



How Communities Can Accelerate Housing Production while  
addressing roadblocks, NIMBY, misinformation, and more

January 24, 2025

*Alex Morse, Provincetown Town Manager*


# Provincetown Housing Strategies outline

- **Housing Trusts and Workshop Model**
- **Current projects in pipeline**
- **Funding sources**
- **Local incentives and property tax exemptions**
- **Zoning**
- **Public property inventory, reuse**
- **Sewer expansion related to housing efforts**
- **Short-term rentals**
- **Year-round deed restriction program**
- **Seasonal worker housing efforts**
- **Regional collaboration**

## Housing Workshop Model

- Provincetown has convened Housing Workshops that bring together the Select Board, the Community Housing Council, the Year-Round Market Rate Housing Trust, and the Planning Board on a regular basis.

# Housing Workshop Goals

- Increase collaboration and partnership amongst the boards.
  - Discuss where and how to focus the Town's housing resources.
  - Fully grasp and understand existing housing efforts & programs.
  - Explore Annual Town Meeting articles to advance our shared housing goals.
  - Overall objectives of the Housing Workshop are to discuss housing goals, priorities, and strategies.
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## **Provincetown Housing Trusts**

# Community Housing Council

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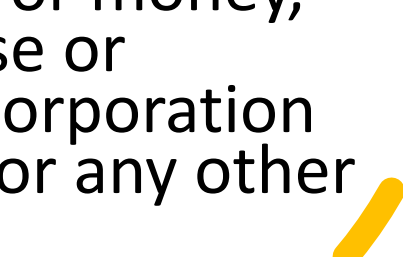
# Affordable Housing Trust

The CHC's mission is to foster the development of Affordable / Community housing programs and opportunities that support socio-economic diversity. Can support up to 100% AMI through funding from inclusionary zoning in-lieu fees, donations, & CPA.

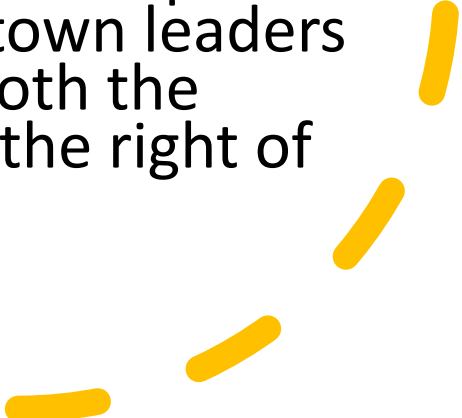




# Provincetown's Year-Round Market Rate Housing Trust

- The Trust's mission is to create year-round market rate rental housing focused on 80% AMI to 200% AMI to address the housing crisis. Currently funded by rent receipts from Harbor Hill.
  - Under Special Legislation that allows to be separate and apart from the General Fund of the Town of Provincetown.
  - The trust is allowed to accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity or any other source.
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# Provincetown's Year-Round Market Rate Housing Trust

- **The YRMRHT was a Home Rule Petition.** It was passed in 2016. This Trust is unique in the Commonwealth, allowing Provincetown to use town funds and private funding to pay for the cost of market rate housing. The focus is to help people find housing who make between 80% and 200% AMI.
  - **Statute also allows the Town to change the definition of what market rate is, if it so chooses.** This was a change that occurred after 2016. The legislation as first drafted and passed did not define market rate, so the town leaders worked with State to established both the initial limits of 80 – 200% AMI and the right of the Town to alter it.
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## Harbor Hill (YRMRRT Property)

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- 28 units of market-rate housing
  - 1 studio
  - 4 one-bedrooms
  - 22 two-bedrooms
  - 1 three-bedroom
- Provincetown residents earning between 80% and 200% Area Median Income
- Rents range from \$1200 - \$2900/month



## Workshops have led to slate of Housing Articles at Special & Annual Town Meetings

- Approved Home Rule Petition to amend rooms tax receipts distribution to dedicate a category to housing efforts.
- Amended zoning bylaw to allow for 4 stories for inclusionary housing projects in the General Commercial District.
- Adopted 3% community impact fee for professionally managed STRs.
- Amended inclusionary zoning in-lieu fee to increase the payment to match cost of building a unit.
- Approved \$1.575M to purchase private property for future housing development .
- Approved funds to hire development consultants to look at potential for housing development at town-owned sites (Route 6, VMCC, Firehouse #2, 30 Creek Rd.).



## Workshops led to slate of Housing Articles at Special & Annual Town Meetings

- **Approved \$3,000,000** to fund Town's commitment to The Community Builders project at 3 Jerome Smith Road. (This revenue was from lodging taxes – not property taxes)
- **Approved \$325,000** to fund conversion of Firehouse #2 to Town employee housing.
- **Approve \$100,000** to fund seasonal employee **transportation pilot**.
- Approved home-rule petition to allow Provincetown's Year-Round Market Rate Rental Housing Trust to acquire year-round housing occupancy restrictions.
- Approved expansion of Residential tax exemption for year-round rentals.

# Provincetown leading the way

**8.03% Subsidized Housing  
Inventory Units**

## **Affordable Housing Units**

*The Massachusetts Subsidized Housing Inventory is used to measure a community's stock of low- or moderate-income housing for the purposes of M.G.L. Chapter 40B, the Comprehensive Permit Law, which encourages communities to have 10% of their housing stock be affordable for low- to moderate-income households. While housing developed under Chapter 40B is eligible for inclusion on the inventory, other types of housing also qualify to count toward a community's affordable housing stock.*

## SUBSIDIZED HOUSING INVENTORY UNITS



**8%** of housing units

*(Numbers are from EOHLC as of June 29, 2023 and subject to change)*





# Housing Needs Assessment

- To better understand the housing needs of the Provincetown community and guide decisions about how to allocate scarce resources when it comes to current and future decisions about housing programs, policies, and developments, the Town of Provincetown enlisted the UMass Donahue Institute (UMDI) to conduct a housing needs assessment.
- Part of their research involved a community survey which was open to:
  - Current residents of Provincetown
  - Former residents of Provincetown
  - Anyone who works in Provincetown
  - Anyone with children in Provincetown schools
  - Anyone who owns or operates a business or non-profit in Provincetown
- In total 1,700 individuals and business owners completed the survey. The response is notable given that the Town of Provincetown has a population of 3,600.



# Housing Needs Assessment

- **Key findings from the housing needs assessment include:**
  - Across all survey respondents, \$2,000 was the median monthly amount that households could afford to dedicate to housing expenses, after covering other essential expenses (e.g. food and childcare).
  - The survey identified over 400 respondents who were housing insecure.
  - Only eight percent of survey respondents indicated that they were on local housing waitlists, however, 40 percent (408 respondents) indicated that they would be interested in living in housing owned by the Town of Provincetown.
  - Among those who are housing insecure, incomes at all levels are represented. Thus, housing developed by the Town should be mixed income, when financing allows.
  - There was strong interest in both rental and homeownership opportunities, therefore the Town should consider increasing the number of homeownership opportunities with a local-preference at incomes between 80 to 200 percent of AMI.
  - Renters and service industry workers continue to face extreme housing cost burdens and lower incomes,.
  - Ensuring that there is affordable housing available to workers in public and private industry is essential.



# Housing Projects in the Pipeline: Attainable Housing for All Income Levels

- **40B Affordable Housing - TCB Project at 3 Jerome Smith for 65 units:** Awarded funding in the first round, Groundbreaking Ceremony held in June 2024 with an approved and permitted early construction start commencing. Town worked with developers to acquire adjacent private property to expand project.
- **Home ownership opportunities - 26 Shank Painter (former Police Station):** The Town is working with a developer to build 40 condo units at this site, 30 of which will be affordable and below market prices.
- Town purchased 3 private parcels over the last two years, 288A Bradford Street (\$1.47M) and 22 & 24 Nelson Avenue (\$2M). Working with community to envision type of housing.
- **Private Seasonal & Year-Round Development - The Barracks:** Settlement reached, ZBA approved minor modification. Waiting for groundbreaking. \$1.3 soft commitment approved by Select Board.
- **Affordable Housing - Maushope Expansion:** Development consultant under contract, Provincetown Housing Authority awaiting results of feasibility study, working with sewer team.

Former  
VFW  
Property at  
3 Jerome  
Smith Road





HOUSING

# State Awards \$29 Million for Jerome Smith Apartments



## Unit Mix

30% AMI	13
60% AMI	32
80% AMI	16
<u>Market rate:</u>	<u>4</u>
 Total:	 65

Apartment Type	Average Unit Size (SF)	Unit Count	Percentage by Type
Studio	~530	18	28%
1-Bedroom	~605	32	49%
2-Bedroom	~930	10	15%
3-Bedroom	~1,070	5	8%
<b>TOTAL</b>		<b>65</b>	<b>100%</b>





**Former VFW  
Property at 3  
Jerome Smith  
Road**



## 26 Shank Painter Road

- 26 Shank Painter is a Town-owned parcel and the former site of the Provincetown Police Station.
- With our new police station fully constructed, the current police station is now vacant.
- The Town put out an RFP and is now working with a developer to build 40 condo units at this site.



# 26 Shank Painter Road (The Bellwether)



- 10 units will be Market Rate condos, and the remaining 30 will be Below Market Value units intended for purchase by individuals and families representing a broad swath of our community:
  - 4 units @ 80% AMI
  - 2 units @ 100% AMI
  - 4 units @ 120% to 130% AMI
  - 5 units @ 150% AMI
  - 4 units @ 160% to 180% AMI
  - 5 units @ 210% to 220% AMI
  - 3 units @ 225% to 230% AMI
  - 3 units @ 240% to 245% AMI



# 26 Shank Painter Road (The Bellwether)



- Developer is seeking \$4 million in Town funding to subsidize the creation of the 30 below market units.
- Will provide homeownership opportunities across our local income spectrum.
- Housing inventory is scarce, and this project allows individuals and families to access housing security, build wealth, and plan their year-round futures in Provincetown.
- Units will be purchased via a Town-run Lottery.
- Construction tentatively scheduled to begin in Fall 2025.



## **Provincetown Dedicates 30% of Rooms/Lodging Taxes to Housing**

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**Since January 2023,  
Town has deposited  
\$3,572,000 into Housing  
Fund**

- Provincetown started dedicating lodging tax money in 2000 through a Home Rule petition.
- The categories were Tourism, General Fund, Capital Stabilization and Sewer Fund.
- A percentage of the rooms/lodging tax went into each “bucket.”
- In 2022, a Home Rule Petition created a new bucket for housing. Governor signed bill in January 2023.
- The lodging tax is a combination of traditional lodging and STR revenue.

# Incentives/Property Tax Exemptions

- **Residential Tax Exemption:** 35% of assessed value exempt from property taxes for property owners who live in Provincetown year-round.
- **Expanded Residential Tax Exemption:** 35% of assessed value exempt from property taxes for renting to a year-round Provincetown resident, regardless of AMI/affordability
- **Affordable Housing Rental Exemption:** No property tax will be charged for the portion of the property which is used for affordable housing



# LEASE TO LOCALS

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## Incentives

- **Lease to Locals:** A program converting vacant, seasonal, and short-term use properties into year-round leased rentals.
- Property Owners are awarded a financial stipend equivalent to the size of the offered unit and number of Qualified Tenants they will rent to.
- 150% AMI cap for eligible tenants.
- Over \$450,000 allocated from Housing Fund to support the program



Since launching in April 2024,  
the Lease to Locals program has:



**Converted 25 properties**  
into new long-term rentals



Provided housing  
**for 44 people**



With an average monthly  
rent of **\$2,220 per property**  
and **\$1,279 per bedroom**



And an average tenant  
income of **\$56,046 per year**

**LEASE TO LOCALS**

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Town of  
**PROVINCETOWN**





The program has **converted 25 properties** into new long-term rentals. These properties were formerly:

- 5** Short-Term Rentals
- 5** Empty Second Homes
- 7** Seasonal / Monthly Rentals

**LEASE TO LOCALS**

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Town of  
**PROVINCETOWN**





## The program has housed local employees from 43 local businesses in Provincetown including:

- Town of Provincetown
- Toys of Eros
- Ross Grills
- Macs Seafood
- Full Kit Provincetown
- The Community Builders
- Tin Pan Alley
- Provincetown Film Society
- Victors
- Governor Bradford
- Crown and Anchor
- Boatslip
- Bwell
- Jimmy's Hideaway
- Ellery Hotel
- Long Point Electric
- Bay Cafe
- Sandcastle Resort
- CVS
- Seashore Point
- Outer Cape Health Services
- Provincetown Brewing Company

**LEASE TO LOCALS**

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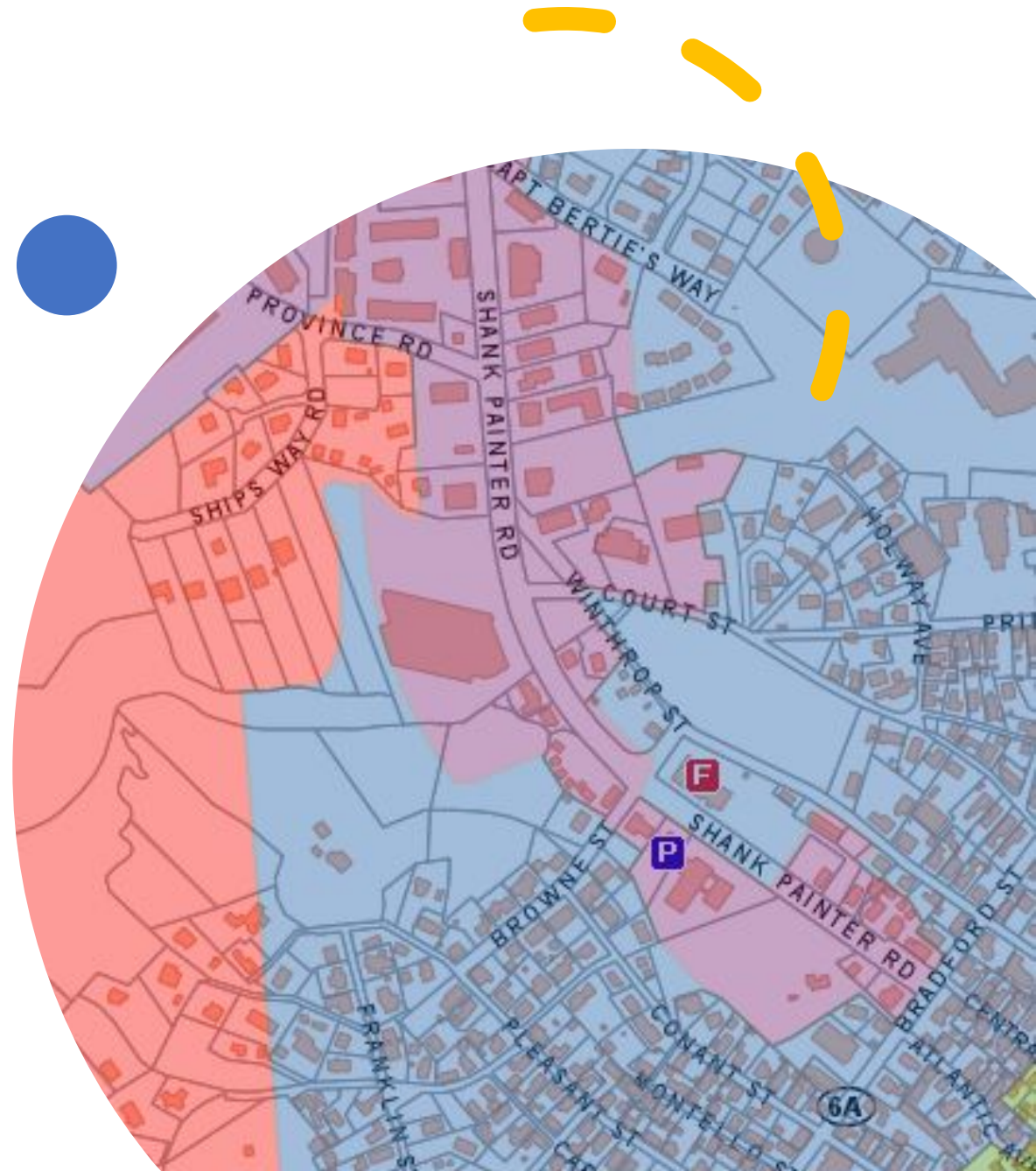


Town of  
**PROVINCETOWN**



# Zoning: Height Restrictions Increased

- **Allow 4 story developments:** Incentivize the creation of affordable and community housing units through the inclusionary bylaw by allowing the Planning Board to waive certain dimensional regulations, including building stories and building height and to allow housing developments in the General Commercial Zone to increase to four stories.



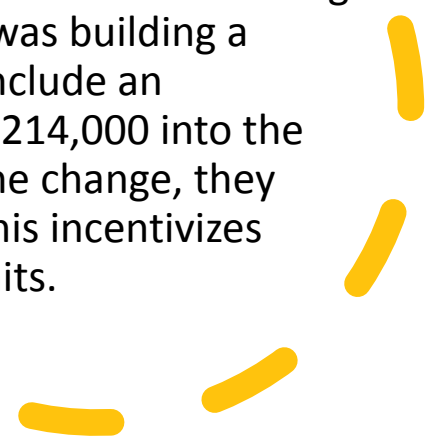


# Units	Existing	Proposed
	33%	67%
1	\$17,597	\$35,728
2	\$35,195	\$71,456
3	\$52,792	\$107,184
	50%	100%
4	\$106,651	\$ 213,302
5	\$133,314	\$ 266,627
	67%	200%
6	\$214,368	\$ 639,906
7	\$250,097	\$ 746,557
8	\$285,825	\$ 853,208
9	\$321,553	\$ 959,859
	100%	300.00%
10	\$533,255	\$ 1,599,765
11	\$586,580	\$ 1,759,741
12	\$639,906	\$ 1,919,718
13	\$693,231	\$ 2,079,694
14	\$746,557	\$ 2,239,671
15	\$799,882	\$ 2,399,647
16	\$853,208	\$ 2,559,624
17	\$906,533	\$ 2,719,600
18	\$959,859	\$ 2,879,577
19	\$1,013,184	\$ 3,039,553
20	\$1,066,510	\$ 3,199,530

# Zoning: Increase Inclusionary Bylaw Fee

- For developers to take advantage of the height and density bonuses afforded in the Town’s inclusionary zoning bylaw, they must provide one affordable unit for every 6 housing units, or 16.67% of the units. A developer can opt to pay into the Affordable Housing Trust rather than build an affordable unit, which is referred as the “in lieu” fee.

- In 2022, we increased the in-lieu fee so that the fee more closely matched the actual cost of building a unit. Previously, if a developer was building a 6-unit project and opted not to include an affordable unit, they would pay \$214,000 into the Affordable Housing Trust. With the change, they would now have to pay \$639K. This incentivizes developers to build affordable units.



# Public Property Inventory, reuse

As mentioned, we allocated funds to look at possibility of housing development at multiple town-owned properties:


- Route 6
- Veterans Memorial Community Center
- Firehouse #2
- 30 Creek Road



# Sewer Expansion Helps Housing Efforts

In Fall of 2022, the Select Board and Town staff called a Special Town Meeting to approve an ambitious \$75M town-wide expansion of our sewer system to serve every neighborhood in Provincetown by 2030.


- The plan:

- Ensures the town has enough sewer gallons to meet our housing goals.
  - Modernizes our current vacuum sewer system in the downtown core .
  - Repeals the checkerboard system that has been in place for decades.
  - Creates a financial assistance program to property owners who need help financing the sewer connection.
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# Town Prioritizes Community & Affordable Housing Projects as Part of Growth Management

Provincetown has limited water and sewer resources, and as such, the Town has prioritized sewer and water gallons for affordable, community and workforce housing, and has limited gallons for market-rate unit developments.

- 2/3 of State of Limited Capacity allocations are for affordable and community housing.
  - Through "managed growth," the Town has limited available gallons to a maximum of 18 market-rate bedrooms per year and we've been < 18 the last 3 years.
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# Short-Term Rentals Restrictions Enacted


- The Town engaged with UMass Donahue Institute to analyze impact of Short-term rentals on year-round housing inventory.
- Findings influenced the adoption of STR regulations at Fall 2023 Special Town Meeting
  - Limit of 2 STR certificates per person
  - Bans corporate ownership of STRs
  - Bans fractional ownership/advertising
- The Town has hired Granicus as our STR monitoring/compliance software.
- Increased the cost of an STR certificate from \$300 for 3 years to \$750 per year.

# Year-Round Deed Restriction Legislation

*What about  
those in the  
workforce  
making over  
80% AMI?*

- Cape municipalities are building affordable housing developments. Unfortunately, that development is capped at 80% AMI due to state and federal tax credits. Only units built up to 80% AMI count on the SHI.

- Those who make over 80% of AMI in our workforce (annual gross income above \$68,500), known as “the missing middle,” make too much to qualify.



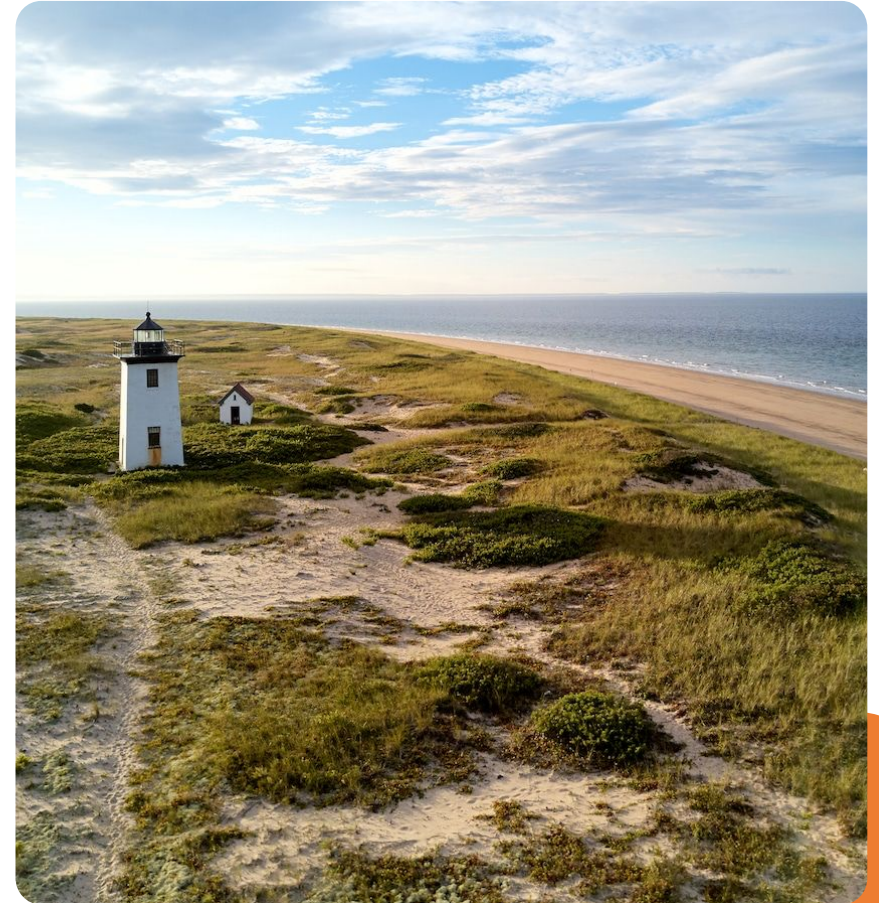
# Year-Round Deed Restriction Legislation

*What about  
those in the  
workforce  
making over  
80% AMI?*

- The “missing middle” includes many in the professional services, healthcare workers, first responders, small business owners, municipal employees, regional and state government employees, and members of the hospitality industry.
- The Towns of Nantucket, Provincetown and the Martha’s Vineyard Commission got together and created language for a year-round deed restriction legislative proposal.
- The new “Seasonal Community” designation tackles this by allowing towns with over 35% seasonal housing units to, among other things, *“acquire year-round housing occupancy restrictions for rental or other housing; provided, however, that any such year-round housing occupancy restriction held by a city or town shall be construed as a restriction held by a governmental body with the benefit of section 26 of chapter 184”*
- This program will allow the Town to purchase deed restrictions from homeowners and developers to permanently limit the occupancy of a given unit via a year-round housing occupancy restriction for rental or ownership housing.

# Regional Collaboration

- It's critical that Towns throughout the Outer Cape and Island collaborate and share best practices as housing is a regional issue.
  - At previous Town Meetings, Provincetown has allocated Community Preservation Act Funds to support housing projects in Wellfleet (\$75K) Orleans (\$25K) and Brewster (\$40K).
  - Truro approved \$100,000 towards our 65-unit affordable housing project with TCB.
  - Provincetown is partnering with the Martha's Vineyard Commission and Nantucket on legislative language for year-round deed restrictions/municipal employee workforce housing funding





# Looking ahead

- The Town adopted their FY25 Town-Wide Goals, with Support and Promotion of Year-Round Housing as the number 1 priority.
- Housing Workshops will continue to explore creative and innovative ideas and programs that promote coordination among our Housing boards, Planning boards, Town staff and the Select Board.
- The Town again engaged with UMass Donahue to conduct a Housing Needs Assessment. Final reports on their findings were delivered in Fall 2024 which help guide the Town on how to best allocate housing resources.
- We are exploring ways to make it easier to build ADUs with possible stipend incentives for owners.
- We are exploring the expansion and continuance of the Lease to Locals Program with the creation of a preservation program for similar eligible properties.

