

**Community Housing Grant Request
Application to Dennis Community Preservation Committee (CPC)
February 28, 2022**

SYNOPSIS

1. **Project Title:** Community Housing Grant Request
2. **Organization Name:** Dennis Affordable Housing Trust (DAHT or Trust)
3. **Amount Requested from CPA Funds:** \$400,000
4. **Purpose:** Community Housing-Rental Assistance, Veterans Housing, Housing Coordinator Position Funding, Other Affordable Housing Projects Funding
5. **Project Site/Location:** Income-eligible households for residents who live or work in Dennis.
6. **Synopsis of Project:**

Similar to the entire Cape Cod region, the Town of Dennis suffers from a lack of housing diversity and affordable housing specifically. The Covid-19 pandemic has made the situation worse. Skyrocketing home prices and the lack of rental inventory increased during Covid-19 as it prompted many people to flee the cities for their favorite vacation destination. With workers unable to find affordable housing, many of our local businesses have shuttered or drastically reduced their hours of operation. We urgently need to add affordable housing to our town, or our businesses and residents will suffer from a lack of services and personnel.

The most recent **Dennis Housing Production Plan (HPP)** (Select Board approved 8/10/21) states the town needs to build 38 affordable units per year to meet the minimum Massachusetts General Law Chapter 40B legal requirements of having 10% of total year-round housing units deed restricted as affordable. But the need for affordable housing is much greater than that. In Dennis, half of all renters pay more than 30% of their income to housing costs and nearly a quarter pay more than 50% of their income to housing costs. Most Dennis renters would qualify for affordable housing. Even if renters make \$50K per year (about \$25 per hour), they could only afford \$1,250 for rent, when a two-bedroom goes for \$1,800, even if one is available at all (rental inventory is under 1%). Housing Assistance Corporation of Hyannis, MA (HAC) (housing assistance agency) reports that listings are often closed the same day they are posted due to the massive number of applications received. Homeownership is just as challenging with home prices increasing 40% from March 2019 to March 2021. Most homes are sold in days.

Given the brisk and competitive real estate market, and the urgency of our housing crisis, the DAHT can be better positioned to act quickly on opportunities that arise to support affordable housing, without waiting for the Town Meeting to approve specific requests. One of Mass Housing Partnership's main recommendations for CPCs to make the most of their housing dollars is to transfer funds to town Affordable Housing Trusts, so the town can act more nimbly on major housing initiatives. ([See MHP CPC funding for housing guide.](#))

The **DAHT Municipal Bylaw** (approved 9/26/06) and recently developed **DAHT Strategic Plan** requires that whatever projects the DAHT funds will be used for will be for the express purpose the town intended. As stated in the DAHT Municipal ordinance (Chapter 19, Finances, Article VII, Affordable Housing Trust Fund, Section 19-9(A), Purpose, "The purpose of the Trust shall be to provide

for the preservation and creation of affordable housing in the Town of Dennis for the benefit of low-and moderate-income households.”

The ordinance also states (Section 19-9(B)), “To achieve this purpose the trust shall employ a broad range of housing initiatives, including but not limited to (a) provide rental assistance, (b) purchase real property to be managed by an outside agency for affordable housing, (c) undertake new construction which may include outside not-for-profit agencies, and (d) undertake buy-downs, which may include taking subordinate mortgages on properties that will be deeded in perpetuity as affordable housing with note payments based on the family's income levels.”

According to the Bylaw, DAHT is also empowered to “contract for professional services which may include, but not be limited to the following: financial consultants, agents, auditors, advisors, appraisers, lawyers or other such parties as may be needed from time to time, subject to available funding.

Affordable housing development and programs are complicated to get started and maintain, which is why the Town of Dennis needs to rehire a **Housing Coordinator** (HC) who can follow-up on studies, proposals and projects to ensure all the necessary departments and committees are coordinated, and to manage community outreach. While the proposed HC position will currently be funded through internal DAHT funds, DAHT requests to use some of this CPC grant to fund the HC position in the future.

We anticipate in the next six months to be reviewing requests for gap funding for new affordable housing projects, rental assistance programs for our workforce, mortgage buy-down or down payment assistance programs that would make existing market-rate homes become deed-restricted and part of our subsidized housing inventory. The areas of focus for possible projects are:

- Affordable housing developments already permitted, but stalled for a variety of reasons; possible example VIC Hall, Dennis Port.
- Town owned land suitable for appropriate housing projects; possible example Bob Crowell Road, South Dennis.
- Affordable housing projects in need of support and a partner; possible example 401 Setucket Road, South Dennis (Habitat for Humanity has an agreement to acquire the property).

Here are some typical costs for these types of programs run by other agencies and towns that give an example of how DAHT may use the funds:

Towns can create **rental assistance programs** that work like vouchers. \$100K would fund rental vouchers for 13 households:

- Eligible tenants rent a market-rate apartment.
- The voucher/rental assistance makes the rent affordable for them, ensuring they pay no more than 30% of their income toward rent.
- HAC manages the voucher portion of the tenant’s rent being paid directly to the landlord.
- Typically, \$500 or less per tenant is needed to make rent affordable (about \$6,200 per year –or less– per tenant).

Yarmouth 2020 **Mortgage Buy-Down** (2 \$100K grants, 1 \$150K grant):

- Income-eligible residents (80% or less of area median income (AMI)) enter applications in a lottery.
- Eligible applicants are able to obtain a mortgage for the purchase price of the home (after down payment assistance).
- Winners will search for a market rate home in Yarmouth, and will receive 35% of sales price up to \$100K at closing, or whichever is less.
- New homes are deed-restricted and added to Subsidized Housing Inventory (SHI List).

Gap Funding for Development Projects:

CPC can designate a certain amount of its funds for gap funding and predevelopment costs. This makes projects more financially feasible for developers and attracts other funding sources. Brewster Woods project received \$255K in CPC funding in addition to other state, federal and local funding.

7. **APPLICANT INFORMATION** Dennis Affordable Housing Project Funding

8. **Project Title:** Community Housing Grant

9. **Organization Name:** Dennis Affordable Housing Trust (DAHT or Trust)

10. **Address, Telephone, Fax, Email, Website:** c/o Dennis Town Hall, 685 Route 134, South Dennis, MA 02660

Federal Tax ID Number: NA

11. **Primary Contact Person:** Co-Chair Josh Mason, josh.mason@hey.com

12. **Secondary Contact Person:** Co-Chair Coco Raymond, craymond98@icloud.com

APPLICANT BACKGROUND

13. **Brief Applicant History:**

Recognizing the plight of thousands of families in the Commonwealth of Massachusetts who were unable to access affordable housing in their neighborhoods, the State Legislature enacted Section 55C, under Chapter 44 of the General Laws in 2000 to encourage cities and towns to establish an affordable housing trust fund for the express purpose of providing for both the creation, preservation and support of affordable housing for low- and moderate-income families. Dennis voted to assist its low- and moderate-income residents through establishing DAHT in 2006.

In 2021, DAHT contracted with an outside consultant to help develop a **Strategic Plan** (mostly complete) which clarifies roles and objectives to become a more proactive partner with the Town in creating needed affordable housing.

Past Accomplishments

2016. DAHT was given \$350K from the Community Affordable Housing Reserves Fund to purchase existing housing for conversion to deed-restricted affordable rental housing, pursuant to a grant agreement between the Select Board and the Trust. Funds were used to acquire in 2017 74 Swan River Road, West Dennis, a two family, 1,535SF dwelling with both units, after remodeling in 2017, rented to tenants meeting the DHCDs income guidelines necessary for inclusion on the SHI List. The Town Planning Department hired a HC, which allowed the Trust to promote affordable housing opportunities. The Trust arranged for the transfer of town-owned parcel at 98 South Yarmouth Road to Habitat for Humanity. Habitat then built a home for a family with an income at or below 80% of the AMI. The Planning Department also joined Yarmouth in a Ready Renter List program, providing landlords with a

pool of potentially qualified tenants. The Trust helped prioritize development of an expanded Accessory Dwelling Unit (ADU) Bylaw.

2017. DAHT received \$50K from the Community Preservation Affordable Housing Reserves Fund and \$300K from the Undesignated Reserve Fund to acquire in 2018 24 Fiord Drive, South Dennis, a 1,114SF dwelling rented to tenants meeting DHCD's income guidelines necessary for inclusion on the SHI List. There was also \$11,800 transferred from the Community Preservation Affordable Housing Reserves Fund for the HC Position. Habitat for Humanity continued its homeownership program with the Trust's assistance throughout 2017, receiving grant funds for a parcel at Jannell Drive in South Dennis.

2018. The Dennis Housing Authority and the Trust entered into a Municipal Management Agreement to manage the three affordable units owned by the Trust. The SHI List increased 0.7% (4.5% to 5.2%) in affordable properties due to various initiatives, which helped in reaching the state target of 10%. The Trust and the Select Board launched a series of housing education sessions focusing on: the Cape Cod Commission's Housing Report, the MA. General Law Chapter 40B affordable housing statute, and ADU's.

2019. The CPC approved \$300K from the Community Preservation Affordable Housing Reserves Fund to DAHT upon approval at Town Meeting in 2019. The \$300K consisted of two grants for \$175K and \$125K (CPC extended on 1/13/22 for 1 year to 12/31/22). The three rental units acquired by the Trust in 2018 and managed by the Dennis Housing Authority were fully rented out by the end of 2019. The Trust participated in the Town Owned Land Inventory Assessment, making suggestions for suitable parcels. One suggestion included exploring housing options at the Village Improvement Club (VIC) Hall on Depot Street and the adjoining Mill Street property, both in Dennis Port. The VIC Hall site had Phase I and II Environmental Assessments performed due to potential concerns with underground storage tanks. The Assessments were completed (finally) in November 2021 and found no contamination. Community Development Block Grant (CDBG) funds were used to hire a consultant to develop the DAHT Strategic Plan, help with revising the ADU Bylaw, and assist with other activities.

2020. Three notable accomplishments were to revise the HPP and, after many years in planning and construction, completion of the FORWARD at the Rock Phase I and the Dennis Home for Veterans projects. The HPP (a strategy to meet affordable housing needs consistent with the Chapter 40B statute over the next five years) was updated with assistance from the DAHT consultant, Barrett Planning Group; the Select Board approved it 8/10/21 and it was submitted to DHCD for approval. The Veterans Home is a 5-bedroom house for homeless and at-risk veterans overseen by the Cape and Islands Veterans Outreach Center. FORWARD at the Rock is an 8-bedroom not-for-profit supportive housing community for adults with Autism and related disabilities.

2021. The Covid-19 pandemic continued to significantly impact both the Town of Dennis and the DAHT in particular activities. The Trust approved rehiring a HC on a contract basis to be paid from DAHT funds (rental houses income will support). The position was posted 9/29/21 on the Town website and several applications were received. After initial applicants withdrew for various reasons, the posting was revised to increase compensation and hours depending on applicant qualifications and reposted

2/28/22 (hopefully). This current \$400K grant request will be used, in part, to support the HC position. The Columns Project, 16 units with 4 affordable units (2 for sale, 2 for rent) in West Dennis was a primary focus. At its August 2021 meeting, DAHT approved use of \$200K in CPC funds for affordable housing for this project. However, the Fall Town Meeting voted against using \$300K in CPC funds for historic preservation on the exterior only of the project thereby making the project no longer viable as it was currently envisioned. Subsequently, the owner listed the property for sale with closing expected soon. The ADU Bylaw revision continues with likely discussion at the Spring Town Meeting. Additional affordable units added to the SHI List totaled 23 in 2021 from 2 projects – The Crossings (18 rental units) at 47 Route 134 in South Dennis and Maritime Landing (5 sold units) at 601 Route 6A in Dennis. These units were under development for at least several years or more. Dennis now has 426 affordable units on the SHI List as of 11/24/21 representing 5.57% of all units, a long way from 10% the state requires.

2022. DAHT requested and CPC approved on 1/13/22 extension of 2 grants for community housing in the amount of \$125K and \$175K. The grants were extended for 1 year to 12/31/22. DAHT submitted an application with Mass Housing Partnership (MHP), a state non-profit organization engaged in assisting communities with creating affordable housing, on 1/14/22 to obtain technical assistance from MHP on affordable housing for 8 months. Awards from MHP were to be announced in February 2022, but no communication has been received to date. FORWARD at the Rock Phase II (8 additional units) requested and DAHT and CPC approved at a joint meeting 1/31/22 \$65K in CPC community housing funds to be used for pre-development costs like architecture fees, engineering, legal etc. These funds will also help to secure additional bank financing as the project moves forward. Many other projects are in various stages of planning, permitting, completion, etc.

14. Board of Directors, Trustees or Directors (Trustees):

- Joshua Mason, Co-Chair
- Coco Raymond, Co-Chair
- Kate Byron, Trustee
- Kayla Hilts, Trustee
- George Holland, Trustee
- PJ Rainwater, Trustee
- David Winther, Trustee

15. Summary of comparable projects completed:

See above for more information.

PROJECT INFORMATION

- **Rental Assistance**-Dennis has an identified need for rental assistance among residents. Typical rental assistance needed is \$500/month per tenant to make rent affordable (about \$6,000/year per tenant) and it's estimated that Dennis has 1,000 households needing rental assistance.
- **Veterans Housing Assistance**-similar to the recent 5-bedroom Veterans Home built in Dennis with help from the Cape and Islands Veterans Outreach Center (CIVOC) in Hyannis, additional housing as well as rental assistance could be provided to Veterans. The CIVOC serves veterans and their families since 1983 living on the Cape and Islands by assisting them with permanent housing and transitional housing to homeless veterans to enable them to move into permanent housing and independent, productive lives. See <https://capeveterans.com/> for more information.

- **Housing Coordinator Position Funding**-use funds to support HC position, depending on the candidate qualifications and background estimated approximate costs are \$35/hour x 40 hours/week = \$70K annually plus benefits of \$21K (estimated at 30% of salary) for estimated total compensation per year of \$91K.
- **Other Affordable Housing Projects Funding**-support funding of numerous projects from VIC Hall to Improper Bostonian site to Catholic Church property in Dennis Port.

In support of this application, the following DAHT financials are provided.

Dennis Affordable Housing Trust - Consolidated Balance Sheet

Prepared By: David Winther, DAHT Trustee Date Prepared: 2/25/22

	<u>Current Period</u> <u>12/31/21</u>	<u>Prior Period</u> <u>6/30/2021</u>	<u>Comments</u>
<u>Assets</u>			
Cash: *			
DAHT Cash Held by Town of Dennis	\$ 102,402	\$ 103,054	
DAHT Rent Houses Cash Held by Dennis Housing Authority	<u>57,491</u>	<u>43,398</u>	
Total Cash	159,893	146,452	
Security Deposits-Rent Houses	5,365	2,157	
Other Assets	<u>813</u>	<u>2,258</u>	
Total Assets	\$ 166,071	\$ 150,867	
<u>Liabilities</u>			
Accounts Payables	\$ 8,190	\$ 4,787	
Other Current Liabilities			
Debt		0	
Other Long Term Liabilities	<u>-</u>	<u>0</u>	
Total Liabilities	\$ 8,190	\$ 4,787	
<u>Equity:</u>			
DAHT Cash Held by Town of Dennis	\$ 102,402	\$ 103,054	
DAHT Rent Houses Equity	<u>55,479</u>	<u>43,026</u>	
	\$ 157,881	\$ 146,080	
Total Liabilities & Equity	\$ 166,071	\$ 150,867	

Notes: * Cash consists of: (1) Town of Dennis held funds of \$102,402 at 12/31/21 originated in approximately 2008 from the "Shifting Sands" project at 9 Chase Ave, Dennis Port, MA with funds totaling \$221K given to DAHT as stipulated in the Board of Appeals Certificate of Granting of Variance or Special Permit dated 12/30/2005. These funds have declined by remodeling repairs to rent houses and Payroll Expenses (for meeting minute taker) plus Interest Income. (2) Dennis Housing Authority held funds of \$57,491 at 12/31/21 from 2 Rent Houses DHA manages on behalf of DAHT at: 24 Fiord Dr., S. Dennis acquired 4/4/18 i/a/o \$312,500, current monthly rent \$900; 74 Swan River Rd., W. Dennis acquired 7/21/17 i/a/o \$340K, current monthly rent \$1,998.

Dennis Affordable Housing Trust - Consolidated Income Statement

Prepared By: David Winther, DAHT Trustee Date Prepared: 2/25/22

	<u>6 Months</u>	<u>12 Months</u>	
	<u>Ending</u>	<u>Ending</u>	
	<u>12/31/21</u>	<u>6/30/2021</u>	<u>Comments</u>
<u>Income</u>			
Rental Income (1)	\$ 17,388	\$ 27,546	
Other Income	36	<u>50</u>	
Total Operating Income	\$ 17,424	\$ 27,596	
<u>Expenses</u>			
Administrative Salaries	-	1,000	
Management Fees	1,698		
Maintenance Salaries	406	2,275	
Materials & Supplies	8	1,138	
Insurance	1,051	2,905	
Contract Costs	598	2,831	
Utilities	171	851	
Sundry Administrative	269	2,925	
Extraordinary Maintenance	<u>770</u>	<u>850</u>	
Total Operating Expenses	\$ 4,971	\$ 14,775	
Net Operating Income	\$ 12,453	\$ 12,821	

Other DAHT Income/Expenses (2)

Revenue (Interest)	26	140	
Expenses (Payroll)	<u>-678</u>	<u>-511</u>	
	-652	(371)	
DAHT Net Income	\$ 11,801	\$ 12,450	

Notes:

(1) Rent Roll

Monthly Rent

a) 74 Swan River Rd, W. Dennis; 1,535 SF 2 unit rental SFR	\$ 1,998	\$ 1,400	
b) 24 Fiord Drive, S. Dennis; 1,114 SF 1 unit rental SFR	<u>900</u>	<u>895</u>	
Total Rent Roll	\$ 2,898	\$ 2,295	

(2) Source of this income/expense is Town of Dennis Finance Dept. based on DAHT funds they hold. Funds originated in 2008 from "Shifting Sands" project at 9 Chase Ave, Dennis Port with funds totaling \$221K given to DAHT. See Balance Sheet Notes for more info.

