frames and progress on strategies. The column on the right provides notes and accomplishments regarding the Town's work on the strategies one year into the 5-year plan.

Housing Production Plan Implementation Table as of September 2023 (Updated from Table 24 in the 2022 HPP) Note: SB FY24-25 Strategic Plan (H-2)

Implementation Strategies		CONFIRM Responsible Entities		CONFIRM Time Frame	NOTES	✓
		Lead	Support			
Regulatory Reform						
#1	Reevaluate the existing ADU and ACDU bylaws and other references to accessory apartments; explore amendments to streamline these provisions and improve their efficacy.	Planning Building	BHP HC SB	In Process/ FY24	Staff feedback. PB evaluation, drafting, listening sessions & hearings. SB amendments Fall23TM. Jon Idman staff lead.	
#2	Amend zoning to clearly allow mixed uses that include housing in business-zoned areas.	Planning	SB, HC TA, BHP	FY24	Community planning One Stop grant application 6/23 - Jon Idman staff lead.	
#3	Reevaluate the existing multifamily dwelling bylaw (Section 179-34) and consider changes and other regulatory measures to facilitate multi-unit residential development.	Planning	HC, TA SB	FY24	Community planning One Stop grant application 6/23 - Jon Idman staff lead.	
#4	Explore measures to require or encourage the inclusion of affordable units in residential development over a certain number of units.	Planning	HC, TA SB	TBD		
#5	Allow and incentivize the adaptive reuse of existing buildings for the creation of affordable and mixed income housing.	Planning Building TA, SB	HC ZBA	TBD		
#6	Utilizing the findings of the ongoing Integrated Water Resource Management Plan, continue to identify appropriate wastewater treatment systems to enable the creation of denser housing development that can support the inclusion of affordable units.	Interdepartmental: Water Resources Task Force. Health, TA, SB, Planning, Natural Resources	HC	TBD		



Housing Production Plan Implementation Table as of September 2023 (Updated from Table 24 in the 2022 HPP) Note: SB FY24-25 Strategic Plan (H-2)

Implementation Strategies		CONFIRM Responsible Entities		CONFIRM Time Frame	NOTES	✓
		Lead	Support			
Funding & Assets						
#7	Continue to work with nearby communities on the Cape by pooling CPA funds and other resources to construct affordable housing in suitable locations throughout the region and meet regional housing needs.	CPC TA HC SB	BHP BAHT	In process, success, & ongoing	Spring TM23: CPC fund HAC Orleans & POH/CDP Wellfleet. Spring Rock 55% local & 15% region preference approved by EOHLC. CPA app for Fall TM23	✓
#8	Develop a five-year financial plan for the BAHT and determine whether additional funding streams should be explored.	BAHT & Finance (FT) Team & SB	HC CPC	Partially complete & In Process	Five year plan developed by Trust in FY23. Trust has interest in exploring additional funding streams.	✓
#9	Based upon the BAHT five-year financial plan, explore other funding opportunities to support housing initiatives at a range of income levels.	BAHT, CPC, FT, SB, TA & HC	BHP	FY24	Trust notes: RE transfer tax, year-round deed restrictions, standing appropriation for land, Trust for 80-120% AMI.	
#10	Explore local property tax incentives for the creation of affordable housing, such as offering a reduction of property taxes to an owner renting an affordable unit.	SB TA Finance	Assessor HC BAHT	TBD		
#11	Develop criteria for assessing a property's suitability for the creation of affordable and attainable housing.	Planning HC, BAHT Building, Health	Cons Comm, Open Space TA, SB, MHP	First	Not yet addressed, consider for FY24	
#12	Inventory existing Town-owned land using the criteria developed to determine suitability for housing; develop & issue an RFP for the development of affordable & attainable housing on properties identified as suitable for housing development.	Planning HC TA BAHT Cons Comm	Assessor SB Open Space	After #11		
#13	If deemed necessary based upon the findings of the Town-owned land inventory, develop and issue an RFP for the acquisition of privately held land for the creation of affordable and attainable housing.	BAHT TA HC	Planning SB	After #12		



Housing Production Plan Implementation Table as of September 2023 (Updated from Table 24 in the 2022 HPP) Note: SB FY24-25 Strategic Plan (H-2)

Implementation Strategies		CONFIRM Responsible Entities		CONFIRM Time Frame	NOTES	✓
		Lead	Support			
Education & Advocacy						
#14	Develop a collaborative housing education plan that connects to the Town's Local Comprehensive Plan (LCP).	BAHT BHP HC	Vision Planning BHA, COA	In process	Working collaboratively with LCP for Fall TM23	
#15	Continue to ensure regular participation by staff and members of Town bodies in available trainings on housing-related issues including fair housing, local and regional housing needs, comprehensive permit administration, and other relevant topics.	HC BAHT BHP	Planning CPC ZBA SB Finance	In process & ongoing	Provide training info. Local Preference Forum on 8.17.23.	
Local Policy & Planning Strategies						
#16	Continue to make good use of 40B, including the Local Initiative Program (LIP), as a vehicle for creating affordable housing.	BHP BAHT HC, TA	SB ZBA CPC	Success & ongoing	Brewster Woods leased, Habitat in development, Spring Rock Village comp permit approved. SB FY24-25 Plan (H-3)	✓
#17	Encourage public/private partnerships to facilitate the collaborative production of affordable housing to meet a range of community needs.	BAHT BHP HC TA	SB Planning CPC	TBD	No inquiries thus far.	
#18	Continue to monitor the impacts of short-term rentals on the availability of year-round rental units; review and consider changes to local policies accordingly.	SB Finance TA	BAHT HC	In process	SB FY24-25 Plan (CC-4) Evaluate impacts of short term rentals.	
#19	Increase housing staff capacity to ensure continued and consistent collaboration with the Building, Conservation, Health, and Planning Departments.	TA, BAHT Finance HC	Interdepartmental: Building Planning	In process	Housing Trust approved funding for housing program assistant. Job description in process for hiring FY24.	



Housing Production Plan Implementation Table as of September 2023 (Updated from Table 24 in the 2022 HPP) Note: SB FY24-25 Strategic Plan (H-2)

Implementation Strategies		CONFIRM Responsible Entities		CONFIRM Time Frame	NOTES	✓
		<i>Lead</i>	<i>Support</i>			
Community Resources & Local Support						
#20	Continue the CDBG-funded housing rehabilitation program to enable income-eligible homeowners to make critical home repairs.	HC TA Finance	SB BAHT Building	In process	Received 1.7M CDBG FY22/23 funding as lead community. SB FY24-25 Plan (H-1)	✓
#21	Evaluate current CPC-funded housing initiatives and consider adjusting to meet current needs.	BAHT CPC, SB HC	BHP	In process	BAHT will oversee Buydown, CPC request Fall TM23. Rental assistance continued, 3 year contract with HAC 8.23.	✓
#22	Explore other opportunities for direct support for eligible households, including partnerships with local non-profits and housing assistance providers.	HC BHP BAHT	COA, SB CPC BHA	In process	Working with CDP & HAC on ADU resources. Cape Light Compact. Water bills.	

Notations:

BAHT- Brewster Affordable Housing Trust
COA- Council on Aging
FT- Finance Team
SB- Select Board
✓ = accomplishment

BHA- Brewster Housing Authority
CPC- Community Preservation Committee
HC- Housing Coordinator
TA- Town Administration

yellow highlight- active work

BHP- Brewster Housing Partnership
Cons Comm- Conservation Committee
MHP- MA Housing Partnership
ZBA- Zoning Board of Appeals



Select Board FY24-25 Strategic Plan

FINAL AS APPROVED 08.21.23

Vision Building Block	Goal #	Goal Description	Timeline	Vision Plan / Local Comprehensive Plan	FY23-24 SB Plan	Primary Responsible Party	Other Key Stakeholders
Sea Camps	SC-1	Provide interim public access to and activities on both Sea Camps properties	FY24-25	X	X	Town Administration and Bay & Pond Property Planning Committees	Select Board; Recreation Commission; Recreation Dept; Town Staff
	SC-2	Continue community planning process, engaging residents and stakeholders, to develop long-term comprehensive plans for both Sea Camps properties	FY24-25	X	X	Town Administration and Bay & Pond Property Planning Committees	Select Board; BPPC & PPPC Liaisons and Representatives, and Town Staff
	SC-3	Continue to explore potential partnerships and revenue generating opportunities that mitigate tax impacts and/or provide enhanced services, programs, or amenities for residents on both Sea Camps properties	FY24-25	X	X	Town Administration and Bay & Pond Property Planning Committees	Select Board; BPPC & PPPC Liaisons and Representatives, and Town Staff
Governance	G-1	Evaluate strategies to reduce tax burden on residents, including examining revenues and targeted local tax relief options, and managing school budgets	FY24		X	Finance Team	Select Board; Finance Committee
	G-2	Develop and implement communications plan, with focus on municipal finance and taxes, to best inform residents and local businesses about Town affairs	FY24-25	X		Town Administration	Select Board; Town Staff
	G-3	Identify priority areas to increase organizational capacity to meet enhanced service needs and expanded project demands and develop long-term financing plan to fund necessary personnel	FY24-25	X	X	Town Administration, Human Resources, & Finance Team	Select Board; Finance Committee; Town Staff
	G-4	Conduct assessment of community recreation needs, develop implementation plan, and provide staffing supports to deliver enhanced recreation services	FY24-25	X	X	Town Administration	Select Board; Finance Team; Human Resources; Recreation Dept & Commission; Natural Resources Dept; Department of Public Works
Community Character	CC-1	Complete Diversity, Equity, and Inclusion audit of Town policies, provide DEI training to Town officials and staff, and integrate DEI considerations into Town programs, events, and activities	FY24-25	X	X	Town Administration	Select Board; Human Resources Department; Town Staff
	CC-2	Develop and implement FY24-28 Age-Friendly Community Action Plan based on 2023 COA community needs assessment	FY24-25	X	X	Council on Aging Board & Department	Select Board; Town Administration; Social Services Team
	CC-3	Evaluate feasibility of potential childcare subsidy program, and implement in equitable and sustainable manner	FY24-25	X		Select Board	Finance Team; Finance Committee; Housing Department
	CC-4	Evaluate impacts of short-term rentals on the community and consider potential policy solutions	FY25			Select Board & Town Administration	Board of Health; Health Department; Housing Department; Building Department; Planning Department
Open Space	OS-1	Develop standard criteria and process to evaluate potential land acquisitions and consider establishing municipal land acquisition committee	FY24	X	X	Select Board	Town Administration; Open Space Committee; Affordable Housing Trust; Water Commission; Town Staff
	OS-2	Identify priority goals of 2021 Open Space and Recreation Plan and begin implementation, including making targeted accessibility improvements to Town-owned conservation land	FY24-25	X		Natural Resources Advisory Commission & Dept; Recreation Commission & Dept	Town Administration; Select Board; Conservation Commission; Water Commission & Dept

Select Board FY24-25 Strategic Plan

FINAL AS APPROVED 08.21.23

Vision Building Block	Goal #	Goal Description	Timeline	Vision Plan / Local Comprehensive Plan	FY23-24 SB Plan	Primary Responsible Party	Other Key Stakeholders
Housing	H-1	Promote and encourage support programs that help residents stay in their homes	FY24-25	X	X	Housing Dept	Select Board; Town Administration; Affordable Housing Trust; Human Services Committee; Council on Aging
	H-2	Continue implementing Housing Production Plan	FY24-25	X	X	Affordable Housing Trust & Housing Dept	Select Board; Planning Board; Housing Partnership; Town Administration; Planner
	H-3	Continue to provide support for Millstone Community Housing initiative	FY24-25	X	X	Town Administration & Housing Dept	Select Board; Affordable Housing Trust; Community Preservation Committee
Local Economy	LE-1	Develop Guide to Doing Business in Brewster	FY25	X	X	Town Administration	Building Dept; Health Dept; Planning Dept; Natural Resources Dept; Town Clerk; Chamber of Commerce
Coastal Management	CM-1	Identify and implement priority goals and strategies of Coastal Resource Management Plan (Phase I)	FY24-25	X		Natural Resources Commission & Dept	Select Board; Conservation Commission; Town Administration
	CM-2	Advance intermunicipal shoreline management plan initiative with Dennis and Orleans	FY24-25	X		Natural Resources Dept	Natural Resources Advisory Commission; Town Administration; Conservation Commission
Water Resources	WR-1	Continue Integrated Water Resource Management Plan implementation and update as needed to reflect current alternatives analyses, prioritize pond water quality, and identify timelines	FY24-25	X	X	Water Resources Task Force	Town Administration; Select Board; Natural Resources Commission & Dept; Water Commission & Dept; Board of Health & Health Dept; Planning Board & Dept; Finance Committee; Brewster Ponds Coalition
	WR-2	Continue to manage Pleasant Bay watershed permit, develop new watershed permits, and educate the community about changes to Title V regulations and new DEP nitrogen sensitive watershed permit regulations	FY24-25	X		Water Resources Task Force	Town Administration; Select Board; Board of Health & Health Dept; Pleasant Bay Alliance; Golf Commission & Dept; Brewster Ponds Coalition
Community Infrastructure	CI-1	Collaborate with Brewster Ladies Library Association Board to determine priorities for library renovations and possible funding options/opportunities	FY24		X	Select Board & Town Administration	Finance Team; Brewster Ladies Library Association Board & Library Dept; Community Preservation Committee; Finance Committee
	CI-2	Lead approved capital projects through to successful completion and continue to communicate and engage with residents	FY24-25	X		Town Administration	Select Board; Town staff
Climate Mitigation & Adaptation	CA-1	Identify and implement priority energy and climate mitigation/ adaptation goals and strategies consistent with the Municipal Vulnerability Preparedness Plan, Green Communities Energy Reduction Plan, and Hazard Mitigation Plan	FY24-25	X		Energy & Climate Action Committee; Energy Manager	Town Administration; Select Board
Solid Waste Management	SW-1	Establish improvement process for Department of Public Works and Recycling Center campus based on results of site assessment	FY24	X	X	DPW Director	Town Administration; Select Board; Recycling Commission

Excerpt from Brewster Housing Trust September 7, 2023, 5:00pm Meeting Minutes

Housing Trust Members Present: Maggie Spade-Aguilar, Ned Chatelain, Donna Kalinick, Paul Ruchinskas, Vanessa Greene

Absent: Timothy Hackert, Antone Freitas

Others Present: Jill Scalise-Housing Coordinator, Robert Tobias- Finance Committee

9. Housing Trust Guidelines and 2024 Priority Initiatives: Discussion and possible vote

Vice Chair Spade- Aguilar shared the notes from Chair Hackert who indicated his three priorities:

1. Identify a site for the next affordable housing project (and participate in Sea Camps Use Planning process and encourage housing options for Sea Camps properties). Explore possible additional affordable housing project sites in Brewster.
2. Continue the Annual Housing Forum and enhance interface with the Select Board and other Town boards and groups in affordable housing efforts.
3. Explore expanding the Subsidized Housing Inventory through direct purchases and deed restrictions (and support and engage the State affordable housing initiatives).

Members of the Trust and Ms. Scalise discussed the process of moving forward and their thoughts and ideas on priority goals for 2024. There was an agreement that priority initiative is to identify the next Town sponsored location and engaging with the Sea Camps committees. Ms. Kalinick stated that it is important to note that if affordable housing is not going to be sited on these parcels, the Town will have to purchase more land for housing options. The State mandate is to have 10% Subsidized Housing Inventory, the Town is currently at 7.2%, this mandate needs to be taken seriously and should be on par with other mandates the Town is tasked with in devising plans for. Ms. Kalinick noted that of the 22 goals on the Housing Production Plan, the Housing Trust is listed on 16 of them, adding that the Trust needs to ground truth their goals into the Housing Production Plan goals.

Trust members agreed that additional funding for the Housing Trust is a top priority. There was discussion on ways to increase funding, Robert Tobias from the Finance Committee offered a suggestion to research if there is any designation available for charitable donation of land.

It was shared that the Planning Board is seeking to update the Accessory Dwelling Unit (ADU) bylaw, noting that a change to the Accessory Commercial Dwelling Unit (ACDU) was tabled. Ms. Kalinick noted that the Town applied for a grant to hire a consultant to look at current zoning and opportunities for multi family mixed use in anticipation that the Local Comprehensive Plan will pass, and zoning will be a priority for the Planning Boards future work.

Ms. Kalinick added that she would like to have policy discussions with the Select Board about pending legislation and if the Town is interested in having a special legislation Trust that can work on housing that is above 100% Area Medium Income. Ms. Kalinick

shared that the Select Board finalized their strategic goals, there are 3 goals under housing that the Trust is listed as primary responsible party or key stake holder:

1. Promote and encourage support programs that help residents stay in their homes.
2. Continue implementing Housing Production Plan
3. Continue to provide support for Millstone Community Housing Initiative

Ms. Scalise will be compiling information so the Trust can review at their next meeting to decide what goals should remain, which need to be updated and which goals have been completed.

Respectfully Submitted,

Erika Mawn, Executive Assistant Town Manager/Select Board Office

[09.07.23 BAHT Meeting Packet \(laserfiche.com\)](https://laserfiche.com)

10. Housing Coordinator Update

Housing Coordinator Update August 2023

Jill Scalise

Ongoing Activities/ Projects

1. Community Outreach and Education (Housing Production Plan (HPP) Strategy #14 & 15)
 - Responded to email, phone & in person requests for information and assistance, 66 total requests for housing information (47) or assistance (19). Open office hours Thursdays from 10-noon.
 - Local Preference Information Session held for Select Board, Housing Partnership, Housing Trust, Community Preservation Committee (CPC) and Finance Committee. With Donna Kalinick, prepared and presented information on local preference. Questions and discussion followed.
 - Updated housing webpages. Newspaper interview & article.
2. Brewster Affordable Housing Trust (BAHT) (HPP assorted strategies, Select Board (SB) Strategic Plan H-1)
 - Housing Trust's Community Preservation Act (CPA) application for Affordable Buydown Program presented to Housing Partnership which recommended CPC support of the application.
 - Housing Program Assistant job description finalized, expect to be posted in September.
 - Trust met and worked on additional items throughout this report.
3. Community Housing Parcel off Millstone (SB Strategic Plan H-4, HPP Strategies #12 & 16)
 - Name approved for development: Spring Rock Village. Woodlot Way is driveway name. Spring Rock refers to a nearby large glacial erratic. Historically, this area had woodlots used to harvest poles for fishing weirs.
 - State added the 45 permitted Spring Rock Village units to Brewster's Subsidized Housing Inventory (SHI) which now stands at 7.2 %, 372 units. With these units, the Town's Housing Production Plan was certified.
 - Select Board voted & request letter sent to Executive Office of Housing & Livable Communities (EOHLC) to approve 55% local preference and 15% regional preference (Barnstable County) for initial leasing.
 - Spring Rock Village \$500,000 CPC funding application recommended for approval by Housing Partnership.
4. Comprehensive Permit Projects (HPP Strategy #16):
 - Habitat for Humanity, Phoebe Way: 30 applications received for 2 homes. Evaluating applicant eligibility.
5. Preservation of Housing and Related Support of Brewster Residents (SB H-3, HPP Strategies #20, 21 & 22)
 - Brewster's Rental Assistance Program (BRAP)- Housing Trust voted to award 3 year contract to HAC.
 - Community Development Block Grant (CDBG)- Brewster awarded FY 22/23 \$1.7 million regional grant for housing rehab and childcare assistance in Brewster, Dennis, and Wellfleet.
6. Subsidized Housing Inventory (SHI) (HPP Strategies #21 & 22)
 - 212 Yankee Drive- Upon the Housing Trust's recommendation, Select Board awarded housing preservation contract to Pearl Construction and waved building fees. Attended walkthrough of property with Pearl.
 - 6 Sachus Trail- Worked with homeowner, Planning, Administration, legal counsel, EOHLC, and Select Board on deed violation. Property in resale process. Applications were due and lottery held by HAC.
 - Continue working on several SHI homes of concern including 11 Sean Circle.
7. Housing Production Plan (HPP) (Select Board Strategic Plan Goal H-2)
 - ADU Bylaw: Planning Board recommended ADU bylaw amendments to Select Board.
8. Collaboration and Education (HPP Strategies #7 & 15)
 - Met with CDP. Attended HOME Consortium meeting and CDP event.
 - State of Emergency declared by Governor Healey for safe shelter in Massachusetts.

Upcoming Events & Announcements:

- Brewster's Housing Production Plan was certified by the state and the Town is in 'safe harbor' until June 13, 2024. Brewster's SHI is 7.2%, this is based on Brewster's 2020 census data of 5,170 year round units.

Personnel

- Participated in Housing Trust, Planning Board & Select Board meetings. Also worked with: Assessors, Building, Council on Aging, CPC, Finance, Health, Library, Planning, Public Works, Town Administration, Vision Planning & Water.

Housing Coordinator Update September 2023

Jill Scalise

Ongoing Activities/ Projects

1. Community Outreach and Education (Housing Production Plan (HPP) Strategy #14 & 15)
 - Responded to email, phone & in person requests for information and assistance, 51 total requests for housing information (32) or assistance (19). Open office hours Thursdays from 10-noon.
2. Brewster Affordable Housing Trust (BAHT) (HPP assorted strategies, Select Board (SB) Strategic Plan H-1)
 - Housing Trust's FY23 Financial Report (CP3) for Community Preservation Committee (CPC) completed by Donna Kalinick and presented to CPC. Thanks to Finance Director Mimi Bernardo for her assistance.
 - Trust's Affordable Buydown Program CPA funding application recommended for approval by CPC.
 - Housing Program Assistant job description posted, priority review deadline October 9th.
 - Trust working on additional items throughout this report and setting priority goals for FY24-25.
3. Spring Rock Village- comp permit for 45 affordable rental units off Millstone (SB H-4, HPP #12 & 16)
 - Executive Office of Housing & Livable Communities (EOHLC) approved Select Board's request of 55% local preference (24 units) and 15% regional preference (7 units, Barnstable County) for initial leasing.
 - Spring Rock Village \$500,000 CPC funding application recommended for approval by CPC. Provided recent affordable development cost information to CPC.
4. Comprehensive Permit Projects (HPP Strategy #16):
 - Habitat for Humanity, Phoebe Way: Eligible applicant drawing for two homes to be held in October.
5. Preservation of Housing and Related Support of Brewster Residents (SB H-3, HPP Strategies #20, 21 & 22)
 - Brewster's Rental Assistance Program (BRAP)- Quarterly report: 3 new households in program, now 10 households receiving assistance. Also, \$16,061 in additional housing funding to 7 Brewster households.
 - Community Development Block Grant (CDBG)- FY21 Housing Rehab projects: 6 Brewster, 8 Dennis & 6 Wellfleet. 80% elderly & 2 families with children. 30 children receiving childcare assistance, 15 Brewster.
6. Subsidized Housing Inventory (SHI) (HPP Strategies #21 & 22)
 - 212 Yankee Drive- Pearl Construction obtained permits and began preservation work. With the assistance of DPW & Tom Thatcher, moved personal contents to a secure location. Also met with legal counsel.
 - 6 Sachus Trail- Deed violation addressed. Affordable resale expected to close within the next month.
 - Serenity Apartments at Brewster (27 affordable rental units)- Worked with Serenity's management regarding the required process for Serenity to request a rent increase and complete the annual report verification. Did initial audit of affordable unit files. Prepared material for Select Board.
 - Continue working on several SHI homes of concern including 11 Sean Circle.
7. Housing Production Plan (HPP) (Select Board Strategic Plan Goal H-2)
 - ADU Bylaw: Joint Public Hearing on ADU bylaw amendments held by Planning Board & Select Board.
8. Collaboration and Education (HPP Strategies #7 & 15)
 - Participated in COA's Focus Group & Cape Cod Commission's Regional Housing Strategy Working Group. Attended presentation by Harwich Conservation Trust & Affordable Housing Trust.
 - Attended meeting with Sea Camps consultants. Confirmed housing stats, and Housing Plan goals/strategies.
 - Housing Partnership & Trust members participated in Brewster Volunteer Fair. Ms. Kalinick attended HOME Consortium meeting. Discussion with library about potential Town book theme emphasis.

Upcoming Events & Announcements:

- Habitat for Humanity's Brewster Phoebe Way Kick-Off scheduled for Monday November 6th at 4PM at Brewster Baptist Church. Two Phoebe Way Wall Raisings on Saturday November 11th at 8AM.

Personnel

- Participated in Housing Trust & CPC meeting. Also worked with: Assessors, Building, Council on Aging, Finance, Health, Housing Partnership, Library, Planning, Public Works, Town Administration, & Water.
- Special thanks to Assistant Town Manager Donna Kalinick and Town Planner Jon Idman for their assistance, guidance and support.



Phoebe Way, Brewster

Please join Habitat for Humanity of Cape Cod for our Community and Volunteer Kickoff Event and Wall Raising Ceremony for our two-home build (one is a Veterans Build). Meet the families building affordable homes at Phoebe Way in Brewster!



Community & Volunteer Kickoff

Monday, 11/6 at 4 PM
Brewster Baptist Church
1848 Main Street, Brewster

Wall Raising Ceremony

Saturday, 11/11 at 8 AM
Cape Cod Covenant Church
11 Satucket Road, Brewster

Please meet at the church at 7:30 AM. We will be shuttling people to the site, with the **last shuttle leaving at 7:45 AM.** There is no parking available at Phoebe Way.



This two-home build is very special to us; both homes honor Habitat Cape Cod volunteers who have passed. The Veterans Build is being built in memory of Bob Harding, who was a Marine who served his country on active duty during WWII. The second home is being built in memory of Nat Goddard and Gilbert Merritt, both Church of the Holy Spirit members.



For more information about these events and how you can be involved, please get in touch with Volunteer & Community Relations Manager Sandra Harrison at 508-362-3559 x28 or sandra@habitatcapecod.org.

12. Town Meeting Updates



Search

Brewster Family Petitions Town Meeting To Regulate Short-Term Rentals

18 October 2023

By: Rich Eldred



Alice, Matilda, and Liliana Delano at their home in Brewster. COURTESY PHOTO

BREWSTER – Hunting down a year-round rental for your family isn't easy when you're competing against weekenders and wedding planners from around the U.S. who just want to party for a few days.

That was the impetus for Matilda Delano to file two citizen's petitions seeking to regulate short-term rentals in Brewster. They'll be articles 13 and 14 at the Nov. 13 special town meeting.

Delano and her family of 7 have been seeking a more permanent home for a decade while the number of homes renting for less than a month has climbed to over 1,000 in town.

“Both bylaws are things that I have been hoping for years that Brewster would act on, but nothing seemed to be happening as far as the town was concerned,” Delano said in an email. “So I decided to figure out how to try to make the things I wanted to see happen come about. I met with (town manager) Peter Lombardi and got guidance about signature collection for a citizen's petition.”

She also spoke with Gloria McPherson, Chatham's director of housing and sustainability as well as Chatham and Provincetown's boards of health and Great Barrington's town manager to collect background data and ideas for rules.

Signatures were collected for the two petitions and the articles were revised with recommendations from town counsel, which will be added by amendment from the floor at town meeting. The town counsel formatted the petitions as a general bylaw and made the town manager the enforcement agent.

Over recent years Delano and her family have had to move multiple times and battled one landlord in court as rentals were sold out from under them. Her family of seven is currently living in her mother-in-law's two-bedroom home.

“I myself have experienced the housing crisis for a decade now and I hope the town takes action to address the crisis,” Delano said. “A lot of affordable housing takes years and millions of dollars. This is a way to create housing in a short period of time because it already exists.”

Her daughters helped by going door to door to collect 125 signatures for each petition, 25 more than what they'd need.

“We went to streets around Brewster and walked up and down and knocked on doors, asked if they were registered [to vote] in Brewster and if they'd sign,” 10-year-old Liliana explained. “Most did but it took a lot of days to do it.”

“It was a lot of walking,” 9-year-old Alice added. “But it was rewarding because we finally got enough. Even though it was really hard, we persevered through it.”

“Because it will help us get a bigger house and finally a bedroom of mine,” Liliana chimed in.

They'd like to settle in one spot.

“I support the petition because we were looking for a house and couldn't find an affordable one and had to get this one,” Alice said. “People own so many rentals.”

“When we were gathering signatures and we'd knock on homes a lot of the time people wouldn't even be there because they were summer homes,” Liliana noted.

Delano's petitions would require that short-term rentals register with the town for a \$150 annual fee, set up rules and limit the number one owner could own. Her hope is if STRs are limited, some will be converted into long-term rentals or apartments.

Short-term rentals must register with the state as of 2019 after the occupancy tax was expanded to include rentals of 31 days or less.

"This is not unique to Brewster, it is a problem that is happening nationwide," Delano said. "There are all sorts of different solutions communities are trying to put into place. I thought what works best in Brewster is a limit on the number of short-term rentals an owner can operate. Short-term rental owners who are small can continue to do what they're doing. This is about stymieing owners who have more short-term rentals."

The first proposed article would create a registration system for short-term rentals (units rented out for 31 days or less). The \$150 fee would cover inspection and enforcement costs.

"There will be \$150,000 to \$250,000 a year in additional cost," Lombardi told the select board Monday. "The \$150 fee would result in about \$160,000 a year. Ultimately the goal is to find a way to cover the cost of operating the program."

Each rental would get a registration number that is required to list the unit. Failure to do so would result in a \$200 a day fine.

The goal of the bylaw, according to its text, is to "prevent negative impacts on neighborhood character, housing availability, housing prices, availability of long-term rental units and impacts on infrastructure." It would also provide baseline data for the town.

At present there are 1,092 STRs in Brewster according to state registration records. That is out of 7,336 residential units in town, or 14.9 percent of Brewster's total housing. Delano said the actual number of STRs might be higher.

Registration would ensure the unit meets sanitary and zoning codes and would need to be done by Feb. 28 each year.

Owners would be required to respond within two hours if the town has any complaints. The number of occupants in a unit would be limited to two per bedroom plus two, so there could be up to 10 people in a four-bedroom home. Parking will be on site. The bylaw would take effect Jan. 1, 2025.

Lombardi said enforcement would require one or two additional employees and also a third party provider to collate the data.

"What it obligates the town to do is expensive," board member Dave Whitney said. "That's an issue for the town budget that we are not prepared to take on. I can't support this at this time but I am interested in the registration of short-term rentals and some safety inspections."

Board chair Ned Chatelain also said he wouldn't support the measure due to costs, and he also wasn't clear exactly what problem the article would solve.

The second article limits the number of STRs one owner may have in Brewster to one unless the owner lives in Brewster full-time, in which case he or she could operate two.

As part of her research Delano looked into Provincetown's study of STR units. Provincetown has around 5,000 total units but only 2,000 are year-round households, so most units are vacant for much of the year. The average condo in Provincetown costs \$780,000, which would require an income of almost \$245,000 a year to afford. According to Delano, the average home in Brewster cost around \$700,000, so residents would need an income of \$200,000 to afford such a home (based on HUD data). Other towns such as Frisco, Colo. have capped the number of STRs, at 25 percent in that case. Lincoln County Oregon's cap is just 2 percent. Folly Beach South Carolina is looking to reduce their number of STRs from 1,200 to 800.

"Short-term rentals are not a uniquely Cape Cod problem and municipalities across the nation are taking action to limit the negative impacts of STRs on housing. Brewster should be proactive in this regard," Delano said.

In Provincetown, out of 1,317 registered STR units, only 186 are owner occupied.

Looking at owners of multiple properties, Delano's found 77 out-of-state owners for Brewster STRs and 143 owners living out of town but in Massachusetts.

"The intent of these proposals is to preserve the ability of small-time operators to continue to operate STRs, while stopping larger-operations from running mini-hotels within the town of Brewster," Delano said.

The select board declined to recommend the articles, voting against both by a 3-0 margin. Mary Chaffee recused herself and Cindy Bingham was absent.



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Assistant Director

Tammi Mason
Senior Department Assistant

DATE: October 20, 2023

TO: Peter Lombardi, Town Manager
Select Board
Finance Committee
Board of Health

FROM: Amy von Hone, Health Director 

RE: Health Department Comments regarding Citizens Petitions Short Term Rentals

The following summary provides the potential impacts and cost estimates to the Brewster Health Department in the event of passage of the proposed Citizens Petition Articles (Article to Create Registration System for Short-Term Rentals in Brewster and Article to Restrict Short-Term Rentals in Brewster) scheduled for the November 13, 2023 Town Meeting.

Health Department staff have reviewed the proposed Citizens Petitions and have the following comments and concerns with the articles as currently proposed. These comments are specifically related to the potential impacts on the operational capacity and enforcement obligations of the Health Department only.

- The proposed articles are not clear regarding designation of authority (specific Town board or department) for administration or enforcement of the STR registration and restriction program.
- The proposed articles do not provide appropriate details regarding the development and implementation of the registration process or the restriction process.
- The proposed timeframe for STR registration is unclear and potentially unrealistic regarding registration program development and implementation, and certificate issuance to meet mandatory publication of certificate numbers on advertisements and real estate listings based on current timelines for Cape Cod short term rental seasons.
- The proposed articles are not clear regarding the intent for compliance with numerous regulations (i.e., septic, housing sanitary code, nuisance) that fall under the purview of the Board of Health.
- The proposed registration system implementation appropriately requires all STRs to be compliant with local/state ordinances, Zoning Bylaws and the State Sanitary Code.

Determination of compliance of all applicable Health related regulations would require an inspection of each unit by Health Department staff to specifically determine maximum

occupancy under both Title 5 and the Sanitary Code Regulations, and full compliance with health and safety minimum standards set forth in the MA Sanitary Code.

- The proposed articles are unclear regarding the rationale for specifying the maximum number of occupants as two/bedroom plus two additional occupants. This restriction currently conflicts with the interpretation of Title 5 and the Sanitary Code Regulations.
- The petitioner has estimated that Brewster has approximately 1100 STRs registered through the MA Department of Revenue, and this estimate is probably low. Understanding the necessity for compliance inspections of each unit, the development of a registration program including enforcement of noncompliant units, in addition to investigations of anticipated complaints generated by the institution of this new program, the **Health Department is not adequately staffed to handle the anticipated increase in workload for the creation and implementation of the proposed Short Term Rental Registration and Restriction Regulations.**

Proposed Cost Estimates for Additional Health Department Staff:

- o One Full-Time Health Inspector: \$ 82,937/year
- o One Full-Time Department Assistant: \$ 73,382/year
- o Supplemental Office Equipment: \$ 8,100 (1st year only)
- o One Vehicle (Energy compliant): \$ 60,000 (1st year only)
\$ 224,419*

*This estimate does not include a cost estimate for outsourcing with a third-party monitoring/registration company to facilitate the generation of STR property addresses

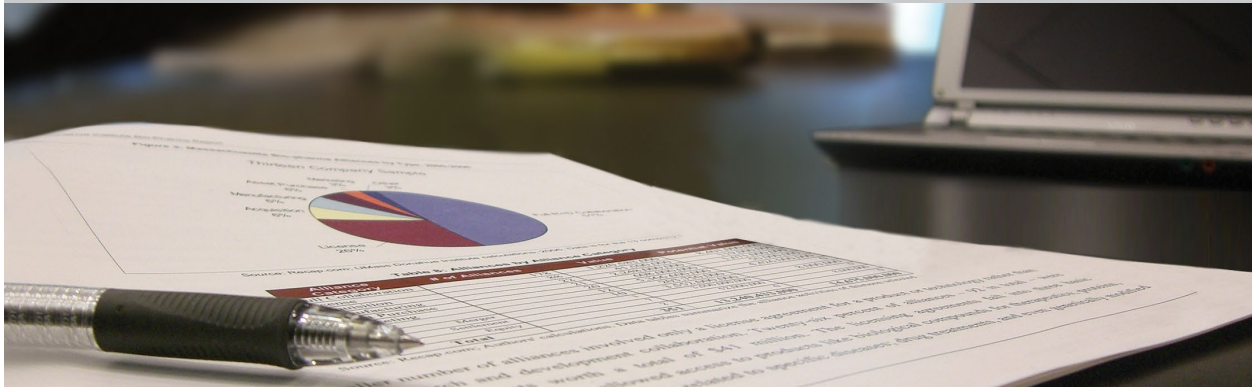
- **The majority of rental property related complaints** received by the Health Department between 2021-2023 (prior to 2021, rental complaint statistics are aggregated with all complaint types) **are related to year-round rental properties with Sanitary Code health and safety violations.** Our office has received only one generalized complaint regarding short-term rentals related to the unlawful advertisement of STRs and the occupancy/bedroom count in a specific condo complex.

Complaints and Follow-up Inspections:	<u>2023 YTD</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Year-Round Rentals	18	36	17	not available
Short Term Rentals	1	0	0	1

I would be happy to provide you with additional information or answer any questions about the above matters, as needed.

A Review of Short-Term Rental Regulations and Implications for Provincetown

September 2023



UMassAmherst

Donahue Institute
Economic and
Public Policy Research

A Review of Short-Term Rental Regulations and Implications for Provincetown

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Executive Summary

While the Cape and Islands have been popular vacation destinations for generations, the advent of app-based short-term rental (STR) platforms like Airbnb and VRBO have created concerns that STRs will increase pressure on limited housing stocks. Throughout Cape Cod, owners have rented out their vacation homes on a short-term basis since the early 1900s. In the late 2000s and early 2010s, the app-based rental service Airbnb emerged and grew quickly, fueled by its convenience and reach.

As a desirable place to live, work and play, Provincetown is experiencing incredible demand for housing of all kinds and consequently increasing prices. As a seasonal tourist destination, Provincetown experiences three distinct and mutually exclusive demands on its housing stock: year-round residences, vacation homes, and summer workforce housing. This study will examine current practices nationwide around short-term rental regulation and identify what lessons these regulations offer to Provincetown.

In a strict sense, Provincetown has plenty of housing. In fact, it has considerably more housing units than households. In 2021, there were approximately 2,000 households for nearly 5,000 housing units. However, most of these housing units were vacant for seasonal use. The primary driver of local demand for housing is for vacation homes.

Between the 2010 and 2020 decennial censuses, Provincetown experienced 25 percent growth in its population, while its housing stock only grew 11 percent. During that time, there was no statistically meaningful change in the share of total housing that is owner occupied or renter occupied. Of special note, the population growth measured between the decennial snapshots occurred primarily in 2020, followed by small increases in 2021 and 2022. The COVID-era population growth was also accompanied by a notable jump in housing values with prices increasing by 55 percent from July 2019 to July 2023, according to data from Zillow. This one-year 25 percent jump in population and recent rapid home price appreciation are perhaps two reasons why housing issues have felt especially acute.

This increase in the year-round population also corresponds with the simultaneous decrease in the number of active STRs, suggesting some out-of-town owners have switched the use of their homes from something occasional to something more permanent, making renting no longer practical. Compared to 2019, active STRs have dropped about 260 units (or 20%). As with the population change, nearly all the change from 2019 to today happened in 2020.

As a vacation and retirement destination, the housing market in Provincetown, as with much of the Cape, is heavily influenced by the preferences and wealth of homebuyers from major Northeast cities. Furthermore, since 2020 the increase in remote work has also increased the ability of those employed by firms off-Cape to live in Provincetown. Thus, locally employed residents are competing with buyers from New York City, Boston, Cambridge, and Washington, D.C. for a limited supply of housing, which leads to a lack of naturally occurring affordable housing for workers and other long-term residents looking to purchase a home. This shortage is particularly acute in the summer when the demands on the existing housing stock increases with the summer workforce. In 2021, between January and July,

employment in Provincetown more than doubled from roughly 1,600 jobs to 3,800 jobs. The implication of this jump in employment is that seasonal workers create temporary demand for housing that rivals that of the year-round workforce.

The third key use of housing in Provincetown is for second homes, some of which are also used as short-term rentals. According to data from AirDNA, the median average daily rate for a two-bedroom rental was \$425 in Provincetown in 2022, though this rate increases in peak summer months and drops over the winter. In the peak month of July, STRs provide just under 1,600 bedrooms of accommodations, which is more than the 1,435 rooms provided in traditional guest lodgings, which includes guest houses, camps, cabins, motels, and inns.

The difference between the possible income flows between renting short term versus long term illustrates the central difficulty in inducing owners of rentable properties to change the use to year-round rentals. They could earn as much as they would get from a long-term rental in the space of two or three months. In addition, they would retain the ability to occupy the unit themselves any time they chose during the year and, especially, the summer season. Owners could also share the unit with friends or family. Finally, by not having long-term renters, the property becomes a tremendously flexible asset. If owners decide they no longer wish to manage a rental property, they can stop at any time or, if they need the rental income to afford the mortgage, cash out on the house, where it will likely sell quickly in a low-inventory, high-demand market.

There is a concern that homes are being bought solely for use as short-term rental units. However, the high cost of Provincetown homes may discourage buying housing for solely commercial reasons, which can include use as either an STR or for regular residential rentals. Furthermore, in the Cape Cod New Homeowners Survey conducted by UMDI in 2021, respondents were asked about their planned use for the property over the next 20 years. Overall, 90 percent of respondents reported that their new home would be used as, or converted to, a primary residence within that period and 68 percent planned to do so in less than 20 years. Only one-third have plans to offer the property as a short-term rental (not necessarily exclusively so) during the time it is not used as a primary residence.

Economic logic would suggest that the potential income flows from STRs are capitalized into the price of homes in areas where such uses are prevalent. Studies on the app-based rental market generally confirm the theory, though they typically find small positive effects on home prices and rents in areas where these units are abundant. Note that in these studies, the properties in question are mostly homes being converted from year-round residences to full-time STRs. This case is less observed in Provincetown where the transition is more likely from residences to vacation homes, with STRs as an ancillary use. As a result, the more salient policy question in Provincetown is whether STR regulation would reduce the number of seasonally vacant homes rather than simply reduce the number of full-time STRs.

Though there is a growing body of work on the impacts of the introduction of STRs into a region, there are still few studies of the direct impacts of STR regulation. Most studies are based in large cities and/or abroad. The experience of regulation in these places is likely different from the experience in a small vacation town in a rural region. Nevertheless, all current STR regulations can be summarized into the following types:

- Quantitative caps on the number of units
- Zoning restrictions
- Limits on total rental nights or rental instances
- Restricting to only owner-occupied homes
- Restricting to only single-family homes
- Related: incentives to rent to workers or year-round residents

Adding to the difficulty of measuring the impact of STR regulations is the fact that many policies are still new and have not been fully evaluated. As a result, there are few studies that have evaluated the impact of STR policies and regulations on home prices. One 2017 study looked at a group of neighboring Florida coastal communities. One community had implemented a regulation on short-term rentals, requiring that renters stay a minimum of 30 days, while the neighboring cities were prevented from adopting similar plans by a state regulation. The study found that this STR restriction reduced average property values in the restricting city, but that the change varied by the density of the residential zone. The largest decrease was of 15 percent in low-density zones. In high density zones, prices actually increased. Another study from 2021 looked at the Los Angeles short-term rental market. Los Angeles started to regulate STRs as if they were hotels. These restrictions halved the short-term rental market in the area which caused house prices and rents to fall two percent.

Based on existing work and current experiences, the predicted impact of any STR regulation on the affordability of housing in Provincetown is likely small. Literature suggests that in many places the growth in STRs only caused small increases in home prices so reducing their supply will likely only undo that small change. While most of these studies focused on urban areas that are very different from Provincetown, one of the biggest differences applicable to this study is the level of demand for homes as something other than a primary residence. As mentioned above, in the case of Provincetown, the core policy question is whether restricting STRs would reduce the number of second homes. Demand for these kinds of units has thus far proven to be inelastic, meaning if STRs are restricted and some owners are forced to sell, the property could still be used as a vacation home by the new owner. The growth in seasonally vacant homes between 1990 and 2010 suggests a vacation home market that did not need the innovation of app-based rentals to grow. Ultimately, much of the answer to the extent of changes in the composition of the housing market in the face of STR restrictions relies on information regarding how many owners of second homes, and potential buyers of second homes, need STR income to afford their homes and would therefore be dissuaded from buying in Provincetown in the face of restrictions on short-term renting. This data is currently unavailable to the research team.

Though current data suggests regulating STRs will likely not make a material difference in the availability and affordability of year-round housing, Provincetown may still wish to restrict this use to encourage homeowners to have a connection to the community, whether as a resident or seasonal visitor. That can be done through restricting the number of STR licenses available to any single owner or banning certain types of corporate ownership. Other options could include room-night restrictions to limit particularly high intensity uses. An alternate path also worth exploring are various incentives to encourage residential uses among owners of rentable properties.

Introduction

Provincetown is the most populous of the four Outer Cape towns. Sitting at the tip of Cape Cod with water on each side, the town also has some of the most intense development constraints of any Massachusetts town. The town encompasses a land area of about ten square miles. However, only a quarter of that land is under local ownership with the rest part of the National Seashore operated by the National Parks Service. The town must balance competing demands for its limited land between various uses. Local residential properties in Provincetown are divided between three competing uses: year-round residential; seasonal and occasional use homes including vacation homes and short-term rentals (STRs); and summer workforce housing.

While the Cape and Islands have been popular vacation destinations for generations, the advent of app-based STR platforms like Airbnb and VRBO have created concerns that STRs will increase pressure on limited housing stocks. Throughout Cape Cod, owners have rented out their vacation homes on a short-term basis since the early 1900s. In the late 2000s and early 2010s, the app-based rental service Airbnb emerged and grew quickly allowing owners to manage the short-term renting of their properties from a phone or computer on a widely accessible platform with international visibility.

By making it easier to list a property for rent, Airbnb and other apps exploded in popularity.¹ These apps achieved saturation in the early 2010s, while the economy was still recovering from the 2008 financial crisis, which was then followed by a new affordability crisis felt acutely in desirable locales. As demand grew, housing production did not keep up which led to increased scrutiny of how existing housing was used, especially as short-term rentals. A wave of communities nationwide began to implement policies to regulate them. Most initial regulations revolved around registration and ensuring basic health and safety protocols were in place. Some communities banned STRs outright. Since these early days, short-term rentals have remained under heavy scrutiny nationwide, and since the start of the 2020s, communities have been trying to find ways to balance demand for these units with local needs for adequate housing for workers and for residents. Towns also consider the impact these short-term rentals have on quality of life where they may increase noise, traffic, or otherwise lead to over-tourism.

As a very desirable place to live, work and play, Provincetown is experiencing incredible demand for housing of all kinds. There is a pressing demand for more housing that is affordable to the town's permanent residents and workforce. This study will examine current practices nationwide around short-term rental regulation and identify whether these regulations have had any effects on the supply and affordability of local housing for existing residents and new arrivals. The literature and data analysis are supplemented with interviews. All interviewee names used in this report are pseudonyms, for participant confidentiality.

¹ The app grew with incredible speed. Airbnb launched in 2008, achieving its one millionth booking in 2011. A year later, in 2012, the app had reached five million bookings, and in June of that same year, the app surpassed ten million.

An Overview of Provincetown

Chapter Summary

- From 2010 to 2019, the population of Provincetown shrank by 14 percent and subsequently grew by a quarter from 2019 to 2020, with small additions thereafter. During this time, housing stock increased by 11 percent.
- This change in population was driven in part by the expansion of remote work.
- Provincetown has more housing units than year-round residents; there are approximately 2,000 households but nearly 5,000 housing units. Most of these housing units are vacant for seasonal use.
- The share of total housing that is owner occupied or renter occupied is not statistically different from its 2010 level.
- Available data on housing cost burden suggests that burden is high and has been high since the start of ACS data collection in 2010 but it is unclear if it has risen or fallen in that time due to the high margin of error on the data.
- The lack of local attainable housing was brought up in all the team's interviews with residents and shareholders. The affordability challenges apply to both renters and those seeking homeownership.
- The median condo sold in Provincetown YTD in May 2023 was \$780,000. For such a housing unit to be affordable under HUD's definition, the buyer would need an income of \$244,771. This assumes a five percent down payment and typical housing costs for the area and state.
- While incomes and home prices have grown, home price growth has outpaced income growth of residents. This may reflect the place of residence of homeowners. Property record data for 2023 shows owners with out-of-town mailing addresses most frequently come from cities like Boston, New York, Cambridge, Washington D.C., and San Francisco.
- While there is a perception that all owners of vacation homes in Provincetown are wealthy, some pointed out that the ability to use a vacation home as a short-term rental is a primary factor in making owning a vacation home affordable.
- The 2022 Point in Time Count of Cape and Islands Homeless identified around 400 people experiencing homelessness in February of that year, a 16 percent increase from 2021 and an 18 percent increase from right before the pandemic in January of 2020. Of those, 35 people were unsheltered at the time of the count. This count is performed in the winter months so the

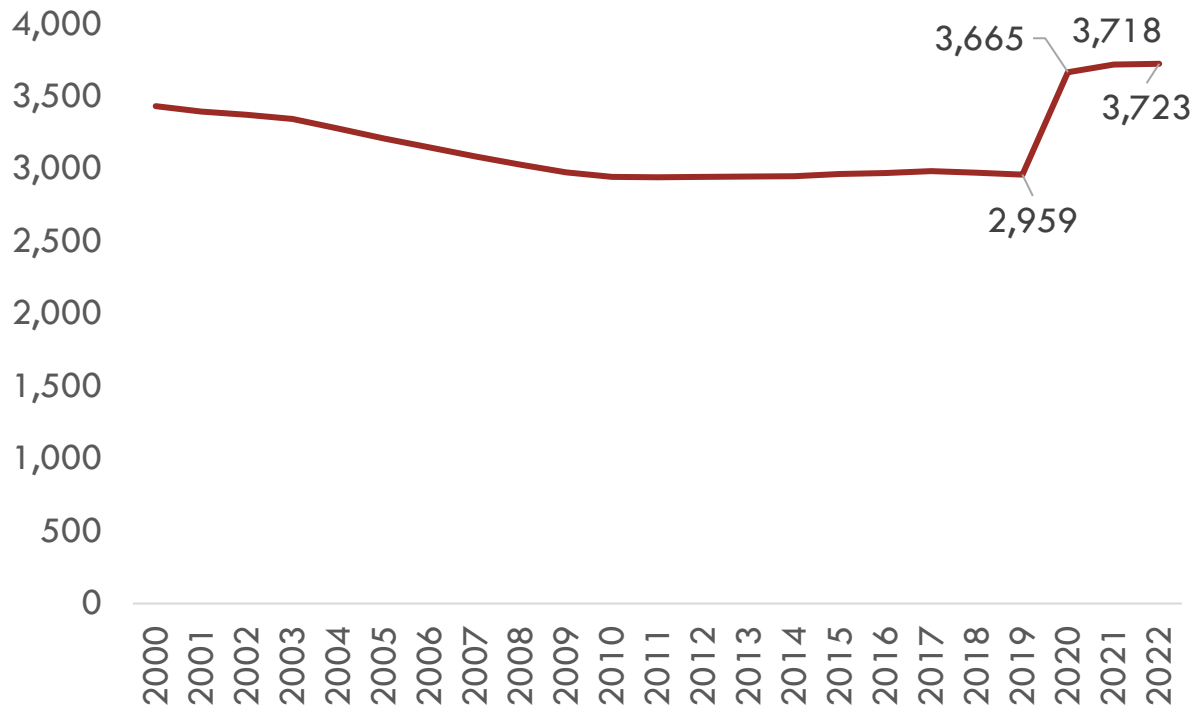
population during the summer may differ. Detailed data on the number of unhoused individuals in Provincetown is unavailable.

- Provincetown has a highly seasonal economy with employment more than doubling between January and July of 2021, the latest full year for which data is available. Nearly 3,800 employees worked in town in July of 2021 compared to just under 1,600 in January of that year.
- Using average household size as a guide, January employment implies the housing demand from the year-round workforce to be 880 units. Using a higher estimate of 3.00 per household for seasonal workers implies demand from this cohort for another 735 units, assuming the seasonal workforce primarily represents net new workers rather than large numbers of residents taking second jobs.
- While the housing shortage is a serious problem in town, it is worth noting that the town has taken steps towards addressing this issue. Of all Cape and Island towns, Provincetown has the highest share of its housing counting towards the Low-Income Housing Inventory. Provincetown is very close to the 10 percent threshold required by Chapter 40B.
- Provincetown has several planned housing projects: 65 units at the former VFW, 108-bed seasonal worker dormitory with an additional 16 year-round units at the Barracks, and a year-round market-rate rental project with 40 units at the current site of the town's police station.
- Currently the town also operates Harbor Hill, which contains 28 units of year-round rental housing restricted to middle income workers and residents. The town has also worked towards inclusionary zoning, by implementing a requirement that one in every six units of housing in a new development be affordable or community housing units, with provisions for smaller projects.
- Housing has a clear effect on jobs and the local economy in Provincetown and there is concern among interviewees about how to attract workers to Provincetown if they cannot afford to live there.

Population Shifts

Recent increases in prices and a corresponding shortage of rental units have likely driven some of the increased interest in the impacts of short-term rentals on the housing market. However, some of these effects are due in part to a population shift tied to the pandemic. Between the 2010 and 2020 Census, Provincetown experienced 25 percent growth in its population while its housing stock only grew 11 percent. These annual snapshots obscure a more pronounced trend. Since 2000, the population in the community had been trending downward, like much of the Cape. Population estimates for Provincetown showed an annually declining population through 2019. The last decennial census, however, came in significantly higher. Taken together, the data shows that the 25 percent growth over the last decade is really 25 percent growth in a single year. From 2010 to 2019, the population shrank by 14 percent and subsequently grew by a quarter from 2019 to 2020, with small additions thereafter.

Figure 1: Historical Population Growth, Provincetown 2000-2022

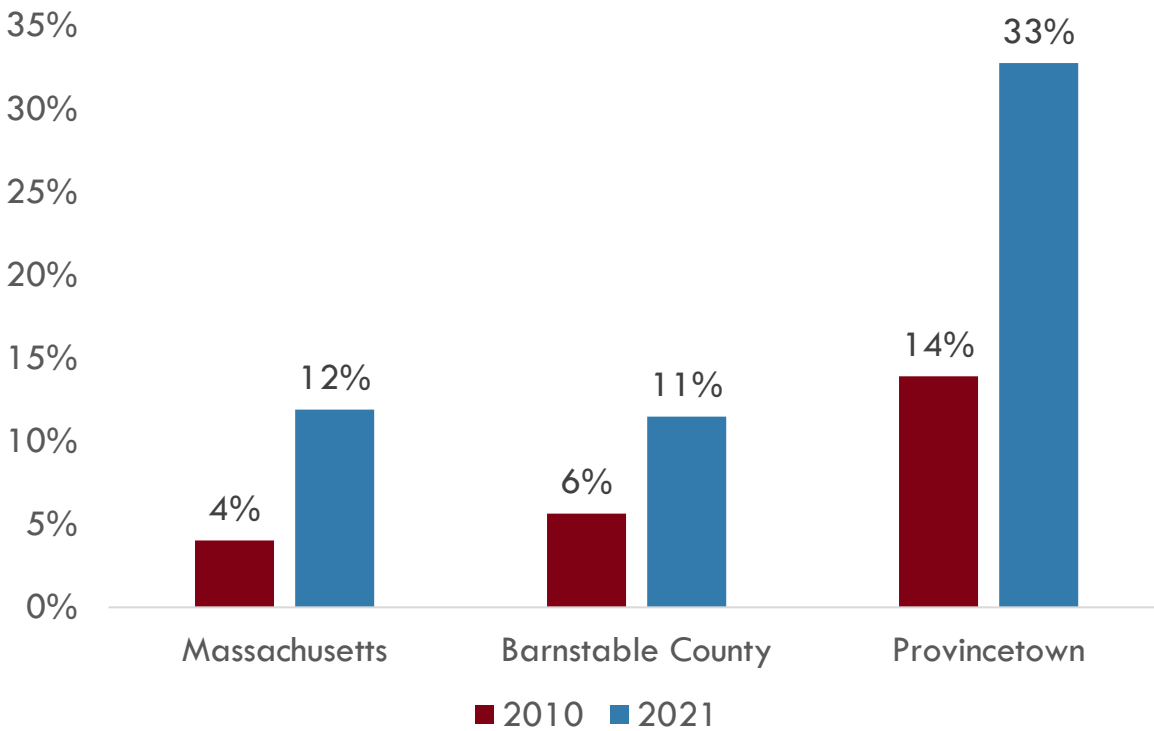


Source: U.S. Census Population Estimates 2010-2022

Note: Includes April 1st Decennial Census Estimates base

This change in population was driven in part by the expansion of remote work. In 2010, Provincetown had an above-average share of people working from home, at 14 percent of working persons staying at home each day, compared to six percent at the county level and four percent statewide. But in 2021, 33 percent of working residents worked from home. The pandemic sent many people home, which allowed them to reconsider where they might live without the need to commute.

Figure 2: Share of Workers 16+ Working from Home

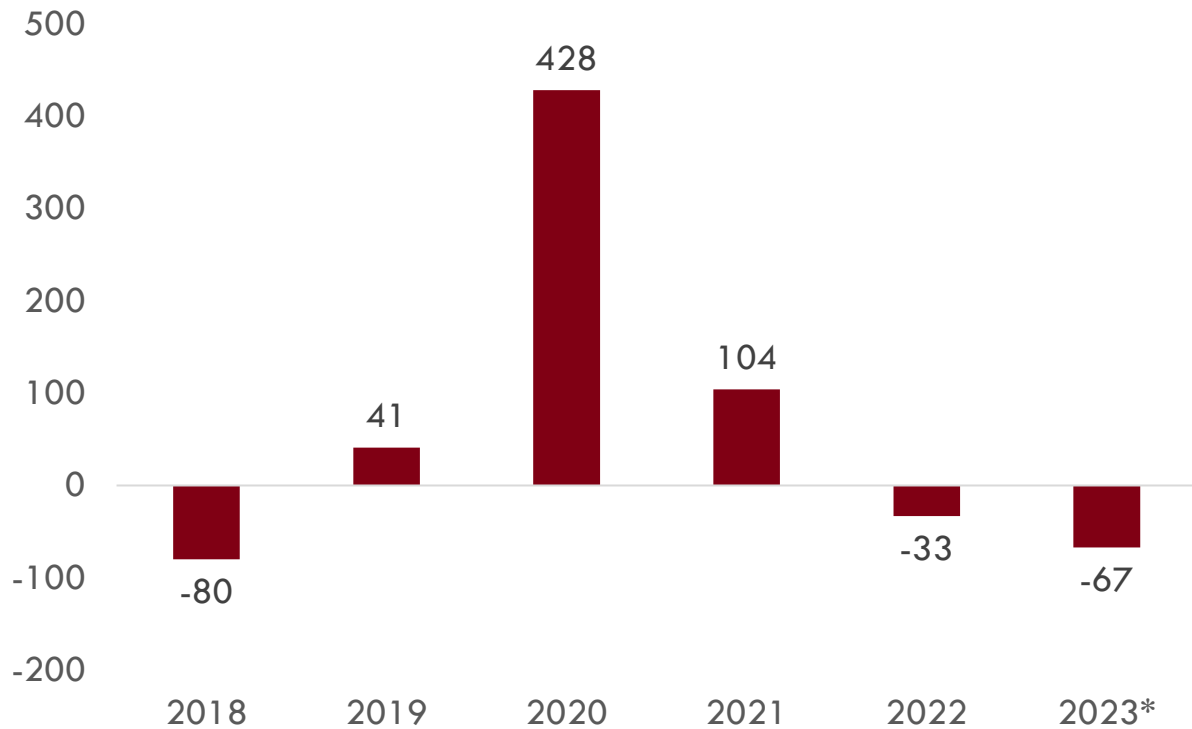


Source: U.S. Census ACS 5YR 2010, 2021

USPS data confirm this trend. In 2019 there was a net of 41 changes of address into Provincetown. In 2020, there were over 400. Some moved to the area simply to escape COVID. The existence of second homes likely made that transition easier. An analysis of property record data suggests a large share of Provincetown homeowners live in places like New York City and Boston, where high urban densities may have been especially unappealing during pandemic conditions. The Cape Cod Homeowners Survey found that 46 percent of respondents who changed the use of their Cape Cod home in response to the pandemic, did so because of higher rates of viral transmission at home than on the Cape.

The increase in population is observed by residents who view this as being directly caused by the increase in people who work from home. One member of the Provincetown Part-Time Resident Taxpayers Association noted, “Remote working has changed the dynamics of it a little bit. It allows people to be there even more often in the offseason.” This post-pandemic increase was discussed with local resident and realtor Jason, who observed, “there's more people working from home or remotely now than there was before.”

Figure 3: USPS: Net Changes of Address into Provincetown



Source: USPS FOIA Change of Address Stats, Families and Individuals
 Note: 2023 is an incomplete year of data.

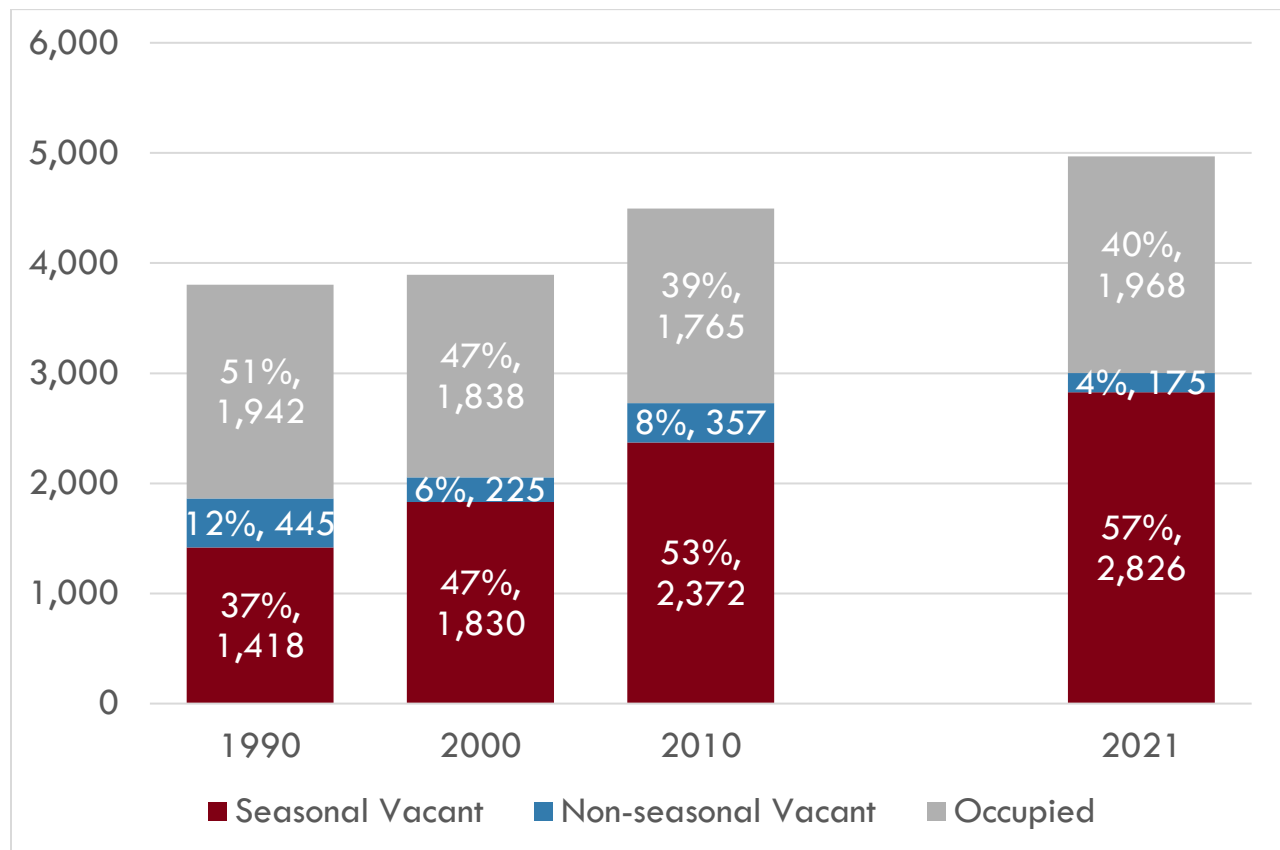
Looking more closely at changes in the property records between 2019 and 2023 suggests that changes of address filed with the USPS were not coupled with changes in property records. In the 2019 residential assessor’s records, 36 percent of properties were owned by entities with a Provincetown mailing address while in 2023 that share had risen to 38 percent. This change is the result of 354 properties which gained an owner with a Provincetown mailing address, and 264 properties which lost a Provincetown mailing address yielding a net change of only 90. There were no instances where the owner of a property remained the same while the address changed into or out of Provincetown. One hypothesis for this discrepancy is that at the height of the pandemic, people did not know how long they would stay in Provincetown, nor did they get rid of their other home. Taken together, these two factors would cause some reluctance to change any information on property records. Furthermore, this analysis assumes the mailing address of the owner on the property record is also the primary residence of that owner (where the registered owner is a trust or LLC the primary residence of the ultimate beneficial owner is unknown). This assumption may be less valid in vacation destinations post-COVID. In general, monitoring population, change of address statistics, and property records over the next few years is important to confirm whether the COVID jump in population lasts further into the future.

Housing Overview

Provincetown has more housing units than year-round residents; there are approximately 2,000 households but nearly 5,000 housing units.² Most of these housing units are vacant for seasonal use. This means there are nearly three housing units for every year-round household in the town. This ratio is comparable to other places in the Cape and Islands region like Nantucket. The result is that the primary driver of local demand for housing is for vacation homes.

In Provincetown, 57 percent of housing is seasonally vacant, a Census term for units that are largely unoccupied except for recreational use such as with a summer vacation home. This is an increase from 2010 when 53 percent of all housing units were vacant for seasonal use. The share of homes that are seasonally vacant has grown steadily since at least 1990.

Figure 4: Share of Housing by Type in Provincetown



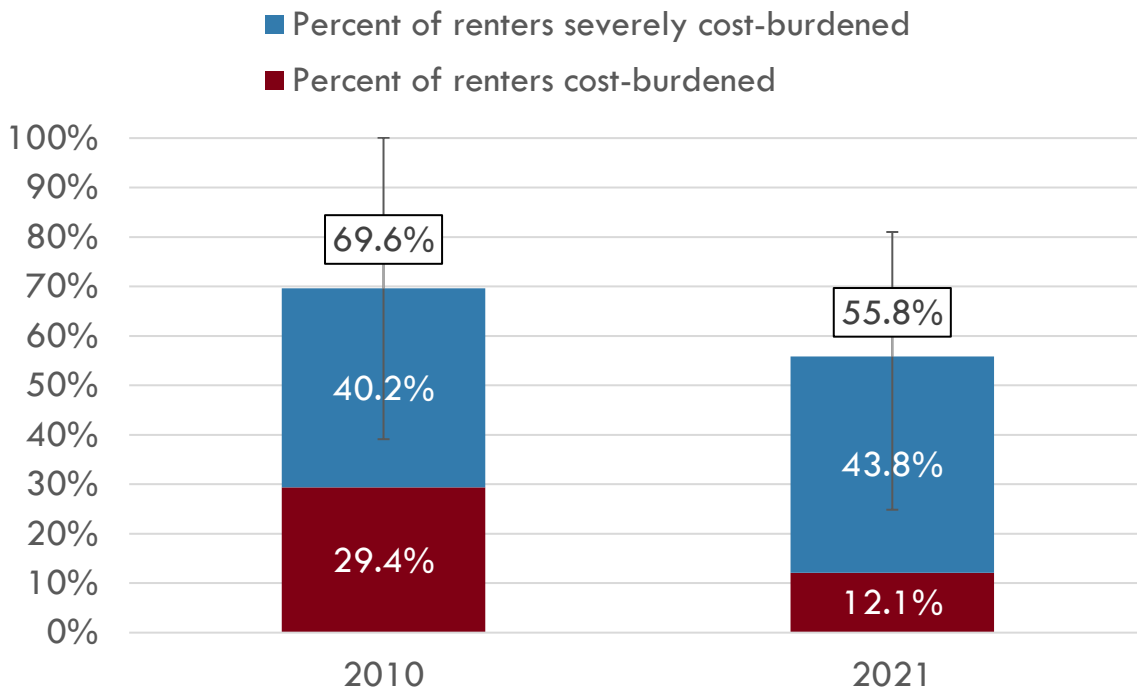
Source: U.S. Census Decennial Census 1990, 2000 and 2010 and ACS 5YR 2021

² ACS 2021 5YR

The share of total housing that is owner occupied is around 30 percent, not statistically different from its 2010 level.³ Similarly, the share that is renter occupied is around 10 percent and has also not changed significantly from its 2010 level.

The Census does not have a statistically robust estimate of cost-burdened households in Provincetown, which is defined by the U.S. Department of Housing and Urban Development (HUD) as households spending 30 percent or more of their income on housing. Households are severely cost burdened if they are spending 50 percent or more of their income on housing. Available data on cost burden from the American Community Survey suggests that burden is high and has been high since the start of ACS data collection in 2010 but it is unclear if it has risen or fallen in that time due to the high margin of error.

Figure 5: Severe Cost Burden of Renters in Provincetown



Source: U.S. Census ACS 5YR 2010, 2021

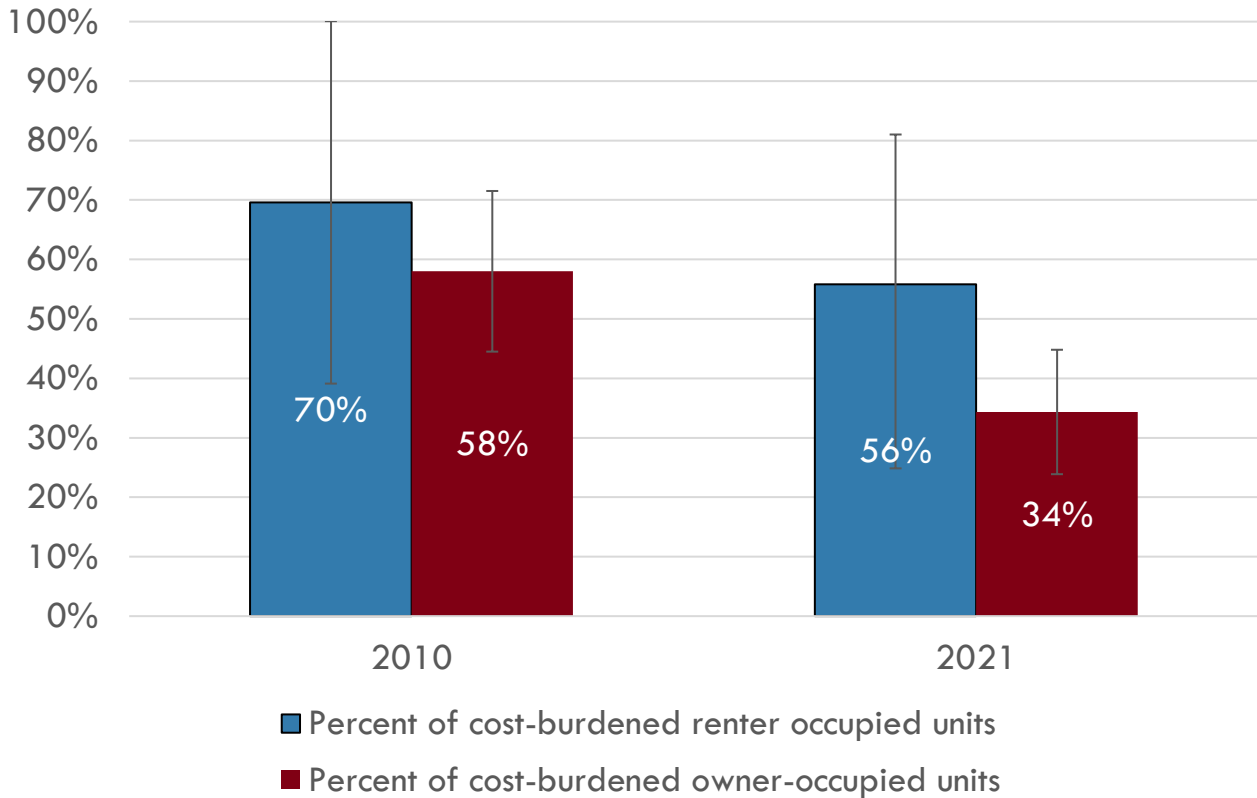
Note: Error bars indicate the margin of error on the percentage estimate for all renters who are cost burdened.

Estimates for Barnstable County have lower margins of error. The county typically has a higher share of cost-burdened renters and owners than the state. In 2021 the county estimate was 52 percent of renter households and 29 percent of owner households were cost burdened, compared to 47 percent and 26 percent statewide, respectively. Again, the difference between the 2010 and 2021 estimates are not

³ At 90% confidence.

statistically significant so it cannot be said for sure if burden has increased, decreased, or remained the same.

Figure 6: Provincetown Cost Burden by Ownership



Source: U.S. Census ACS 5YR 2010, 2021

Note: Error bars indicate the margin of error on the percentage estimate for all renters who are cost burdened.

Owners may have a lower cost burden than renters in Provincetown, but the margins of error make it difficult to say definitively. Regardless, burden is high. On the low end of the estimates, nearly a quarter of owners and a quarter of renters are cost burdened. On the high end, as much as 45 percent of owners and over 80 percent of renters may be cost-burdened.

Provincetown residents and stakeholders agree that there is a crisis of housing affordability and availability. When asked about his thoughts on the current state of Provincetown housing and affordability, Spencer (a Provincetown Select board member), immediately replied, “I would say that we’re in an acute crisis of housing supply and affordability.” This sentiment illustrates the perspective many interviewed Provincetown residents have towards the state of local housing. In another interview, resident Matthew, who works in Cape community development, describes the compounding issue of affordability and availability: “[Housing] is not available – like it doesn’t exist. And when it does exist, it’s not affordable.” There is an issue with housing supply in Provincetown, but the issue is even more acute

for those needing year-round and/or attainable housing in Provincetown.⁴

The high demand for housing and limited supply only increases prices. There is concern among many of the interviewed residents and stakeholders that the demand for short-term rentals, and high profit from them, is further restricting the year-round housing supply.⁵ John, an active member of the Provincetown Chamber of Commerce, described his concern:

“Housing, whatever level of housing you're looking for, is very scarce. And if it does become available, then it's either being sold at over market value or rented out seasonally, or by the week, or by the month or by the summer at a very high cost.”

The housing unit count in **Figure 4** suggests steady growth since at least 1990 in the share of local housing that is for seasonal use. Regardless of whether those units are used for short-term rentals or for the owner's personal use, if that trend continues, there will be more pressure on the existing year-round housing stock in Provincetown in the future.

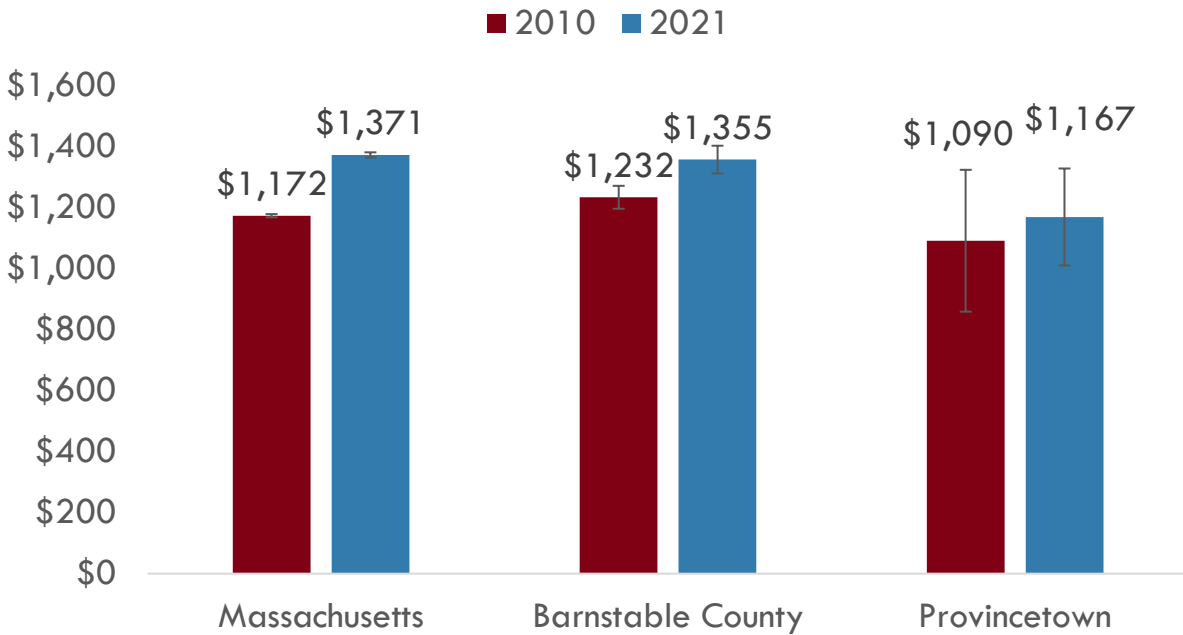
Housing Affordability

While it is difficult to obtain high-quality estimates on current asking rents, it is clear that renters in Provincetown face major hurdles to securing affordable year-round housing. Renters are more likely to be lower-income, housing cost burdened, and people of color. The American Community Survey (ACS) estimates a median rent for Provincetown in 2021 of \$1,167 with a margin of error of \$159. The Census estimates are hamstrung by Provincetown's small population. This median contract rent is also not statistically different from its 2010 level or from median rent in the county overall. In addition, it is important to note that Census rent estimates reflect the rents that are paid by renters regardless of how long they have been in their unit. Thus, the asking rents faced by someone searching for a new rental unit are likely higher.

⁴ Attainable housing can include subsidized affordable housing, housing that is only available to individuals at specific income brackets, and naturally occurring affordable housing (NOAH).

⁵ We evaluate potential revenue from STRs later in the report.

Figure 7: Median Contract Rent



Source: U.S. Census ACS 5YR 2010, 2021
 Note: All dollars adjusted to 2022 CPI average.

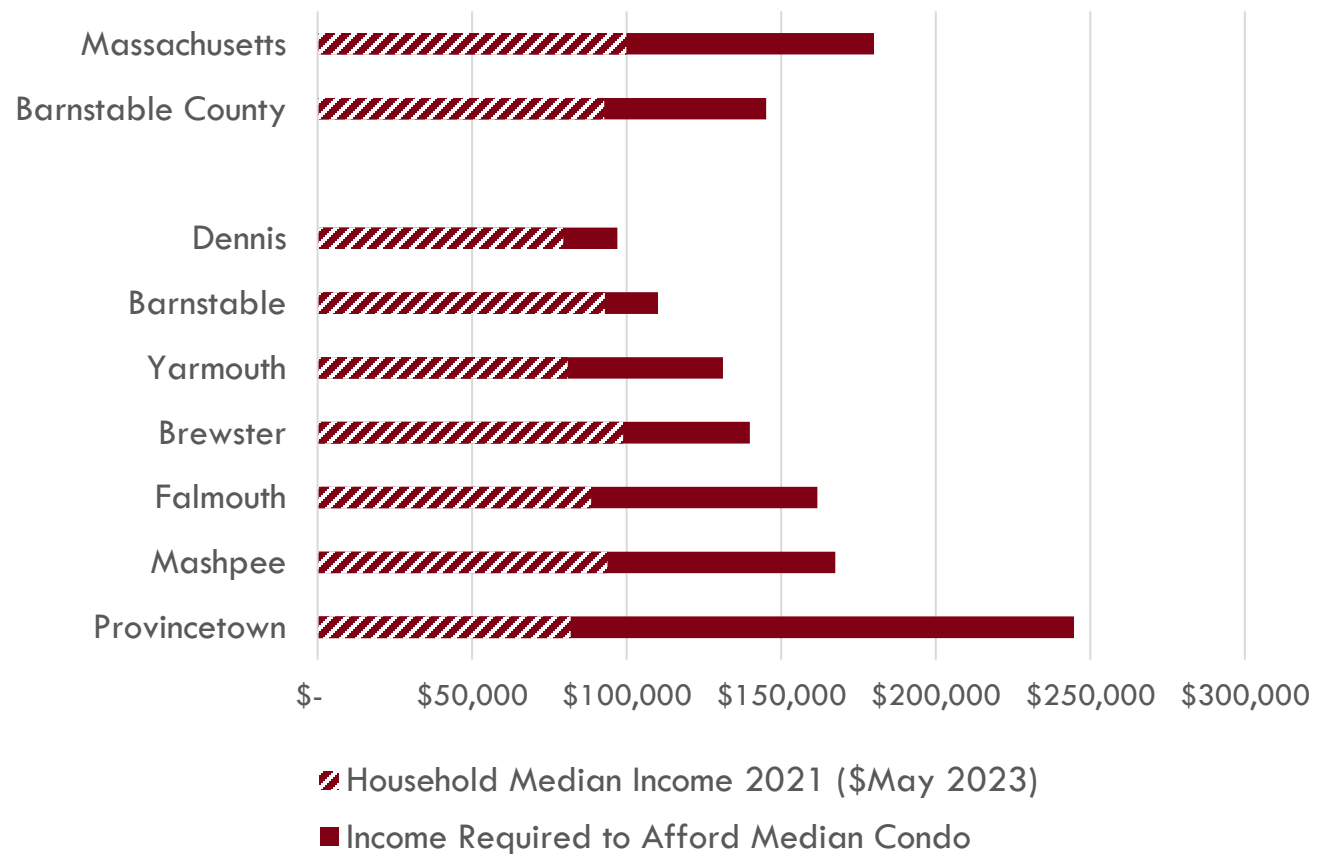
Other sources of data suggest a more expensive rental market. For example, in June of 2023, the Provincetown Year-Round Market-Rate Rental Housing Trust estimated rent for a market-rate single-bedroom unit at \$1,900, \$2,400 for a two-bedroom unit, and \$3,000 for a three-bedroom unit. These prices are based on comparable rents in the area. The interviews conducted with Provincetown residents and stakeholders further confirm and detail Provincetown’s expensive rental market. Matthew, who helps manage a local year-round market-rate rental property, describes the frustratingly high demand for affordable year-round housing:

“Without actively going out and trying to build a waiting list, we’ve got a waiting list that is twice the number of units that are available. And people are not moving out. We’re maybe getting four or five turnovers. I’d need to confirm exactly what that turnover rate is, but it’s no more than four or five units a year [that] are turning over.”

The lack of local attainable housing was brought up in all the research team’s interviews with residents and shareholders who noted that housing in Provincetown is noticeably less affordable than other parts of the state. When we asked John, a member of the Provincetown Chamber of Commerce, to describe the state of housing affordability in Provincetown, he asserted that the current state is, “Not affordable at all...Provincetown has managed to reinvent the definition of ‘affordable’ because even what could be considered affordable [gestures air quotes] here in Provincetown, it’s probably above market value in Western Massachusetts or the outskirts of Western [Mass] like Fitchburg, if you will.”

The affordability challenges apply to both renters and those seeking homeownership. Real estate data suggests Provincetown has the largest share of homes that are condominiums on the Cape. This is reflected in housing market data which shows the bulk of sales at any given time are condominiums rather than single-family homes. Looking at condominium prices, the median condo sold in Provincetown YTD in May 2023 was \$780,000. For such a housing unit to be affordable under the HUD definition of 30 percent or less of income going towards housing, the buyer would need an income of \$244,771. This assumes a five percent down payment and typical housing costs for the area and state. However, the ACS median income for the town is between \$60,172 and \$97,300. Among Cape towns with more than 20 closed condo sales YTD May 2023, Provincetown has by far the highest income required for the unit to be affordable to the buyer.

Figure 8: Income Required to Afford the Median Condominium in May of 2023



Source: Cape Cod and MA Realtor’s Association, Interest Rate from Freddie Mac survey, Property taxes from MA DLS, estimates of PMI and Home insurance from Nerdwallet, 5% down payment assumed. U.S. Census ACS 5YR 2021.

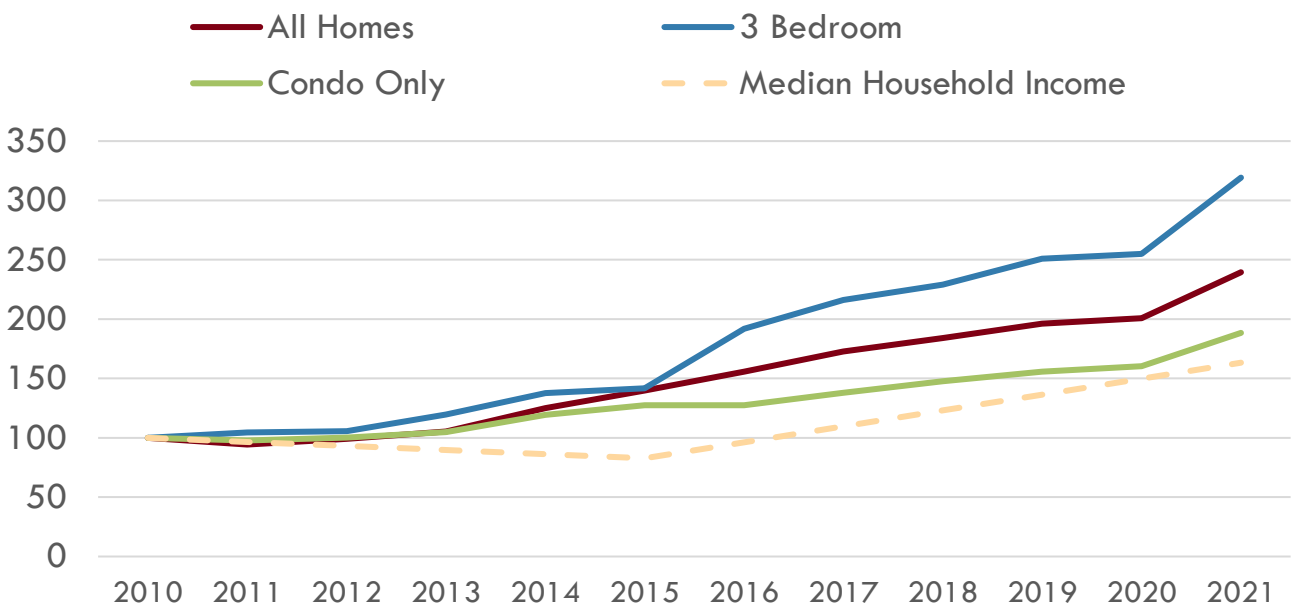
Note: Only towns with more than 20 closed condo sales in May of 2023 are shown. All dollars adjusted to May 2023 CPI average.

Jason, a local realtor, identified that for single-family homes the median price can be even higher: “The hard part for us is that because home prices are so high out here. We’re in between Nantucket and Martha’s Vineyard. Our median average price last time I looked for April was \$1.97 million dollars. That’s the median.” This price is also a function of inventory. In April of 2023 there were only a few closed

single-family home sales but around a dozen condominium sales. Single-family homes with larger footprints may be able to charge a premium in Provincetown where they are fewer in number. A smaller number of sales also means each individual sale may impact the median price substantially.

Historical home value data from Zillow shows a general increase in home prices since 2000 with the curve growing steeper around 2015. When plotted against median incomes locally, the data shows that income growth has not kept up with the prices of housing generally, three-bedroom homes, or condos, though it is close in the case of the latter. However, similar growth rates do not imply affordability because it does not consider starting values. In 2010, the average condo price in July was nearly \$335,800 while median household income was just under \$44,700. In that same year, housing burden data also showed high numbers of cost-burdened households. In 2021, those numbers were roughly \$632,700 and \$72,900, respectively, with cost burden remaining high. Because incomes and home prices did not begin from a place of affordability, equal growth rates should not be interpreted as a continuation or achievement of affordability.

Figure 9: Home Price and Income Indexes (Nominal), 2010 = 100



Source: Zillow Home Value Index and U.S Census ACS 5YR 2010, 2015 and 2021

Note: Median incomes are averaged between ACS 5YR datasets

While incomes and home prices have both grown, one explanation for why home price growth has outpaced income growth may reflect the place of residence of homeowners. Looking at property record data for 2023, owners with out-of-town mailing addresses most frequently come from cities like Boston, New York, and Cambridge. Over 140 properties in the 2023 assessor’s records have a New York City mailing address. Various Boston neighborhoods are some of the most common owner locations, followed by Washington D.C. and San Francisco. This reinforces the idea that the housing market in Provincetown, as with much of the Cape, is heavily influenced by the incomes of residents in higher

income areas like big cities. Communities outside the Cape, that are similar in size and density to Provincetown, do not usually see the same level of demand from out-of-towners from high income areas. This non-local demand contributes to a disparity between year-round resident incomes and home prices.

Several part-time resident homeowners expressed frustration during their interview, asserting there is a false and negative local perception of individuals who own a vacation home in Provincetown. One of the group members interviewed described this perception as framing vacation homeowners as, “that rich person that comes in, hangs out for like a few weeks in the summer, and then shuts their house.” While this may occasionally be the case for those owning vacation homes in Provincetown, the Part Time Resident Taxpayers Association group described the demographic as “not that big in our group.” A member of the group describes their frustration over the impact of these perceptions:

“You know, so there's a stereotyping that happens that you can afford it. So, one of the things our group has argued for a while now is there are a lot of year-rounders that take advantage of the tax exemption that probably make more money than some of our part-timers that are picking up the tab. You know, that again, creates this [sense] like ‘I feel like I'm not being treated the same as everybody else.’”

While there is perception that *all* owners of vacation homes in Provincetown are wealthy, some pointed out that the ability to rent a vacation home as a short-term rental is a primary factor in making owning a vacation home affordable. Beth, a part time resident homeowner who rents their Provincetown home during much of the summer season, describes renting their home as a means to afford that home:

“...[S]econd homeowners want to use a property for themselves somewhat and also rent it so that the income from those rentals offset the mortgage. Either they do it because it's a good way for them to be here and make money just to sustain that. Or they're only doing it temporarily because eventually they want to move here themselves.”

There is concern among this group that restrictions on short-term rentals would make owning a second home unaffordable for many. More broadly, there are concerns among all interviewees—residents and stakeholders alike—about affordability in Provincetown, whether it is for renters or buyers.

Homelessness

When considering the housing market of any region it is also important to consider those left out of the market entirely, particularly in a region with such a high level of seasonal vacancies. Annually, the Cape and Islands Regional Network on Homelessness conducts a count of persons experiencing homelessness in emergency shelters, transitional housing, on the street, in cars, abandoned buildings, and in other places not meant for human habitation. This is a count based on the HUD definitions of sheltered and unsheltered persons. Unsheltered persons reside in places not intended for human habitation, while sheltered persons are those in dedicated emergency shelters or in housing supported by funding from an organization. This count is performed in the winter months so the population during the summer

may differ. Additionally, these counts do not include people staying with family or friends or in temporary, non-shelter lodging like hotels.

The 2022 count, conducted in February of that year, identified around 400 people experiencing homelessness in the Cape and Islands, a 16 percent increase from 2021 and an 18 percent increase from before the pandemic in January of 2020. Of those, 35 people were unsheltered at the time of the count. This is the highest count in eight years, though the network points out that the increase may be attributable to increased collaboration with, and surveying of, Martha's Vineyard. Of that 400-person total, over 90 were children. There were a total of 55 families in shelter during the count as well as one family unsheltered. The count includes another 90 people in transitional housing. These individuals receive support and services in order to move into permanent housing, though this service is only funded for up to 24 months.

Detailed data on the number of unhoused individuals in Provincetown is unavailable but a recent news article highlighting homelessness in town reported that the local branch of the Homeless Prevention Council (HPC) works with 35 to 40 clients per month who are struggling with housing insecurity.⁶ These individuals are at risk of losing their housing while others are already unhoused, and many are residents who grew up in the area.

Residents and stakeholders alike hold concerns that conversion of properties to short-term rentals creates additional housing insecurity. Spencer, a Provincetown Select board member, argues that as properties are converted to short-term rentals it “creates additional housing insecurity for people who would otherwise potentially be housing secure.” He highlights this in his description of how housing insecurity has had an impact on local residents due to property conversions to short-term rentals:

“I have heard anecdotally of many individuals who've been affected by housing insecurity, because they might live in a unit over a season, whether it be like a winter season or a summer season and have to shift to live elsewhere, or find housing elsewhere, because that unit is being converted into a short-term rental either for the season, or, you know, in perpetuity thereafter. And it might be a unit that they've lived in for many years.”

Prior work by UMDI on the Cape and Islands echoes this story. Some households have had to move so that a unit can be rented for the season. In some cases, the household can return after the season but in others the unit permanently leaves the year-round housing market.

⁶Egger, Oliver. “Sleeping in the Elements in Provincetown.” The Provincetown Independent, July 26, 2023. <https://provincetownindependent.org/local-journalism-project/next-generation/2023/07/26/sleeping-in-the-elements-in-provincetown/>.

Employment

Provincetown has a highly seasonal economy with employment more than doubling between January and July of 2021, the latest full year for which data is available. The largest industries are accommodation and food services, and retail trade. Nearly 3,800 employees worked in town in July of 2021 compared to just under 1,600 in January. According to the ACS 2021 5YR data, household size in Provincetown is 1.81. Using that as a guide, January employment implies demand for 880 units of housing from the year-round workforce. Using a higher estimate of 3.00 per household for seasonal workers implies demand for another 735 units, assuming the summer workforce is primarily comprised of net new workers rather than large numbers of residents taking a second job.⁷ Together, these roughly 1,600 units are less than the 2,000 units that are currently occupied by year-round residents though it does not imply that this housing demand is necessarily well-matched to available supply.

Table 1: Provincetown Employment by Industry, January and July 2021

NAICS Code	NAICS Description	January Employment	July Employment	Establishments	Average Employment	Average Hourly Wage
10	Total, All Industries	1593	3,796	420	2,608	\$25
11	Agriculture, Forestry, Fishing and Hunting	8	9	4	7	\$47
23	Construction	44	51	10	51	\$28
31-33	Manufacturing	21	50	6	35	\$16
NONDUR	Non-Durable Goods Manufacturing	20	50	5	34	\$16
42	Wholesale Trade	15	34	6	22	\$50
44-45	Retail Trade	440	787	114	577	\$22
48-49	Transportation and Warehousing	26	45	6	34	\$25
51	Information	23	32	11	29	\$32
52	Finance and Insurance	31	31	9	31	\$33
53	Real Estate and Rental and Leasing	54	98	15	75	\$24
54	Professional and Technical Services	87	102	30	99	\$30
56	Administrative and Waste Services	35	96	15	66	\$23
62	Health Care and Social Assistance	213	219	19	216	\$28

⁷ 3,796 July jobs – 1,593 January job = 2,203 additional, high season jobs. 2,203 / 3 = 734.33.

NAICS Code	NAICS Description	January Employment	July Employment	Establishments	Average Employment	Average Hourly Wage
71	Arts, Entertainment, and Recreation	38	82	16	57	\$28
72	Accommodation and Food Services	282	1,828	127	999	\$23
81	Other Services, Except Public Administration	52	84	20	69	\$27

Source: MA Executive Office of Labor and Workforce Development E5202

Note: Data on all industries is not available due to suppression, so 2-digit industries may not add to the total.

Using data from the Census On the Map tool, 53 percent of jobs in town were worked by non-residents in 2019 (latest available, non-2020 year of data), which equates to around 911 primary jobs, i.e., jobs that provide most of a worker’s earnings. The workers in these jobs most often come from Truro (6%), Wellfleet (5.9%), Eastham (3.9%), and Barnstable (3.5%), which account for 20 percent of the total out-of-town workforce.

Provincetown residents are most likely to work locally, but a small group of residents go elsewhere, the two most popular destinations being Truro and Boston. This group accounts for the 560 primary jobs going elsewhere. These jobs include remote jobs as the dataset used counts jobs based on employer/firm location and not commute type.

Figure 10: Inflow and Outflow of Primary Jobs, 2019



Source: U.S. Census On The Map Tool

The housing supply has a clear effect on jobs and the local economy in Provincetown and there is concern among interviewees about how to attract workers to Provincetown if they cannot afford to live there. One interviewee said, “If people can’t afford to live here, they will most likely not look for a job here. We see signs up all the time, like all the open job openings throughout the town and with the town, as a municipality. The town itself is struggling to hire staff to fill their positions that are open, it’s an issue and it affects everyone. It affects the town. It affects our businesses community altogether. It’s a catch-22.”

The interviewees describe a situation where businesses are struggling to recruit workers because of housing issues. The lack of attainable housing and housing for workers is limiting businesses’ ability to grow and the economy in Provincetown more generally. Matthew, a Provincetown resident who specializes in housing policy, describes this barrier: “If you ask any business owner what the number one barrier to business growth is, it is the lack of housing for workers. Businesses have an opportunity to grow—but they can’t grow because there aren’t enough employees.”

Provincetown businesses often rely on foreign workers for seasonal jobs during the high tourist season. John, a member of the Provincetown Chamber of Commerce, explains how the need for seasonal employee housing affects businesses:

“Like I said, most of our businesses...rely on foreign workers. J-1 students and H2B workers who have to come here from somewhere else from overseas from abroad to work here. So, in order to do that they need to have housing. That puts a lot of stress on our businesses as we could see during the pandemic and its aftermath. Our businesses had to shorten their hours, or they had to close on certain days altogether, just because they were so short staffed, and they couldn't stay open. They wanted to give their existing staff a break, so that affects their bottom line. When you have such a short season from May/June through September/October, then it affects your bottom line. And you either barely make it or you go out of business.”

Some businesses have responded to the seasonal demand for worker housing by purchasing housing for their employees. Chris, a member of the Provincetown Select Board, describes this action:

“We have seasonal housing problems in the sense that our businesses need places for their workers. Now, to be fair, a lot of our bigger businesses, Crown and Anchor... Boatslip, Lobster Pot, they actually have housing. They have housing for their workers... because you also have businesses that have done the right thing, and one of them [referring to businesses] recently purchased a B&B. Now a B&B goes out, but housing for workers comes in. But the thing about it is the second homeowners is a stressor, worker housing is a stressor [on housing supply].”

The issue of seasonal housing for workers was discussed in multiple interviews, as shareholders express concern for housing accessibility on both local businesses needing seasonal staff housing, as well as year-round housing for vital nonseasonal workers. The need for year-round housing is described by Spencer, a member of the Provincetown Select Board:

“And one thing that I think is also true about Provincetown is that if you are contributing to the local economy, it is almost exclusively (from a job's perspective) a seasonal economy, based on our tourist economy and based on our visitor profile, in terms of the numbers of people who come to town and spend money here in the summer versus offseason. And as a result of that, you know, we have a need as much for year-round housing for people who might work say in town hall or who work as EMTs or who work in health care locally, as we do for seasonal workers who might work in hospitality over the summer. And you know, we very much need them to support the local economy, but that in the winter, they may not have made all the money in the summer that they need to live from in the winter and they may need to go elsewhere and work elsewhere, during the winter season.”

The Short-term Rental Market

Chapter Summary

- The research team’s analysis of short-term rentals focuses on app-based rentals because they are the type of short-term rental for which detailed data is readily available. The analysis uses short-term rental data from AirDNA which aggregates data on rentals through the Airbnb and VRBO services.
- In 2017, the number of active units in Provincetown crossed over 1,000 before peaking in 2019 at nearly 1,300. Active units subsequently dropped back down to roughly 1,000 since then.
- The median daily rate for a two-bedroom rental in the AirDNA dataset was \$425 in Provincetown in 2022. Adjusted for inflation, Provincetown’s median rate has increased about five percent since 2019.
- In 2022, peak prices and activity occurred in July. Similarly, both prices and activity reached their nadir in February. Between peak to trough, prices decreased by 58 percent while active units dropped by over 200 percent.
- The median STR was reserved for 93 days (13 weeks) a year in 2022, up from 72 days per year in 2019. Stays are usually a week or less, with 89 percent of properties having an average reservation length of seven days or less in 2022.
- An analysis of data on lodging in Provincetown identified 1,435 units of guest accommodation in traditional lodging in 2022, including guest houses, camps, cabins, motels, and inns. In their peak month, STRs provide an additional 1,600 bedrooms.
- The Provincetown Year-Round Market Rate Rental Housing Trust established a rate of \$2,400 per month for two-bedroom market rate rental units in June of 2023. In a year, a landlord renting out a unit full-time at that rate could expect \$28,800. The median daily rate for a short-term, two-bedroom unit in Provincetown is \$425. At that rate, the breakeven point between renting long and short term is less than three months.
- In addition to the financial incentive, owners with rentable properties benefit from other advantages when short-term renting. Most notably, they retain use of the property for themselves and their friends and family.
- While there is concern from residents about short-term rentals making the Provincetown housing market more expensive, there is another perspective from second homeowners who find that the ability to rent property as a short-term rental is an important component behind what helps make Provincetown homeownership affordable.

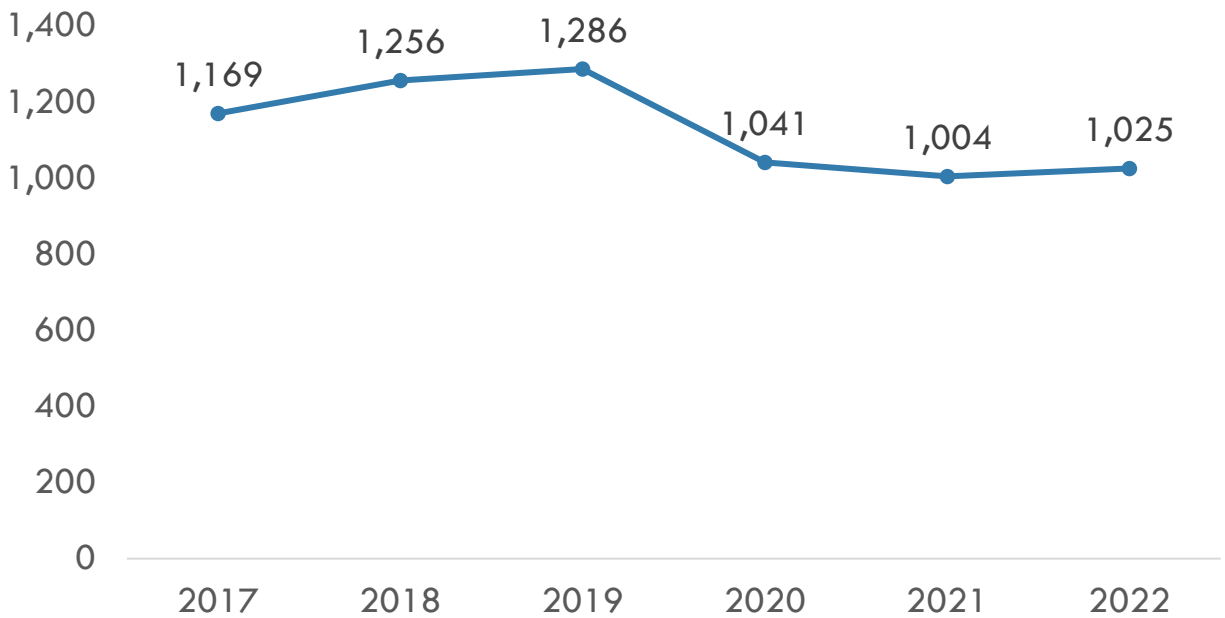
- Based on a new homeowner survey, few buyers are seeking properties for use solely as STRs. Only seven percent of all respondents are considering short-term renting as a primary use for the property in the next 20 years. A second survey, this time of only second homeowners, also saw only a small share, about eight percent, planning to use their unit as exclusively a short-term rental over the next two decades.
- A possible reason for this reluctance is that purchasing a home in Provincetown to rent, either long or short term, is not self-evidently profitable at current prices. Annual payments for principal, interest, taxes, and insurance for the median condo are approximately \$60,000 per year. These annual costs are double or more the market rent for a two bedroom and would require about four months of renting at peak rates to cover with short-term rental use. These estimates exclude other holding costs like utilities, maintenance, realtor or Airbnb fees, and the opportunity costs of alternate investments.
- When the research team asked multiple members of the Provincetown Part-Time Resident Taxpayers Association why one might short-term rent their home, members acknowledged financial incentives but asserted that short-term rentals are also a way to ensure their homes do not stay empty when they are out of the area. Renting short term allows second homeowners to offer their homes to friends, families, and members of the LGBTQIA+ community, in similar ways to what many second homeowners experienced before purchasing their Provincetown homes.

AirDNA Data Analysis

The research team's analysis of short-term rentals focuses on app-based rentals because they are the type of short-term rental for which detailed data is readily available. As described earlier, seasonally vacant units, many of which are short-term rented, have been present locally for decades. The primary innovation of apps like Airbnb was convenience and reach. These apps meant owners did not need to find a rental agency to work with and meant that people across the world could shop for vacation rentals globally in a single app. This analysis uses short-term rental data from AirDNA which aggregates data on rentals through the Airbnb and VRBO services. Considerable work would need to be done to gather a database of broker-rented short-term units and would require the cooperation of each brokerage facilitating STRs in Provincetown.

AirDNA collects data going back to 2014, but there is exponential growth in the number of units reported in 2014, 2015, and 2016. It is not clear if that initial increase in units reflects take-up of the app-based model by short-term renters or if it is simply a function of web-scraped data being incomplete in those first three years of the AirDNA service. For context, Airbnb had achieved its ten millionth booking as early as 2012 which suggests it had considerable popularity by the time data started being scraped. In 2017, the number of active units in Provincetown crossed over 1,000 and peaked at nearly 1,300 in 2019. Since COVID-19, active units have dropped by roughly 250 units and remain stable at that level. This decline corresponds to the simultaneous increase in the year-round population suggesting some out-of-town owners have switched the use of their homes from something occasional to something more permanent thereby making renting no longer practical.

Figure 11: Annual AirDNA Units in Provincetown



Source: AirDNA, UMDI Analysis

The median daily rate for a two-bedroom rental in the AirDNA dataset was \$425 in Provincetown in 2022. This rate is higher than the Barnstable County rate but lower than the rates on the two islands. Provincetown had a much lower rate than Nantucket in 2022 but only a slightly lower rate than Martha’s Vineyard (Dukes County). Adjusted for inflation, Provincetown’s median rate has increased about five percent since 2019, below Barnstable County’s change in the same period.

Table 2: Median Daily Rate for a Two-Bedroom Short-Term Rental

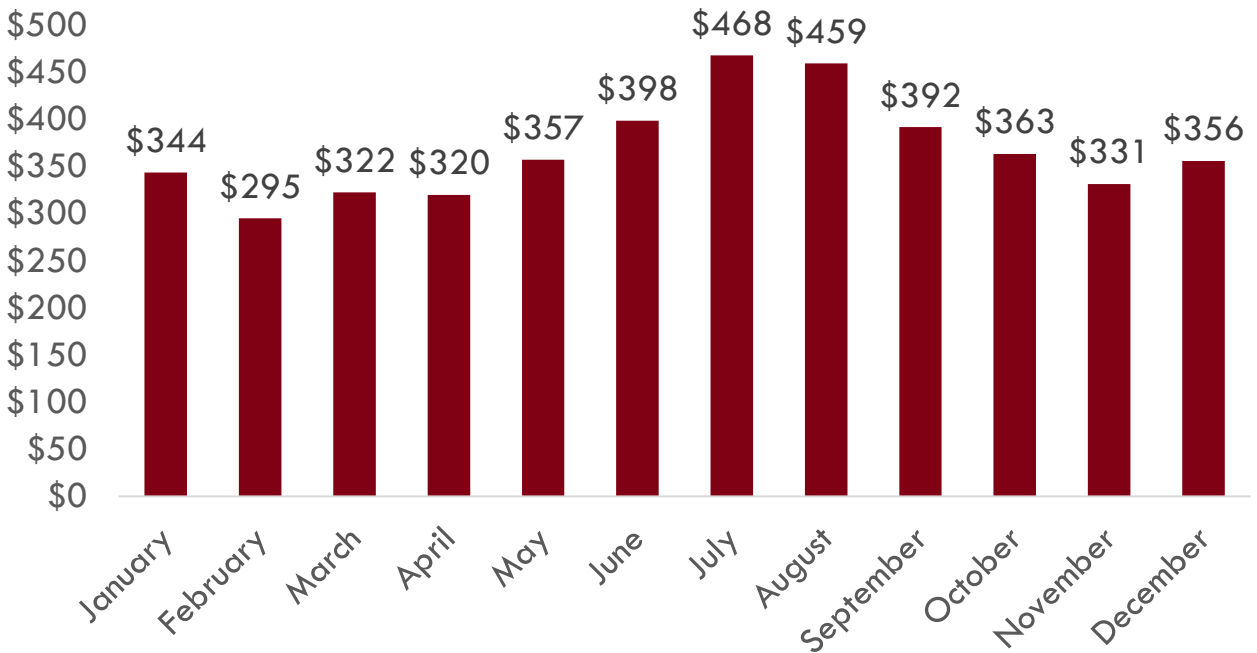
Region	2019	2020	2021	2022	2019-2022 Change
<i>Nantucket County</i>	\$635	\$678	\$658	\$653	3%
<i>Dukes County</i>	\$407	\$407	\$451	\$450	11%
Provincetown	\$405	\$404	\$397	\$425	5%
West Tisbury	\$391	\$392	\$467	\$425	9%
Chatham	\$366	\$351	\$358	\$371	1%

Region	2019	2020	2021	2022	2019-2022 Change
Barnstable County	\$286	\$292	\$304	\$306	7%
Wellfleet	\$288	\$313	\$300	\$291	1%
Great Barrington	\$259	\$251	\$278	\$280	8%
Berkshire County	\$229	\$236	\$248	\$255	11%

Source: AirDNA, UMDI Analysis

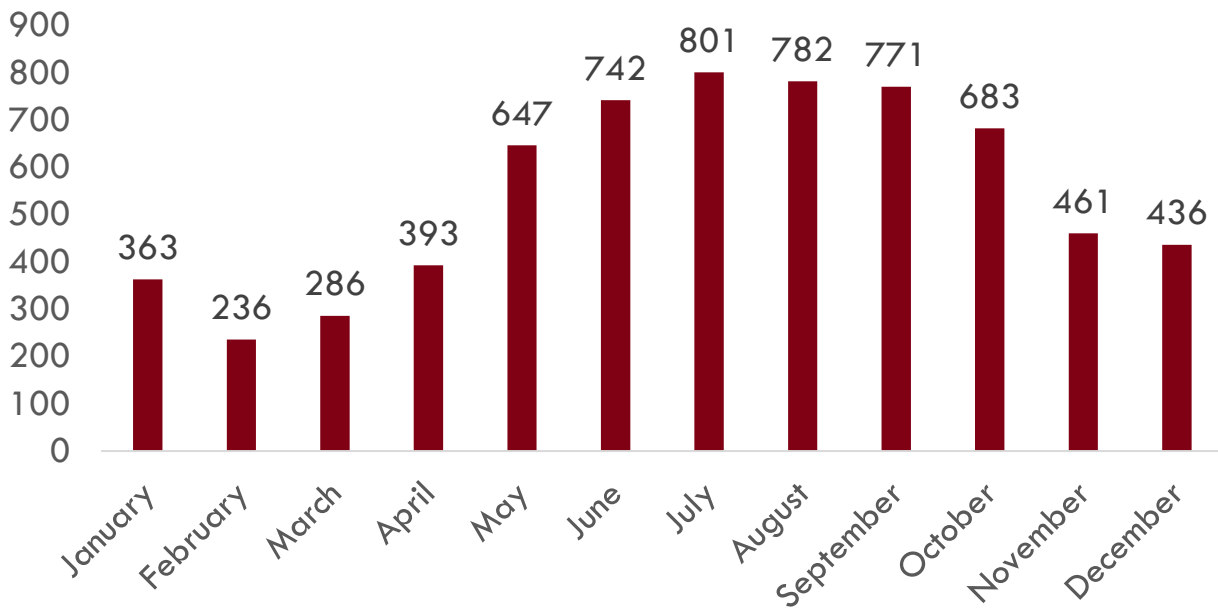
The median daily rate and number of active units vary by month. In 2022, peak prices and activity occurred in July. Similarly, both prices and activity reached their nadir in February. Between peak to trough, prices decreased by 58 percent while active units dropped by over 200 percent.

Figure 12: Median Daily Rate for a Two-Bedroom STR by Month, 2022



Source: AirDNA, UMDI Analysis

Figure 13: Number of Active Units by Month, 2022



Source: AirDNA, UMDI Analysis

Units in the AirDNA data are being rented more intensively. In 2019, the median number of reservations was 15, but this rose to 22 times per year in 2022. The median STR was reserved for 93 days a year in 2022, up from 72 days per year in 2019. Stays are usually a week or less, with 89 percent of properties having an average reservation length of seven days or less in 2022.

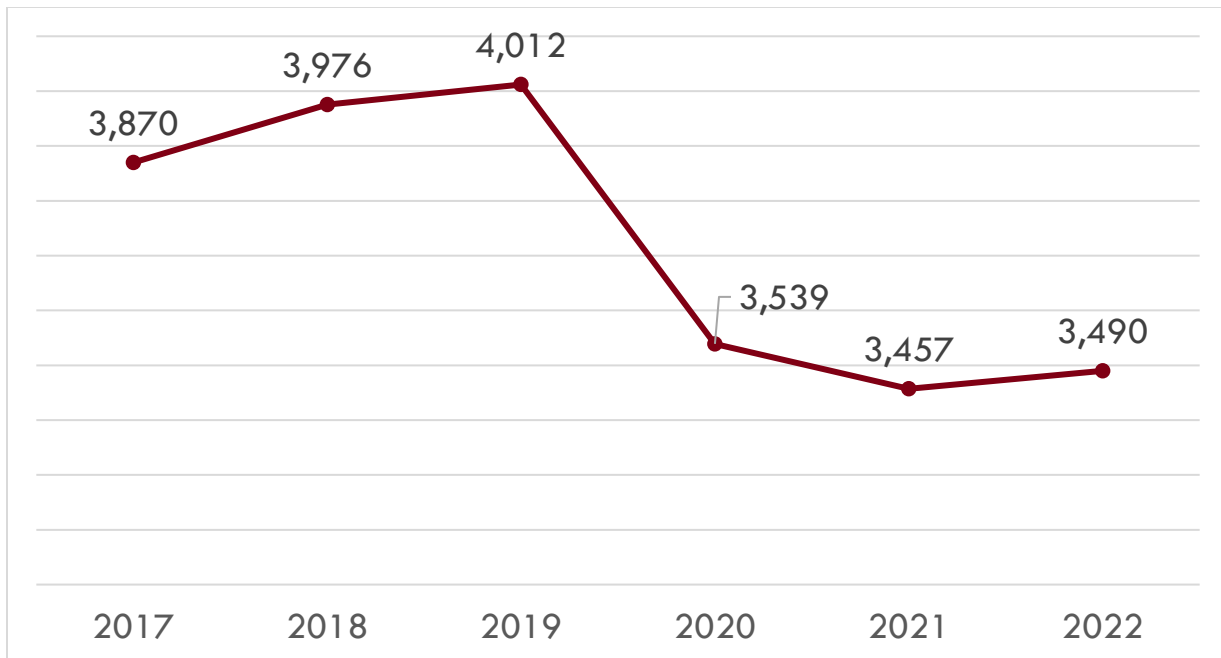
Lodging Overview

Data on app-based short-term rentals is important because of shifts in the traditional accommodation industry. An analysis of data on lodging in Provincetown by the Department of Community Development identified 1,435 units of guest accommodation in traditional lodging, including guest houses, camps, cabins, motels, and inns. However, several lodging establishments have closed over the past two decades. Since 2000, 27 establishments have closed, representing over 200 units of guest accommodation. In some cases, these buildings are converted to other lodging uses such as worker housing or residences, but sometimes their capacity is lost. Community Development also counted active lodging units in May of 2023, and found that the number had fallen farther to 1,380, a four percent decline from the 2022 annual value.

Short-term rentals in the AirDNA dataset offered 2,055 bedrooms worth of lodging in 2022. Combined, traditional and short-term lodging provide 3,490 units of total, but not simultaneous, guest

accommodation for the town.⁸ Across all types of lodging, the actual availability on the ground varies seasonally, with some traditional lodging being seasonal and STRs also being highly seasonal. Because not all STRs are active at the same time, peak availability for STRs is around 1,600 bedrooms in July. Based on historical data on traditional lodging combined with counts of AirDNA bedrooms, the total accommodation units available annually across town has declined 13 percent over the period of 2019 to 2022. STR bedrooms declined 19 percent in the period. Closures in the traditional lodging industry led to traditional lodging units declining four percent in the period. The decline in guest accommodation coincides with the population increase described earlier.

Figure 14: Total Units of Guest Accommodation, Traditional and Short-term Rentals



Source: AirDNA and Provincetown Department of Community Development

Note: Traditional lodging count for 2018 was unavailable so an average of 2017 and 2019 was used.

The occupancy rate measures the percentage of time that a unit (a room in a commercial establishment or a bedroom in an STR) is occupied as a share of days available. For example, an STR room active for 90 days in the summer and occupied for 60 of those days results in an occupancy rate of 67 percent. Note that a 67 percent occupancy rate does not mean a home or hotel room is occupied by visitors for fully two-thirds of the year. In many cases, homes and hotel rooms are not on the market year-round so they may actually be vacant for considerably more time than the occupancy rate suggests or, in the case of homes, occupied by the owner or other non-paying guests like friends and family. In the AirDNA data for 2022, STRs had a summer occupancy rate between 69 percent in June and 91 percent in August. The

⁸ This assumes that a STR bedroom is equivalent to a unit of traditional lodging. This is not always true, a hotel suite may encompass multiple bedrooms, so this estimate should be considered slightly conservative.

lowest occupancy rate in the year was in January at 31 percent.⁹ Data on occupancy for traditional lodging was unavailable.

Separate but related to occupancy rates is lodging capacity. Assuming two visitors per lodging unit, in total the town has capacity for nearly 7,000 guests per night. Provincetown received nearly three million visitors in 2022. This number of visitors, if spread evenly across all days of the year, implies roughly 8,200 visitors per day, which exceeds the daily capacity of in-town lodging, though not all these visitors stay overnight. Adding to capacity constraints is the fact that visitors are not spread evenly across all days but rather concentrated in the warmer months of the year and around weekends. Any restriction of STRs would further constrain the supply of lodging, likely leading to increased prices for the remaining options. Currently, occupancy taxes from traditional lodging and short-term rentals were more than \$5 million dollars in 2022, increasing from around \$3.5 million in 2021. In FY2022, visitors spent nearly \$95 million on food and beverages and nearly \$85 million on accommodations.

To estimate lodging capacity, data from AirDNA was used because it provided a count of bedrooms across STRs in town. The exact count of STRs locally may vary depending on the source of data used. The most official and most local source is the town's registration list, which listed 758 STRs at the end of March. However, this list is relatively new, and the town is still working to achieve full compliance.

An alternative STR listing can be collected from the Department of Revenue (DOR). A copy of the list from August 2022 reported 1,312 STRs in town. However, this list also has drawbacks because there is not a mechanism to remove rentals from the list, so some units may no longer be active. The list is also not property based meaning entries cannot be tied directly to a property record as in the town list. This prevents deeper analysis of rentals without considerable work using the matching of street address and other information to property record data. This also makes it difficult to identify if a unit is part of a larger property, or a whole property. Finally in at least one case, a property was listed at a street address that did not appear to exist in Provincetown, with the town field likely having been filled out incorrectly as Provincetown.

A third source of data on STRs is the AirDNA dataset discussed previously. This dataset listed 1,025 STRS in town in 2022. Drawbacks to this dataset include that it is only a list of app-based rentals, and only through two services, Airbnb and VRBO. Rentals through a real estate agency or done informally by word of mouth are a considerable part of the rental market locally. Additionally, these units are not tied to a property so gathering additional detail, such as basic owner information from assessor's records, on these units is difficult. As with the DOR list, a single entry in AirDNA may represent either part of a property, or a whole property, with no way to distinguish the two using property records.

Finally, the town derived a STR count by working with municipal data company Granicus, which is hired by many towns to help track their short-term rental markets. In March of 2023, Granicus estimated

⁹ This rate is based on calculating total reservation days, summed across all units in the dataset, as a share of all available and reserved days.

between 1,450 and 1,500 STR units at peak season. Its approach looked across more than the two app-based services found in AirDNA and combined information from sources like the above.

Rental Revenue and Second Homeowners

The Provincetown Year-Round Market Rate Rental Housing Trust established a rate of \$2,400 per month for two-bedroom market-rate rental units in June of 2023. In a year, a landlord renting out a unit full-time at that rate could expect \$28,800. The median daily rate for a short-term, two-bedroom unit in Provincetown is \$425. At that rate, the property owner could expect to earn as much rental revenue as the above long-term unit landlord in what is likely to be less than 80 days (or roughly two and a half months).¹⁰ As described in more detail on page 49, for many owners of STRs, the gap between renting short and long term may be just over \$14,000. This amount is comparable to the per unit rates some towns have implemented to incentivize the use of rental units for long-term or workforce housing (see **Other strategies: Incentivizing Renting to Workers or Year-Round Residents** on page 41). An outstanding question, alluded to in the interview quote below, is what value owners put on their own use of the property.

This illustrates the differing incentives faced by owners of rentable properties in town. They can earn as much as they would get from a long-term rental in the space of two or three months. They could then occupy the unit themselves for the rest of the year or at points during the summer season. They could also share the unit with friends or family. Because of the high revenue homeowners can make renting their property as a short-term rental while still being able to use the property for themselves, there is little incentive for homeowners to rent to year-round residents. Matthew, a housing policy specialist, describes this tension between the gap in profit between long-term and short-term rentals:

“The amount that you would have to incentivize part-time owners of condos to make it available for year-round rental would take a huge amount of money to close that income gap, as well as tie up the property. I mean, it happens. Some people do decide to do it. Some people get tired of Airbnb, but let's be real, part of the value of real estate in Provincetown is based on the ability to put it on Airbnb and make a ton of money renting it out.”

Additionally, by not having long-term renters the property becomes a tremendously flexible asset. Tenants with a lease have rights that make it difficult to evict or change the use of a unit. Tenants also have additional rights to retain housing while disputes with the landlord are resolved. By foregoing tenants, if owners decide they no longer want to manage a short-term rental property, they can stop at any time and put the house up for sale where it will likely sell quickly in a low-inventory, high-demand market. The potential revenue from short-term rentals is priced into properties in Provincetown, making

¹⁰ The breakeven implied by the median daily rate is 68 days ($\$28,800 / \$425 = 67.7$). However, the median daily rate includes the cleaning fee where applicable. We do not have adequate data to know how the typical cleaning fee, which is usually charged per stay rather than per day, would average into the daily rate. As a result, we have assumed some extra time in the breakeven calculation to allow for income for the property owners to be some amount less than \$425 per day.

property even less affordable for some, particularly for year-round residents. Spencer, a Provincetown Select Board Member, has a similar perspective to Matthew's:

"I think what is more unique to Provincetown is that when there is available supply, that supply is essentially priced for use as a short-term rental, which garners a significantly higher value for property. And because of this significantly higher income stream that you can get from a short-term rental versus a year-round tenant....what little housing supply is available, faces this economic issue of whether, you know, to rent a short-term rental or long-term rental...they are essentially priced for *short-term rental buy*."

While there is concern from residents about short-term rentals making the Provincetown housing market more expensive, there is another perspective from second homeowners who find that the ability to rent property as a short-term rental is an important component behind what helps make Provincetown home ownership affordable. When asked their thoughts on restrictions on short-term rental certificates, members of the Provincetown Part-Time Resident Taxpayers Association, many of whom are second homeowners, expressed skepticism over its overall effectiveness, arguing that it would further limit the buying pool:

"...[W]e thought to ourselves that's what you're going to end up with though, that group, that stereotype that you don't like, may well be the unintended consequence of restricting short-term rental certificates because you will limit the buyer pool to people that say 'I don't need that so I'll just pay whatever and I'll show up whenever I feel like showing up.'"

Beth, a part time resident and second homeowner, describes the strategy of year-round residents who use short-term rentals as a way to generate enough income to live in Provincetown for most of the year: "Another unintended consequence of the short-term rentals is that there are year-rounders who are managing their finances through short-term rentals. And if those are restricted, that will also have an impact on their ability to stay in town." Although many residents are concerned about the effect of short-term rentals on the housing and rental market, there are still some that are concerned that restrictions on these rentals could make the market less affordable for some.

A common concern in communities that have numerous short-term rentals is that people and businesses might buy up residential property purely to put it on the short-term rental market. However, there is evidence that new owners do not typically purchase their homes with the intent of solely renting them out. In the Cape Cod New Homeowners Survey conducted by UMDI in 2021, respondents were asked what their planned use was for the property over the next 20 years. Overall, 90 percent of respondents reported that their new home would be used as, or converted to, a primary residence within the period and 68 percent planned to do so in less than 20 years. The second most popular use for a new home was as a second home for personal or family use with 32 percent of respondents using their home for that in the 20-year timeframe. This was followed by short-term renting as the third most popular use case, with seven percent of all respondents considering short-term renting as a primary use for the property in the next 20 years.

A second survey, this time of specifically second-home owners, suggested that only 30 percent plan to convert their units to primary residences in the next 20 years. This suggests that for most vacation homeowners on the Cape, the long-term goal of their ownership is for recreational purposes in the immediate future. Again, only a small share, about eight percent, reported that they planned to use their unit as primarily a short-term rental in the 20-year timeframe.

The disparity between the feelings of residents and the stated desires of second-home owners may be explained by the high cost of Provincetown homes, which may discourage buying housing purely to profit from their rental, whether short or long term. The analysis performed earlier on the income required to afford the median condo in Provincetown in May 2023 YTD suggests monthly housing costs on a 30-year mortgage, including mortgage payments, condo fees, taxes, and insurance, to be \$6,119, or \$73,431 annually. However, that analysis assumed a five percent down payment. In most cases, banks require at least 20 percent down for a home purchased for use as something other than a primary residence. In that case, monthly costs drop to \$5,005, or \$60,065 annually.

Even with these lower costs, purchasing a home in Provincetown to rent is not self-evidently profitable at current prices. These annual costs are double or more the market rent for a two-bedroom. In the case of a short-term rental, assuming the unit was a two-bedroom and could be rented reliably at \$468 (the peak July 2022 median daily rate for such units), the condo would need to be rented for 129 days (about four months) per year just to break even on the financing, taxes, and insurance costs. If the home was bought outright and a mortgage payment was not an issue, the unit could pay for itself after 1,668 days of short-term renting at that same rate. This would equate to approximately 14 summers of renting every day, June through September. In the end, all these estimates would still fall short of actual breakeven costs as they exclude other holding costs like utilities, maintenance, realtor or Airbnb fees, and the opportunity costs of alternate investments (e.g., the risk-free return on Treasury bills).

When we asked multiple members of the Provincetown Part-Time Resident Taxpayers Association why one might short-term rent their home, members acknowledged financial incentives but also asserted that short-term rentals are a way to ensure their home does not stay empty when they are out of the area. Renting short-term allows second homeowners to offer their homes to friends, families, and members of the LGBTQIA+ community, in similar ways that many second homeowners experienced before purchasing their Provincetown homes. Robin describes renting short term as a way of paying forward access to local short-term housing. Carol, a second homeowner, points out that short-term rental properties can be a more affordable option for families who may not be able to afford to vacation in Provincetown otherwise:

“Staying for a week in Provincetown in these “inns” is very expensive and take Family Week for example: You got two women coming in with a couple of kids and probably a dog (because you know we all love our dogs). And they cannot afford...I would say pretty much across the board staying at the Red Inn or staying at Crown Point which doesn't even allow kids. [Short-term rentals] allows folks like that to vacation in Provincetown, to enjoy something like Family Week...you're talking about kids being raised by gay parents. And Family Week is very helpful to folks coming from other parts of the country where it's not so easy to be two moms raising a couple of kids or two

dads raising a couple of kids. Provincetown is a very nice place for everybody to meet for something like Family Week. Now, not that I'm trying to promote Family Week, but it's *not just a vacation*. It offers an opportunity for kids and their parents that they may not otherwise get in other parts of the country. If you've crossed that out, you limit the number of people that can rent, for short-term rentals. You're also making it harder for families like that to come to Provincetown. *You're going to price them out of this.*"

Additionally, Robin points out that renting their home while they cannot be there helps keep the town active and brings in tourists who actively contribute to local businesses:

"My feeling is that we are helping keep the town of Provincetown busy and active and fun. We've got a group of guys down there now renting our place and last week we had another group of guys down there renting so these people are out in the restaurants, they're out at the bars, they're out at the shows, they're keeping the town fun and active. While we cannot, you know, because we're back here paying, paying the bills, and paying the mortgage."

Literature Review and Background Research

Chapter Summary

- Studies on the app-based short-term rental market generally find small positive effects on home prices and rents in areas where these units are abundant.
- However, there are few studies of the direct impacts on prices and property values in reaction to STR regulations.
- The existing studies detail effects that could differ from the experience of Provincetown, most notably because these studies typically study the effects of converting year-round residences to short-term rentals whereas the primary transformation in Provincetown is more likely to be from year-round rentals to vacation homes, with STRs as an ancillary use.
- The main types of regulation studied fall into the following categories:
 - Quantitative caps on the number of units
 - Zoning restrictions
 - Limits on total rental nights or rental instances
 - Restricting to only owner-occupied homes
 - Restricting to only single-family homes
 - Related: incentives to rent to workers or year-round residents
- Most current studies point to low single-digit percentage changes in prices and rents because of STR regulation.
- Given the limited impact of the above policies on increasing the supply of attainable housing, if implemented, they are unlikely to reduce home prices and rents to a level that is affordable to many of the essential workers in town.
- Provincetown should consider other ways to increase the supply of attainable housing. Attainable housing can include subsidized affordable housing, housing that is only available to individuals at specific income brackets, and naturally occurring affordable housing (NOAH).
- In the interviews, the research team heard about a particularly acute need for NOAH and housing affordable to those earning more than the income limits for subsidized affordable housing (e.g., 30% to 60% of area median income).

Reasons for Implementing STR Regulations

The rise in STR units has led to increasing concern about its effect on the housing market, the most common concern being rising rents and increasing home prices. Among tourist destinations, additional common concerns are the supply of year-round housing, lodging for the high-season workforce, and the negative externalities from tourism.

Places with many short-term rentals have found that it can increase rent and home prices. A report from the Economic Policy Institute on the costs and benefits of Airbnb explains that the main cost of STR expansion is a potential increase in housing costs: “The largest and best-documented potential cost of Airbnb expansion is the reduced supply of housing as properties shift from serving local residents to serving Airbnb travelers, which hurts local residents by raising housing costs.”¹¹

A 2017 paper studied the short-term effects of the growth of Airbnb in Boston neighborhoods on the rental market. The study found that a one standard deviation increase in Airbnb listings is associated with an increase in asking rents of 0.4 percent.¹² Another paper from 2017 found that a one percent increase in Airbnb listings is associated with a 0.018 percent increase in rental rates and a 0.026 percent increase in house prices in the U.S. The authors say that “while these effects may seem very small, consider that Airbnb’s year-over-year average growth is about 44%,” though that growth rate has since dropped considerably.¹³ They also found that ZIP codes with higher owner-occupancy rates are less affected by increases in Airbnb listings.

A 2019 report from the Economic Policy Institute reviews the existing literature on the impact of short-term rentals on housing markets and argue that an increase in Airbnb units can increase rent prices: “Because housing demand is relatively inelastic (people’s demand for somewhere to live doesn’t decline when prices increase), even small changes in housing supply (like those caused by converting long-term rental properties to Airbnb units) can cause significant price increases.”¹⁴ In particular, the authors cite the work of Wachsmuth which finds the expansion of Airbnb in New York City was associated with an increase in average rents of nearly \$400 annually.¹⁵

¹¹ Bivens, Josh. “The Economic Costs and Benefits of Airbnb: No Reason for Local Policymakers to Let Airbnb Bypass Tax or Regulatory Obligations.” Economic Policy Institute, January 30, 2019. <https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/>.

¹² Horn, Keren, and Mark Merante. “Is Home Sharing Driving up Rents? Evidence from Airbnb in Boston.” *Journal of Housing Economics* 38 (December 1, 2017): 14–24. <https://doi.org/10.1016/j.jhe.2017.08.002>.

¹³ Barron, Kyle, Edward Kung, and Davide Proserpio. “The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb.” SSRN Scholarly Paper. Rochester, NY, March 4, 2020. <https://doi.org/10.2139/ssrn.3006832>.

¹⁴ Bivens, “The Economic Costs and Benefits of Airbnb”

¹⁵ Wachsmuth, David, and Alexander Weisler. “Airbnb and the Rent Gap: Gentrification through the Sharing Economy.” *Environment and Planning A: Economy and Space* 50, no. 6 (September 1, 2018): 1147–70. <https://doi.org/10.1177/0308518X18778038>.

Some communities have sought to frame the above cost and price issues in equity terms as additional reasons to regulate STRs. Findings from a 2019 study on Washington, D.C. suggest that having short-term rentals in the neighborhood can significantly inflate property prices.¹⁶ An Urban Institute article discusses the equity implication of unregulated STRs, saying there can be inequities based on race, ethnicity, income, and class.¹⁷ The report from the Economic Policy Institute points to similar issues surrounding equity.¹⁸ Because homeowners are the ones who benefit from STR income, any preexisting disparities in homeownership would also manifest in disparities among those who benefit from the wealth created by STRs and those who feel the burdens of increasing rents.¹⁹ In tourist destinations like Provincetown, restricting STRs also creates equity concerns on the other side of the ledger. Where overnight lodging is in high demand and supply constrained, fewer STRs will likely put the most pressure on low-income visitors, who will face higher prices, and families, whose lodging needs may be better suited to homes rather than hotels and inns.

Another push toward STR regulations that is especially common in tourist destinations is the possibility that new rules could address negative externalities in neighborhoods (e.g., noise, traffic, etc.) and combat a shortage of affordable and workforce housing (both year-round and high season). In Truckee, California, a town near Lake Tahoe that is a popular tourist destination, the town started the process of creating STR regulations in late 2020 which “intended to strike a balance between welcoming visitors to Truckee while reducing neighborhood nuisance issues associated with short-term rental properties.”²⁰ The Lake Tahoe region has a tourism economy focused on outdoor recreation. Summer is the busiest time of year, with visitation peaking in July like Provincetown, but winter is also a major draw, with mountain resorts opening in November and staying open through April. Additionally, leaf peeping in the fall and late spring skiing bring in many visitors in the shoulder seasons. The Town of Truckee added new regulations in 2022 in response to the regional shortage of housing available to the local workforce.

In Palm Springs, California, the city passed new STR regulations in late 2022. One of its goals was “to minimize adverse effects of vacation rental uses on surrounding residential neighborhoods.” The city was also concerned about the impact of STRs on the housing supply and rental prices. Most other communities have adopted STR regulations for similar reasons of trying to reduce issues in residential neighborhoods and issues with a restricted housing supply that can lead to higher rent and home prices.

¹⁶ Zou, Zhenpeng. “Examining the Impact of Short-Term Rentals on Housing Prices in Washington, DC: Implications for Housing Policy and Equity.” *Housing Policy Debate* 30, no. 2 (March 3, 2020): 269–90. <https://doi.org/10.1080/10511482.2019.1681016>.

¹⁷ Godinez-Puig, Luisa, and Jorge González-Hermoso. “With an Abundance of Short-Term Rentals, Who Wins and Who Loses?” Urban Institute, December 19, 2022. <https://www.urban.org/urban-wire/abundance-short-term-rentals-who-wins-and-who-loses>.

¹⁸ Bivens, “The Economic Costs and Benefits of Airbnb”

¹⁹ Godinez-Puig and González-Hermoso. “With an Abundance of Short-Term Rentals, Who Wins and Who Loses?”

²⁰ Town of Truckee website, <https://www.townoftruckee.com/government/administrative-services/short-term-rental-division>.

Housing Development and STR Policies in Provincetown

While the housing shortage is a serious problem in town, it is worth noting that the town has taken steps towards addressing this issue. Furthermore, any new regulation of STRs would occur in the context of the existing framework. The following section summarizes existing and planned housing developments and some of the more recent changes to STR policies.

Of all Cape and Island towns, Provincetown has the highest share of its housing counting towards the Low-Income Housing Inventory. At just over nine percent, this percentage represents deed restricted units for low-income residents. As a result, Provincetown is very close to the 10 percent threshold required by Chapter 40B. The planned housing project at the former VFW will bring Provincetown across that threshold with the addition of 65 affordable units. Construction is planned to begin in 2024.

The VFW is just one of several planned housing projects. In the fall of 2023, the Barracks, a 108-bed seasonal worker dormitory with an additional 16 year-round units will begin construction. The town recently selected a developer for a year-round market rate rental project with 40 units at the current site of the town's police station. Through the Provincetown Year-Round Market Rate Rental Trust, Provincetown currently operates Harbor Hill, which contains 28 units of year-round rental housing restricted to middle income workers and residents.

As an additional strategy to target supply directly, the town has worked towards inclusionary zoning, by implementing a requirement that one in every six units of housing in a new development be affordable or community housing units. Projects smaller than six units, or that are otherwise unable to include affordable units in the plan, make payments to the housing fund proportional to the size of the project. Projects that incorporate certain amounts of affordable or community housing can also benefit from density and height bonuses as well as fee reductions.

In January 2023, Provincetown made notable changes to its STR regulatory framework. The changes focused on fee and licensing changes coupled with improvements in compliance monitoring. Following Select Board approval on January 9, 2023, the Provincetown Board of Health (BOH) increased the fee for a Short-Term Rental Certificate to \$750 per year, effective as of January 19, 2023. In addition to the fee increase, the BOH also updated its Rental Certificate program to create two types of certificates: a Long-Term Certificate (rental period of greater than 31 days) and a Short-Term Certificate (rental period of 31 days or fewer). As mentioned, the fee for the new Short-Term Certificate will be \$750 for one year compared to the Long-Term Certificate fee of \$300 for three years, which is unchanged from the previous Rental Certificate fee. This differentiation in Rental Certificates will help the town gather data that more accurately reflects the type and duration of rentals taking place in Provincetown.

All properties that are rented, or offered for rent, must have the correct Rental Certificate. This includes property that is rented as part of a work agreement, or other non-payment arrangement. All rental properties are required to meet the Minimum Standards of Human Habitability (105 CMR 410). Properties operated solely as hotels, motels, and bed and breakfasts do not require rental certificates. If a property is discovered to be rented without the correct Rental Certificate, double fees will be assessed. Fines of up to \$300 per day may be applicable as well.

After the new certificate and new fee structure was created for short-term rentals, the town contracted with Granicus to help with STR compliance. The town began using Granicus compliance software in the spring of 2023 to monitor and enforce adherence to STR regulations. Granicus helps identify properties that are being advertised as rentals on online platforms like VRBO and Airbnb. The software's integration required some adjustment and collaboration with Granicus to ensure its accuracy and effectiveness.

The town works closely with Granicus to ensure compliance with the new regulations. Properties that appear on online platforms without proper rental certificates receive letters from the town providing proof that their STR listing has been found online, but that there is no valid STR certificate on file with the town. If the owners do not respond, a second compliance letter is sent. Through this process, 53 percent of property owners who received a non-compliance letter applied for and acquired the required rental certificate (as of August 1, 2023).

Through this work, the town now believes that the compliance season, during which a higher number of non-compliant units are anticipated, is expected to occur between late fall and early spring. It is during this period that the town expects non-compliant STR listings to rise and so will be working to identify, contact, and bring them into compliance.

If subject to a compliance action, property owners can achieve compliance in one of two ways: (1) by removing their online rental listings or (2) by obtaining the required rental certificate. Properties that achieve compliance through the removal of online ads are placed on a watch list to ensure continued compliance. If the property appears on online platforms again, Granicus will identify it for further compliance and enforcement actions.

The following provides specific data related to the town's compliance efforts in the last four months:

- Number of letters sent in the first round of enforcement: 78
- Number of compliance letters sent in the second round of enforcement: 29
- New certificates issued from these compliance efforts: 34
- Letters sent in error/further discussion with property owner confirmed they were not operating an STR outside of our regulations: 14
- Number of additional enforcement letters to be sent at this time: 7
- Total amount collected from STRs registrations since BOH changes in January 2023: \$198,775
- Amount collected directly from Granicus STR compliance work as of August 8, 2023: \$25,500
- Number of STR certificates applied for since the regulation change: 265
- Number of LTR (long-term rental) certificates applied for since the regulation change: 63

Types of STR Regulations

The review of literature and STR regulations in other places found many different methods of regulating the supply of STRs. There is not yet a uniform method or even an emerging consensus for the best way to regulate them. Most communities are trying a method that best meets the needs of their residents and their specific community. These regulations also vary by state due to different policies and regulations.

Quantitative Unit Caps

Many cities and towns that have undertaken regulation of STRs have issued some type of quantitative cap based on a fixed number of permits or based on a percent of the housing stock. There are many different methods to determine what that cap should be. Places must determine if they want to reduce the existing number of STRs, maintain the existing level, or allow for a slightly higher number than the existing number of permits.

Truckee has a cap of 1,255 short-term vacation rentals, which was the number of active registered short-term rentals at the end of 2021. This cap is equivalent to 9.2% of the town's housing stock and roughly one-fifth of the seasonally vacant homes. Like Provincetown, Truckee's share of seasonally vacant homes approaches half of the housing stock. When Truckee adopted the regulations in 2022, the town decided to cap the number of STRs at the existing level of permits. There is a waiting list for when STR permits become available when homeowners do not renew their permits.

Palm Springs has a percentage cap and only allows 20 percent of homes in a residential neighborhood to operate as short-term rentals. The city grandfathered in existing permits and the applications that came in before the new regulations. The city maintains a website with up-to-date information related to specific vacation rental neighborhood percentages (to see if they are at 20%) and a map to assist with identifying the neighborhood a property is in.²¹

Frisco, Colorado, near the ski mountain of Breckenridge, capped the number of short-term-rental properties within its jurisdiction at 900, or 25% of the local housing stock, above the existing number of STRs, back in October 2022.

Lincoln County, Oregon, which is in a coastal part of the state, implemented a rule that between one and two percent of housing stock can be STRs. The exact percentage depends on how many tax lots were in each subregion within the county.

²¹ City of Palm Springs website, <https://www.palmspringsca.gov/government/departments/special-program-compliance/vacation-rentals-1098>

Folly Beach, South Carolina, recently passed a cap of 800 STRs, which is below its current level of 1,200 in an effort to reduce the number to 800, which was the number of licenses pre-pandemic in 2020. The city staff estimate it could take about three years for Folly Beach to drop back down to 800.²²

The city council of Santa Rosa, California, voted in August 2022 to limit the number of STRs in its jurisdiction to 198.

Considerations for quantitative caps:

- There could be issues with grandfathering in existing permits or already submitted applications for STR permits.
- There are many ways to determine what the cap or percentage should be for STRs, and the community has to decide what makes the most sense for it.
- If a cap is established in relation to the current level of STRs, that actual level must be well known.
- Requires the community to determine if it wants to maintain the existing level of permits, reduce the number of permits, or allow an increase in the number of permits.
- It could be complex or difficult to manage caps for each neighborhood or different caps for certain areas.

Zoning Regulations

Another STR regulation strategy is to use zoning rather than a quantitative cap. Some places only permit STRs in certain zones or have different regulations for residential zones. For example, in North Carolina, the state ruled that local municipalities cannot impose a cap on STRs; however, the City of Asheville has limited STRs through zoning laws. STRs are only permitted in the “resort zoning district”. This is a way to restrict STRs in residential neighborhoods without a traditional cap.

The report from the Economic Policy Institute on the costs and benefits of Airbnb also notes how zoning can help with the negative externalities caused by STRs in residential neighborhoods: “These externalities are why hotels are clustered away from residential areas. Many Airbnb rental units are in violation of local zoning regulations, and there is the strong possibility that these units are indeed imposing large costs on neighbors.”²³

²² Caitlin Byrd. “Folly Beach Votes to Cap Short-Term Rentals at 800 in Closely Watched Election.” Post and Courier, February 7, 2023. https://www.postandcourier.com/news/folly-beach-votes-to-cap-short-term-rentals-at-800-in-closely-watched-election/article_91575d5a-a638-11ed-a317-236a721e7779.html.

²³ Bivens, “The Economic Costs and Benefits of Airbnb.”

Considerations for STR zoning regulations:

- STR zoning regulations can help minimize the negative externalities in residential zones.
- Provide the ability to differentiate regulations by zone.
- Zoning changes can be difficult to pass in Massachusetts towns due to the requirement of a supermajority vote for most changes.

Additional STR Restrictions: Restricting Number of Nights or Rental Instances

In addition to having some type of cap or restrictions on STRs, many communities have included additional restrictions on STR permits such as rules on the number of nights owners can rent their homes per year or the number of visitors allowed at one time.

Palm Springs limits the number of times that STR owners can rent their homes to 26 instances per year. Palm Springs also created a junior permit, which has a reduced annual fee and is only for six rental contracts per year. The junior permits do not get factored into the neighborhood 20 percent cap.

In 2022, Great Barrington implemented a cap on rental days to 150 unless the owner is present on the property, in which case rental days are unlimited.

Additionally, some places limit room nights to a minimum length. Holmes Beach, Florida implemented a 30-night minimum stay in 2007, before the rise of app-based short-term rentals. The hope was to decrease the usage intensity and turnover of short-term units in town. Florida has since banned municipalities from regulating the length and number of stays in their communities.

Considerations of these additional restrictions:

- Limiting the number of nights or times per year a STR can be rented could increase the prices for tourists.
- Junior permits or lower-tier permits could help with people who only want to rent a few times a year. These junior permits also do not need to count toward the cap.
- Restricting the number of nights or times per year may not free homes for other uses like workforce housing given the ability to generate large revenues from these rentals in a short period of time.
- High room night minimums clash with the popular week and weekend long events that bring people to Provincetown.
- Especially during high demand periods, room night minimums do not necessarily reduce crowding. A rental occupied by one group for four weeks or four groups for one week each does not change the number of visitors to town, though there are likely material differences in

average spending per day and the types of businesses patronized between in the “long stay” and “short stay” groups.

Additional STR Restrictions: Restricting to owner-occupied homes

Some other additional restrictions seen with STR regulations are ones that limit rentals to owner-occupied homes, or where the home is the primary residence for at least most of the year. In the paper, “The Effect of Home-Sharing on House Prices and Rents”, the authors say absentee landlords reduce the housing supply and increase the cost of living for local renters. They say their results show that one way to reduce the effect on local renters would be “to limit how many homes can be added to the short-term rental market, while still allowing owner-occupiers to share their extra space.”²⁴

In Asheville, the city has “homestay” permits for residentially zoned areas that are separate from STR permits. These homestay permits are for where residents live in the house or apartment full-time while renting one to two bedrooms; and where they rent out these bedrooms for less than 30 days at a time. Owners must live on-site full-time to rent bedrooms in their homes.

The City of Wilmington in North Carolina also has homestay lodging for renting individual bedrooms, where the host lives and remains onsite during the rental period. For what Wilmington calls “whole-house lodging” – the rental of an entire dwelling without a host present – a local operator must be within 25 miles and available 24 hours a day.

Palm Springs’ ordinance only allows vacation rentals and home sharing is only allowed as ancillary and secondary uses of residential property in the city. This ordinance also states that an owner may only be issued and benefit from one Vacation Rental or Homeshare Registration Certificate at any time, meaning one owner cannot own multiple STRs. Great Barrington’s new policy also limited owners to one STR per person, and only allows STRs in properties owned by individuals or LLCs owned by individuals.

These strategies try to increase local ownership of the STR industry. These policies also make it more difficult for companies and people to scale up STR ownership into a full-time business. This aims to prevent owners who are only buying homes as an investment and do not live in the area.

Another restriction related to this is in Truckee which has implemented a 365-day waiting period after a home sale before the new owner may register an STR. This may prevent people from buying a home solely for the purpose of making it a short-term rental.

Considerations for these restrictions:

- Can make buying or owning a second-home less affordable for those who need the rental income to pay the mortgage.

²⁴ Barron, Kung, and Proserpio, “The Effect of Home-Sharing on House Prices and Rents.”

- There can be different levels of permits for owner-occupied rentals that vary in cost based on the intensity of STR use. Full-time STRs would pay higher fees than owner-occupied homes that only rent for a short time each year. These rentals also would not need to count toward a cap if a fixed cap was implemented.
- There are other related regulations to discourage owners from buying a home just for a short-term rental such as limiting one permit per person or instituting a waiting period for a permit.
- Owner occupancy among STRs throughout the Cape appears to be very low. Out of 1,317 registered STRs in the state registry in Provincetown, 186 had the owner-occupied flag, or 14 percent.

Additional STR Restrictions: Restricting to single-family homes

In both Truckee and Palms Springs, their ordinances included restrictions on using apartments as STRs. Truckee plans to phase out STRs in Accessory Dwelling Units (ADUs) and Multi-Family Dwelling Units and no new registration certificates will be issued for these property types. Palm Springs limits vacation rental and homesharing lodging to single-family dwelling units and prohibits these uses in apartments.

Considerations of restricting to single-family homes:

- Allows apartment housing stock to stay open for workforce or year-round residents.
- Some owners might use an ADU or rent one half of a multi-family unit to make owning either a primary residence or a second home more affordable.

Combination of Strategies

There are also different combinations of these various regulations. For example, Breckenridge, Colorado has regulated STRs through having different quantitative caps based on the zoning. The Town of Breckenridge said it took “a zoned approach to short-term rental licensing”.²⁵ The areas are described as a Resort Properties Zone, a Tourism Zone (Zone 1), the Downtown Core (Zone 2), and single-family residential areas (Zone 3). A smaller percentage of STRs is allowed in residential neighborhoods compared to the resort and tourism zones. Areas that are zoned single-family residential can only have 10 percent of homes with an STR license while the downtown core and tourism zones can have a higher percentage as STRs. Each zone is handled separately in terms of license caps and availability of future licenses and there is a separate waitlist for each zone.

²⁵ Town of Breckenridge website, <https://www.townofbreckenridge.com/your-government/short-term-rentals/license-caps-and-zoning-regulations>

Table 3: Town of Breckenridge STR Caps

Town of Breckenridge STR Zones	% Allowed STR
Resort Properties Zone	100%
Tourism Zone (Zone 1)	92%
Downtown Core (Zone 2)	51%
Single-family Residential areas (Zone 3)	10%
Total	52%

Source: Town of Breckenridge

Considerations for these strategies:

- Can be complex if there are multiple different caps depending on the zoning or neighborhood.
- Limiting STRs more strictly in residential areas where they are less abundant will have little impact on the perceived externalities of the industry.

Other strategies: Incentivizing Renting to Workers or Year-Round Residents

Rather than regulating STRs, other strategies to address needs like workforce housing can be to incentivize homeowners to rent to local workforce.

In Truckee, the town was dealing with similar issues to Provincetown with a shortage of workforce housing for seasonal workers. In response, the town passed programs to help incentivize short-term workforce housing rentals. The Town of Truckee Workforce Lease to Locals Program (launched on October 14, 2020) “aims to unlock existing housing stock for the local workforce.” The program includes incentives for homeowners that shift from renting their home short-term — or not renting at all — to 5- to 12-month-plus lease arrangements with locally employed tenants. Participating and qualifying homeowners will receive grants ranging from \$2,000 to \$18,000 (up from \$1,000 to \$10,000 in 2020) and free tenant-matching services. Tenant qualification in this program is based on annual income. The program has housed 276 people across 126 units of housing as of July 2023 in a city of 17,000.

Neighboring Placer County has a similar Lease to Locals program and uses the same tenant-matching service, but the requirements are work based rather than income based. A tenant must have proof of work of at least 20 hours in the area and not be related to the owner. The program provides a \$2,500 grant per qualified tenant housed through the program for a seasonal rental and a \$6,000 grant per tenant for a long-term rental.

In Summit County Colorado, home to the Breckenridge ski resort, property owners who provided units could receive up to \$20,000 per property depending on the number of rooms and the length of the lease. Throughout the program’s 2021-2022 timeframe, about \$915,500 of incentives were awarded. This rounded out to an average incentive award of about \$5,950 per bedroom and about \$18,570 per unit, according to Summit County Government Communications Director, David Rossi. Summit County also used the Lease to Locals framework and had the most successful program in the entire network. In

general, all these lease-to-locals programs require that the home was previously rented short-term or at least not occupied on a full-time basis prior to entering the program.

Truckee has a second program, the Short-Term Rental Workforce Housing Token Pilot Program. Described as “a new and innovative approach to workforce housing creation in Truckee,” it is intended to incentivize the creation of workforce housing (long-term housing) by offering in-kind payment in the form of tokens, which are redeemable for a Transient Occupancy Registration Certificate – an STR permit without being subject to the waitlist.

Considerations of these incentive policies:

- Potentially not enough of an incentive to motivate homeowners to rent to workers rather than short-term renters. Sedona in Arizona implemented a similar program to the above-listed places and has struggled to find owners willing to participate.
- Could end up being high payouts for low impact.
- Money spent on such a program could go towards developing a bank of affordable and/or dedicated worker housing.
- Currently being implemented in many places, with tangible, if small, results.

Impacts of STR Regulations

It is difficult to measure the impact of regulations because many regulations and STR policies are still new enough that there has not been sufficient time for them to be fully studied and evaluated. More specifically, there are even fewer studies that have evaluated STR policies and regulations with a view to their impact on home prices or rents.

One 2017 study looked at a group of neighboring Florida coastal communities. One community had implemented a regulation on short-term rentals, requiring that renters stay a minimum of 30 days. The neighboring towns had planned on implementing similar policies but were prevented by a state regulation which took away control of short-term rentals from those municipalities. The study found that overall, the STR restrictions brought down property values, but that this change varied by the density of the residential zone. Low-density zones saw larger decreases, on average of 15 percent. However, high-density residential zones saw a smaller negative impact and in the highest density sections of the town, property values actually increased. This is because in low-density zones, which experienced less externalities from STRs, the primary impact of regulation was to make STRs less convenient. In high-density zones, where the high number of STRs caused significant externalities, restrictions somewhat improved the value of properties by reducing those externalities.²⁶

²⁶ Kim, Jin-Hyuk, Tin Cheuk Leung, and Liad Wagman. “Can Restricting Property Use Be Value Enhancing? Evidence from Short-Term Rental Regulation.” *Journal of Law and Economics* 60 (May 2017).

Another study from 2021 looked at the Los Angeles short-term rental market. Los Angeles started to regulate STRs as if they were hotels. These restrictions halved the short-term rental market in the area and in response house prices and rent fell by two percent.

A 2020 study on STR regulations in New Orleans found that there was a “one-time decline” in Airbnb listings following the enforcement of the city’s regulations, which focused on the French Quarter. After the decline, growth continued in the number of STRs, but in the neighborhoods outside of the French Quarter. The study found that “the successful reduction of [Airbnb listings] in the French Quarter provides evidence that neighborhood limits or restrictions can prevent listings in certain parts of a city, but it must be acknowledged that this will likely cause growth in other surrounding areas.”²⁷ This study did not discuss the effect on rents or property values in New Orleans but instead focused on how the number of STRs increased in certain residential areas, which caused concern for local residents.

The Town of Truckee completed a yearend review of the STR ordinance amendments and their impacts in summer 2023.²⁸ Going forward, the reviews will be conducted bi-annually. Initial evaluations show some reduction in home prices, but it is difficult to separate single-year impacts from other simultaneous changes in the housing market, such as those from rising interest rates nationally and extreme weather events locally. One area where the results do seem robust is that the increased enforcement that accompanied the new regulations has significantly reduced complaints to the STR Helpline from members of the public, suggesting that nuisance levels have decreased. The research team recommends Provincetown follow the ongoing evaluations in Truckee and couple that with a review of the Census data on seasonally vacant homes there to see how the ongoing implementation of these policies change not only prices and externalities but also if they change the percentage of homes that are actually used as year-round residences.

Evaluation of these different types of STR regulations discussed cannot fully be known until enough time has passed to see an impact. The literature so far suggests that regulations of any kind on STRs will have the following impacts:

- The price of STR rentals will increase, shifting the local tourism market towards higher income visitors.
- May reduce nuisance levels from STRs.
- May reduce property values by removing or reducing a valuable use for units not under the cap.
- May increase property values in places where excessive STR growth was causing externalities.

²⁷ Holm, Eric Joseph van. “Evaluating the Impact of Short-Term Rental Regulations on Airbnb in New Orleans.” *Cities* 104 (September 1, 2020): 102803. <https://doi.org/10.1016/j.cities.2020.102803>.

²⁸ Johnson, Rosie. “Short-Term Rental Ordinance Year One Performance Review and Council Direction on Potential Policy Revision Topics.” Town of Truckee, August 8, 2023. <https://portal.laserfiche.com/Portal/DocView.aspx?id=59661438&repo=r-6a91ddbc>.

- May increase the number of STRs in neighboring communities.
- Will incur enforcement costs.
- Remains unclear whether regulations will change the mix of vacation homes and year-round homes in vacation destinations.

The predicted impact of any STR regulation on the affordability of the Provincetown housing market is likely small. Literature suggests that in many places the growth in STRs only caused small increases in home prices so reducing their supply will likely only undo that small change. While most of these studies focused on urban areas that are very different from Provincetown, one of the biggest differences is the level of demand for non-residential uses of homes. Unlike in cities, there is extremely high demand for vacation homes in Provincetown. Demand for these kinds of units is very inelastic and if STRs are restricted, permanent vacation homes may fill the space they left behind. The growth in seasonally vacant homes between 1990 and 2010 in particular suggests a vacation home market that did not need the innovation of app-based rentals to grow.

The following table compares different regulations and scores them on their predicted impact. Afterwards the scoring will be explained in detail.

Table 4: Summary of STR Regulation Impacts

Type of Regulation or Policy	Impact on Number of Short-term Rentals	Impact on Housing Affordability (Rent and Home Prices)	Impact on Housing Availability (Housing Supply)	Possible to have in Provincetown?	Certainty
Fixed Cap, by count or percentage of housing stock	High	Low	Low	Possible	High
Zoning Regulations for STR zones	High	Low	Low	Difficult	Moderate
Restricting number of nights rented in a year	Low	Low	Low	Difficult	High
Restricting STRs to owner-occupied homes	High	Low	Low	Possible	High

Type of Regulation or Policy	Impact on Number of Short-term Rentals	Impact on Housing Affordability (Rent and Home Prices)	Impact on Housing Availability (Housing Supply)	Possible to have in Provincetown?	Certainty
Restrictions on STRs to single-family homes	Low	Low	Low	Difficult	High
Limit STRs to one permit per owner	Low	Low	Low	Possible	High
Incentive programs to use housing for year-round residents or workers	Low	Low	Moderate	Possible	High

Source: UMDI Analysis

Fixed Cap, by count or percentage of housing stock

Impact on Number of Short-term Rentals:

Unlike other regulations, a fixed cap can have a precise impact on the number of short-term rentals depending on where the cap is set, so the impact on the STR count can be exactly what the town would like it to be. A cap requires enforcement to be effective but there is a growing set of tools to monitor and enforce short-term rental policy.

Impact on Housing Affordability:

Most studies on the impact of increasing STRs on communities suggest they change prices by a small amount. Additionally, the historical increase in the number of seasonally vacant units in town suggests that even in the absence of STRs listed via services like Airbnb, Provincetown homes will be desirable as vacation homes, largely unoccupied for most of the year. This will keep prices high even if STRs are severely restricted.

Impact on Housing Availability:

Again, given the competing use of STRs as vacation homes, regulating STRs is unlikely to encourage a substantial number of owners to transform their homes into year-round housing as it would require the owners to give up use of the home themselves.

In summary, a cap on units is predicted to have a high impact on the number of STRs, depending on the level of the cap, and a low impact on affordability and supply of housing. The potential impact is closely tied to the level of the cap. A cap below the current level of STRs being the most impactful and a cap at or above current levels having little to no impact on current pricing. Note that the statutory cap and the

actual count could differ greatly depending on any requirements to honor pre-existing non-compliant uses.

Some interviewees believe that a fixed cap will not lead to people renting year-round. When asked how he thought homeowners would respond to a possible fixed cap on short-term rentals, Jason, a local realtor, voiced skepticism: “It’s not going to achieve what they want. Because if they cap them, or they limit them, people are not- they’re not going to rent year-round. They’ll rent for the month. They’ll rent for the month or two months, or a couple of months or a month to a group and let them use it where each one takes a week. They’re just not- That’s not the way to do it. That’s not the way to achieve getting more housing.”

There is concern from homeowners who believe a cap would hurt their property value. Matthew, a local resident who works in housing development, describes his concern: “I think that’s another big issue too when it comes to short-term rental tax. Like I had, even though I’m an advocate for doing something about short-term rentals, half of my net worth is in my condo that I own. I live in Provincetown, and I live in it year-round, but to be able to say to me, gee, when you go to sell it, ‘I’m sorry, you can’t sell it to somebody who could use it as a short-term rental.’ You’ve just taken away a couple \$100,000 in my in my assets. And so even capping short-term rentals is complicated. How do you compensate people who bought it with that use possible and the value of the property and the debt that they took on? If you’re going to take it away, I think you’ve got to find some way to compensate people who had bad luck and didn’t buy it early enough and put it on Airbnb early enough so that they qualify for an existing short-term rental certificate.”

Zoning Regulations for STR zones

Impact on Number of Short-term Rentals:

Caps or other restrictions tied to zoning in town are also able to have a direct impact on the number of STRs. Even more so than a townwide cap, these caps need to be based on good data on the number and location of STRs, and enforcement must be sufficient to make sure the regulation is implemented.

Impact on Housing Affordability:

Like townwide numeric caps, this will likely have little impact on prices and what impact it does have will vary by zoning district. Zones where they are severely restricted may have the largest reduction in prices, while zones designated as open for STRs may see no change.

Impact on Housing Availability:

The impact on availability will be proportional to the strictness of the regulation. Where STRs are heavily restricted, some owners may choose to rent year-round, but the amount of people to do so is likely small for the same reasons as stated in the previous section.

A change of similar impact to an overall cap is predicted but there is less certainty about the exact effects because of ambiguity about the rules for each neighborhood and their interaction with existing housing stock and housing uses. Perhaps most importantly, conversations with town staff suggest there is little enthusiasm locally for revisiting zoning as a tool to regulate the STR market.

Related to zoning, some argue that allowing for increased density, for example with more accessory dwelling units, duplexes, townhouses, and multifamily construction, could help to increase the housing supply as would expansion of town infrastructure such as sewage and water. Spencer, a Provincetown Select Board Member, argues:

“We also are undergoing a significant expansion of sewer capacity right now as a town, so we do have limitations around our capabilities for sewer access based on the system that is available today. And I think that is a limiting factor for density in many parts of town that are not serviced by that system. I personally believe that denser housing regardless of whether it's deed restricted or not, does eventually lead to a better situation for supply and affordability. Particularly in a place that is both resource constrained and particularly land constrained as Provincetown, since 70% of the land area of the town is occupied by the National Seashore.”

Local resident and homeowner Jason believes the residents in existing single-family zones probably would not want denser housing in their neighborhoods so there could be an issue trying to expand housing density this way. He said, “I’m in one of the only communities that has single-family homes... (listing neighborhoods) those are all the single-family zones where they’re still single families and people probably want them to stay that way.”

Alternative or Indirect Caps:

Policies like room-night caps, restricting STRs to owner-occupied homes, and restricting STRs to single-family homes are effectively quantitative caps set to the level of owners or homes that fit within each regulation.

Impact on Number of Short-term Rentals:

The owner-occupancy restriction would have the strongest impact on short-term rental numbers. The department of revenue short-term registry list suggests 14 percent of STRs in town are owner-occupied. Restricting STRs to just these homes would severely reduce the number of STRs in town. The net impact would likely be less than an 86 percent reduction in active STRs because some owners may transfer their residence to Provincetown to allow themselves to rent in the peak summer months, but they might just as well leave their homes empty outside of when they use it themselves. Additionally, if prices climb enough, more owner-occupied units may come online.

A restriction on STRs to single-family homes would have a strong effect as well. Data on occupied homes in Provincetown from the Census suggests just over half of all homes are single family, either detached or attached.²⁹ If the seasonally vacant housing stock reflects this makeup as well, the STR market may be effectively halved.

²⁹ The Census tracks the number of units in a structure. Single family homes best fit single units. If a single unit is in a standalone structure, it is detached. If a unit is part of a block of housing, such as a row house, where the dividing wall goes from

Restricting room nights would have the least impact. Like a quantitative cap on units, a limit on room nights would need to consider current activity levels, which are a median of about 90 days rented per year. Data on pricing suggests that even in a short amount of time, an STR owner could earn a large amount of revenue, so restricting rental nights aggressively may not encourage many owners to shift to a long-term housing model. Conversations with the town emphasized that there are many weekend and week-long events which would still be profitable times for short-term rentals and could fit underneath even an aggressive cap on nights. Inversely, room night minimums, such as restricting rentals to periods of a week or more would severely discourage short visits by tourists. Data from AirDNA suggests the average reservation is a week or less in length.

Impact on Housing Affordability:

Vacation housing would remain an extremely valuable use for homes. As in all the above cases, it is likely that many owners would convert their properties to full-time vacation properties rather than move to the area or rent them long term.

Impact on Housing Availability:

These regulations are unlikely to have a significant impact on the affordability or supply of housing and will not incentivize many owners to leave the STR market to become owner occupants or landlords to long-term tenants.

Complementary

The following policies can stand alone or alongside previously mentioned policies.

Limit STRs to one permit per owner

Impact on Number of Short-term Rentals:

This policy would slightly reduce STRs because there are a limited number of multi-unit owners. An analysis of owner names in property records compared to the town's registry list suggests three percent of owners with registered STRs own multiple STRs across several parcels in town. That three percent of owners own seven percent of town parcels, with most owners having two parcels under their name. This analysis is based on the stated name of the owner. Some owners may have a unique LLC, trust, or other name for each parcel. This count is also based on the town's registry list from March of 2023 which was still reaching full compliance so not all owners are captured in this analysis.

Impact on Housing Affordability and Availability:

By only reducing the number of STRs slightly, the overall impact on prices will be very small. Multiple STR owners are few which would make a regulation like this practical but potentially unnecessary. Most

ground to roof, it is treated as a single unit, and labelled as attached. Over 80 percent of Provincetown single family homes are detached.

towns that implement this policy are worried about corporate owners of properties driving up prices, but such owners appear to be quite rare based on this analysis.

In general, this regulation would have a very small impact in terms of making housing more available or affordable. It also has limited impact on the overall STR market.

Financial incentive programs to use housing for year-round residents or workers

Impact on Number of Short-term Rentals:

Evidence from other communities suggests most owners would not be interested in such a program. Short-term renting remains the more profitable and convenient endeavor in most places, but a small number of owners could certainly be convinced to participate rather than renting out short-term. It is possible that owners could cycle in and out of programs as their needs changed by, for example, bringing in long-term tenants one year when the owners do not expect to travel to Provincetown much and moving back to short-term renters the following year to regain personal use of the property.

Impact on Housing Affordability and Availability:

These programs often implement a rental price cap which, depending on where it is set, could make units very affordable. Truckee implemented a rental price cap of \$3,500 for subsidized units. Low-income residents may still need to turn to other subsidized affordable units in the area if that cap is still too high for their budget. The lower the price cap, the larger the incentive will need to be to bring owners on board.

As a volunteer program with considerable incentives, there is little downside for property owners if the program fits their lifestyle. Survey data suggests many homeowners on the Cape maintain homes there to use them, and converting these units to year-round renting would eliminate that flexibility. But this program is still quite practical for Provincetown, though there is a financial cost to the town with some programs spending nearly \$20,000 per unit per year. Truckee, California implemented the program and, for a city of 17,000 people, was able to house 276 people under the program between October 2020 and July 2023 at a cost of around \$4,500 per tenant for a 12-month lease. This equates to 1.6 percent of the local year-round population though some of those served were seasonal employees. For a town the size of Provincetown, this share would be the equivalent of housing 60 persons.

Earlier in this report, a revenue comparison between short- and long-term renting in Provincetown found short-term renting could generate the same revenue as a long-term rental in less than 80 days. This analysis can be extended to estimate what the incentive would need to be to encourage a short-term renting owner to rent year-round. Assuming an owner rents a unit short term for 92 days (June through August) at the peak July rate of \$468 the owner would earn around \$43,000 compared to \$28,800 for a year of renting at the two-bedroom market rate. This suggests a gap of just over \$14,000³⁰

³⁰ The short-term revenue estimate also includes the cleaning fee. With that value subtracted from the revenue estimate, the gap between long-term and short-term revenue would be smaller.

which is comparable to the per unit rates some towns have implemented for these incentives. An outstanding question is what value owners put on their own use of the property. An incentive simply covering the revenue differential between short- and long-term renting may not be sufficient compensation for owners who plan on using the unit themselves in a given year or season. The second homeowner survey suggested most owners are interested in turning these homes into permanent residences. In the meantime, they may be compelled to rent year-round, and spend the summer season elsewhere, if the incentive is properly set.

Alternative Pathways to Increase the Supply of Attainable Housing

Given the limited impact of the above policies on increasing the supply of attainable housing, Provincetown should consider other policy levers to increase the supply of attainable housing. Even if the STR policies and regulations described here are implemented, they are unlikely to reduce home prices and rents to a level that is affordable to many of the essential workers in town. This report previously described Provincetown's specific planned projects and recent policy changes in the section **Housing Development and STR Policies in Provincetown** on page 34.

Attainable housing can include both subsidized affordable housing, housing that is only available to individuals at specific income brackets (such as public housing), and naturally occurring affordable housing (NOAH). While there is a need for all forms of attainable housing, in our interviews we heard about a particularly acute need for NOAH and housing affordable to those earning more than the income limits for subsidized affordable housing (e.g., 30% to 60% of area median income). The challenge is that market forces in Provincetown and limitations on development due to the geography and natural characteristics of the town may make it difficult to increase the supply of housing in a manner that will bring down the cost of housing significantly. Removing zoning barriers to housing development and addressing opposition to housing construction, often known as "NIMBYism", are important pathways to increasing the supply of NOAH as the construction of new housing frees up existing units for lower income renters and homeowners through a process known as filtering.³¹ However, in areas with an acute shortage of housing, more needs to be done. In other words, while increasing the overall supply of housing should continue to be a focus in Provincetown, alone it will not solve the affordability crisis, especially in the short term.

Thus, there is a place for housing policies that are focused on reserving some of the housing stock in the town for workers and those without the means to purchase or rent housing at market rates. The Provincetown Year-Round Market-Rate Rental Housing Trust should continue to acquire housing and pursue deed restrictions (or restrictive covenants) on units to ensure there is a dedicated supply of housing for workers. The Vail InDEED program could serve as an example. Through the program the town has obtained deed restrictions on dozens of units from homeowners and developers to permanently limit the occupancy of a unit to individuals employed in the local county. Note that in some cases the restrictions are placed on the unit for as little as 15 to 20 percent of the unit cost. In essence

³¹ Brickman, David. "Addressing Rental Affordability by Increasing Multifamily Housing Supply." Brief. Urban Institute, August 22, 2023. <https://www.urban.org/research/publication/addressing-rental-affordability-increasing-multifamily-housing-supply>.

the town of Vail provides down-payment assistance in exchange for ensuring that the unit remains available to Vail residents. There are no income restrictions placed on the unit. According to a HUD case study: “Although the agreement does not limit the resale price or rent that the owner may seek, the occupancy requirement effectively shrinks the market of buyers by tying the asking price to local wages — in other words, the deed restrictions separate the local housing market and the out-of-town market, insulating locals from competition with wealthier buyers and renters.”³² Even with as little as 15 to 20 percent down, funding deed restrictions may be challenging given the high housing prices in Provincetown.

Increasing the supply of attainable housing in Provincetown will require an on-going commitment from the town and investment of state, federal, and philanthropic resources to preserve and increase the supply of attainable housing in the area. Given that programs and incentives to construct affordable housing are often at the state level (for example the MassHousing Opportunity Fund and Workforce Housing Initiative) and federal level (for example the Low-Income Housing Tax Credit program), there may be a role for building or growing existing coalitions across the Cape and Islands and Massachusetts to advocate for additional support for affordable housing and the expansion of existing funding streams.

³² “Vail, Colorado: The Vail InDEED Program Provides Deed-Restricted Workforce Housing in a Resort Market.” Case Study. HUD USER. HUD office of policy development and research. Accessed September 1, 2023. <https://www.huduser.gov/portal/casestudies/study-081121.html>.

Conclusion

The central policy question for Provincetown is how to balance the three main uses of homes: year-round residences, vacation homes, and summer workforce surge housing. These three uses are mutually exclusive and all integral to the identity of Provincetown as a beachside vacation destination. The very fact of the town's desirability complicates the housing problems. The research team expects that demand for both vacation homes and year-round homes is effectively unlimited with respect to the foreseeable supply of housing. In other words, there exists enough unmet demand to fully absorb any homes that become available, which does not indicate that prices will come down organically under current economic conditions.

There is evidence from studies in large urban areas that short-term rentals are associated with modest increases in rents and home prices. Thus, there is reason to believe that regulating this use could induce downward movements in prices. However, Provincetown is unique in that short-term rental units are likely to be captured as vacation homes that sit vacant or are used by family and friends rather than being rented out because demand for vacation homes is so high. Thus, the evidence gathered in this study suggests that any STR regulation is unlikely to reduce home prices or rents to a level affordable to residents or to induce owners of vacation homes to stop using the homes themselves and instead rent them out to local workers. The scale of the adjustment needed to achieve either of these goals is well beyond the scope of regulations the research team examined. For example, the median condo price in Provincetown would need to fall by as much as 70 percent to be affordable for someone earning the area median income. Similarly, it is unlikely that residents would be able to afford the rents that would make converting a \$1-million-plus vacation home into a long-term rental financially rational. For example, the largest price change found in the research, and a notable outlier, was a 15 percent reduction in one Florida community; most other studies were considerably less and in the range of low single digits. Even if this large reduction came to pass, average home prices in Provincetown would still not be affordable to those earning the area median income.

In the case of Provincetown, any regulation of STRs requires a second level of analysis. Unlike most places studied in the literature, the primary use of homes in Provincetown is not for year-round residences but rather vacation homes. Therefore, the market is set by out-of-town buyers, mainly purchasing second homes for seasonal/occasional use. Based on assessor records, these buyers are coming from high-income areas like Boston, Cambridge, New York, and San Francisco. In this environment, the question around STR regulation is whether it would induce fewer people to buy second homes, force current vacation homeowners to sell, or convert vacation homeowners to landlords. Again, there is little evidence to support this view. Even at current prices, properties in Provincetown still compare favorably to prices in the home markets of many out-of-town buyers. Additionally, Census data shows strong growth in the share of seasonal-use homes well before the proliferation of app-based rentals, suggesting that there are enough buyers who do not need rental income to afford to buy in town, resulting in fewer options for visitors without increasing options for residents.

One area where there is a paucity of data is the number of second homeowners who need rental income to afford to keep using their homes as an occasional use property. More information in this area could give a better sense of what movement could be expected in the housing market in the face of STR regulation. The owners who rent because they need to are essentially the marginal homeowner in any potential STR regulation. Any policy that limits, restricts, or otherwise hinders short-term renting would first impact these owners and it would be they that could be induced to sell or rent long-term, though that inducement does not necessarily translate to transaction prices or monthly rents that are affordable to the target population nor does switching to long-term rentals necessarily mean year-round rentals.

While the research does not support the conclusion that regulating STRs would make housing in Provincetown materially more accessible and affordable, there may be other reasons that Provincetown nevertheless chooses to do so and where regulation is shown to be effective. Though current data (and an analysis of operating costs) suggests there are few properties used solely as STRs, Provincetown may still wish to restrict this use to encourage every homeowner to have a connection to the community, whether as a resident or seasonal visitor. That can be done through restricting the number of STR licenses available to any single owner or banning corporate ownership without an obvious natural person as the beneficial owner. Other options could include room-night restrictions to limit particularly high intensity uses.

Another broad set of possible solutions is to tackle year-round housing directly. Options there include building more and/or denser developments, especially deed restricted affordable units; payments, tax breaks, or other financial incentives to induce owners to convert to year-round rentals; support for greater summer workforce housing to reduce pressure on year-round housing stocks; and regional investments in housing and transportation to expand the area that feels “local” to Provincetown. These policies vary in their expense, timelines, and potential impacts so would require some study to design effectively.

To wrap up, though it is likely that the ability to short-term rent is priced into the cost of housing in Provincetown, there is insufficient evidence to suggest that any likely policies restricting STRs would materially change the relationship between local home prices and local incomes. This study suggests that the most direct way to increase year-round housing affordability and accessibility is to evaluate policies that address it directly by targeting supply and providing incentives where useful.

13. Example Potential Site for Affordable Housing Development,t

2750 Main St Brewster, MA 02631

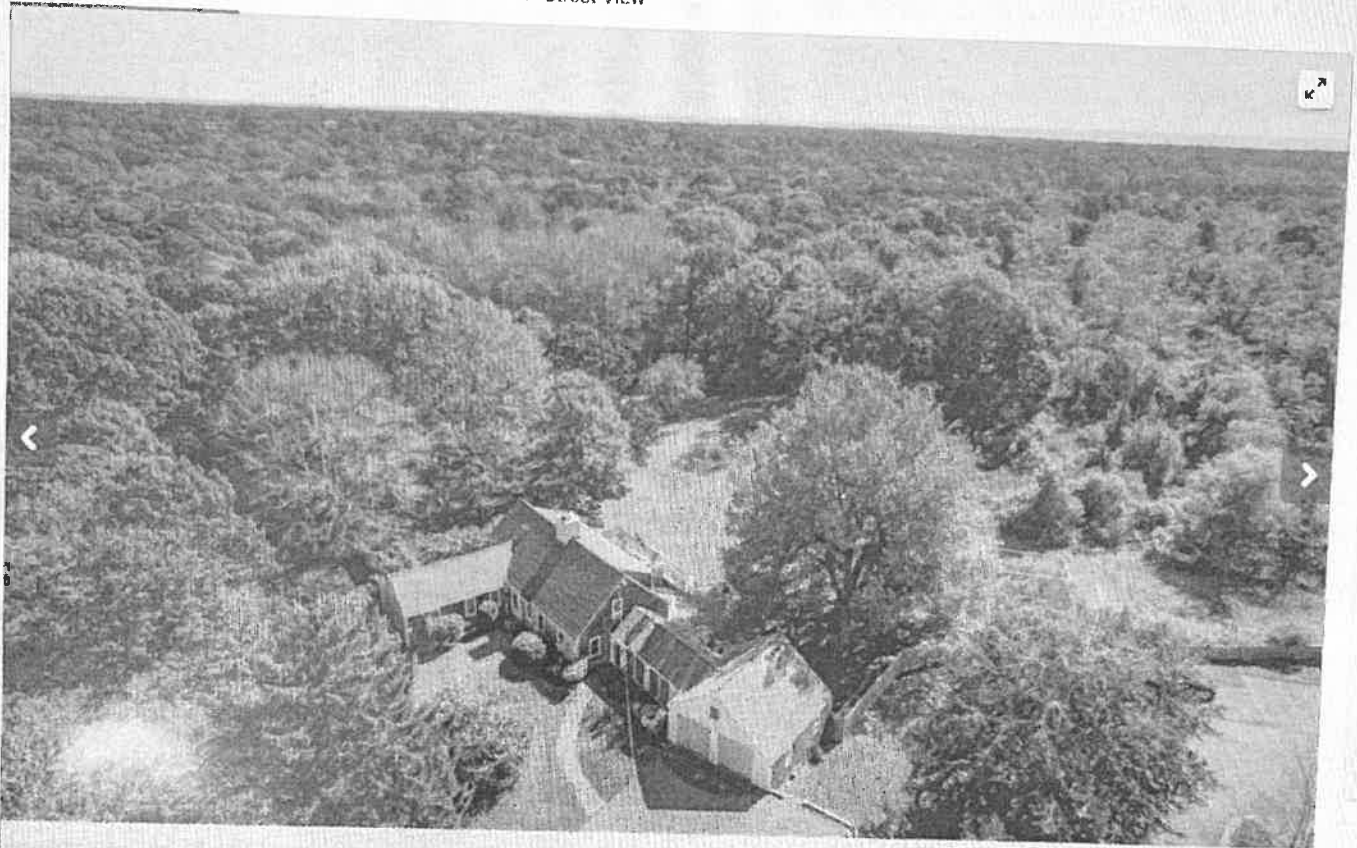
\$3,300,000

For Sale Active Single Family 5 Beds 2 Full Baths 2,707 Sq. Ft. 9.62 Acres 2 Car Garage Updated 5 days ago

42 Photos

Map & Location

Street View



1/42

An absolutely incredible opportunity to own this remarkable and spacious property perfectly located in the heart of Brewster. This once-in-a-lifetime property borders the Cape Cod Rail Trail, is only half a mile from Ellis Landing Beach on Cape Cod Bay, and is nestled in the heart of downtown. Right at your doorstep, you'll find access to restaurants, bakeries, a spa, convenience stores, a bookstore, and more. As an added bonus, the stunning Ocean Edge resort is located right next door, offering top-notch amenities for a membership fee. This property encompasses 9.62 acres of land, with the front portion zoned as an ultra-rare Village Business area and the remainder as RM. Additionally, it includes a classic and charming 5-bedroom, 2700+ sq. foot home. This unique property is perfect for investors and developers looking to make their mark in the town of Brewster. It's ideal for a 40B project, multiple homes, condos, businesses - the possibilities are limitless.

[Full Property Details for 2750 Main St](#)

Listings
- 2750 I

Daniel I
The Agen

Steven

Get

Be



14. For Your Information

-Housing Bond Bill Fact Sheet



FACT SHEET

On October 18, 2023, Governor Healey and Lieutenant Governor Driscoll unveiled the Affordable Homes Act, a comprehensive bill to increase housing production and invest in livable communities. Here's a look at the spending proposals, policy initiatives, and executive orders inside:

CAPITAL AUTHORIZATIONS

\$1.6B for Public Housing

Supports the repair, rehabilitation, and modernization of over 43,000 public housing units across the Commonwealth; includes:

- \$150M for projects to decarbonize the public housing stock
- \$100M for Public Housing (Mixed-Income Housing Demonstration)
- \$15M for accessibility upgrades.

\$800M for Affordable Housing Trust Fund

Provides resources to create or preserve affordable housing for households whose incomes are not more than 110% of area median income; includes up to \$50M for MassDreams to create first-time homebuyer opportunities for households in Disproportionately Impacted Communities.

\$425M for Housing Stabilization and Investment Fund

Consolidates the Housing Stabilization Fund and the Community Investment and Preservation Fund; supports preservation, new construction, and rehabilitation projects.

\$275M for Sustainable and Green Housing Initiatives

Consolidates the existing Transit Oriented Housing Program and the Climate Resilient Housing Program; supports innovative solutions to accelerating/unlocking new housing solutions (e.g., office conversions, modular homes); adds language to create a new social housing pilot program.

\$200M for Housing Innovations Fund

Supports innovative and alternative forms of rental housing including single person occupancy (SPO) units, transitional and permanent housing for people experiencing homelessness, housing for seniors and veterans, and transitional units for persons recovering from substance use disorder.

\$175M for HousingWorks Infrastructure Program

Funds municipal infrastructure projects to encourage denser housing development.

\$100M for Mixed-Income Housing Fund

Formerly known as the "Workforce Housing Fund;" funds housing development for households earning up to 120% of the area median income (AMI); administered by MassHousing.

\$100M for Commonwealth Builder

Creates a permanent capital resource for an existing MassHousing program recently supported via ARPA funding; program spurs the construction of affordable single-family homes (for households 70-120% AMI) in Gateway Cities and other similar markets.

\$70M for Facilities Consolidation Fund

Supports the development of appropriate community-based housing for Department of Mental Health and Department of Developmental Services clients.

\$60M for MA Rehabilitation Commission Home Modification Program

Provides funding to modify homes of individuals or families with disabilities or seniors so that they may maintain residency or return home from institutional settings.

\$55M for Community Based Housing

An initiative to support appropriate housing for people with disabilities who are not clients of DMH or DDS.

\$50M for the Momentum Fund

A new program that capitalizes a permanent, revolving fund (administered by MassHousing and seeded through state and private investment) to accelerate development of mixed-income multifamily housing.

\$50M for Neighborhood Stabilization

Funds the acquisition, rehabilitation, and sale of distressed properties.

\$50M for Early Education and Out of School Time Grants

Offers grants to help build early education and out of school time program facilities that serve low-income children.

\$35M for HousingWorks Housing Choice Grant Program

Provides payments to municipalities that receive a Housing Choice designation through high housing production and/or demonstration of best practices.

\$30M for State Surplus Property Disposition

Authorization to support efforts to utilize state surplus land to address housing and other critical needs; sites with existing, obsolete structures such as former hospitals or prisons may need costly demolition or environmental remediation.

\$25M for HousingWorks Community Planning Grants

Makes grants to municipalities for planning and zoning initiatives that support housing.

\$20M for HousingWorks Smart Growth/40R Program

Provides incentive payments to municipalities who adopt smart growth housing districts, as stipulated in MGL 40R.

POLICY INITIATIVES

Statewide Housing Plan

Adds to the Executive Office of Housing and Livable Communities' (EOHLC) authorizing statute a requirement to prepare a statewide housing plan every 5 years, conducting regional outreach following robust data analysis.

Accessory Dwelling Units (ADUs) As-Of-Right

Permits ADUs (<900 SF) to be built by-right in single-family zoning districts in all communities; prohibits owner occupancy requirements as well as parking mandates within ½ mile of transit.

Local Option Transfer Fee

Allows municipalities and regional affordable housing commissions (e.g., Cape Cod Commission) to adopt a transfer fee of 0.5% - 2.0%, paid by the seller of real property, on the portion of sale proceeds over \$1M or the county median home sales price, whichever is greater. Fee used for affordable housing development.

Inclusionary Zoning by Simple Majority

Adds inclusionary zoning ordinances and bylaws to the list of zoning changes municipalities can pass by a simple majority instead of a 2/3 super majority vote of city/town legislative body.

Surplus Public Land Disposition Reforms

Creates paths to streamlined disposition of land under the control of a state agency or quasi for housing purposes.

Public Housing – Regional Housing Authorities

Remove the requirement for a Home Rule Petition if local housing authorities (LHAs) choose to regionalize with an approval from each involved LHA board and EOHLC.

Public Housing – Allowing LHAs to Borrow Against Capital Funding

Allows LHAs, with approval from EOHLC, to raise additional funds for rehabilitation projects by borrowing against their capital funds.

Public Housing – Increasing Availability of Regional Capital Assistance Teams (RCATs)

Allow RCATs to expand their services and capacity by allowing payment for maintenance and operations services not envisioned in the 2014 reform legislation, as well as allow larger LHAs to join the program if they elect to pay for these services; eliminate the 3 separate advisory boards and replace with 1 advisory board covering the entire RCAT program, with bi-annual meetings.

Public Housing – EOHLC Flexibility to Set Schedule for Agreed-Upon Procedure Audits (to align with LHA performance management reviews)

Amend the public housing statute to allow EOHLC to set its own schedule for performance audits, which would be to follow the same practice as the Performance Management Review – biennial with more frequent follow-up in situations of poor performance.

Public Housing – c. 149 exemption technical fix

Amends the Public Housing filed-sub bid exemption to clarify that the exemption applies to both redevelopment and new development of housing units and removes an extra transfer of ownership between entities before final disposition.

Public Housing – Tenant Protections in LHA Redevelopment

Requires any public housing redevelopment project to (i) ensure certain resident protections; (ii) provide a clear path to enforce protections; (iii) provide for the issuance of regulations and sub-regulatory contracts and forms; (iv) provide that residents should not be adversely affected by change in subsidy or ownership; (v) provide residents with technical assistance to allow for meaningful input.

Alternative Housing Voucher Program (AHVP)

Amends the AHVP statute to allow for project-based vouchers.

Facilities Consolidation Fund (FCF) – Technical Changes to Prior Authorizations

Amends prior authorizations of FCF to clarify that (i) FCF loans may be refinanced and (ii) FCF property owners may transfer an affordable housing restriction to a new property if it is determined that clients will be better served at an alternative property.

Community Based Housing (CBH) – Technical Changes to Prior Authorizations

Amends prior authorizations of CBH to clarify that (i) CBH loans may be refinanced and (ii) CBH property owners may transfer an affordable housing restriction to a new property if it is determined that clients will be better served at an alternative property.

Housing Innovations Fund (HIF) – Technical Changes to Prior Authorizations

Amends prior authorizations of HIF to clarify that (i) HIF loans may be refinanced and (ii) HIF property owners may transfer an affordable housing restriction to a new property if it is determined that clients will be better served at an alternative property.

Updating MassHousing/Mass Housing Partnership Enabling Acts with EOHLA

Amends the MassHousing and Massachusetts Housing Partnership enabling acts to replace DHCD with EOHLA.

Amending General Laws to incorporate the Capital Improvement and Preservation Fund (Mass General Law 121G) into the Housing Stabilization Fund (Mass General Law 121F)

Combines two EOHLA capital funds into one chapter of the General Laws (Housing Stabilization Fund and the Capital Improvement and Preservation Fund).

Supportive Housing Pool Fund

Creates a flexible supportive housing pool program to provide critical assistance for supportive housing by funding staffing, case management, service coordination and other tenancy-related services not funded through other sources.

Receivership Reforms for Affordable Housing

Amends the state’s receivership statute to permit courts to expeditiously approve the sale of vacant properties in receivership to a nonprofit for the fair market value of the property “as is” if the entity will rehabilitate and sell affordably to an income-eligible first-time homebuyer.

Eviction Sealing

Provides a process for tenants to petition the court to seal an eviction record for: (i) no-fault evictions: after conclusion of the case; (ii) solely non-payment evictions: no other eviction action within past 3 years and judgment for underlying eviction has been satisfied; and (iii) all other fault evictions: 7 years from conclusion of the matter and 3 years without any other eviction case filed against the tenant. Also prohibits consumer reporting agencies from disclosing information in a sealed eviction record.

LHA Replacement Value for Mass. Architectural Access Board (MAAB)

Requires calculation of replacement value for Public Housing for MAAB accessibility threshold to align with requirements governing state-owned properties, basing values on industry standards per a published database.

Commission on Making MA an Age-Friendly State

Creates a Commission to recommend policy, programs, financial and other investments to expand the supply of sustainable, broadly affordable supportive senior housing and address other elder care issues.

Extremely Low-Income (ELI) Housing Commission

Creates a commission to recommend policy, programs, and other investments to expand the supply of housing that is affordable to ELI households (those households earning less than 30% of the Area Median Income).

Seasonal Communities Designation

Creates the framework for designating communities with substantial seasonal variations in employment and housing needs, as a critical initial step to developing programs targeting seasonal communities; creates a Seasonal Communities Coordinating Council to provide advice and recommendations to EOHLC regarding regulations governing designation of cities and towns as seasonal communities.

Place Community Economic Development Assistance Corporation (CEDAC) under EOHLC oversight rather than EOED; Repeal CEDAC reporting requirement under EOED Office of Performance Management and Oversight

Amends CEDAC enabling act to place CEDAC under EOHLC oversight rather than EOED and repeal EOED reporting requirements that are no longer relevant to CEDAC.

Proposed Changes Related to HWIP Statute (technical amendments)

Technical amendments to the new HousingWorks Infrastructure Program to align with grants that support housing.

Establishing the Office of Fair Housing

Establishes an office within EOHLC with explicit focus on fair housing as an essential element of EOHLC's mission and establishes a trust fund for enforcement initiatives, fair housing testing, education, and outreach.

MassDOT and MBTA Transit-Oriented Development (TOD)

Streamlines procurement requirements for the development or rehabilitation of MassDOT/MBTA controlled facilities associated with the sale or lease of property.

TAX CREDITS

Homeowner Production Tax Credit

New credit to incentivize production of homeownership units targeting households with incomes of up to 120% AMI; credit helps cover the gap between the development costs and the state's estimate of the value of the finished home.

Community Investment Tax Credit (CITC)

Eliminates CITC's 2025 sunset and expands statewide cap on donations from \$12M to \$15M; under CITC, individuals donating \$1,000 or more to a Community Development Corporation or nonprofit Community Support Organizations that has been awarded CITC receive a credit of 50% of their contribution.

EXECUTIVE ORDERS

Housing Advisory Council

Calls for immediate work to develop a statewide housing plan and creates an advisory council to oversee and advise the development of the plan.

Unlocking Housing Production Commission

Creates a commission to identify ways to streamline housing production and recommend policy, programs, and other investments to improve the development environment and expand the supply of housing.

Identifying Surplus Public Land for Housing

Directs EOHLC and DCAMM, with guidance and direction from the Lieutenant Governor, to develop an expanded inventory of government-controlled property suitable for housing. Calls on state agencies to provide subject matter expertise, information and data to assist.

16. Meeting Minutes

Brewster Housing Trust

October 5, 2023, 5:00pm Meeting

Housing Trust Members Present: Tim Hackert, Donna Kalinick, Paul Ruchinskas, Vanessa Greene, Antone Freitas

Present remotely: Maggie Spade-Aguilar

Absent: Ned Chatelain

Others Present: Robert Tobias- Finance Committee

1. Call to Order, Declaration of Quorum, Meeting Participation and Recording Statement:

Chair Tim Hackert called the meeting to order at 5:01pm, read the required notice and declared a quorum.

2. Citizen's Forum: None

3. Spring Rock Village (0 Millstone Road) update

Donna Kalinick shared that the Executive Office of Housing and Livable Communities (EOHLC) approved the Select Board's request for 55% Local Preference (24 units) and 15% Regional Preference (7 units) for Barnstable County. Ms. Kalinick and Ms. Scalise have been discussing asking for regional preference with other local Town leaders. Preservation of Affordable Housing (POAH) and Housing Assistance Corporation (HAC) submitted a grant application for CPC funds for \$500K for the project. Both the Select Board and Finance Committee voted unanimously in favor of the application. It will now go before Town Meeting. Ms. Kalinick expects POAH and HAC will make CPC requests to surrounding towns as well as a request to the Housing Trust for funding. Ms. Scalise prepared an analysis of development costs for recent affordable housing developments. Spring Rock Village's current per unit development cost (\$603,961) is in line with these development costs. The expected funding request to Brewster is \$1,000,000. This is less than the \$2 million of funding provided by Orleans for Pennrose and by Wellfleet for Juniper Hill. Paul Ruchinskas noted that Provincetown provided \$3.5 million for Jerome Smith and Sandwich contributed \$2.65 million in CPA funds for Henry Wing. Cape towns have typically been funding \$2 million or \$2+ million, in addition to land, for affordable housing developments. Mr. Ruchinskas also noted from his Cape Cod Commission experience that with local, regional, and open preference application pools, local preference applicants often end up at 85-90% of chosen residents.

4. 212 Yankee Drive update

Donna Kalinick stated that Pearl construction started mobilization of initial construction this week. Pearl Construction will be overseeing the replacement of the boiler and heat loops. The change order is in the packet. The Trust authorized \$250,000; however, an additional amount, \$10,000, is needed because change orders arise throughout the process, for example the electrical panel, bathroom windows and light fixture selections. Pearl has been terrific to work with, they were able to obtain granite countertops for the same price as the original planned laminate. Mr. Ruchinskas suggested a higher amount

of funds, like \$20,000, to provide more flexibility. Chair Hackert agreed with \$20,000. Mr. Freitas noted that light fixtures could be a greater than expected expense. Paul Ruchinkas motioned to increase the Housing Trust's authorization by \$20,000 to cover future change orders for 212 Yankee Drive. Second Vanessa Greene. A roll call vote was taken, Donna Kalinick- yes, Paul Ruchinkas- yes, Vanessa Greene- yes, Antone Freitas- yes, Maggie Spade-Aguilar- yes, Tim Hackert- yes. Unanimously approved. Ms. Kalinick continued with an update on the Barbie dolls. Housing staff met with legal counsel. When a property is taken by tax title, the original resident retains ownership of any contents of the property. The property had been assumed to be empty of contents as the Barbie dolls were only found during remediation. The Barbie dolls have since been moved to a secure location. The Town will be reaching out to the Conservator to follow the correct legal steps for the oversight of the Barbie dolls.

5. Housing Program Assistant position update

Donna Kalinick noted that the Housing Program Assistant ad is in the packet and the Town is accepting applications through a priority deadline of October 9th. Typically, there are two rounds of interviews. The first round of interviews will be held by the Human Resources Director, Housing Coordinator, and Assistant Town Manager. The Town Planner will join the interview team for the second round of interviews. Realistically it would be the end of November before someone is onboard.

6. Buydown Program CPC funding application update

Donna Kalinick reported that the Community Preservation Committee (CPC) approved the application for the Buydown Program for \$250,000. The Select Board and Finance Committee voted unanimously in favor of recommending approval at Town Meeting. Paul Ruchinkas noted that \$5,000 was added to the requested amount by the CPC for legal fees. Donna Kalinick said a Town Forum will be held on Monday October 30th at 6PM and a video about Town Meeting articles will also be available.

7. Rental Assistance Program update

Donna Kalinick noted that the latest quarterly report is included in the packet.

8. Housing Trust Guidelines and 2024 Priority Initiatives update for November discussion

Chair Hackert shared that the Housing priority initiative information is in the packet. With Ned Chatelain and Jill Scalise absent from this month's meeting, the discussion and any voting will be deferred to next month's meeting. Ms. Kalinick noted that the packet includes a table with last year's priorities and the current status and funding. Last month several folks brought their top three priorities. Mr. Hackert and Ms. Kalinick both noted that the Housing Trust accomplished numerous goals in the past year.

9. Housing Coordinator update

Ms. Kalinick reported that the Town is still waiting for a date for the Habitat for Humanity Phoebe Way lottery. The Select Board reviewed the affordable rental rates for the Serenity Apartments at Brewster low-to-moderate income affordable units. As part of the Regulatory Agreement, the Town and EOHLA are required to approve any rent increases for the affordable units. Representatives from Serenity presented their request

to the Select Board and the rent increases were approved. The rents are in line with the affordable rates set by Housing and Urban Development (HUD) as affordable at 2023 80% Area Median Income (AMI). This is an increase from the original rates set with the 2021 AMI numbers. The Town and Serenity are looking to provide opportunities to connect residents with available financial resources. The revised Accessory Dwelling Unit bylaw has gone through the appropriate bylaw process and will be on the Town Meeting Warrant. Mr. Freitas was asked to give an update on the ADU bylaw at the November Housing Trust meeting. Mr. Ruchinkas asked if the Serenity affordable rents are set at 80% AMI and if they are getting close to the market rate rents. Ms. Kalinick responded that the Serenity affordable units are set to 80% AMI and that there had been discussions with Serenity about the rent. Most of the rents for the affordable renewals are set closer to affordable for 70% AMI but the new move-in rate is close to the 2023 HUD 80% AMI affordable level. This is less than the market rate rents. It's about a 9% increase in rent. The AMI jumped the past two years. This makes more people eligible for assistance; however, it also leads to much greater allowable rental rates, hurting people in the low income level. The cost to buy a home in Brewster has also increased from about \$450,000 before the pandemic to close to \$700,000 now. This impacts numerous data points, including AMI, as well as who is able to live in the town. The Local Comprehensive Plan (LCP) was approved by the Planning Board and Select Board and will be on the Town Meeting Warrant. The Housing Production Plan is part of the LCP. Ms. Spade-Aguilar asked if there is any indication that the existing Serenity residents will be priced out of their apartments. Ms. Kalinick noted Serenity must provide 30 days' notice before raising rents. After rental renewals take place, the Town will be doing a compliance review of the files. The Town will be watching the situation and having an information session with Housing Assistance Corporation (HAC) to help residents know the resources available to them. Ms. Spade-Aguilar asked if Serenity was required to raise the rents. Ms. Kalinick replied, no, but they are experiencing increased utility and operational costs as well as increased building expenses and a variable rate mortgage. Additionally, throughout Cape Cod the rental market rates continue to rise.

10. Cape Cod Sea Camps updates

Chair Hackert stated that there was a joint meeting between the Select Board, Bay and Pond Committees to address policy issues that had been raised by the consultants. These included Community Center possibilities, housing options on Bay and Pond parcels as well as sewage treatment options on the Pond parcel, partnership with Audubon and with Brewster Conservation Trust, and possible future municipal uses. Ms. Kalinick added that the Bay and Pond Committees are advisory committees for the Select Board. The next forum will be virtual on November 30th. The discussion around conservation restrictions also involved questions about long term effects of restrictions. The consultants will be doing some high level concepts of what housing could look like. The Town's Integrated Water Consultant will also be speaking to the Pond Parcel Committee. Mr. Hackert noted that Wellfleet received state funds to build a water treatment plant. Ms. Kalinick added this is a MassWorks grant for infrastructure to treat the new affordable home construction as well as Town buildings in the same vicinity. Mr.

Ruchinskas was interested in the number of residential homes currently in Zone Two as well as the interest of YMCA participation in the Community Center. Ms. Kalinick stated residents were not interested in a YMCA Community Center on the Bay property. Public participation, while robust, only represents 10% of the Brewster population. Community Plans have also had community input in their creation. Ms. Spade-Aguilar shared that there were conflicting results from the public information sessions around housing and noted that interest in housing has vacillated between the Pond and Bay parcel. The make-up of the Pond and Bay Parcel committees was discussed. The Housing Trust has a voting member on the Pond Parcel and liaison on the Bay Parcel. Ms. Kalinick stated that there are co-existing conservation and housing possibilities on both parcels.

11. For Your Information

Chair Hackert reviewed the information in the packet:

- Article on ADU Program by Community Development Partnership
- Article on how seniors are sliding into homelessness. Paul Ruchinskas noted that on Cape Cod HAC is seeing an increase in the number of homeless folks over 65.
- Article on schools providing housing for teachers because of housing costs.
- Article on homelessness in the American west and increase of people living in camps.
- Article about initiative to create workforce housing in Orleans.

Robert Tobias asked about the legalities of a Town owning housing for employees. Ms. Kalinick noted the Housing Trust can only assist with income up to 100% AMI, or possibly 110% maximum. It would be a different thing for a municipality to own non-deed restricted housing above this amount and funds would need to come from the tax base. Using the Bay Parcel for housing year-round municipal workers was not identified as a favorable option. Mr. Tobias also shared that the Nauset schools have 30 temporary classroom units that, after construction is complete, could be considered to be redeployed as housing. Chair Hackert noted the complexities of these issues.

- Ms. Spade-Aguilar shared that the Real Estate Transfer bill sponsored by State Senator Cyr is going before committee. This would be a local option that would also be needed to be passed locally.

12. Matters Not Reasonable Anticipated by the Chair

13. Approval of Minutes from August 3, 2023 & September 7, 2023 & August 17, 2023 Local Preference Information Session

Paul Ruchinskas moved to approve August 3, 2023 Trust minutes. Second Vanessa Greene. A roll call vote was taken. Donna Kalinick- yes, Paul Ruchinskas- yes, Vanessa Greene- yes, Antone Freitas- yes, Maggie Spade-Aguilar- yes, Tim Hackert- yes. Unanimously approved.

Paul Ruchinskas moved to approve August 17, 2023 Local Preference Session minutes. Second Vanessa Greene. A roll call vote was taken. Donna Kalinick- yes, Paul Ruchinskas-

yes, Vanessa Greene- yes, Antone Freitas- yes, Maggie Spade-Aguilar- yes, Tim Hackert- yes. Unanimously approved.

Vanessa Greene moved to approve September 7, 2023 minutes. Second Paul Ruchinskas. A roll call vote was taken. Donna Kalinick- yes, Paul Ruchinskas- yes, Vanessa Greene- yes, Antone Freitas- abstain, Maggie Spade-Aguilar- yes, Tim Hackert- abstain. Approved.

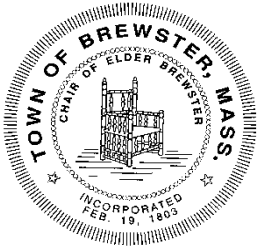
14. Next Scheduled Meeting: November 2, 2023

15. Adjournment

At 6:28PM Paul Ruchinskas moved to adjourn the meeting. Second Vanessa Greene. A roll call vote was taken. Donna Kalinick- yes, Paul Ruchinskas- yes, Vanessa Greene- yes, Antone Freitas- yes, Maggie Spade-Aguilar- yes, Tim Hackert- yes. Unanimously approved.

Respectfully Submitted,

Jill Scalise, Housing Coordinator



Approved: 2/8/23

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VOTE: 9-0-0

**COMMUNITY PRESERVATION COMMITTEE
JOINT MEETING WITH
BREWSTER AFFORDABLE HOUSING TRUST**

Hybrid Meeting
Wednesday, January 11, 2023, at 4:00 p.m.

MEETING MINUTES OF JANUARY 11, 2023

Present: Community Preservation Committee (CPC) – Chair Faythe Ellis, Vice-Chair Sarah Robinson, Treasurer Sharon Marotti, Clerk Elizabeth Taylor, Bruce Evans, Roland Bassett, Paul Ruchinskas, Peggy Jablonski, Christine Boucher

Affordable Housing Trust Fund – Chair Timothy Hackert, Vice-Chair Maggie Spade-Aguilar, Clerk Ned Chatelain, Vanessa Greene, Assistant Town Manager Donna Kalinick, Paul Ruchinskas

Absent: Madalyn Hillis-Dineen

Also Present: Jill Scalise, Housing Coordinator

Chair Ellis called the meeting to order at 4:01 pm and announced a quorum.

Pursuant to Chapter 107 of the Acts of 2022, this meeting will be conducted in person and via remote means, in accordance with applicable law. This means that members of the public body may access this meeting in person, or via virtual means. In person attendance will be at the meeting location listed above, and it is possible that any or all members of the public body may attend remotely. No in-person attendance of members of the public will be permitted, and public participation in any public hearing conducted during this meeting shall be by remote means only.

1. Public Announcements and Comment- none

2. Discussion of Brewster Affordable Housing Trust (BAHT) Guidelines

Tim Hackert asked Jill Scalise to walk the committees through the Affordable Housing Trust Guidelines adopted this year. Jill Scalise said in the packet for the meeting there is a Program Guidelines and application document. It provides background information including the Mission Statement, the goals, roles and responsibilities, and the current Housing trust priorities. Those priorities are things that will come up in the meeting today, i.e., developing and preserving affordable housing, supporting the creation of community housing on the town owned Millstone Road property. Also, looking at the community development block grant from the town, continuing to work to preserve the 3 subsidized housing inventory of homes that are out of use and need some assistance. Additionally, one of the goals is to work with the CPC to determine the future of the buy-down program, develop rules and guidelines, and hold joint meetings with other committees such as the CPC. Beside that background information is eligible activities that trust funds could be used for – such as housing preservation and improvement activities. It includes support programs, i.e., the Brewster Rental Assistance Program which provides assistance to low to moderate income households in Brewster, the Affordable Home Buyers Buy Down

Community Preservation Committee

Program as well as the Community Development Block Grant Housing Rehabilitation and Childcare Assistance Program. And then creation programs that are in development. Then there is funding guidance, what are the criteria for determining/choosing an application for supporting selection criteria, and the application itself so that now the Trust can accept applications from outside agencies or others to access funding through the Housing Trust.

3. Discussion of proposed Housing Trust Financial Plan

Tim Hackert said the Housing Trust financial plan would be presented by Donna Kalinick and Ned Chatelain who developed the plan. Donna Kalinick said one of the priority goals for the Housing Trust and a goal in the Select Board Strategic Plan, as well, was to develop a 5-year financial plan for the Housing Trust/Housing Program. The Finance Team including, Donna Kalinick, Peter Lombardi, Mimi Bernardo, and Ned Chatelain working together to put together putting together the spreadsheet in the in the packet. It was a difficult task because we have funding coming from different sources and we made some assumptions as to where future funding might come from such as the CPC. Even though CDBG funding community development block grant funding is from an outside source, it is on the Financial Plan. When Sarah Robinson was a representative of the Housing Trust from the Housing Partnership, we started this process, and she provided good leadership in how we should go about this financial plan. Donna Kalinick then went from the top of the spreadsheet and explained it line by line. The Select Board has a policy that the Housing Trust receive 50% of the projected short term rental revenues in our financial forecast. Then they looked across 5 years to see what the expenses of the housing program would be looking toward a balance. She went over the Housing Coordinator position and the possibility of an assistant position coming on at 19 hours/week. Then the Rental Assistance Program, the Trust gets statistics on who is using that program, and we can provide that information for the CPC at future meetings. They will apply for future funding from the CPC after the initial 3 years of the program. The current buy-down program, that is almost running out, and we did put money in FY24 and FY26 for the buy down program. You did assist us with the Housing Production Plan update, and in 5 years we will need to update that again. Jill Scalise talked about the preservation of homes on our subsidized housing inventory. We are working on a couple properties, but specifically for 212 Yankee Drive. Legal counsel did provide us with what we could use CPA funds for and what would have to come out Trust funds. We have included some money to come from the Trust that were not CPA eligible. Now that we have an application for funding, there is the possibility that we will receive applications directly. We did put \$50,000/year into the financial plan for those purposes. Legal counsel did opine that we cannot use strictly Housing Trust monies for purposes of applications that are not in Brewster. There is a nominal amount for legal expenses in there.

Ned Chatelain added that one of his take-aways from this exercise, was just how diverse and complex the Housing Program has become. It was encouraging and interesting to see what came out of the numbers from the allocation formula and the numbers at the top of approximately \$1M/year for funding this program. Donna Kalinick said the next steps of the financial plan are they are looking to the CPC to give input and then after that to bring it to the Select Board likely in February as part of the budget documents. Tim Hackert said we would like to tell the Select Board that we consulted with the CPC, worked with them so they supported this too.

Faythe said she is thinking about items that would come in front of the CPC that are outside the prevue - a project up to 120% of area median income (AMI) is allowed under CPA but beyond the Trust's prevue. Donna Kalinick said up to 100% of the AMI allowed under the CPC statute and the Housing Trust. Potentially up to 110% could be argued for, but anything above that, you would have to have a

special legislation trust to address those higher area incomes. Faythe said any regional requests are outside of the Trust Budget but within our budget. Donna Kalinick said we are not accounting for outside requests that you may get that are either in Brewster or regional. She said if you are going with the 30% allocation, and you fund all the programs for the Town of Brewster, it doesn't leave you with a lot of money for applications outside of Brewster. These are our assumptions we are making but are hoping will help you in your process. Faythe said this is helpful in combination with our Public Hearing for all the projects we are going to be funding.

Elizabeth said several other towns have come to the CPC to obtain funding. She wondered if the Trust will also try to do that for additional funding. Donna Kalinick said it isn't the Trust that would go to the other towns for funding, it would be the awarded developer that would go to the other towns requesting funding.

Christine asked if there was going to be multiple housing projects that we are going to be funding, is there a way to give the builders a scale system. Should there be a scale in terms of getting additional monies for doing something more efficient, resilient, and environmentally conscious or not. Donna Kalinick answered that there is a rating system involved – the most energy efficient building that is done under affordable housing, and the developer is proposing doing that. If the Trust is leading the request for proposal, the Trust can ask for things like that.

Faythe said with our original formula, we do have money available in the 30% bucket that will carry forward, and that money can be used for Rec, Historic, or Housing.

Tim Hackert thanked the Financial Team for doing all this work. He thinks this will give us a good base to move forward. Faythe said she thinks this should be an annual meeting.

4. Discussion of projected BAHT funding requests to the CPC

Tim Hackert said Donna Kalinick has already gone through this while going through the financial plan and asked if there were any further questions. They consist of:

- Housing Coordinator
- Rental assistance
- Preservation of SHI
- Buy Down Program
- Housing Production Plan
- Mill Stone
- Legal expenses

These result in just under the 30% target over the 5-year moving average. Faythe asked if there were any further questions. None seen.

5. Consideration of annual funding for BAHT from CPC

Tim Hackert said that is really driven by the Housing Production Plan which are on regional development and local housing. Paul has done some work on this and would provide the committees with his thoughts.

Paul said, as a Housing Trust person, it is clear from the financial plan there will likely be Housing Trust requests every year to the CPC. Over the last 5 years, the Trust has submitted requests under the rubric of particular programs or activities. One of the things they are starting to see with the evolution of increasing numbers from the housing trust over the years, they are seeing requests for general funding without reference to specific programs to carry on any CPC Housing eligible activity. The inclination would be to ask for specific program requirements. This Trust is 5 years old now, and I think our Trust has been successful with incredible town staff support. We are in a position where we can say we have established a track record and would like to request a specific amount to be able to carry on CPC eligible housing development opportunities. As referenced in the Housing Production Plan, the town of Hingham has something called the Housing Opportunity Fund where they provide a certain amount every year to be used to take advantage of opportunities which future affordable homes could be build. It got him thinking about how useful this would be to have a source of funds available to us that aren't tied to CPC funding allocations so we could leap on an opportunity. Donna Kalinick said one of the challenges we have had is that it takes a long time for us to be able to do something. Because of that, we often have to come back in front of the CPC to request more time – we wish housing were nimble, but it is not.

Tim Hackert said one thing that would be useful would be to identify a parcel and then have the ability to buy it without having to go through an extended approval process. So in terms of what Paul was saying, we need a financial source where we can go deal with opportunities and don't have to go through the whole long approval process. This would be a “pot” dedicated to X, it would be these are significant projects that do not work within the ordinary funding parameters. Sarah said, as a practical point of view, when you are talking about being able to purchase properties, my guess is you would try to be purchasing lower priced properties. Are we in competition with first time homebuyers? Tim Hackert answered, there is an issue on Cape where the available land keeps getting smaller which drives up prices. You have issues with developers building “McMansions” and people who are trying to set up affordable housing. The real need is the workforce housing as opposed to putting in another “Goldman Sachs subdivision.” Tim Hackert is thinking vacant land as opposed to already developed residential real estate. Donna Kalinick added that the Trust is bound by the CPC rules, restrictions, and policies for any CPC funds. The Trust becomes the custodian of that money. Tim Hackert said he believes the next step is for the Trust to put together a general concept – what it would be used for, how to set up, what would we be thinking of in terms of the annual commitment subject to annual oversight and reporting, etc. Faythe agreed.

6. Potential funding and administration of the affordable home buy-down program

Jill Scalise said it has been great to listen in on the discussion on all these items so far. Right before the meeting, she sent out an updated information sheet also available to members at Town Hall and will get added to the packet. We have a current Subsidized Housing Inventory (SHI) resale that will need to be discussed. There is a decision that will need to be made in the next month. Last Thursday, the town received notice of the intent to sell a condo on Yankee Drive purchased in 2010 with a buy down grant. Housing Assistance Corporation (HAC) is the monitoring agent, and they will be working on the resale of the property. This is a property with an affordable deed restriction that we need to watch, or we could lose it on the subsidized housing inventory. The maximum resale price is \$255,476. That is not

affordable at 80% area median income. The fair market value is lower than the maximum resale price or adjusted value. It doesn't end up being much less than fair market value. There is also a \$300 monthly association fees. For this property to be affordable, the monthly housing cost would be \$1,901. 80% of AMI is \$1,958. This is a mortgage calculator provided by the DHCD. She went through the calculator for this housing. If it were \$206,000, it would be affordable at 80% of AMI, but the goal for DHCD would be 70% of AMI which is \$17,113. This is a situation where the \$30,000 buy-down will not bring the property down to an affordable amount. We are dealing with increased interest rates. As interest rates go up, that means folks cannot afford as much of a mortgage. When the town receives notice of intent to sell, the town has 15 days to decide if they were going to look to locate an eligible purchaser. The Select Board has chosen that the town will look to locate an eligible purchaser. This goes into the larger discussion of the Buy Down Program, what it does, providing up to \$30,000 for eligible buyers to purchase a home in Brewster requiring an Affordable Deed Restriction on the loan.

Ned Chatelain said this is a real eye opener, it goes to the intractable nature of this problem. If we get involved in the sale, do we have any control of the deed rider used at the next closing. Jill Scalise said the answer should be yes. This was a very early buy down in 2010, so some of the protections we have in place now were not all in place in 2010. There is a requirement now that a universal deed rider would go onto the property. It is also listed in the guidelines of the Housing Trust. Faythe's first reaction \$30,000/\$50,000 is still low given the current housing market. If someone found a ranch home and wanted to use the buy down to assist with that, would it enter the inventory? Jill Scalise answered that it is complicated and depends on how it happened.

Paul said having worked with resale formulas, there isn't one that always works perfectly. He knows from the increase in interest rates is going to lead to larger need for larger amounts for buy down. You could ask the CPC for a waiver for the \$30,000 limit for this one, we would have \$62,000 in the program which would get it into the low 70's which would increase the market for it. This would be something, as a CPC member, I would entertain. Faythe said she would look at it to see if the number would not be a set amount, but for the number to be calculated based on the individual scenario.

Elizabeth said it would be great to be completely flexible with applications. She knows \$30,000 has nothing to do with reality as other towns are doing \$50,000/\$100,000/\$150,000 or more. It would be a lot more sensible than what we have now. Ned Chatelain said, moving forward, how do we want to understand the Buy Down Program- many times it is to preserve existing units and only a few new units. We looked at how much it would be to bring a median priced home to affordable, and it would be \$300,000. This exercise goes to the point that it has been an effective tool to keep units on the SHI list. He would support taking the stance that we take these requests one by one and then start focusing on using this to preserve existing units. Donna Kalinick said she thinks one of the things needed to be discussed is who is going to be the custodian of this program going forward. If the CPC uses this balance to assist this home, it will bring it down to 0. The next application round would be for November Town Meeting, if something were to come up before that, this is one of those areas where we need to figure out what this program looks like in the future. The requests come to the CPC. Jill does the leg work for each one of these which is substantial. When the program was created there was no Housing Trust. It was promoted by the Housing Partnership at the time.

Tim Hackert said he thinks the consensus would be we need to continue the program. Then, should CPC or the Trust oversee it, how to fund it, and operationally, what changes need to be made. Jill Scalise said she would add the main point of what entity would oversee the program doesn't have to be decided tonight, but to be thought through and a decision made before another application goes through. Faythe

said she would prefer this belong to the Trust. We have great expertise on the CPC, but you are all about housing. Sarah agreed. Bruce as well. Sharon said previously the buydown program was \$30,000/buydown; now it looks like \$50,000, so would that increase in the 5-year plan, increasing requests or just lessen the number of buydowns you could do. Donna Kalinick said if we went with the \$50,000, we would be able to do 6. If we went through the funds quicker than FY26, we would put in an application sooner. It was an estimate/a forecast. Jill Scalise said we have averaged one buydown/year over the past few years. Ned Chatelain said from an operation perspective, this goes back to Paul's point about lump sum funding to the Trust with clear guideposts, but less project-based funding. If we had the flexibility to do that, there would be benefit there.

Paul said this was envisioned primarily as a preservation program and that should be continued. But the other question is how much is enough to make it really reasonable and effective to use public funds for – for him, once it gets up to the \$300,000+ range, it isn't a good use for public funds that could produce more housing in another way.

Tim Hackert said the program needs to continue, the Housing Trust will oversee the program, we need to look at the funding to see what the amount should be, the Trust needs to come back to you and say what we think needs to happen in terms of its operation. Jill Scalise added if there is looking at a further discussion, it would also be nice to bring in the Housing Partnership who was the impetus to start the program in the beginning.

7. Upcoming meeting: Wednesday, January 25, 2023 at 4PM Hybrid
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MOTION made by Vanessa Greene to adjourn the BAHT meeting at 5:47 pm. Donna Kalinick second.
Roll Call Vote: Maggie Spade-Aguilar - abstain, Ned Chatelain - yes, Vanessa Greene - yes, Donna Kalinick - yes, Paul Ruchinkas - yes, Chair Hackert – yes
VOTE 5-yes 0-no 1-abstain
Maggie Spade-Aguilar had technical difficulties and therefore abstained.

MOTION made by Bruce Evans to adjourn the CPC meeting at 5:48 pm. Roland Bassett second.
Roll Call Vote: Paul Ruchinkas – yes, Roland Bassett – yes, Sharon Marotti – yes, Christine Boucher – yes, Sarah Robinson – yes, Peggy Jablonski – yes, Chair - yes
VOTE 7-yes 0-no

Respectfully submitted, Beth Devine, Recording Secretary

Packet of additional documents available on website for public review.