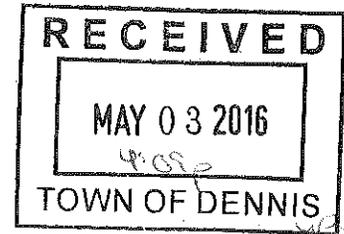


APPLICATION TO  
DENNIS COMMUNITY  
PRESERVATION COMMITTEE



CALENDAR YEAR 2016

**DENNIS AFFORDABLE RENTAL  
HOUSING EXPANSION PROGRAM**

SUBMITTED BY

DENNIS MUNICIPAL AFFORDABLE HOUSING TRUST

May 6, 2016



## **SYNOPSIS**

- 1. PROJECT TITLE:** Dennis Affordable Rental Housing Expansion
- 2. ORGANIZATION NAME:** Dennis Municipal Affordable Housing Trust (DMAHT)
- 3. AMOUNT REQUESTED:** \$350,000
- 4. PURPOSE:** Expansion of Affordable Community Rental Housing
- 5. PROJECT SITES:** Existing sites within existing Dennis neighborhoods

### **6. SYNOPSIS OF PROJECT:**

DMAHT is requesting funding to purchase existing housing stock within existing neighborhoods to create new affordable rental housing stock.

During year 2015, the Trust contracted with a professional housing consultant to provide current status of our community housing situation. A detailed report on that discloses that the affordable housing situation in our Town presents our low and medium income families who are renters with a dire situation wherein rents continue to rise and hundreds of them are forced to spend as much as 50% of their income for rent and utilities.

The report reveals that up to 70% of our low income families earn less than \$35,000 per year. Actually, the median income for renters in Dennis is a shocking \$22,000. Considering that it now requires an monthly income of \$3,920 or \$47,070 annually, to afford the fair market rent (\$1,176) for a two bedroom home here, many families are forced to spend such a large portion of their income on housing that they must skimp on food, clothing, transportation, etc.

The new report suggests that one of the most attractive options available to help expand the affordable housing inventory in Dennis is through conversion of existing stock to units that are deeded in perpetuity as affordable. Fortunately, the MLS inventory presently shows over 15 single family homes available for sale at under \$250,000. The funding requested will facilitate the purchase of at least two single family homes that can be added to the SHI inventory and assist at least two low income families who are struggling with exorbitant rental costs.

Note: The Trust (DMAHT) is empowered by its charter to purchase and hold real property.



## **APPLICANT INFORMATION**

- 7. PROJECT TITLE:** Dennis Affordable Rental Housing Expansion
- 8. ORGANIZATION NAME:** Dennis Municipal Affordable Housing  
Trust (DMAHT)
- 9. ORGANIZATION ADDRESS:** Dennis Town Hall  
685 Route 134  
South Dennis, MA 02660  
Phone: 508 - 394 – 8300  
E-mail: town.dennis.ma.us
- 10. FEDERAL TAX I.D.:** Not applicable
- 11. CONTACT PERSON:** James Kyrimes Phone: 646 - 842 - 0504

## **APPLICANT BACKGROUND**

### **12. BRIEF APPLICANT HISTORY**

Voters of the Town of Dennis created the Dennis Municipal Affordable Housing Trust under Massachusetts law in May 2007. Subsequently, the Trust Board produced a very comprehensive needs assessment document and also prepared a housing production plan for the Town that was intended to enable the Town to meet its mandated (Town of Dennis Comprehensive Plan) goal of achieving 10% of housing designated as affordable. The Housing Production Plan has been approved by the Massachusetts Department of Housing and Community Development and can be implemented as quickly as funding becomes available. To date, the Trust has been able to complete the construction of only two units.

In November 2012, the Trust was awarded a CPC grant of \$300,000 for the implementation of an emergency program designed to assist low and moderate income Dennis families with rental assistance payments. This program is no longer operational and merits renewal which is being sought in a separate application.



### **13. NAMES OF TRUSTEES:**

- James Kyrimes, Chair jkyrimes@comcast.net
- Margaret (Peggy) McAloon, Vice Chair PeggyMcAlo@comcast.net
- Ralph Cox phinnzee@comcast.net
- George Holland geholland@comcast.net
- PJ Rainwater rainey@capecod.net
- (2 vacancies exist)

### **14. SUMMARY OF COMPARABLE PROJECTS COMPLETED**

To date, DMAHT has completed two single family home construction projects in collaboration with Habit for Humanity.

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## **PROJECT INFORMATION**

### **15. PROJECT CONCEPT**

The DMAHT Affordable Rental Housing Program will provide funding for the open-market purchase of existing housing stock. The units will be chosen based upon a selective competitive procurement process in accordance with MGL 30 (b).

DMAHT will go out for bid for the purchase of housing units in the Town of Dennis only. The Trust will target units of particular interest based upon their adaptability as an affordable rental and integration into the existing neighborhood. The Trust will prioritize small multi-unit properties, including duplexes and houses with in-law apartments or small cottages. The Trust will not purchase condominium units due to the uncertainty of future condo fees. No property will be considered if it is presently deed restricted for affordable housing.

Project Selection: In conformity with all relevant protocols governing the purchase of real estate by the Town and with the assistance of real estate professionals, the Trust will publish advertisements for an RFP to purchase property. The Trust will meet with Dennis realtors at an MLS tour to explain the program and answer questions. The Trust will also contact realtors



with units that are of particular interest and request that such units be offered for Trust consideration.

Following the application deadline each offered property will be scored by Trust members as Highly Advantageous, Advantageous or Unacceptable. Criteria published in the RFP will be the guide for scoring. Trust members will visit and further score each home classified as Highly Advantageous and Advantageous, using a score sheet that evaluates systems, code violations, deferred maintenance, adaptability and flexibility. Lastly, a recommendation to purchase the property will be made by the Trust.

The Trust will not work with a realtor but use an attorney with significant housing and MGL 30(b) experience. The Trust will make offers to purchase real estate that is below the assessed value of the property, with contingencies. Once a purchase and sale agreement has been negotiated the Trust will hire a local licensed Construction Supervisor with rental housing experience to go to each property and conduct an inspection, using HUD Form 52580 to evaluate each room and every system. That individual will be required to provide a "Work Write-up and Property Evaluation" within ten (10) business days. In addition, a lead paint test will be conducted in every property. Summarily, the Trust will evaluate the recommendations and reports and determine whether to move ahead with a purchase, or to decline to purchase. As a final step, the Trust will seek the approval of the Board of Selectmen for the planned purchase.

Matching Funds: DMAHT - \$150,000

Management of Housing Units: The Trust will issue an RFP to local non-profit housing organizations to manage the rental units, including maintenance. Non-profits will be evaluated in a competitive process, based upon their record of quickly turning over units, complying with funding source regulations, over-all occupancy rates, and maintenance of other properties and overall approval of past tenants.

The Management entity will provide a comprehensive report to the Trust on an annual basis and will be required to inform the Trust when vacancies occur. The management agreement will include a management fee to be drawn from the monthly rental income and will require Replacement Reserves for future property maintenance.

Following the conclusion of purchase arrangements, a deed restriction will be recorded in the Registry of Deeds to insure the affordability of the property in perpetuity. The unit will then be added to DHCD's Subsidized Housing Inventory, providing credit toward the Town's housing creation goals, as established with the Dennis Housing Production Plan.

Tenant Selection Plan: The Trust will partner with a local housing non-profit to conduct Affirmative Marketing and Outreach. Based upon a full application and income qualification, a



lottery will be conducted. This includes third-party income qualification. After the initial lottery date, prospective tenants will be placed on a ready list as their qualification is then complete.

There will be a local preference pool in the Affirmative Fair Housing Marketing Plan. The maximum extent allowed by law is 70%. Local will be defined as a current Dennis resident, municipal employee and/or employee of a Dennis business, or households with children enrolled in a Dennis school.

All units will be rented to households earning at or below 60% of median income, in certain cases, tenants will be earning less than 30% of median income. Rents will be charged on a sliding scale basis with 30% of household's gross income allocated for rent and utilities. A one year lease will be signed that stipulates no smoking and limits the number of persons who may occupy the unit. Annual recertification of income will be required of all tenants. Rents will be adjusted annually based upon the verification of household income.

Example: *A single parent and school aged child is a household/family of two. The family Has a gross annual income of \$34,000 which places them under the 60% median level of \$34,130. Note: \$34,130 represents a full year, 40 hours a week job paying approximately \$16.41 hourly. This family, based on affordability formulas, can afford monthly rent/lease payments totaling \$853.*

## **16. PROJECT GOALS / OBJECTIVES**

Goal: To mitigate the affordable rental housing crisis and create new affordable rental housing for Dennis low and moderate income families.

Objective: To purchase existing housing units in established neighborhoods at or below assessed value that will be converted to deed restricted affordable rental housing.

## **17. LEGAL ISSUES/RAMIFICATIONS/IMPEDIMENTS**

None

## **18. ACCOMPLISHMENT OF GOALS/OBJECTIVES OF CPA CRITERIA**

- Reuse existing buildings
- Increase the number of units in the Town's affordable rental housing inventory
- Convert market rate housing units to affordable
- Promote the use of existing units in established neighborhoods



- Ensure affordability in perpetuity
- Maintain character of existing neighborhoods

## 19. RELEVANCY TO CURRENT AND FUTURE NEEDS OF DENNIS

The Town of Dennis has a total of 14,819 housing units. 36.7% of these homes are owner occupied and 10% are renter occupied. 50.3% of our housing stock is used seasonally. This contrasts dramatically with the Massachusetts average of only 40% of a town's homes being renter occupied.

In a survey of local housing organizations, there appears to be more than 500 Dennis households seeking an affordable rental at the present time. We believe this figure is grossly understated.

Some of these residents are known to be staying with family, while others are living with friends, in basements, homeless shelters and motels. The wait list at the Dennis Housing Authority is very extensive as well. By far the vast majority of them are living in rentals, the cost of which exceeds 30% of their income and impacts expenditures for other life necessities.

This shortage of affordable rental housing is now impacting our labor force, our schools, our employers and our future growth. Between 2000 and 2010, Cape Cod lost 6,342 residents. In Barnstable County, there was a decline of over 4,000 families, mainly from Dennis and Harwich.

This critical shortage of affordable rental housing is now impacting our schools, local employers and our future. Experts attribute these losses to:

- Shortage of affordable rental housing
- Lack of "good-paying" year-long jobs
- The high cost of living on Cape Cod

The I.R.S. reports that average income in Dennis was down 18% in a single year. Moreover, wages have grown at a much slower rate than the state and nation with the average wage on Cape Cod 29.9% lower than the Massachusetts average and 13.6% lower than national average. The village of Dennis Port has a median income that is 31% lower than the national average and includes 12.3% of families living below the poverty level and was recently declared an economic crisis area by Federal Housing Authorities.

**The cost of living in Barnstable County is the second highest in all of Massachusetts, 15% higher than Boston. In fact, 24.2% of Barnstable County residents are classified as "working poor" households.**

For social and economic reasons it is critical, indeed, vital that we find ways to keep our families and younger people here in Dennis. This is our workforce and our future. Providing affordable rental housing will promote a socio-economic environment that encourages diversity of income, ethnicity, age and religion. This is in complete harmony with the goals of the Community Preservation Act.



## **20. HOW THIS PROJECT RELATES TO THE DENNIS LOCAL COMPREHENSIVE PLAN**

The Dennis Local Comprehensive Plan includes a clear mandate to the Town to promote the provision for fair, decent, safe, affordable housing for rental or purchase that will meet the needs of present and future Dennis residents and states that the Town shall seek to raise its affordable housing inventory to equal 10% of all year-round units.

The Trust has prioritized other specific housing creation projects to include:

- Creation of a Rental Assistance Program for low and moderate income families

## **PROJECT IMPLEMENTATION AND BUDGET**

### **21. TOTAL CPA FUNDING REQUEST: \$350,000**

### **22. LINE ITEM BUDGET:**

Real Estate Direct Purchases	400,000
Legal Fees	13,000
Recording Fees – Deed Restrictions	2,000
Property Inspections	5,000
Rehabilitation of Units	80,000
<b>Total Costs</b>	<b><u>500,000</u></b>

### **23. EVIDENCE OF INTEREST FROM POTENTIAL LENDERS**

Not applicable

### **24. FUNDING SOURCE(S)**

CPC and DMAHT



## **25. SOURCES AND USES OF FUNDS**

<b>Sources:</b> CPC, Town of Dennis	<b>350,000</b>
DMAHT	<b>150,000</b>
<b>Uses:</b> Housing Purchases and Related Expenses	
<b>Total Uses</b>	<b>500,000</b>

## **SUPPORT DOCUMENTS**

### **26. LETTERS OF SUPPORT**

See Addenda

### **27. REFERENCES**

Richard White, Town Administrator  
Dennis Town Hall  
685 Route 134  
P.O. Box 2060  
South Dennis, MA 02660  
Phone: 508 – 394 – 8300

### **28. OTHER RELEVANT MATERIALS**

- Local Endorsements
- National Low Income Housing Coalition Data Sheets
- Comprehensive Evaluation of Year 1 of Program 1

### **29. COPY OF MOST RECENT FORM 990**

Not Applicable

### **30. CERTIFICATE OF NON-COLLUSION**

Addenda



**CERTIFICATE OF NON-COLLUSION**

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals.

JAMES KATZIMES CHAIRMAN 28 APR 2016  
Signature Title Date

~~TRINIS~~ MUNICIPAL AFFORDABLE HOUSING TRUST  
(Name of organization or business)

JAMES KATZIMES JAMES KATZIMES  
(Organization President, CEO, or legally authorized agent) Signature

28 APR 2016  
(Date of Signature)





## Dennis-Yarmouth Regional School District

Administration Center

296 Station Avenue

South Yarmouth, Massachusetts 02664-1898

Telephone (508) 398-7600

Fax (508) 398-7622

April 30, 2015

Dennis Municipal Affordable Housing Trust  
Dennis Town Hall  
P.O. Box 2060  
South Dennis, MA 02660

To Whom It May Concern:

The Dennis-Yarmouth Regional School District recognizes the severity of the housing crisis in our towns. Housing concerns affect not only our ability to recruit and retain qualified teachers and staff, but housing also affects our students. When home life is challenging due to unstable or unaffordable housing, this has the possibility of adversely affecting school life as well.

We applaud the Dennis Municipal Affordable Housing Trust efforts. An increase in community housing opportunities serves the entire community.

Sincerely,

Carol A. Woodbury  
Superintendent of Schools

CAW:mb



# **Society of Saint Vincent DePaul**

Holy Trinity Conference

P O Box 428

West Harwich, MA 02671

May 2, 2013

Dennis Municipal Affordable Housing Trust  
Dennis Town Hall  
P.O. Box 2060  
South Dennis, MA 02660

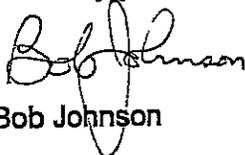
Dear Members of the Trust:

My name is Bob Johnson and I am President of the Society of St. Vincent de Paul at Holy Trinity Catholic Church in West Harwich. Our mission is to seek and find the forgotten, the suffering, or the deprived so that we may bring them the love of Jesus Christ. Our thirty-two members respond every day of the year to requests for help by making home visits to the needy of Harwich, Dennisport and South Dennis.

In recent years, rental assistance has become the number one request we receive and yet we have noticed little softening in rental prices despite a persistent reduction in the cost of purchasing and leasing rental property. Nonetheless, for the needy among us, the cost of purchasing a home, even an affordable unit, is not as manageable as seeking a reasonably priced rental. In fact, renting is emerging as a desirable alternative at all levels of our society for its easy entry and flexibility.

We support your efforts to promote more affordable rentals in the Town of Dennis to not only serve its citizens but to achieve a 10% inventory of affordable housing units. Lacking sufficient federal and state funding to meet the need for subsidized rentals, the use of Community Preservation Funds is an appropriate and greatly needed support for those struggling to achieve economic viability on the Cape.

Sincerely yours,



Bob Johnson

**HANDS OF HOPE OUTREACH CENTER**  
**49 RT 28 PO BOX 387 WEST HARWICH, MA 02671**  
**508-432-1312 churcheshoh@comcast.net**

May 5, 2014

Ralph Cox  
Dennis Affordable Housing Trust  
PO 1206  
South Dennis, MA 02260

Hands of Hope Outreach Center of the Cape Cod Council of Churches has helped Dennis residents with financial assistance to prevent eviction and foreclosure for years. Many of our Dennis applicants are long time residents who work in lower paying jobs or seasonally. It can be very difficult for these residents to sustain market value rents, and or save the funds needed for down payments for new leases and security deposits.

Hands of Hope recognizes the efforts of the Dennis Affordable Housing Trust and the opportunities for rental subsidy assistance and affordable housing they strive to provide to low income Dennis residents. We find their proposals to the Town commendable and we look forward to working alongside them in the future.

Sincerely,

  
Catherine Driscoll, Director

# **Dennis Housing Authority**

~~167 Center Street~~  
~~South Dennis, MA 02660~~

Tel: (508) 394-312 Fax: (508) 760-2352  
TTD: (800) 439-2370

May 8, 2013

Community Preservation Committee  
Town of Dennis  
P.O. Box 2060  
485 Main Street  
South Dennis, MA 02660

To Whom It May Concern,

The Dennis Housing Authority fully supports the Dennis Municipal Affordable Trust initiatives and the expansion of affordable housing.

We recognize there is a need to expand the supply of affordable housing stock in the Town of Dennis; therefore we give our full support to this program.

The Dennis Housing Authority is available to help out in any of the programs.

Sincerely,



Nancy Friend  
Executive Director  
Dennis Housing Authority

**NATIONAL LOW INCOME HOUSING COALITION- OUT OF REACH 2014-  
BARNSTABLE COUNTY**

In Barnstable County, the Fair Market Rent (FMR) for a two bedroom apartment is \$1,176. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$3,920 monthly or \$47,040 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into the following Housing Wage:

**\$22.62**

In Barnstable County, a minimum wage worker earns an hourly wage of \$8.00. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 113 hours per week, 52 weeks per year. Or, a household must include 2.8 minimum wage earners working 40 hours per week year-round in order to make the two bedroom FMR affordable.

In Barnstable County, the estimated mean (average) wage for a renter is \$10.67 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 85 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 2.8 worker(s) earning the mean renter wage in order to make the two bedroom FMR affordable.

Monthly Supplemental Security Income (SSI) payments for an individual are \$721 in Barnstable County. If SSI represents an individual's sole source of income, \$216 in monthly rent is affordable, while the FMR for a one-bedroom is \$877.

A unit is considered affordable if it costs no more than 30% of the renter's income.

<b>Number of Households (2008-2012)</b>	<b>Barnstable County</b>
Total	95,520
Total Renter	19,213
% Renter	20%

<b>2012 Annual Median Income (AMI) (1)</b>	<b>Barnstable County</b>
Annual	\$74,900
Monthly	\$6,242
30% of AMI (2)	\$22,470

<b>Maximum Affordable (3) Monthly Housing Cost by % of Family AMI</b>	<b>Barnstable County</b>
30%	\$562
50%	\$936
80%	\$1,498
100%	\$1,873

**NATIONAL LOW INCOME HOUSING COALITION- OUT OF REACH 2014-  
BARNSTABLE COUNTY**

<b>2014 Fair Market Rent (FMR) (4)</b>	<b>Barnstable County</b>
Zero-Bedroom	\$787
One-Bedroom	\$877
Two-Bedroom	\$1,176
Three-Bedroom	\$1,538
Four-Bedroom	\$1,615

<b>Annual Income Needed to Afford FMR</b>	<b>Barnstable County</b>
Zero-Bedroom	\$31,480
One-Bedroom	\$35,080
Two-Bedroom	\$47,040
Three-Bedroom	\$61,520
Four-Bedroom	\$64,600

<b>2014 Renter Household Income</b>	<b>Barnstable County</b>
Estimated Median Renter Household Income (5)	\$34,130
Percent Median Renter Income Needed to Afford 2 BR FMR	138%
Rent affordable at Median Renter Income	\$853
Percent Renters Unable to Afford 2 BR FMR (6)	61%

<b>2014 Renter Wage</b>	<b>Barnstable County</b>
Estimated Mean Renter Wage (7)	\$10.67
Rent Affordable at Mean Wage	\$555

<b>2014 Minimum Wage</b>	<b>Barnstable County</b>
Minimum Wage	\$8.00
Rent Affordable at Minimum Wage	\$416

<b>2014 Supplemental Security Income (SSI)</b>	<b>Barnstable County</b>
Monthly SSI Payment	\$721
Rent Affordable at SSI	\$216

**NATIONAL LOW INCOME HOUSING COALITION- OUT OF REACH 2014-  
BARNSTABLE COUNTY**

<b>Housing Wage</b>	<b>Barnstable County</b>
Zero-Bedroom	\$15.13
One-Bedroom	\$16.87
Two-Bedroom	\$22.62
Three-Bedroom	\$29.58
Four-Bedroom	\$31.06

<b>Work Hours/Week at Minimum Wage Needed to Afford FMR</b>	<b>Barnstable County</b>
Zero-Bedroom	76
One-Bedroom	84
Two-Bedroom	113
Three-Bedroom	148
Four-Bedroom	155

<b>Work Hours/Week at Mean Renter Wage Needed to Afford FMR</b>	<b>Barnstable County</b>
Zero-Bedroom	57
One-Bedroom	63
Two-Bedroom	85
Three-Bedroom	111
Four-Bedroom	116

<b>Full-time Jobs at Minimum Wage Needed to Afford FMR</b>	<b>Barnstable County</b>
Zero-Bedroom	1.9
One-Bedroom	2.1
Two-Bedroom	2.8
Three-Bedroom	3.7
Four-Bedroom	3.9

<b>Full-time Jobs at Mean Renter Wage Needed to Afford FMR</b>	<b>Barnstable County</b>
Zero-Bedroom	1.4
One-Bedroom	1.6
Two-Bedroom	2.1
Three-Bedroom	2.8
Four-Bedroom	2.9

**NATIONAL LOW INCOME HOUSING COALITION- OUT OF REACH 2014-  
BARNSTABLE COUNTY**

**FOOTNOTES:**

- (1) Fiscal Year 2014 Area Median Income (HUD, 2013).
- (2) Annual income of 30% of AMI or less is the federal standard for Extremely Low Income Households. Does not include HUD-specific adjustments.
- (3) "Affordable" rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs- rent and utilities.
- (4) Fiscal Year 2014 Fair Market Rent (HUD, final as of October 1, 2013).
- (5) American Community Survey (ACS) 5 year 2008-2012 median renter household income, projected to 2013 using HUD's income adjustment factor and through 2014 based upon AMIs.
- (6) Estimated by comparing the percent of renter median household income required to afford the two-bedroom FMR to the percent distribution of renter household income as a percent of the median within the state, as measured using 2012 American Community Survey Public Use Microdata Sample housing file.
- (7) Based on 2012 Bureau of Labor Statistics data, adjusted using the ratio of renter to total household income reported in ACS, and projected to April 1, 2014.



# FY 2015 FAIR MARKET RENT DOCUMENTATION SYSTEM

## The Final FY 2015 Dennis town FMRs for All Bedroom Sizes

The following table shows the Final FY 2015 FMRs by unit bedrooms for Dennis town, Massachusetts.

Final FY 2015 FMRs By Unit Bedrooms				
Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$825	\$920	\$1,234	\$1,614	\$1,695

[Click Here for FY2014 FMRs](#)

FY 2015 FMR areas continue to use the revised Office of Management and Budget (OMB) area definitions that were first issued in 2003 along with HUD Defined Metropolitan Areas (HMFAs) as described in the FY2011 FMR documentation, which can be found at [\(Dennis town FY2011 FMR Documentation system\)](#). Although OMB issued new Metropolitan area definitions in February 2013, the Census Bureau did not incorporate these definitions into the 2012 American Community Survey (ACS) data. No changes have been made to these OMB-defined areas since the publication of Final FY2011 FMRs.

Dennis town, Massachusetts is part of the Barnstable Town, MA MSA, which is comprised of the following towns: Barnstable Town city (Barnstable County), Massachusetts; Bourne town (Barnstable County), Massachusetts; Brewster town (Barnstable County), Massachusetts; Chatham town (Barnstable County), Massachusetts; Dennis town (Barnstable County), Massachusetts; Eastham town (Barnstable County), Massachusetts; Falmouth town (Barnstable County), Massachusetts; Harwich town (Barnstable County),

Massachusetts; Mashpee town (Barnstable County), Massachusetts; Orleans town (Barnstable County), Massachusetts; Provincetown town (Barnstable County), Massachusetts; Sandwich town (Barnstable County), Massachusetts; Truro town (Barnstable County), Massachusetts; Wellfleet town (Barnstable County), Massachusetts; and Yarmouth town (Barnstable County), Massachusetts. All information here applies to the entirety of Barnstable Town, MA MSA.

### Fair Market Rent Calculation Methodology

[Show/Hide Methodology Narrative](#)

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2008-2012 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2015.  
In areas where the 2008-2012 5-year ACS 2-bedroom adjusted standard quality gross rent estimate is less than its respective margin of error, the state non-metro estimate of 2-bedroom adjusted standard quality gross rent is used.
2. HUD calculates a recent mover adjustment factor by comparing a 2012 1-year 40th percentile recent mover 2-bedroom rent to the 2008-2012 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates has a margin of error that includes zero, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
4. Rents are calculated as of December 2013 using the relevant (regional or local) change in CPI from annual 2012 to annual 2013 as well as the change in national CPI from annual 2013 to December 2013.
5. All estimates are then trended from December 2013 to April 2015 (15 months) with a trending factor of 2.29999% per year.

6. The FY2015 FMR is then calculated by multiplying the base rent, the recent mover adjustment factor, the CPI adjustment, and the trend factor.
7. FY2015 FMRs are then compared to a state minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the state minimum.

**The results of the Fair Market Rent Step-by-Step Process**

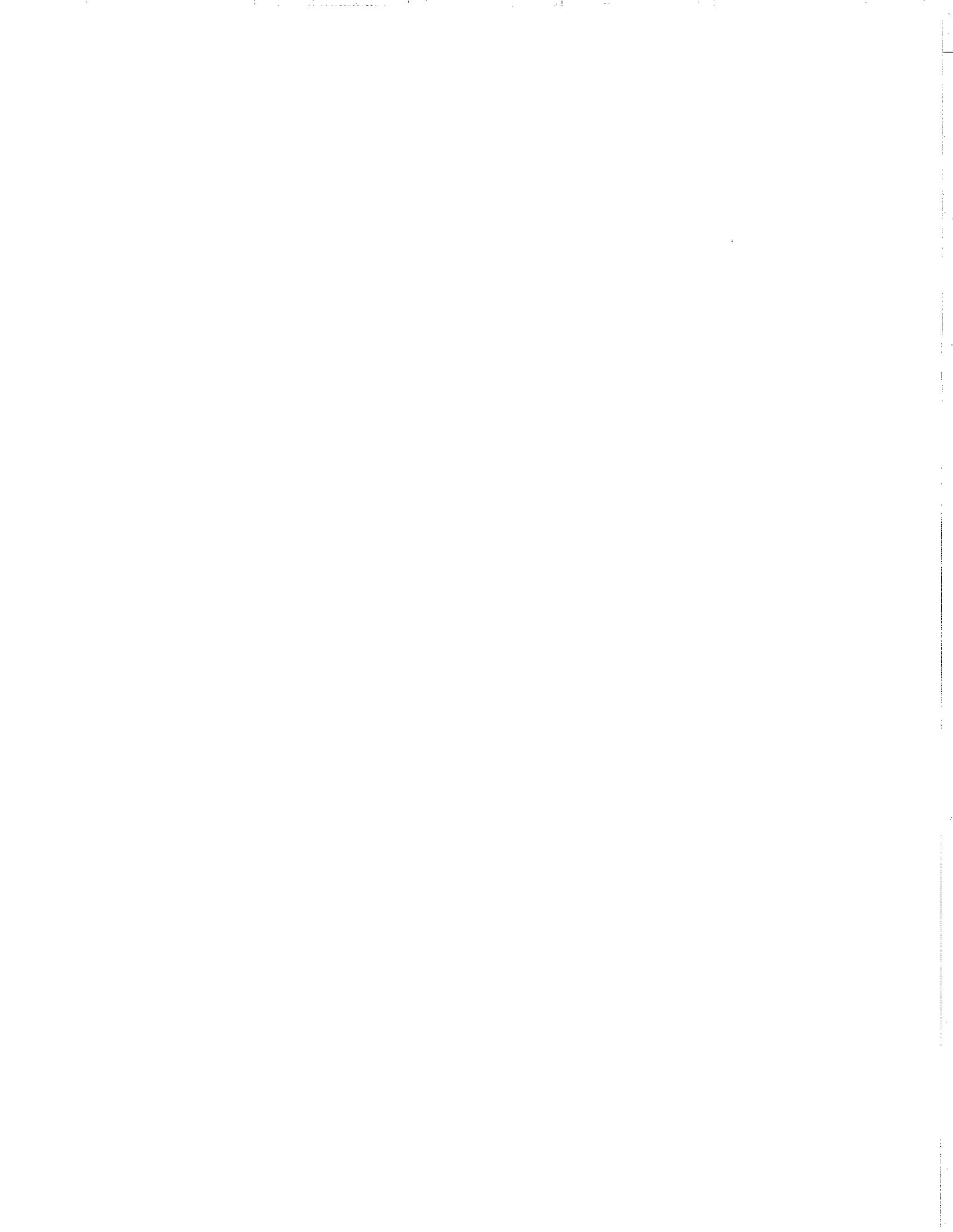
1. The following are the 2012 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Barnstable Town, MA MSA. The following calculations are based on data for the entirety of the OMB-defined metropolitan area of Barnstable Town, MA MSA.

Area	ACS <sub>2012</sub> 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS <sub>2012</sub> 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Result
Barnstable Town, MA MSA	\$1,133	\$34	\$34 / \$1,133 = 0.03	0.03 < 1 Use ACS <sub>2012</sub> 5-Year Barnstable Town, MA MSA 2-Bedroom Adjusted Standard Quality Gross Rent

Since the ACS<sub>2012</sub> Margin of Error Ratio is less than 1, the ACS<sub>2012</sub> Barnstable Town, MA MSA value is used for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent:

Area	ACS <sub>2012</sub> Rent
Barnstable Town, MA MSA	\$1,133

2. A recent mover adjustment factor is applied based on the smallest area of geography which contains



6. The FY2015 FMR is then calculated by multiplying the base rent, the recent mover adjustment factor, the CPI adjustment, and the trend factor.
7. FY2015 FMRs are then compared to a state minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the state minimum.

**The results of the Fair Market Rent Step-by-Step Process**

1. The following are the 2012 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Barnstable Town, MA MSA. The following calculations are based on data for the entirety of the OMB-defined metropolitan area of Barnstable Town, MA MSA.

Area	ACS <sub>2012</sub> 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS <sub>2012</sub> 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Result
Barnstable Town, MA MSA	\$1,133	\$34	\$34 / \$1,133=0.03	0.03 < 1 Use ACS <sub>2012</sub> 5-Year Barnstable Town, MA MSA 2-Bedroom Adjusted Standard Quality Gross Rent

Since the ACS<sub>2012</sub> Margin of Error Ratio is less than 1, the ACS<sub>2012</sub> Barnstable Town, MA MSA value is used for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent:

Area	ACS <sub>2012</sub> Rent
Barnstable Town, MA MSA	\$1,133

2. A recent mover adjustment factor is applied based on the smallest area of geography which contains



Area	Ratio	Recent-Mover Adjustment Factor
Barnstable Town, MA MSA	\$1,168 / \$1,133 =1.0309	1.0309 > 1.0 Use calculated Recent-Mover Adjustment Factor of 1.0309

4. The calculation of the relevant CPI Update Factors for Barnstable Town, MA MSA is as follows: HUD updates the 2012 intermediate rent with the ratio of the annual 2013 local or regional CPI to the annual 2012 local or regional CPI to establish rents as of 2013. HUD then updates this 2013 annual CPI with the ratio of the December 2013 national CPI to the annual 2012 national CPI to establish rents as of December 2013.

Update Factor	Type
CPI Update Factor	1.0268 Regional CPI

5. The calculation of the Trend Factor is as follows: HUD applies an additional 15 months of trending to update rents to April, 2015, the mid-point of FY 2015. This trend factor is determined by taking the average annual growth rate in the national 1-Year Median Gross Rent between the 2007 and 2012 American Community Surveys.

ACS2007 U.S. 1-Year Median Gross Rent	ACS2012 U.S. 1-Year Median Gross Rent	Average Annual Change in U.S. 1-Year Median Gross Rent	Trend Factor 2.2999% for 1.25 years
\$789	\$884	(\$884 / \$789) 1/5=(1.1204) 1/5=1.022999	1.022999 <sup>1.25</sup> =1.028831

6. The FY 2015 2-Bedroom Fair Market Rent for Barnstable Town, MA MSA is calculated as follows:

Area	ACS2012	Recent-Mover	Annual 2012 to	Trending	FY 2015
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