

# **BARNSTABLE COUNTY HOME CONSORTIUM**

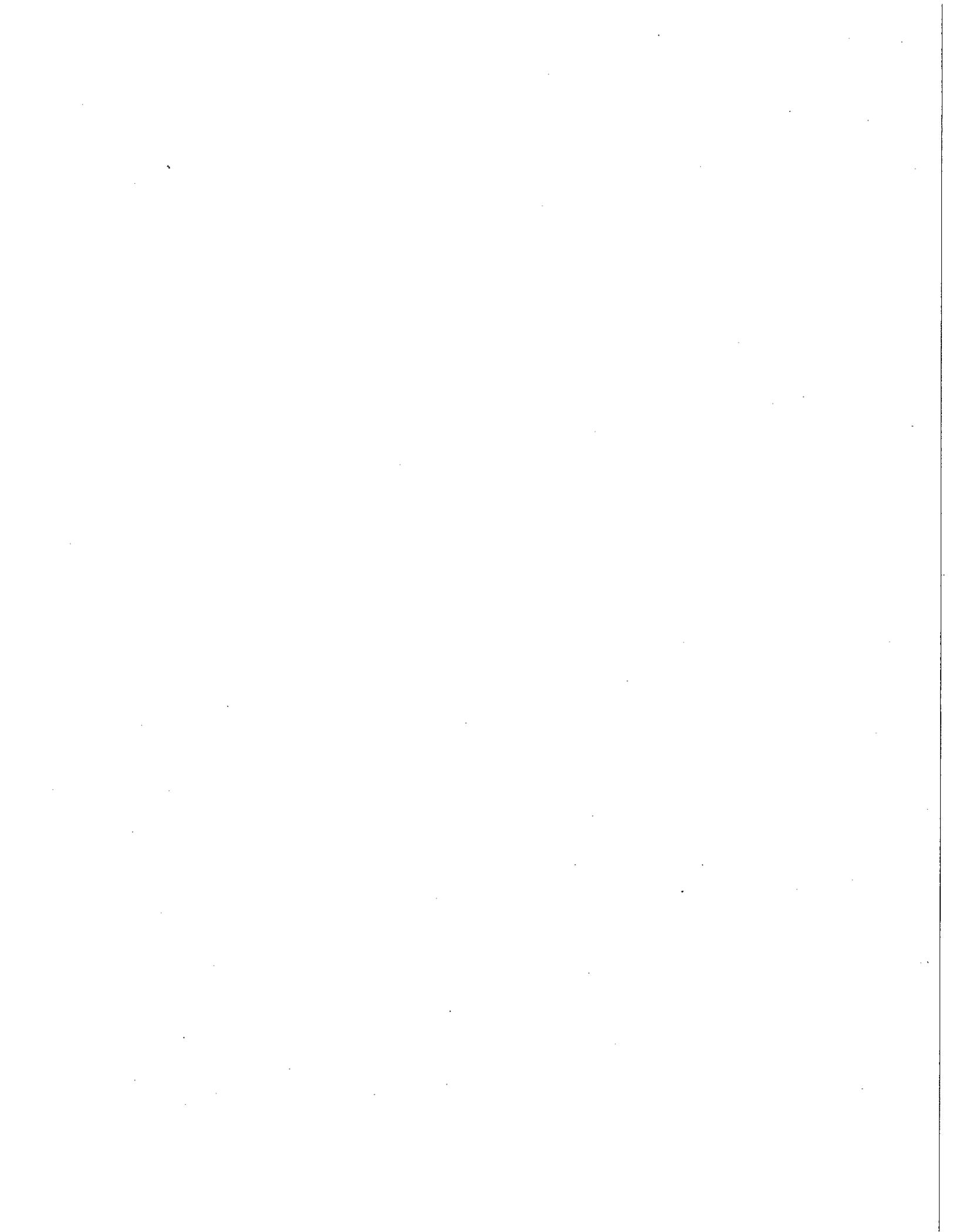
## **ANNUAL PLAN**

### **FEDERAL FISCAL YEAR 2016**

**(JULY 1, 2016 – JUNE 30, 2017)**

#### **COVER SHEET**

|                            |  |
|----------------------------|--|
| PARTICIPATING JURISDICTION | BARNSTABLE COUNTY HOME<br>CONSORTIUM       |
| LEAD AGENCY                | BARNSTABLE COUNTY -HUMAN SERVICES<br>DEPT. |
| CONTACT PERSON             | MICHELLE SPRINGER                          |
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| PROGRAM YEAR               | 2016                                       |



## Executive Summary

### AP-05 Executive Summary - 91.200(c), 91.220(b)

#### 1. Introduction

The Barnstable County HOME Consortium [BCHC] is comprised of 15 communities on Cape Cod, Massachusetts. The 15 communities are Barnstable, Bourne, Brewster, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Orleans, Provincetown, Sandwich, Truro, Wellfleet and Yarmouth. The towns of Barnstable and Yarmouth are also CDBG Entitlement Communities. The BCHC was formed to be a Participating Jurisdiction to receive and disburse HOME funds. Barnstable County initially designated the Cape Cod Commission, its planning and land use regulatory department, to act as the program's lead agent, responsible to HUD for all administrative functions related to the operation of the BCHC. In August 2015, Barnstable County transitioned the HOME program to its Department of Human Services, which administers the HUD McKinney-Vento Continuum of Care program for the region. Combining these complementary programs and services will provide an opportunity for increased efficiency and coordination in managing affordable housing and human services in the region. The priorities that the BCHC has established for the Five Year (2015-2019) Consolidated Plan are:

1. Develop and maintain an adequate supply of safe, decent rental housing that is affordable and accessible to residents with a range of income levels and household needs.
2. Preserve and maintain the existing affordable housing stock, particularly the units occupied by extremely and very low income households.
3. Reduce individual and family homelessness by providing a viable continuum of care that implements a housing first strategy for permanent supportive housing.
4. Expand homeownership and rental opportunities for low income households.
5. Ensure that County residents with long-term support needs have access to accessible, community housing options.

#### 2. Summarize the objectives and outcomes identified in the Plan

| Sort Order | Goal Name                 | Start Year | End Year | Category           | Geographic Area   | Needs Addressed                                 | Funding         | Goal Outcome Indicator                              |
|------------|---------------------------|------------|----------|--------------------|-------------------|---|-----------------|---|
| 1          | Rental Housing Production | 2016       | 2017     | Affordable Housing | Barnstable County | Develop and Maintain Adequate Supply of Housing | HOME: \$229,298 | Rental units constructed: 20 Household Housing Unit |

| Sort Order | Goal Name                   | Start Year | End Year | Category           | Geographic Area   | Needs Addressed                                   | Funding        | Goal Outcome Indicator   |
|------------|-----------------------------|------------|----------|--------------------|-------------------|---|----------------|--|
| 2          | CHDO Housing Production     | 2016       | 2017     | Affordable Housing | Barnstable County | Develop and Maintain Adequate Supply of Housing   | HOME: \$58,859 | Rental units constructed: 5 Household Housing Unit               |
| 3          | Homebuyer Assistance (DPCC) | 2016       | 2017     | Affordable Housing | Barnstable County | Expand homeownership opportunities for low income | HOME: \$65,000 | Direct Financial Assistance to Homebuyers: 5 Households Assisted |
|            |                             |            |          |                    |                   |   |                |  |

### 3. Evaluation of past performance

For FFY 2015, through March 11, 2016, the following is the status of the goals and accomplishments in each of the Consortium's three program areas:

#### Housing Production-

Rental Housing- 2 completed projects: 22 units; Goal- 20 units.

CHDO Housing- 0 completed projects; Goal- 5 units.

Down Payment/Closing Cost Program- 6 households assisted; Goal- 5 households.

As described more fully in AP-20, the Consortium is proposing to continue to allocate funding for these activities in FFY2016. Once final program year data is available, more extensive performance evaluation measurements will be submitted in the FFY 2015 annual performance evaluation report.

### 4. Summary of Citizen Participation Process and consultation process

From its inception, the Consortium has placed a high premium on citizen participation. Specific steps were taken early on to ensure that the fifteen towns and the numerous housing/social service agencies that exist on Cape Cod were given the opportunity to participate in this process. In that respect, the most significant step was to create the Advisory Council. Established through the passage of an ordinance by the County Legislature and appointed by the County Commissioners, the Advisory Council plays a central role in the development of Consortium's program, plans and policies. The Advisory Council consists of representatives from each of the 15 Cape communities along with 2 at large members.

The Advisory Council, which meets bi-monthly, assisted in the development of this Annual Plan, provides ongoing input regarding program design and implementation, and makes decisions in the award of project funds. The Council meetings are open to the public and welcome their participation. Over the last twenty-two years, the Advisory Council has become an important forum for discussing and taking action regarding both housing and community matters.

In accordance with the Citizen Participation Plan of the Consolidated Plan, the following actions were taken to solicit and respond to comments on the 2016 Annual Plan:

February 26, 2016- Public Hearing Notice posted in the Barnstable County Human Services Department E-Newsletter that goes out to 1900 individuals and on the Barnstable County Human Services Dept. web site. This notice was also included Spanish and Portuguese versions.

February 28, 2016- Publication of Notice of March 10, 2016 Public Hearing in the Cape Cod Times

February 29, 2016- E-mail notification of March 10, 2016 Public Hearing to about 125 people from all fifteen towns, local housing authorities, affordable housing developers, local housing committees, and social service and minority organizations working with low income residents. The notice about the hearing that was e-mailed was also provided in Spanish and Portuguese.

March 10, 2016- Public Hearing held at in the Innovation Room located in the Barnstable County Complex. The meeting location was handicap accessible, and provisions were made for providing special accommodations for language interpretation or services for the deaf or hard of hearing.

March 11, 2016- Draft Annual Plan sent to Advisory Council.

March 20, 2016- Publication of 30 day Public Comment Notice in the Cape Cod Times.

March 21, 2016- Public Comment Notice and draft 2016 Annual Plan posted on the Barnstable County Human Services Dept. web site.

March 21, 2016- Copies of the draft 2016 Annual Plan mailed and e-mailed to 15 Town Halls and made available at the Human Services Dept. and Barnstable County offices.

March 21, 2016- E-mail notification of 30 day Public Comment Notice to about 125 people from all fifteen towns, local housing authorities, affordable housing developers, local housing committees, and social service and minority organizations working with low income residents. The notice about the 30 day comment period that was posted on the Barnstable County Human Services Dept. web site and that was e-mailed included Spanish and Portuguese versions.

March 25, 2016-Public Comment Notice and draft 2016 Annual Plan posted in the Barnstable County Human Services Department E-Newsletter that goes out 1900 individuals.

April 19, 2016-End of Public Comment Period

## 5. Summary of public comments

**Comment:** There is a continued need for the down payment & closing cost (DPCC) program as well as a request to increase the loan assistance amount for eligible homebuyers.

**Response:** The Consortium agreed to continue funding the program and to increase the maximum DPCC loan from \$10,000 to \$20,000 and from \$20,000 to \$30,000 should rehab be needed as part of the purchase.

**Comment:** There is a need to increase the number of accessible units in the region.

**Response:** The Consortium members agreed, and there is a required in the Rental Housing Development Guidelines that 5% of units must be accessible to those with mobility impairments and an additional 2% to those with sensory impairments. Those requirements will be assessed in the next policy review of the Guidelines. It was noted that single accessory units that required rehab could not be assisted unless there were 3 units in the project and that all units needed to be deed restricted.

**Comment:** There is a significant need for homeowner rehab assistance for low income homeowners.

**Response:** Consortium members agreed; however, given the limited amount of HOME resources allocated to the region and the complexity of administering the program, members believed that the Consortium would have much more of a regional impact by allocating funds to rental production as opposed to a homeowner rehab program.

## 6. Summary of comments or views not accepted and the reasons for not accepting them

None.

## 7. Summary

The Consortium voted to allocate its FFY 2016 funding to two activities: 1) rental housing production and 2) down payment and closing cost assistance program for low income homebuyers.

**PR-05 Lead & Responsible Agencies - 91.200(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| Agency Role        | Name              | Department/Agency            |
|--------------------|-------------------|------------------------------|
| HOME Administrator | BARNSTABLE COUNTY | Department of Human Services |

Table 1 – Responsible Agencies

**AP-10 Consultation - 91.100, 91.200(b), 91.215(l)**

**1. Introduction**

**Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).**

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

**2. Agencies, groups, organizations and others who participated in the process and consultations**

The HOME Consortium followed the public outreach procedures included in their Citizens Participation Plan developed in accordance with CFR Part 91, Section 105. The Annual Plan process included consultation with agencies concerned with affordable housing and homelessness; a public meeting by the HOME Consortium (3/10/16), and a public comment period (3/21 - 4/19/16). Important information was gleaned through the consultation process outlined in PR-10 of the Consolidated Plan and the FFY 2016 public process that confirmed the goals and priorities in the 2015-2019 Consolidated Plan of the Consortium.

| Sort Order | Mode of Outreach | Target of Outreach  | Summary of response/attendance   | Summary of comments received   | Summary of comments not accepted and reasons | URL (if applicable) |
|------------|------------------|---|--|--|--|---------------------|
| 1          | Public Hearing   | <p>Minorities</p> <p>Non-English Speaking - Specify other languages: Portuguese, Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> | <p>Eight members of the public attended the public hearing of the HOME Consortium or the County Commissioners meeting where the plan was approved. One comment received via email.</p> | <p>Continued need for the down payment &amp; closing cost program as well as request to increase the loan assistance amount for eligible homebuyers.</p> | <p>None</p>                                  |                     |

| Sort Order | Mode of Outreach                 | Target of Outreach  | Summary of response/attendance  | Summary of comments received   | Summary of comments not accepted and reasons | URL (if applicable) |
|------------|----------------------------------|---|---|--|--|---------------------|
| 2          | HOME Consortium Advisory Council | <p>Minorities</p> <p>Non-English Speaking - Specify other languages: Portuguese, Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> | <p>Eight members of the public or representatives of agencies or constituencies attended the meeting to review the public hearing comments and to discuss and vote on the draft allocations for FFY 2016.</p> | <p>Recommend the allocations in Section AP-20.</p> <p>Need to increase the number of accessible units.</p> <p>Need for significant homeowner rehab assistance for low income homeowners.</p> | None.  |                     |

| Sort Order | Mode of Outreach                        | Target of Outreach  | Summary of response/attendance   | Summary of comments received      | Summary of comments not accepted and reasons | URL (if applicable) |
|------------|---|---|--|-----------------------------------|--|---------------------|
| 3          | Newspaper Ad, Web Sites, and Town Halls | Minorities<br>Persons with disabilities<br>Non-targeted/broad community<br>Residents of Public and Assisted Housing | The noticing of the Annual Plan in the Cape Cod Times, web sites, and government offices<br>.....<br>update with any comments received | update with any comments received |  |                     |

Table 2 – Citizen Participation Outreach

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|--------------|-------------------|--|
|              |                   |  |

Table 3 – Other local / regional / federal planning efforts

Narrative

## **AP-12 Participation - 91.401, 91.105, 91.200(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

In accordance with the Citizen Participation Plan of the Consolidated Plan, the following actions were taken to solicit and respond to comments on the 2016 Annual Plan:

February 26, 2016- Public Hearing Notice posted in the Barnstable County Human Services Department E-Newsletter that goes out to \_\_\_\_ individuals and on the Barnstable County Human Services Dept. web site. This notice was also included Spanish and Portuguese versions. Posted on Barnstable Counties outside notice & meeting board.

February 28, 2016- Publication of Notice of March 10, 2016 Public Hearing in the Cape Cod Times

February 29, 2016- E-mail notification of March 10, 2016 Public Hearing to about 125 people from all fifteen towns, local housing authorities, affordable housing developers, local housing committees, and social service and minority organizations working with low income residents. The notice about the hearing that was e-mailed was also provided in Spanish and Portuguese.

March 10, 2016- Public Hearing held at in the Innovation Room located in the Barnstable County Complex. The meeting location was handicap accessible, and provisions were made for providing special accommodations for language interpretation or services for the deaf or hard of hearing.

March 11, 2016- Draft Annual Plan sent to Advisory Council.

March 11, 2016- Public Comment Notice and draft 2016 Annual Plan posted on the Barnstable County Human Services Dept. web site and in Barnstable County Human Services Department E-Newsletter.

March 14, 2016- Copies of the draft 2016 Annual Plan mailed and e-mailed to 15 Town Halls and made available at the Human Services Dept. and Barnstable County offices.

March 20, 2016- Publication of 30 day Public Comment Notice in the Cape Cod Times.

March 21, 2016- E-mail notification of 30 day Public Comment Notice to about 125 people from all fifteen towns, local housing authorities, affordable housing developers, local housing committees, and social service and minority organizations working with low income residents. The notice about the 30 day comment period that was posted on the Barnstable County Human Services Dept. web site and that was e-mailed included Spanish and Portuguese versions.

April 19, 2016-End of Public Comment Period

### Citizen Participation Outreach

| Sort Order | Mode of Outreach | Target of Outreach  | Summary of response/attendance   | Summary of comments received   | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|------------------|---|--|--|--|---------------------|
| 1          | Public Hearing   | <p>Minorities</p> <p>Non-English Speaking - Specify other languages: Portuguese, Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> | <p>Eight members of the public attended the public hearing of the HOME Consortium or the County Commissioners meeting where the plan was approved. One comment received via email.</p> | <p>Continued need for the down payment &amp; closing cost program as well as request to increase the loan assistance amount for eligible homebuyers.</p> | None   |                     |

| Sort Order | Mode of Outreach                 | Target of Outreach  | Summary of response/attendance  | Summary of comments received   | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|----------------------------------|---|---|--|--|---------------------|
| 2          | HOME Consortium Advisory Council | <p>Minorities</p> <p>Non-English Speaking - Specify other languages: Portuguese, Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> | <p>Eight members of the public or representatives of agencies or constituencies attended the meeting to review the public hearing comments and to discuss and vote on the draft allocations for FFY 2016.</p> | <p>Recommend the allocations in Section AP-20. Need to increase the number of accessible units. Need for significant homeowner rehab assistance for low income homeowners.</p> | None.  |                     |

|   |   |   |   |  |  |  |
|---|---|---|---|--|--|--|
| 3 | Newspaper Ad, Web Sites, and Town Halls | Minorities<br>Persons with disabilities<br><br>Non-targeted/broad community<br><br>Residents of Public and Assisted Housing | The noticing of the Annual Plan in the Cape Cod Times, web sites, and government offices<br>.....<br><br><b>update with any comments received</b> | <b>update with any comments received</b> |  |  |
|---|---|---|---|--|--|--|

#### Table 4 – Citizen Participation Outreach

##### Summary of public comments

**Comment:** There is a continued need for the down payment & closing cost (DPCC) program as well as a request to increase the loan assistance amount for eligible homebuyers.

**Response:** The Consortium agreed to continue funding the program and to increase the maximum DPCC loan from \$10,000 to \$20,000 and from \$20,000 to \$30,000 should rehab be needed as part of the purchase.

**Comment:** There is a need to increase the number of accessible units in the region.

**Response:** The Consortium members agreed, and there is a required in the Rental Housing Development Guidelines that 5% of units must be accessible to those with mobility impairments and an additional 2% to those with sensory impairments. Those requirements will be assessed in the next policy review of the Guidelines. It was noted that single accessory units that required rehab could not be assisted unless there were 3 units in the project and that all units needed to be deed restricted.

**Comment:** There is a significant need for homeowner rehab assistance for low income homeowners.

**Response:** Consortium members agreed; however, given the limited amount of HOME resources allocated to the region and the complexity of administering the program, members believed that the Consortium would have much more of a regional impact by allocating funds to rental production as opposed to a homeowner rehab program.

##### Summary of comments or views not accepted and the reasons for not accepting them

None.

##### Summary

The Consortium voted to allocate its FFY 2016 funding to two activities: 1) rental housing production and 2) down payment and closing cost assistance program for low income homebuyers.



## Expected Resources

### AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

#### Introduction

#### Anticipated Resources

| Program | Source of Funds | Uses of Funds  | Expected Amount Available Year 1 |                    |                          |           | Expected Amount Available Reminder of ConPlan \$ | Narrative Description |
|---------|-----------------|--|----------------------------------|--------------------|--------------------------|-----------|--|-----------------------|
|         |                 |  | Annual Allocation: \$            | Program Income: \$ | Prior Year Resources: \$ | Total: \$ |  |                       |
| HOME    | Public-Federal  | Acquisition; Homebuyer assistance; Multifamily rental new construction; Multifamily rental rehab | 392,396                          | 40,000             | 323,392                  | 755,788   | 1,200,000  |                       |

Table 1 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

There are several major program types where leveraged funds play a significant role in program objectives and some of which contribute to the HOME Match requirement.

1. Investments in LIHTC and/or Federal and State Historic Tax Credit projects with private funding and/bond financing, to assist in the creation of new affordable housing units.
2. Private (lending institutions) mortgage funding leveraged to assist low income families with the purchase of their first home, occasionally in conjunction with Housing Choice Vouchers (HCV). The use of HCV vouchers for homeownership has not been a practice used in the County, but has been used in many other communities in the country including ones with high housing costs. In addition, permanent mortgage financing is provided for affordable rental housing developments.
3. Community Preservation Funds [CPA]. All 15 Consortium communities have established a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. Through June 30, 2014 Cape communities have generated over \$210 million in CPA funds and have committed over \$37 million of that total (17.7%) for community housing activities.

4. Inclusionary Zoning and Linkage Fees. The Cape Cod Commission requires that 10% of all residential developments of 30 units or 30 acres or more be set aside for affordable housing and also requires a linkage fee for commercial developments which require the CCC review.
5. Local funds from some cities and towns provide other resources such as CDBG (Barnstable and Yarmouth) and Housing Trust funds (8 of the 15 communities).
6. Town Donated Land. Currently all fifteen towns in the County have designated a total of approximately 200 acres of undeveloped town-owned land for affordable housing.
7. Cape Light Compact. This County consortium provides grants to low income owners to install energy efficient lighting and appliances and also provides subsidies to developers of newly constructed housing that meet Energy Star standards.
8. Massachusetts Rental Voucher Program (MRVP). In recent rental development funding rounds, DHCD has made MRVP's available as project-based vouchers, primarily targeted to homeless individuals and families.
9. Project Based Vouchers. PHAs and the State can provide up to 20% of their HCV vouchers for specific projects to satisfy HOME match requirements the Consortium utilizes any allowable source, but relies mostly on the Massachusetts Rental Voucher Program match which in its excess of \$20m for HOME matching through 6/30/2015.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

#### **Discussion**

The Brewster Housing Authority has issued an RFP for a developer on authority-owned land and expects to select a developer by spring 2016. The Town of Falmouth has issued an RFP for a developer of a Town-owned site and expects to make a selection by spring 2016. The Town of Eastham expects to issue an RFP for a developer of a Town-owned site in spring 2016.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

#### Goals Summary Information

| Sort Order | Goal Name                   | Start Year | End Year | Category           | Geographic Area   | Needs Addressed                                   | Funding         | Goal Outcome Indicator   |
|------------|-----------------------------|------------|----------|--------------------|-------------------|---|-----------------|--|
| 1          | Rental Housing Production   | 2016       | 2017     | Affordable Housing | Barnstable County | Develop and Maintain Adequate Supply of Housing   | HOME: \$229,298 | Rental units constructed: 20 Household Housing Unit              |
| 2          | CHDO Housing Production     | 2016       | 2017     | Affordable Housing | Barnstable County | Develop and Maintain Adequate Supply of Housing   | HOME: \$58,859  | Rental units constructed: 5 Household Housing Unit               |
| 3          | Homebuyer Assistance (DPCC) | 2016       | 2017     | Affordable Housing | Barnstable County | Expand homeownership opportunities for low income | HOME: \$65,000  | Direct Financial Assistance to Homebuyers: 5 Households Assisted |

**Table 3 – Goals Summary**

## Goal Descriptions

|   |                         |   |
|---|-------------------------|---|
| 1 | <b>Goal Name</b>        | Rental Housing Production   |
|   | <b>Goal Description</b> | <u>Rental Housing Production</u> - BCHC will devote the majority of its resources to the creation of new and/or preservation of existing affordable rental housing for households at or below 60% area median income. This will primarily be accomplished through new housing developments- either new construction or on redeveloped sites- by non-profit, for-profit, or public entities.   |
| 2 | <b>Goal Name</b>        | CHDO Housing Production   |
|   | <b>Goal Description</b> | <u>CHDO Housing Production</u> - At least 15% of BCHC's funds will be reserved for rental housing production as described above for BCHC's two currently qualified CHDO's: Housing assistance Corporation and Community Development Partnership. BCHC's third designated CHDO- Harwich Ecumenical Council for the Homeless- will become eligible for the set-aside funds once it achieves housing development staff capacity.       |
| 3 | <b>Goal Name</b>        | Homebuyer Assistance (DPCC)   |
|   | <b>Goal Description</b> | <u>Homebuyer Assistance</u> - BCHC will provide up to \$30,000 in 0% repayable loans for down payment, closing cost, and minor rehabilitation assistance to households whose incomes are 80% or less of area median income and who are first time homebuyers. The successful completion of an approved First Time Homebuyer workshop is one of the requirements for the loan. The loan is repaid upon sale or transfer of the home. |

Table 4 – Goal Descriptions

## AP-35 Projects - 91.420, 91.220(d)

### Introduction

| # | Project Name                |
|---|-----------------------------|
| 1 | Rental Housing Production   |
| 2 | Administration              |
| 3 | Homebuyer Assistance (DPCC) |

Table 3 – Project Information

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities are based on information gathered from the consultation and public input efforts and the data evaluated in the needs and market assessment. Rental housing development was identified as a priority due to the limited availability of rental housing on Cape Cod, particularly at rents that are affordable. The obstacles to the development of more affordable rental housing are reduced funding for the HOME program, limited alternative funding sources, and the continued increase in the cost of land and property on Cape Cod. Construction costs are higher as well. The Homebuyers Assistance program is a priority because of the high price of housing and the up-front costs associated with financing a home purchase, particularly for first time homebuyers with limited income. The continued increase in the sale price of homes on Cape Cod is an obstacle to this program's ability to address the need for assistance as well as the continued tightened bank lending standards as a result of the financial crisis of 2008.

# AP-38 Project Summary

## Project Summary Information

|   |  |   |
|---|--|---|
| 1 | <b>Project Name</b>  | Rental Housing Production   |
|   | <b>Target Area</b>   |   |
|   | <b>Goals Supported</b>   | Rental Housing Production<br>CHDO Housing Production  |
|   | <b>Needs Addressed</b>   | Develop and Maintain Adequate Supply of Housing<br>Preserve & maintain existing affordable housing<br>Reduce individual and family homelessness<br>Access to Accessible Housing |
|   | <b>Funding</b>   | HOME: \$288,157   |
|   | <b>Description</b>   | Rental Housing Development  |
|   | <b>Target Date</b>   | 6/30/2017   |
|   | <b>Estimate the number and type of families that will benefit from the proposed activities</b> | 25 families at or below 60% of area median income   |
|   | <b>Location Description</b>  | Barnstable county (addresses unknown at this time)  |
|   | <b>Planned Activities</b>  | Rental housing production   |
| 2 | <b>Project Name</b>  | Administration  |
|   | <b>Target Area</b>   |   |
|   | <b>Goals Supported</b>   |   |
|   | <b>Needs Addressed</b>   |   |
|   | <b>Funding</b>   | HOME: \$39,239  |

|  |   |
|--|---|
| <b>Description</b>   | Administration - BCHC will allocate 10% of its annual HOME allocation to the administration and program compliance that are required by the HOME program regulations. |
| <b>Target Date</b>   | 6/30/2017   |
| <b>Estimate the number and type of families that will benefit from the proposed activities</b> |   |
| <b>Location Description</b>  |   |
| <b>Planned Activities</b>  |   |
| <b>3 Project Name</b>  | Homebuyer Assistance (DPCC)   |
| <b>Target Area</b>   |   |
| <b>Goals Supported</b>   | Homebuyer Assistance (DPCC)   |
| <b>Needs Addressed</b>   | Reduce individual and family homelessness<br>Expand homeownership opportunities for low income<br>Access to Accessible Housing  |
| <b>Funding</b>   | HOME: \$65,000  |
| <b>Description</b>   |   |
| <b>Target Date</b>   | 6/30/2017   |
| <b>Estimate the number and type of families that will benefit from the proposed activities</b> | 5 families with incomes below 80%   |
| <b>Location Description</b>  | Barnstable County   |
| <b>Planned Activities</b>  | Homebuyer assistance by providing 0% loans for down payment, closing costs, and minor rehabilitation  |

Table 5 – Project Summary  
Annual Action Plan  
2016

## **AP-50 Geographic Distribution - 91.420, 91.220(f)**

**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

HOME funds are invested throughout Barnstable County which encapsulates all the Consortium member towns. There are several areas within the County that have low-income and minority concentrations including the village of Hyannis in the town of Barnstable and parts of Yarmouth and Dennis.

### **Geographic Distribution**

| Target Area       | Percentage of Funds |
|-------------------|---------------------|
| Barnstable County | 100                 |

Table 5 - Geographic Distribution

### **Rationale for the priorities for allocating investments geographically**

HOME funds are invested throughout the Consortium member communities. Affordable housing needs are wide spread across the entire region and there is very limited land or property available at a price that makes affordable housing development possible. It is also important to the Consortium to integrate affordable housing project within all neighborhoods rather than just those dominated by low-income households.

### **Discussion**

## Affordable Housing

### AP-55 Affordable Housing - 91.420, 91.220(g)

#### Introduction

The tables below list the proposed goals for the second year of this 5 year plan – July 1st 2016 through June 30th 2017.

| One Year Goals for the Number of Households to be Supported |    |
|---|----|
| Homeless  | 0  |
| Non-Homeless  | 29 |
| Special-Needs   | 1  |
| Total   | 30 |

Table 6 - One Year Goals for Affordable Housing by Support Requirement

| One Year Goals for the Number of Households Supported Through |    |
|---|----|
| Rental Assistance   | 0  |
| The Production of New Units                                   | 25 |
| Rehab of Existing Units                                       | 0  |
| Acquisition of Existing Units                                 | 5  |
| Total   | 30 |

Table 7 - One Year Goals for Affordable Housing by Support Type

#### Discussion

## **AP-60 Public Housing - 91.420, 91.220(h)**

### **Introduction**

#### **Actions planned during the next year to address the needs to public housing**

The Dennis Housing Authority will be replacing and repairing roofs at two separate elderly sites, and replacing a septic system at a scattered site family duplex this spring. They have nearly completed two FY15/16 projects that consisted of a new accessible entry at the main DHA office office/elderly site as well as a new ramp to the community room at another elderly complex.

The Barnstable Housing Authority will be do carpeting replacement and plans to resurrect the kitchen upgrade project. They need to upgrade a boiler and also have some roof issues as well as some smaller projects like replacement of lobby furniture, replacement of exterior benches. They have 2+ years of Capital funds totaling close to \$160,000 with another \$80,000 or so being released in April.

The Mashpee Housing Authority project at Great Cove Community has a capital reserve amount of \$3,822.09. Due to the fact the property is only two years old there are no capital improvements planned.

#### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Housing Authorities will soon be required by the State to have a resident representative on the Board of Directors, which will help to encourage residents to become more involved in the management of the property.

#### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

### **Discussion**

## **AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)**

### **Introduction**

While the HOME Consortium's primary role would be to provide funding support for any new permanent supportive housing requests, the Consortium will continue to play an active role in the Regional Network's efforts to end homelessness in the region

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The Consortium will continue to participate on the Continuum of Care committees to coordinate services to the homeless on Cape Cod.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

The Consortium will continue to participate on the Continuum of Care committees to coordinate services to the homeless on Cape Cod. The Consortium will also be considering a TBRA program in the later years of this five year planning period.

#### **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The Consortium's efforts to increase the supply of affordable rental housing and assist first time homebuyers will provide better opportunities for homeless or near homeless individuals and families to find permanent affordable housing.

#### **Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

In the course of selecting projects to fund, the BCHC plays close attention to how any one project is connected to the efforts of the CoC and its partners in serving the homeless, especially in terms of permanent housing and other special needs populations including elderly, persons with disabilities and public housing residence.

|   |
|---|
| <b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b> |
|   |
|   |
|   |
|   |

## AP-75 Barriers to affordable housing - 91.420, 91.220(j)

### Introduction

The Cape is a high housing cost, low wage region in a state with extremely high housing costs compared with the rest of the nation. It is extremely challenging to create affordable housing, especially rental housing for very low income households, anywhere in the state, but even more particular to smaller communities and more rural areas in this region. Some of the specific barriers are:

- Insufficient public resources: In the projects the Consortium has funded over the last five years the amount of public subsidy (exclusive of the value of any donated land and/or the value of low income housing tax credits) needed to create one unit of affordable rental housing is about \$135,000, while the subsidy needed to create one affordable ownership unit about is \$82,000. It would require about \$620,000,000 in public subsidies for the region to meet its 10% goal by creating 4,000 rental units and 1,000 ownership units.
- Federal housing policy: The level of federal funding has declined while the cost of complying with regulations has increased
- Land use policies: The primary land use barrier is large lot zoning. Approximately 70% of the residential acreage on the Cape is zoned one acre or more. Fundamentally, lot requirements of this type make it impossible to create affordable housing without density relief and/or significant subsidies. Since 2001, 84% of the affordable housing created in the region has been permitted through the Chapter 40B comprehensive permit process that allows relief from certain zoning regulations.
- Limited wastewater infrastructure: the lack of appropriate wastewater infrastructure prohibits the density needed for developers to create affordable housing
- Limited town capacity: . Only Barnstable, Bourne, Provincetown, and Yarmouth have town staff whose job is focused on affordable housing.
- Neighborhood and community resistance to development: the amount and intensity of concerns expressed are significantly higher for affordable housing development. Rental housing development in particular typically faces more intense opposition and more scrutiny by town boards.
- HOME/universal deed rider inconsistency: see discussion section below

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

The Consortium identified a number of barriers to affordable housing production that involved resource allocation, housing policy, land use policy, lack of infrastructure and staff capacity, and public perception and attitudes. The Consortium proposes the following strategies to address these barriers over the next five years:

Resource allocation: With respect to public subsidies, the Consortium will continue to advocate for a larger share of budgetary resources be devoted to both housing production- including HOME- and housing voucher programs at the state and federal level. In addition, the Consortium will continue to support funding for the Federal Affordable Housing Trust Fund.

Housing policy: The Consortium will have programmatic requirements to the greatest extent possible that are consistent with those of other public funders- especially with DHCD. For ongoing monitoring of rental projects, the Consortium will use reports from other public funders to the greatest extent possible for its required compliance reviews. Finally, the Consortium will engage DHCD to develop an ownership deed restriction that 1) survives foreclosure; 2) satisfies HOME regulations; and 3) enables units to be counted on the Subsidized Housing Inventory.

Land use policies: The Consortium will publicize and will advocate that towns 1) adopt local affordable housing bylaws such as those in Dennis and Barnstable; and 2) create a Chapter 40R district and/or adopt inclusionary zoning. The Consortium will continue to advocate for the continuation and improvement in Chapter 40B- the state's comprehensive permit law that allows applicants in communities that have not achieved 10% affordable housing to receive waivers from local regulations if the project has at least 20-25% affordable units. Chapter 40B has been a critical tool for affordable housing in the County as a September 2012 Cape Cod Commission study found that historically 44% of the County's affordable units had been created through the Chapter 40B zoning process- including 84% of all newly created affordable units since 2001. Chapter 40B allows the densities needed for affordable housing development which would otherwise have been impossible under the existing zoning.

Limited wastewater infrastructure: The Consortium will encourage and support wastewater planning and implementation efforts in local communities. The Consortium will also advocate that towns adopt land use bylaws that encourage affordable housing as part of their wastewater planning efforts.

Town staff capacity: The Consortium will continue to promote and support the use of the Planned Production regulations under Chapter 40B as a means for towns to both have an affordable housing plan and also to have more control over the types of Chapter 40B development that occurs. To implement these plans, the Consortium will advocate that Towns look to local resources- particularly Community

Preservation Act funds- to provide staff capacity to carry out the activities in the housing plans.

Neighborhood and community resistance: The Consortium will continue to educate the public through publications, workshops, and its web site of the need for and impact of affordable housing in the region.

HOME/universal deed rider inconsistency: The 2009 HUD determination that HOME funds- either project-based or homebuyer-based- cannot be used in any transaction that involves the state's universal deed rider has significantly impacted the region's ability to support homeownership. Towns and lenders embraced the universal rider because it survived foreclosure (towns' interest) and was saleable to Fannie Mae (lenders' interest). The Consortium's ability to support small-scale ownership projects that rely on no state resources but significant Town support and CPA funds has been hampered. In addition, there are a number of first time homebuyers looking to purchase Town-supported, deed restricted units that now will not have access to the region's only pool of down payment and closing cost assistance.

## **Discussion**

## **AP-85 Other Actions - 91.420, 91.220(k)**

### **Introduction**

#### **Actions planned to address obstacles to meeting underserved needs**

The most significant obstacle on the supply side to meeting affording housing is the cost of land and current zoning which favors larger lot single family housing development. The Cape Cod Commission is actively working with communities to change their zoning, particularly in village center areas, to accommodate greater density and therefore reduce the amount of land required per unit which in turn may reduce sale and rental prices. In addition, the HOME Consortium will use the following strategies to address obstacles to meeting underserved needs:

1. **Resource allocation:** With respect to public subsidies, the Consortium will continue to advocate for a larger share of budgetary resources be devoted to both housing production- including HOME- and housing voucher programs at the state and federal level. In addition, the Consortium will continue to support funding for the federal Affordable Housing Trust Fund.
2. **Housing policy:** The Consortium will have programmatic requirements to the greatest extent possible that are consistent with those of other public funders- especially with DHCD. For ongoing monitoring of rental projects, the Consortium will use reports from other public funders to the greatest extent possible for its required compliance reviews. Finally, the Consortium will engage DHCD to develop an ownership deed restriction that 1) survives foreclosure; 2) satisfies HOME regulations; and 3) enables units to be counted on the Subsidized Housing Inventory.
3. **Land use policies:** The Consortium will publicize and will advocate that towns 1) adopt local affordable housing bylaws such as those in Dennis and Barnstable; and 2) create a Chapter 40R district and/or adopt inclusionary zoning. The Consortium will continue to advocate for the continuation and improvement in Chapter 40B- the state's comprehensive permit law that allows applicants in communities that have not achieved 10% affordable housing to receive waivers from local regulations if the project has at least 20-25% affordable units.
4. **Limited wastewater infrastructure:** The Consortium will encourage and support wastewater planning and implementation efforts in local communities. The Consortium will also advocate that towns adopt land use bylaws that encourage affordable housing as part of their wastewater planning efforts.
5. **Town staff capacity:** The Consortium will continue to promote and support the use of the Planned Production regulations under Chapter 40B as a means for towns to both have an affordable housing plan and also to have more control over the types of Chapter 40B development that occurs. To implement these plans, the Consortium will advocate that Towns look to local resources- particularly Community Preservation Act funds- to provide staff capacity to carry out the activities in the housing plans.
6. **Neighborhood and community resistance:** The Consortium will continue to educate the public through publications, workshops, and its web site of the need for and impact of affordable housing in the region.

### **Actions planned to foster and maintain affordable housing**

The Cape Cod Commission, through its regulatory program requires housing development that require regional review to allocate 10% of their units to households with low to moderate income. For commercial projects requiring regional review, the Commission calculates the expected demand for affordable housing the development is expected to generate given the type of business(s) to be housed and wages earned. Based on this calculation, the Commission requires the development mitigate the impact, usually in the form of a cash payment used by the municipality and other housing agencies to create affordable housing in the region.

### **Actions planned to reduce lead-based paint hazards**

While the cost of lead paint removal can potentially be prohibitively expensive, the Consortium will vigorously enforce the revised 2002 lead based paint regulations for all of its program activities and will continue to support efforts of local organizations to attract lead paint removal resources to the region.

### **Actions planned to reduce the number of poverty-level families**

In addition to dedicating HOME funds to rental housing for extremely low income households, the Consortium will support all efforts in the region to protect low income households in deed restricted ownership units from losing their assets through foreclosure.

### **Actions planned to develop institutional structure**

Barnstable County has decided to co-locate the HOME program and the Continuum of Care program in the Department of Human Services while adding affordable housing planning staff to the Cape Cod Commission.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

1. Utilize the HOME Advisory Council as a vehicle for the following purposes: secure federal, state and other funds, maintain communication between the towns, and serve as an information resource center for the Cape.
2. Encourage and support the activities of regional housing programs.
3. Educate the public about what is affordable housing and why it is needed.
4. Advocate and work with DHCD and HUD to resolve inconsistencies in programmatic requirements, funding programs, and in agency policies. The Consortium will focus on the HOME/universal deed rider issue as its first priority.
5. Educate and work with lenders on the needs of first time homebuyers and the issues associated with affordable housing restrictions.

6. Advocate that all towns create housing action plans in accordance with DHCD's Housing Production standards and provide capacity to implement those plans.
7. Encourage use of local labor for HOME assisted projects.

## **Discussion**

## **Program Specific Requirements**

### **AP-90 Program Specific Requirements - 91.420, 91.220(l)(1,2,4)**

#### **Introduction**

**HOME Investment Partnership Program (HOME)**  
**Reference 24 CFR 91.220(I)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

We do not have any other forms of investment.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Homeownership Development:

Although the Consolidated Plan does not include any homeownership development activities because of the HOME/universal deed rider issue discussed in AP-75, should an acceptable HOME deed rider be developed and the Con Plan amended to include homeownership development activities, the following describes the resale requirements that would be followed. Each applicant/borrower shall be required to sign a Promissory Note, Mortgage, and Loan Agreement with the Affordable Housing Restriction (AHR) as an exhibit to the Loan Agreement. The HOME funds shall be provided in the form of a short term (less than five years), zero interest, no monthly payment, forgivable loan. Upon the applicant's completion of the project and submission of evidence that the required number of HOME-assisted units were sold to income-eligible households and that affordable housing restrictions were recorded, the Consortium will discharge the mortgage. All HOME-assisted homeownership unit(s) shall be restricted to ensure long-term affordability through the use of an Affordable Housing Restriction recorded after the deed of the homebuyer. The length of the affordability term will be perpetuity or the longest term allowable by law. The Consortium will employ an AHR that uses a resale formula indexed to area median income that will ensure a fair return (including approved capital improvements) while preserving affordability. In compliance with HOME regulations, the AHR will require that the owner sell their home/unit to an income-eligible household during the minimum required HOME affordability period, i.e. 5-15 years depending upon amount of assistance. In addition, the AHR will survive foreclosure.

Homebuyer Assistance

The Consortium will utilize recapture provisions for its Down payment/Closing Cost program. The HOME funds shall be provided in the form of a zero-interest, no monthly payment, deferred loan. Each applicant/borrower shall be required to sign a Promissory Note and Mortgage, along with a Disclosure Statement. The Consortium will require applicants receiving down payment/closing cost homeownership assistance to repay all of the HOME assistance at the time the unit is resold, transferred, or in some cases refinanced. Repayment of the full amount due in the case of a resale will not be required if there are not sufficient net proceeds. Net proceeds are the sales price minus closing costs and loan repayment (other than HOME funds). If full repayment of the HOME funds is not possible, then the amount of the HOME repayment will be proportional to the HOME

investment and the owner's initial down payment, i.e. HOME loan / HOME loan + owner down payment times net proceeds will equal the HOME repayment amount.

A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

All HOME-funded rental housing units must contain long-term affordability restrictions. The length of the restrictions is dependent on the amount of development project assistance received. Rental projects receiving assistance under the rental housing development program are subject to a 20 year affordability restriction due to the use of HOME funds. Barnstable County adds an additional restriction for projects depending on the amount of funding received. Project receiving less than \$100,000 are restricted for an additional 30 years for a total of 50 years. Projects between \$100,000 and \$199,999 are subject to an additional 50 years for a total of 70 years. Projects receiving \$200,000 or more are extended at least another 79 years or as long as permitted by law for a total of 99 years or as long as permitted by law.

Each applicant/borrower shall be required to sign a Promissory Note, Mortgage, Loan Agreement and Affordable Housing Restriction.

3. The HOME funds shall be provided in the form of a fifteen to fifty year, zero interest, and no monthly payment, deferred payment loan. The note will contain language that will allow for an extension of the loan term if necessary to preserve affordability. The loan amount will be recaptured if the unit(s) is sold during the term of mortgage, unless there is a default on the terms of the loan, in which case the entire loan amount, plus interest, will be due. During the term of the Affordable Housing Restriction, the affordability requirements will remain in effect regardless of a transfer occurring during its term.

All rental units receiving HOME rental assistance will be subject to a one year lease and will comply in every respect with all applicable HOME regulations governing income eligibility, income occupancy percentages, and HOME rents.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A- There are no such plans.

