

BANKER & TRADESMAN

THE REAL ESTATE, BANKING AND COMMERCIAL WEEKLY FOR MASSACHUSETTS

ESTABLISHED 1872

Provincetown to Be Honored For Efforts to Boost Housing

By Aglaia Pikounis

FOR YEARS, PROVINCETOWN officials struggled with the financial burden of the debt-ridden, town-owned nursing home. When the town was able to negotiate with a nonprofit group to take over the Cape End Manor nursing home and eventually replace it with a new \$20 million facility, local leaders considered it a big win.

But it wasn't just a new state-of-the-art facility that the deal would bring to Provincetown. Once the facility is built, Provincetown also will have 19 affordable housing units for seniors – an attractive bonus for a community that has made affordable housing a top priority in recent years.

Driven by a booming second-home market, Provincetown's home prices have surged in recent years, forcing local officials to take a close look at ways to boost the production of housing that is affordable to working families. The median selling price for a single-family home reached \$654,000 last year, nearly 32 percent higher than the \$497,000 median selling price posted in 2003, according to The Warren Group, parent company of Banker & Tradesman.

Home prices have steadily increased as the town's year-round housing stock and number of year-round residents has slipped. According to the U.S. Census, Provincetown was the only community on the Cape to see both its year-round population and housing units drop between 1990 and 2000. Provincetown lost 324 units, a 13.6 percent drop in its year-round housing supply, while its number of year-round residents fell from 3,561 to 3,431.

The lack of affordable year-round housing has made it difficult to attract and retain workers, according to local business leaders and town officials.

"The affordable housing problem is so serious, so severe in Provincetown that it has been a top policy goal of the Board of Select-



Seashore Point, a facility that will include a 41-bed nursing home and 86 assisted-living and independent-living units, is just one of the projects in Provincetown that is helping to boost the town's affordable housing supply. The community will be honored for its efforts to increase its affordable housing supply later this month.

men to promote affordable housing since about 1997," said Town Manager Keith A. Bergman. "It's the white-hot second-home market that's driving the affordable housing crisis in Provincetown," he said.

'Comprehensive Approach'

To increase its affordable housing supply, the town has launched a variety of initiatives. The town will be recognized for its efforts later this month when the Citizens' Housing and Planning Association honors Provincetown with a municipal leadership award.

"We're impressed by the comprehensive approach the town has taken toward meeting local affordable housing needs," said Aaron Gornstein, executive director of CHAPA.

Gornstein said the town has involved resi-

dents in developing and implementing policies to increase affordable housing and has worked with both for-profit and nonprofit developers to get more housing produced. The town has accomplished that goal despite such challenges as a shortage of buildable sites, he said.

Another way the town has tackled the affordable housing issue is by providing funding. Last year, the town adopted the Community Preservation Act, a measure that permits the community to collect a 3 percent property tax surcharge for affordable housing, historic preservation and open space. The town has earmarked 80 percent of all CPA funds for housing.

The only other city or town in the state

continued on page 2

that comes close to dedicating so much CPA money for housing is Cambridge, according to Gornstein.

“That, to us, demonstrates further support for affordable housing issues locally,” he said.

The nursing home was the first housing project to receive CPA funding. Bergman said the town is providing \$1.9 million in CPA funding to the New England Deaconess Association, a nonprofit group based in Concord currently developing a new facility that will include 41 skilled nursing home beds and 86 assisted-living and independent living units. In exchange for the funding, the New England Deaconess Association will include 19 affordable assisted-living and independent-living units as part of its project, Seashore Point. Construction of Seashore Point is expected to begin next July.

Even before approving the CPA, the town was scrambling to find other sources of revenue for affordable housing. Like other communities on the Cape, Provincetown has been taking advantage of the Cape Cod Land Bank, a mechanism that enables Cape towns to add a 3 percent surcharge on property tax bills for the purchase and preservation of open space. About six years ago, town leaders urged lawmakers to pass special legislation that would enable Provincetown to use 10 percent of land bank funds for affordable housing. The legislation was ultimately approved.

“There was resistance to letting us use [land bank] funds for affordable housing,” recalled Bergman. But with the Cape Cod National Seashore comprising 79 percent of the land mass of Provincetown, leading to a lim-

ited amount of land that could be developed for housing, affordable housing became a more pressing issue, Bergman explained.

More recently, the Board of Selectmen has adopted the goal of adding 144 units of affordable housing over the next five years. Forty-four of those units would be specifically set aside for people with low and moderate incomes.

Provincetown also has implemented other strategies: Town Meeting approved dedicating 91 unallocated building permits for affordable housing; an affordable housing trust fund was created; a home rule petition was enacted to provide an annual tax exemption for year-round affordable rental units; and a policy was adopted to waive all town fees for projects where all the units were deed-restricted affordable. ■

Reprinted with permission of Banker & Tradesman.

This document may constitute advertising under the rules of the Supreme Judicial Court of Massachusetts.