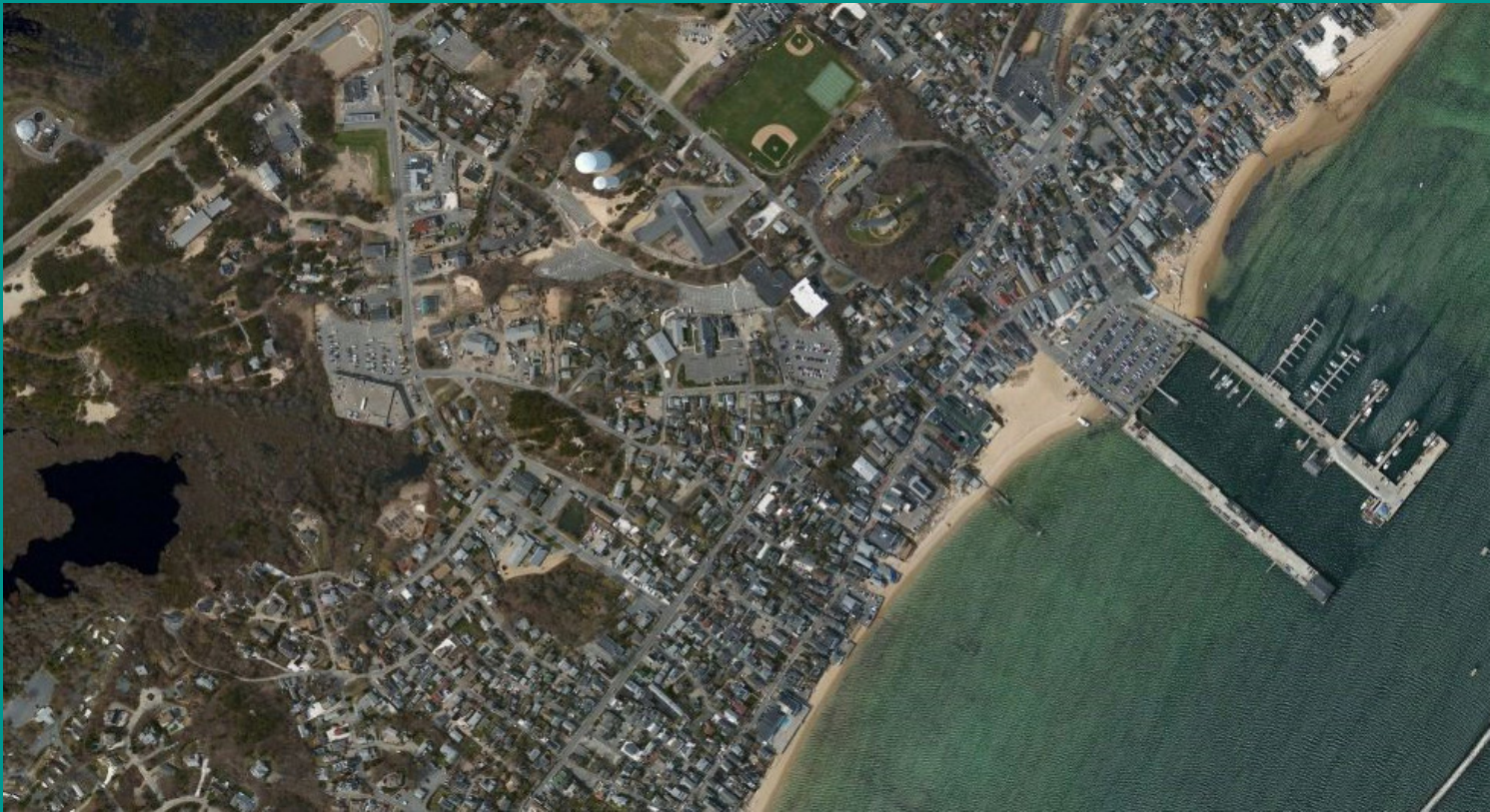


# A TECHNICAL ASSISTANCE PANEL REPORT

## Town of Provincetown

Provincetown, MA



June 8-9, 2016



**Urban Land  
Institute**

**Boston/New England**



**MASSDEVELOPMENT**

# Table of Contents

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## Executive Summary

- 1. ULI and the TAP Process.....5
  - Urban Land Institute (ULI)
  - Technical Assistance Panels (TAPs)
  - MassDevelopment Support
  - Panel Members
  - Stakeholders
  - TAP Process
  
- 2. Background and History.....7
  - Objectives and Questions for Study
  
- 3. Challenges.....9
  - Loss of Year-Round Population
  - Housing, Local Economy Joined at Hip
  - Seasonal Workforce Housing Needs
  - Communication
  - Potential Loss of Chapter 40B
  - Permitting and Infrastructure
  - Transportation Issues
  
- 4. Assets and Opportunities.....11
  - Some Developable Sites
  - Thriving Arts Community
  - Center for Coastal Studies

# Table of Contents

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- Tourism
- Committed Town Leadership
- Business Community Leadership
- Committed Residents
- Fisherman’s Wharf Revival
- Aquaculture

5. Short-Term Recommendations and Next Steps..... 14

- Making Playbook More Accessible
- Push Ahead with Housing Trust
- Rethink Communications Strategy
- Ongoing Public Education
- Move Ahead with Housing on Town-Owned Sites
- Seasonal Workforce Housing
- Inclusionary Zoning By-Law

6. Longer-Term Recommendations..... 19

- Potential for Expanding Year-Round Economy
- Land Use Master Plan and Corresponding Zoning Changes
- Other Zoning Items
- Permitting
- Think Regionally
- Expand Financing Sources

7. Conclusion..... 21

# Executive Summary

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The Provincetown TAP convened at the Harbor Hotel on June 8. Under the direction of the Urban Land Institute's Boston/New England District Council, a panel of real estate professionals met over the course of two days with town leaders, community residents, developers and business owners. The charrette focused broadly on Provincetown's growing affordable housing challenge as well as efforts to create more of a year-round economy. In particular, the TAP looked at expanding the town's Housing Playbook with new ways of spurring construction of affordable rentals. The panel also examined how two existing, town-owned lots might be used to meet Provincetown's housing goals, while also exploring potential financing sources and development partners, such as the planned Year-Round Rental Housing Trust.

During the panel's discussions and interviews with residents, town leaders and business owners, one thing became crystal clear: For Provincetown, a dearth of affordable housing is having a negative impact on the town's efforts to create a year-round economy as well as on its bread and butter tourism business. A dire shortage of affordable, year-round rentals has forced many working class families out of town, leaving business owners who want to stay open in the off-season with few people to hire. And a shortage of seasonal housing has forced business owners to buy up hotel rooms and year-round rentals alike in order to ensure their summer workers have a place to live. In addition, real estate speculators are buying up hotel rooms and apartments, lured by the high-prices they can fetch when converted to condos. The result has been a decline in hotel rooms on which the town's tourist economy is based, while also cutting further into Provincetown's dwindling supply of year-round housing.

Another clear takeaway for the panel was the strong commitment on part of Provincetown leaders and residents to finding ways to address the town's housing crisis. While there are differences in opinion as to the best approaches to deal with these issues, there was strong agreement that a lack of affordable housing is a big issue for Provincetown. Yet solving the problem will take both time and persistence, with

a long-term commitment needed in order to make a significant difference. The creation of new rental housing, from initial zoning to actual proposals and town reviews to opening, can take years. It will be important for Provincetown to keep moving ahead with housing plans even when the market turns and prices level off in order to be ready when the market inevitably heats up again. Finally, Provincetown should not be afraid to take small steps to boost the amount of affordable and seasonal housing even as it works towards larger goals and projects. The need for housing in the town is so great that immediate action is needed, provided it moves the town closer to meeting its housing goals and objectives.

**Chapter 1: ULI and the TAP Process** Offers an overview of the Urban Land Institute's Boston/New England District Council and its Technical Assistance Panels (TAPs), while also detailing the panel members and stakeholders who took part.

**Chapter 2: Background and History** Provincetown has undergone a number of transformations in its long history, from fishing village and whaling port to artists' colony and internationally known tourist destination.

**Chapter 3: Challenges** Provincetown faces a number of challenges, with a significant drop in its year-round population amid a housing crisis that is driving out middle and lower-income families.

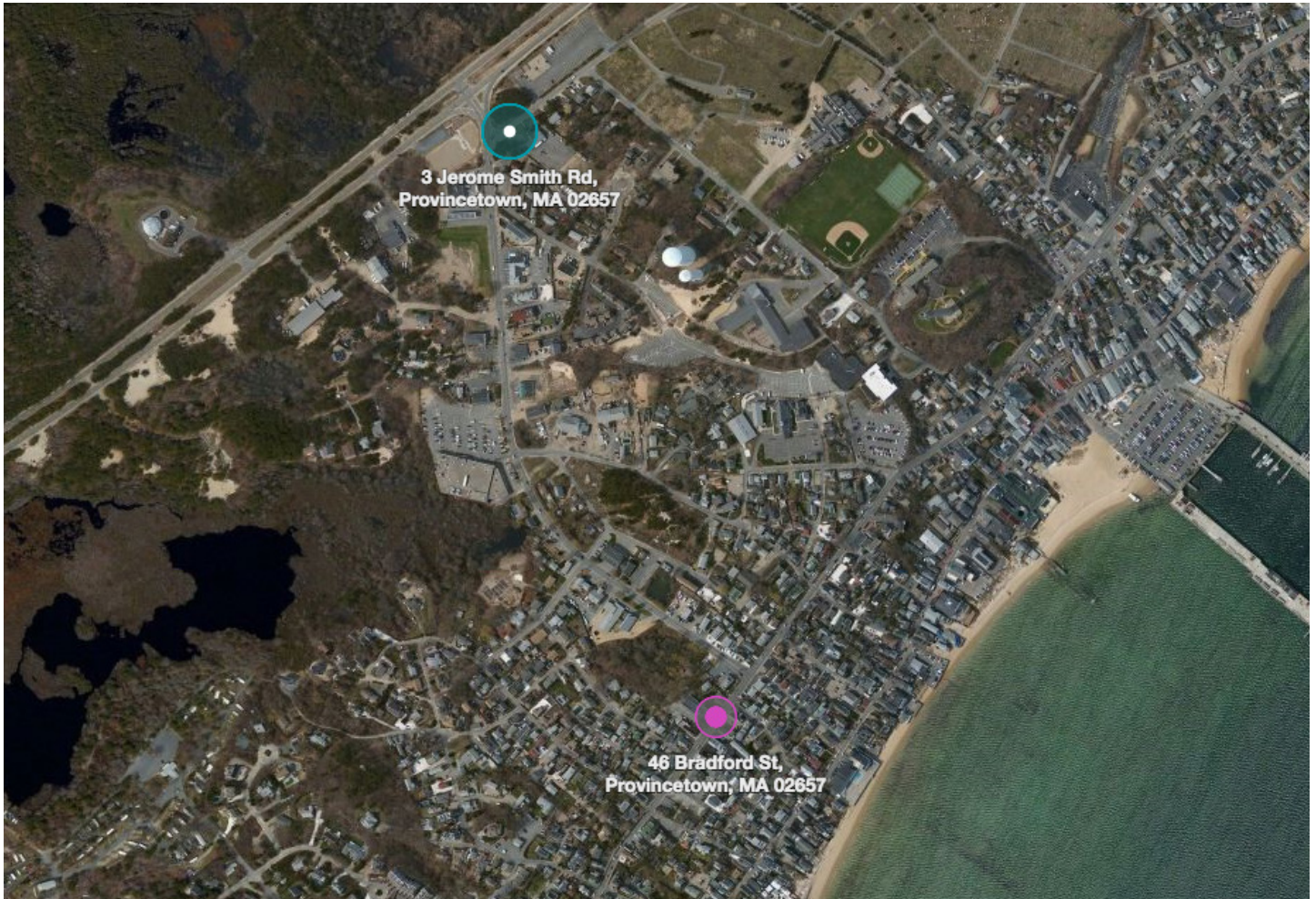
**Chapter 4: Assets and Opportunities** As Provincetown looks at ways of building affordable housing and creating a year-round economy, it has a number of strengths it can draw on, from strong community support and committed town leadership to a thriving arts community.

**Chapter 5: Short-Term Recommendations and Next Steps** There are a number of next steps and short-term solutions Provincetown can explore, from making its Housing Playbook more accessible to the public to pursuing housing development on town-

owned sites.

### Chapter 6: Longer-Term Recommendations

Provincetown should explore ideas for attracting year-round businesses, such as educational institutions, while also looking at additional zoning changes to encourage new housing development.



Aerial of study site marked with locations of two town-owned parcels.

# ULI and the TAP Process

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## Urban Land Institute (ULI)

The Urban Land Institute is a 501(c)(3) nonprofit research and education organization supported by its members. Founded in 1936, the institute now has nearly 40,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service, including developers, architects, planners, lawyers, bankers, and economic development professionals, among others.

As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better places. The mission of the Urban Land Institute is to provide leadership in the responsible use of land and to help sustain and create thriving communities. The Boston/New England District Council serves the six New England states and has over 1,300 members.

## Technical Assistance Panels (TAPs)

The ULI Boston/New England Real Estate Advisory Committee convenes Technical Assistance Panels (TAPs) at the request of public officials and local stakeholders of communities and nonprofit organizations facing complex land use challenges who benefit from planning and development professionals providing pro bono recommendations. At the TAP, a group of diverse professionals specially assembled with expertise in the issues posed typically spends one to two days visiting and analyzing existing conditions, identifying specific planning and development issues, and formulating realistic and actionable recommendations to move initiatives forward in a way consistent with the applicant's goals and objectives.

## MassDevelopment Support

MassDevelopment is the state's economic

development and finance authority. The authority works closely with state, local and federal officials to boost housing and create jobs. With the power to act as both a lender and developer, MassDevelopment also works to fill in gaps in infrastructure, transportation, energy and other areas that may be holding back economic growth. MassDevelopment has worked with ULI since 2011 to help sponsor and support the TAP process in cities and towns across the Commonwealth. support the TAP process in cities and towns across the Commonwealth.

## The Panel

ULI Boston/New England convened a volunteer panel of experts to examine the challenges and opportunities facing Provincetown.

## Co-Chairs

Susan Connelly, Director of Community Housing Initiatives  
Massachusetts Housing Partnership  
Boston, MA

Ryan Pace, Partner  
Anderson & Krieger  
Cambridge, MA

## Panelists

Fran DeCoste, Chief Operating Officer  
TR Advisors  
Boston, MA

Michael Lozano, Senior Project Manager  
The Community Builders  
Boston, MA

Scott Pollack, Principal  
Arrowstreet  
Boston, MA

Rob Shearer, Associate  
DiMella Shaffer

### **MassDevelopment Staff**

Anthony Fracasso, SVP of Housing Finance  
MassDevelopment  
Boston, MA

### **ULI Boston/New England Staff**

Michelle Landers  
Executive Director

Ileana Tauscher  
Associate

### **Report Writer**

Scott Van Voorhis  
Natick, MA

Panelists have donated their time.

### **Stakeholders**

Rob Anderson, Business Owner, P365  
Mary-Jo Avellar, Town Moderator  
Jay Colburn, Executive Director, Community  
Development Partnership, and Town of Truro Board of  
Selectmen member  
Candy Collins-Boden, Executive Director,  
Provincetown Chamber of Commerce  
Sally Deane, Executive Director, Outer Cape Health  
Services  
Paul deRuyter, Owner/Developer, Coastal Acres  
Campground  
Patrick Flaherty, George's Path Association  
Maggi Flanagan, Program Director, Homeless  
Prevention Council  
David Garten, Provincetown 365  
Mark Hatch, Chair, Provincetown Finance Committee  
Martha Hevenor, Planner, Cape Cod Commission  
Steve Katsurinis, Business Owner, member of various  
Town boards  
Anne LeGasse, Owner/Developer, Provincetown  
Marina  
Chuck LeGasse, Owner/Developer, Provincetown  
Marina  
Bruce MacGregor, Owner/Developer, Coastal Acres  
Campground  
Ted Malone, President, Community Housing  
Resource

Sheila McGuinness, Seashore Point  
Bob O'Malley, Realtor  
Sarah Peake, MA State Representative  
Robin Reid, Attorney  
Loic Rossignon, Business Owner, P365  
Bob Sanborn, Business Owner  
Gordon Seigel  
Beth Singer, School Superintendent  
Louise Venden, Member of Finance Committee  
Chris Wise, Owner/Developer, 350 Bradford Street  
Erik Yingling, Provincetown Board of Selectmen

### **TAP Process**

The Provincetown TAP met June 8-9 at the Harborview Hotel in Provincetown. TAP members took a bus tour of the town on the afternoon of June 8, driving by or stopping at potential housing development sites, including the VFW site and the old community center. That evening, the panel met town residents and business owners at a reception downtown at the Harbor Lounge. The TAP reconvened the following morning, conducting interviews with residents, business owners and town officials. Following a working lunch, panel members spent the afternoon drafting a series of observations and recommendations. The TAP panel then made a presentation to town officials and the public that evening at Town Hall, followed by a question-and-answer session.

# Background and History

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Provincetown has reinvented itself more than a few times in its long history, which dates to 1620, when it became the first, albeit fleeting, stop for the Pilgrims. Originally part of Truro, Provincetown was incorporated in 1727. By the mid-19th century, it was one of the richest towns in America, flooded with wealth from the lucrative whaling industry and active fishing port. The discovery of oil in Pennsylvania in 1859 and the rise of kerosene led to a slow but steady decline in the whaling business.

By the early 20th century, Provincetown was well on its way to reinventing itself once again. While the town's fishing fleet continued to thrive, Provincetown became a destination for tourists and magnets for writers and artists of all types. Over the 20th century, Eugene O'Neill, Tennessee Williams, Norman Mailer, among many others, made Provincetown their home at one point or another in their careers. Provincetown also began to attract gay and lesbian vacationers and residents as early as the 1920s and 30s and by the 1970s had become known as an international mecca for the LGBT community. The town also retained much of its original character as well, with an active fishing community of Portuguese descent.

Provincetown today faces a new set of challenges. The town's year-round population has dropped, even as it balloons in the summertime. Once a year-round community, Provincetown is increasingly seasonal, with restaurants and other businesses shutting down during the off-season. The conversion of hotels, homes and apartments into vacation properties - earning far more in a few weeks during the height of the summer season than a 12-month rental would - has helped fuel this trend. Faced with a shrinking year-round housing market, middle and working class residents who staff the shops, restaurants and other businesses, have voted with their feet, moving to neighboring communities or off Cape altogether.

Provincetown now finds itself at another turning point. The town's civic and business leaders and an increasing number of residents recognize the threat the town's housing crisis poses to its long-term health

and viability. There is growing interest in spurring the development of affordable, year-round housing and badly needed seasonal housing for summer.

## Objectives and Questions for Study

The Town of Provincetown's TAP submission problem summary, repeated below, describes a real estate challenge faced by many seasonal communities across the country. This study attempts to bring an additional perspective to the problem and the three proposed questions, while recognizing that Provincetown is truly unique amongst seasonal communities. It is not just unique because of its location on the 'very tip of Cape Cod', it is unique amongst many seasonal communities because of the commitment of the year-round community to Provincetown, existing economic opportunities to create year-round interest in Provincetown, and the amount of resources, outreach and focus the Town has invested over the years to promote more affordable housing production.

Although the Town's TAP proposal did not specifically ask the ULI Panel to address the community's economic assets and opportunities, the relationship between affordable and workforce housing and the Town's economy are so entwined, the panel has included some observations about potential growth of Provincetown's year-round economy. Providing housing is key to unlocking this potential.

We have also included highlights from our interviews and conversations with community members. All of the panel participants were moved by the level of commitment and concern residents have for their community, and were grateful to the people who took the time to share their experiences, ideas and concerns.

The Town of Provincetown's problem statement:

*The severe shortage of year-round rental housing in the Town is a serious public emergency that threatens*



*the Town's tourism-based economy and is a serious threat to the public health, safety, and general welfare of the citizens of the Town as substandard housing is becoming a resort as persons desiring to locate in Provincetown cannot locate year-round rental accommodations and existing residents are being displaced and are unable to find new year-round rental accommodations.*

The panel was asked three questions:

1. What are the next steps in refining the Provincetown Housing Playbook to identify effective tools to create new housing opportunities within the community?

The Housing Playbook is a complete summary of the Town's affordable housing efforts to date, parameters of the persistent housing challenges, and tools and funding to address these challenges.

2. How may the Town develop an effective strategy for the implementation and administration of the Provincetown Year-Round Rental Housing Trust (YRRHT)?

The Town has filed special legislation to allow the Trust to support the creation of housing for a wider range of incomes than allowed under the state's Municipal Affordable Housing Trust Fund Law (MGL c.44s.55C).

3. How may the Town take advantage of two existing real estate assets to produce a housing development plan to address the critical housing needs of the community?

The Town owns two sites: the Community Center at 46 Bradford Street and the VFW site at 3 Jerome Smith Road.



Aerial of former VFW site at 3 Jerome Smith Rd.

# Challenges

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## Loss of Year-Round Population

Provincetown is fighting to maintain its viability as a vibrant, year-round community amid some powerful trends that threaten to reshape it into an exclusive summer resort. Housing prices have more than doubled in the last 11 years, with the median price jumping to \$1.3 million during the first four months of 2016 compared to \$625,000 during the same period in 2005, according to The Warren Group, publisher of *Banker & Tradesman*. Higher prices, in turn, have weighed heavily on middle and lower-income families that have traditionally been the backbone of the year-round workforce, compelling many to leave. Provincetown's year-round population fell more than 17 percent from 2000 to 2010, dropping to 2,642 from nearly 3,200 at the turn of the century. The number of restaurants and other businesses open through the year has fallen off, while school enrollment has shrunk.

## Housing, Local Economy Joined at Hip

At the heart of Provincetown's steady decline in population are two intertwined issues: (a) the cost of housing in Provincetown has become prohibitive for middle-class professionals, let alone blue collar workers (one fifty-something waitress told panelists at a reception downtown that after years of working three jobs and constantly being on the verge of homelessness, she was seriously considering leaving town and moving to Northern New England); and (b) businesses, in turn, cannot stay open because there are not enough year-round residents as customers, nor are there enough workers in the off-season. Without viable year-round housing, the year-round economy suffers and vice versa. One benefit of this link, however, is that increases in year-round housing should lead to increases in year-round economic activity. Town leaders recognize this; they also understand that because of the limit of available land that there has to be a focus on creating deed-restricted housing. Moreover, because the housing market is so skewed, the town needs the flexibility to create affordable, deed-restricted housing for those

with relatively higher-than-average median incomes who now also find themselves unable to afford to rent or buy in Provincetown. The Panel agrees with this assessment. If the town's downward housing and jobs spiral can be reversed, even if just slightly, it can be turned into an upward spiral that would result in a more vibrant year-round economy for all.

## Seasonal Workforce Housing Needs

Provincetown increasingly has a one-season economy. The town's population swells to as many as 60,000 people during the summertime compared to 2,642 in wintertime. The town is almost wholly reliant on foreign workers on H-2B visas to keep its restaurants, bars, pubs, and shops open during the high season. This was certainly evident this summer when a delay by the federal government in processing visa applications meant some businesses on the Cape, including the Lobster Pot in Provincetown, had to delay opening or operated with skeleton crews this spring.

Panelists heard in many interviews and conversations that when a business is hiring for both year-round and season, one of the first questions they often ask is, "do you having housing?"

## Communication

Faced with the housing challenges described above, town leaders have struggled to educate voters on affordable and workforce housing and to forge a consensus around possible solutions. However, these efforts have been undermined by inaccurate and skewed information on social media and a lack of trust about information coming from town hall. While Provincetown is covered by two local newspapers, local commentary on social media has emerged as a major source of information - at times misinformation and rumor - for a growing segment of the public. In addition, NIMBY-ism is also an issue, with some Provincetown residents arguing during the interview process that affordable housing should be pushed up

Cape.

This challenge is not unique to Provincetown town hall. Not many communities have the resources to be consistently providing data and research to support (or sometimes defend) its actions and/or to be clarifying misinformation. Town hall employees are also responding to the requests and concerns of elected officials.

All municipalities experience turnover or newly elected leaders, so pressures and concerns can change and momentum can be lost as a strategic approach that was once supported no longer is, causing staff to have to start again.

Still, there is a level of misinformation in the community that could make any feasible efforts to solve the town's housing challenges fail.

There is a need for a consistent and transparent communication strategy on the part of the town. We heard from numerous people that they want to be supportive and helpful to the Town's efforts. Creating partnerships between town hall and community members and gaining trust is key to a successful strategy.

### Potential loss of Chapter 40B

Provincetown has relied on the streamlined permitting granted to developers under the state's Chapter 40B law to get new affordable housing built. But the town is nearing the point where 1.5 percent of its land is used for affordable housing. Once that threshold is reached, the special zoning treatment granted to affordable housing developments under 40B will no longer be applicable in Provincetown. This uncertainty is a major obstacle for developers who wish to build affordable and workforce housing developments and who may fear starting the permitting approval process for a project only to lose 40B as an alternate permitting process, in which case the underlying zoning would prevail. Town officials need to determine when Provincetown might reach that threshold, if it hasn't already, to provide clarity to developers interested in building affordable housing.

### Permitting and Infrastructure

Provincetown also has some significant permitting and infrastructure issues to deal with. The town now allows homeowners to add in-law apartments, but the process is criticized as overly complicated and that some of the requirements may not be reasonable given the scope of opportunities. It is important to note though that a number of people interviewed expressed interest in adding to their own properties if the zoning was amended.

New growth in Provincetown – whether it's commercial or residential – must also take into account limits in the town's water and sewer capacity, which, in turn, are reflected in the permitting process. The panel recognizes that this is a challenge, but also heard that there are viable solutions.

### Transportation Issues

As housing grows ever more expensive in Provincetown, seasonal and year-round workers are looking to other Cape towns for housing. But commuting to work in Provincetown is no easy task, especially if you are a seasonal worker without a car. CCRT, the regional bus system servicing the Outer Cape, has a sporadic schedule that is not beneficial for workers. This lack of frequent and reliable public transportation makes it difficult for Provincetown and other Outer Cape towns to band together to provide regional housing solutions. While expanding the search for housing sites beyond Provincetown would certainly increase the number of possibilities - barring some creative alternatives, such as van share, bike share or zip car - the lack of transportation essentially cancels many of these out.

# Assets and Opportunities

Provincetown's biggest asset is that it's Provincetown, a one-of-a-kind, internationally known destination for tourists, artists, the LGBT community and beyond. People are drawn to Provincetown from across the world for its spectacular physical beauty, vibrant community, world class arts scene, and wide array of restaurants and shops. Provincetown has considerable strengths to build on as it explores ways to add affordable and workforce housing and bolster year-round community and commercial activity.

## Some Developable Sites

While available land for new housing production can be hard to come by, there are a handful of town-owned sites as well as a few privately-owned sites that could be used for new housing and other development. Provincetown also benefits from a commitment on the part of town government and community leaders to attempt to tackle some of the key challenges the town faces, particularly in housing. The town is also fortunate to have a proactive business community that is attempting to address some of these issues as well.

## Thriving Arts Community

Provincetown has an arts community that most resort towns – and even fair-sized cities – would envy. Provincetown Art Association and Museum – affectionately known as PAAM – is the center of Provincetown's arts community. Launched in 1914 to provide a showcase for the work of artists on the Outer Cape, PAAM recently celebrated its 100th anniversary. It is the most visited museum on the Cape and holds a steady series of exhibitions, workshops and lectures throughout the year.

In addition to PAAM, Provincetown is home to the Fine Arts Work Center, a thriving nonprofit organization dedicated to “encouraging the growth and development of emerging visual artists and writers and to restoring the year-round vitality of the historic art colony of Provincetown.” The Fine Arts

Work Center is flourishing, and interest currently outstrips capacity. That interest, if tapped, would bring more year-round visitor activity and residents to town.

Provincetown also boasts well more than 40 different galleries and museums, showcasing painting, photography, arts and crafts, tiles and other artistic mediums. The town is home to a thriving theater and cabaret scene as well.

As impressive as it is, Provincetown's arts community has the potential to be an even greater draw, particularly during the off-season, for art lovers, collectors, aspiring artists, art students, writers and even chefs.



Provincetown Arts Association and Museum.

## Center for Coastal Studies

The Center for Coastal Studies is expanding on Provincetown's waterfront as it pursues an ambitious goal of becoming the "leading center for coastal/marine science and education." The Center's research and education programs are focused on the "marine mammals of the western North Atlantic and on the coastal and marine habitats and resources of the Gulf of Maine." The Center has added staff in recent years, has an exciting new partnership with the University of Massachusetts Boston and is revamping its marine lab to include public meeting space and expanded exhibit areas. The Center has also added a large research vessel to its resources program.

## Tourism

Tourism is a key economic driver for Provincetown. The town's population balloons to as many as 60,000 in the summertime, not counting the steady flow of vacationers and tourists coming in for a week, a weekend, or just the day.

That wide ranging interest can be seen in the number of hits the website of the town's tourism office receives – 15.65 million during the first ten months of 2015 alone.

Tourism, in turn, helps support dozens of restaurants, shops and galleries while playing a big role in financing town services as well. The room occupancy tax brought in nearly \$2 million in fiscal 2015, up from just over \$1.5 million in 2011.

Meal tax revenue rose 5 percent in fiscal 2015 from the year before, to \$553,326. It has also increased substantially from 2011, when it was \$339,548.

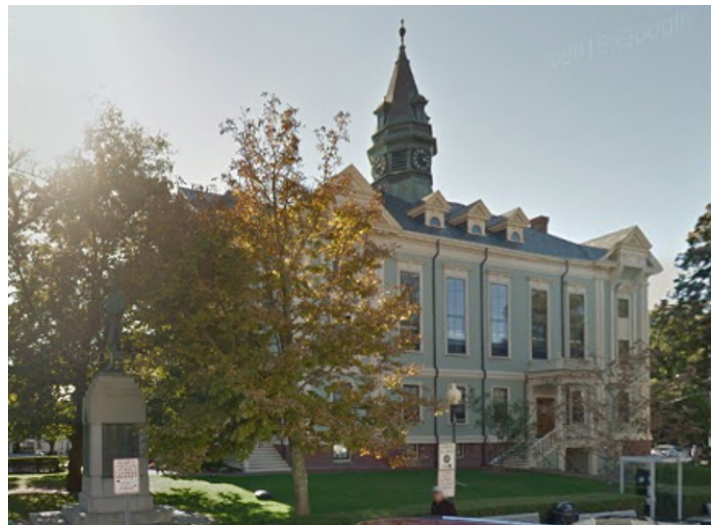
Parking revenue is also crucial, with the town taking in over \$2 million in fiscal 2015, up from just under \$1.6 million four years before.

But the long-term health of Provincetown's tourism sector may ultimately depend on whether the town can find ways to increase the amount of affordable housing – both seasonal and year round. The number of hotel rooms in Provincetown has dropped by

10 percent over the past few years as developers convert hotels and motels to condos or seasonal housing for workers.

## Committed Town Leadership

Provincetown civic and business leadership has been exploring ways to ease the town's housing crunch and promote year-round commercial activity. There is an awareness of the interplay between housing and economic activity, with a lack of affordable housing creating a shortage of year-round workers for Provincetown restaurants, shops and galleries. The difficulty in addressing housing issues seems to be finding ways to build consensus around both the need for additional housing and what and where new housing should be built. Further complicating these decisions is the need for seasonal housing to support the more than 1,000 seasonal jobs necessary to support the summer economy.



Provincetown Town Hall.

## Business Community Leadership

The housing shortage is a major issue for local businesses, who face the prospect of not having enough help during the crucial summer months if seasonal workers are unable to find a place to live. Businesses have stepped up to buy buildings around town for conversion into temporary housing,

demonstrating a willingness to participate in finding solutions to this significant problem.

### **Committed Residents**

Panelists heard time and time again that residents are uniquely and deeply committed to Provincetown. Many people who live in Provincetown make a deliberate decision to move there, rather than just casually putting down roots. They come to the town because of its special qualities and offerings, and they generally want to see it succeed. One resident explained that he and his partner spent months deciding where to relocate to from New York City. They created spreadsheets with all of the qualities that they were looking for in the location for their new home, they crunched data and Provincetown came out on top. He stated that he wants the town to flourish, and that he wants to help with that goal now that he has committed to make it his home. Another resident, who is a key business owner, explained that Provincetown truly is a special place for him and the gay, lesbian and transgender community. He lives in Provincetown because it is the only place that he has

ever visited where he can be comfortable being who he is, without reservation. This type of dedication and commitment to a town is rare, and it is a special resource that could help to solve the housing challenges in town if it is channeled correctly.

### **Fisherman's Wharf Revival**

There is justifiable excitement over the development plans put forth by the new owners of Fisherman's Wharf. Developer Chuck Lagasse is expanding the wharf so that it can accommodate a range of boats up to large yachts, while also building a pair of two-bedroom apartments for employees. The redevelopment is expected to create 25 to 30 jobs. There are also plans for a 10-foot-wide harbor walkway to connect the pier with downtown.

### **Aquaculture**

There is the potential to expand aquaculture in Provincetown, with shellfishing growing in Provincetown, Wellfleet and Truro.

# Short-Term Recommendations and Next Steps

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Provincetown faces some significant challenges when it comes to its severe shortage of affordable and workforce housing and its shrinking, year-round workforce. However, as Provincetown looks to grapple with its increasingly urgent housing crisis, it may not have the luxury of waiting until all new zoning plans or larger strategic property plans are in place before taking action. The danger is letting the perfect get in the way of the good. A key question related to each new housing proposal, zoning change or development should be, “Does this proposal, change or development move us closer to our goal of providing more housing for year-round residents and seasonal workers in the town?” If the answer to that question is “yes,” the town should seriously consider moving ahead with the proposal, change or development, even if one particular proposal, change or development does not solve all the town’s housing problems. Baby steps are productive, as long as they are steps in the right direction.

There are steps Provincetown’s municipal leadership can take in relatively short order to improve the way new housing proposals are debated and vetted. For instance, the town can improve communication related to major projects and initiatives. A more deliberate communications strategy combined with an online platform for getting reliable information out to the public on new projects and proposal will help build consensus. There are also changes that could be made to the Housing Playbook to make this important and foundational document more accessible to the public.

In addition, there are more concrete steps Provincetown can take to help ease its housing crunch and ensure local businesses have the workers they need to thrive. Provincetown has an opportunity to start making a dent in its housing shortage with two significant town-owned properties, the VFW site and the old community center. There are also potential short-term measures the town, in conjunction with the business community, may want to consider to ease the housing crunch for seasonal workers.

## Making Playbook More Accessible

The Provincetown Housing Playbook is an excellent start by the town to put in one place the problem, history, and resources; previous efforts; and the potential solutions to the town’s housing challenges. It is a strong, initial communication approach. To quote:

*This Housing Playbook begins our work on a more comprehensive approach. It’s a roadmap that builds upon the existing data and the work (283 units so far) that has already been accomplished. It establishes a one stop reference for all the programs, efforts and financial sources and tools currently available. It takes into consideration new opportunities, public and private properties and new initiatives identified since the 2014 Housing Summit.*

The Playbook gives the Town a great opportunity to share a comprehensive strategy with short- and long-term goals.

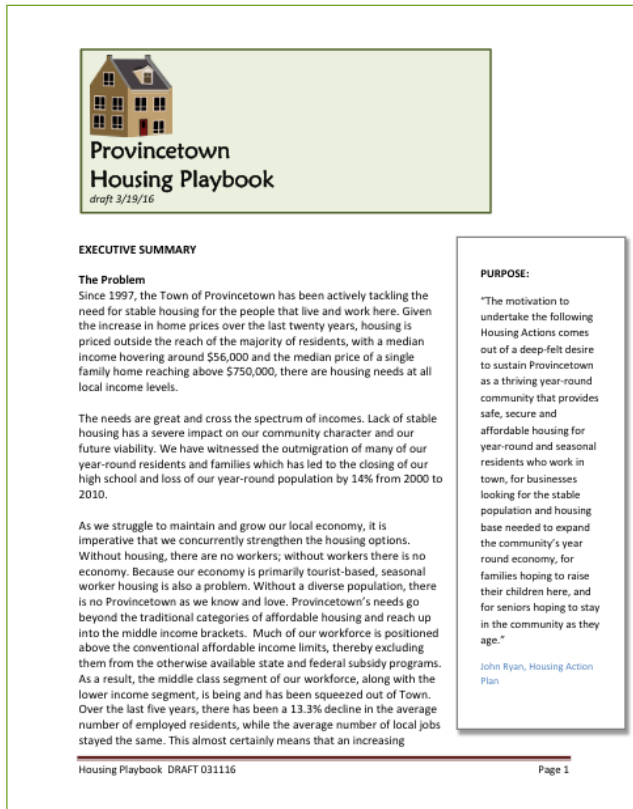
It’s a very dense document. It would be worthwhile to create a more accessible electronic format where the different sections can be divided by tabs for easy access, with links to other sources of data and information that are updated regularly. Also, we would suggest that the complete action item section (for all housing goals) be at the front to track short- and long-term goals.

Specific action items to be included at the front of the Playbook include:

Short-term priorities:

- Disposition of the two town-owned sites to support affordable housing production
- Support for the evaluation of Provincetown Housing Authority property for expansion

- Passage of an inclusionary zoning by-law



The Provincetown Housing Playbook can be found online at <http://www.provincetown-ma.gov/>.

## Push Ahead with Housing Trust

Town Meeting voters in 2015 approved plans to create a Year-Round Rental Housing Trust. Voters also agreed to seed it with an initial investment of \$1 million. The proposal is now pending at the State House, where it must be approved in order to take effect. The housing trust is designed to provide support for middle-income renters without regard to income, but targeted for households between 80 and 200 percent of area median income. Currently most subsidy programs top out at 80 percent AMI. A number of town employees currently fall through the cracks, making too much money to qualify for affordable housing programs but not earning enough to pay for an apartment in the super-heated Provincetown rental market where seasonal rentals bring in the biggest profits. These include patrol

officers, teachers, public works employees and the town clerk.

There was some discussion with community members that a possible action item for the Year-Round Rental Housing Trust would be to purchase housing on the market and hold it. This housing could then be rented out, generating income which could then fund further activity by the housing trust. At a surface level this does not appear to be the most effective use of funds and would have a very limited impact given the cost of housing. The housing trust public procurement requirements would also need to be taken into consideration and can be onerous when a municipal entity is managing a residential property. Any third-party management party would also be subject to MGL Ch. 30B since the requirement is triggered by the public status of the owner. With limited funds, the trust may have more success purchasing deed restrictions to preserve some rentals for year-round use. A third-party analysis, based on the economics of the community is recommended to help determine the best business plan for the Year-Round Rental Housing Trust.

## Rethink Communications Strategy

The town's elected officials and professional staff should review the process under which major proposals – such as land purchases for housing – are presented to the general public. Proposals need to be thoroughly aired and questions and concerns need to be addressed in a variety of public forums – online and off – before a Town Meeting vote. In today's increasingly digital world, where people are getting information from a variety of sources, the town's municipal leadership can no longer rely primarily on traditional methods, such as public meetings and coverage in local newspapers, to do the job.

The town manager's radio show is one method of reaching out to an expanded audience outside of the traditional meeting and newspaper approaches. The town should also explore ways to share information about major projects online. One possibility is a platform called coUrbanize, where local officials and developers can share information and answer questions about new projects and initiatives. The website's mission is to fill the void in



public information about projects in an age when most people have difficulty attending the myriad government hearings and meetings where key details are hashed out.

### Ongoing Public Education

There also needs to be an ongoing effort, maybe through workshops and forums, to remind the public of the close relationship between housing availability and the health of the local economy. Town leaders must make clear that confronting the housing challenge requires community support for a long-term effort and town leaders should make an effort to build on the community support that was clearly evident during the panel's meetings and discussions with residents. Identifying and fostering community partners is also important. For some communities these are business chambers, religious organizations, and different advocacy groups. The goal is to include groups that recognize community housing needs as part of their agenda and to encourage their input on potential strategies and opportunities.

### Move Ahead with Housing on Town-Owned Sites

Provincetown is densely developed, and that is one of its many charms. The downside is that buildable lots are hard to come by, but the panel was actually surprised by the amount of opportunities that exist for additional development. The town has the opportunity to begin to address some of its housing needs on two sites, the former VFW hall and parking lot at 3 Jerome Smith Road and the town's old community center at 46 Bradford Street.

Provincetown voters agreed to acquire the VFW site for \$900,000 in October, 2013. In one scenario sketched out by the TAP panel, 29 Provincetown-style, two-bedroom cottages could be built on the VFW site. The cottages, in turn, could provide housing for 54 seasonal workers. The new housing, including land costs, weighs in at roughly \$120,000 to \$150,000 per "cottage." These would be less expensive, modular micro-units.

The town has owned the community center since it

acquired the property for \$125 in 1892, and there is the potential for new construction at the community center site as well. A new, two-story workforce housing apartment building might include 16 rental units at a cost to build of \$275,000 each.

The town should seriously consider combining the two sites as part of a single RFP package. This would create an economy of scale, and the TAP panel was told that this would make the development effort more attractive to developers. Combined, as many as three or four dozen housing units could be built on the two properties.

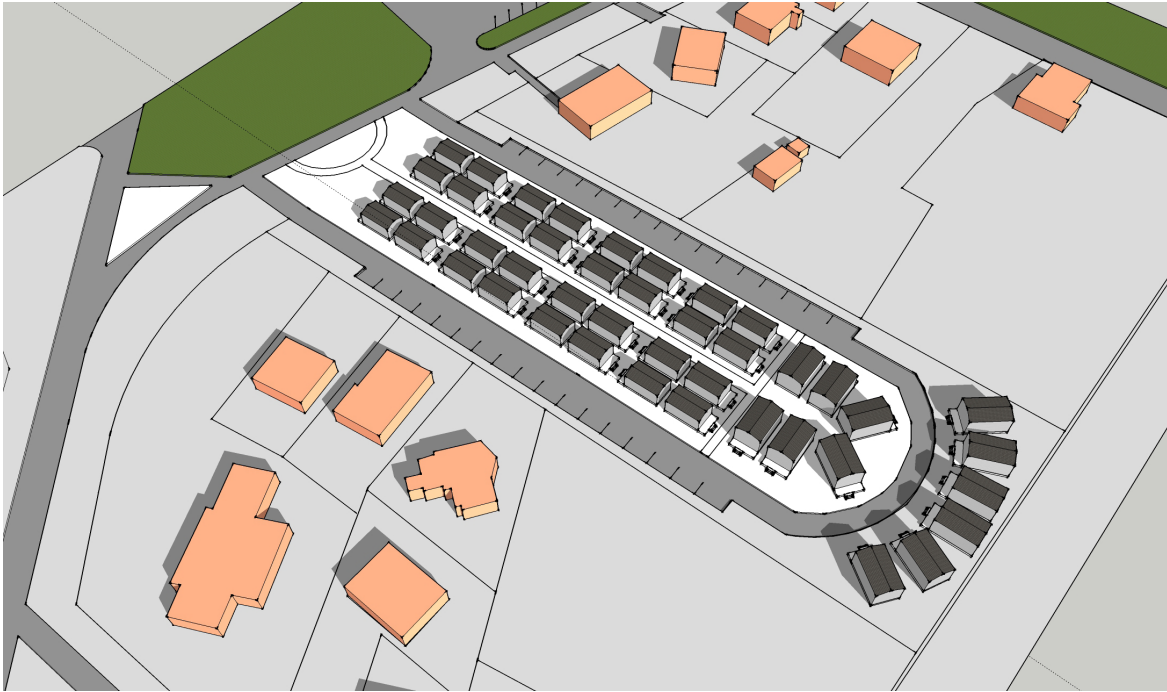
See proposed schematics on the next page.

### Seasonal Workforce Housing

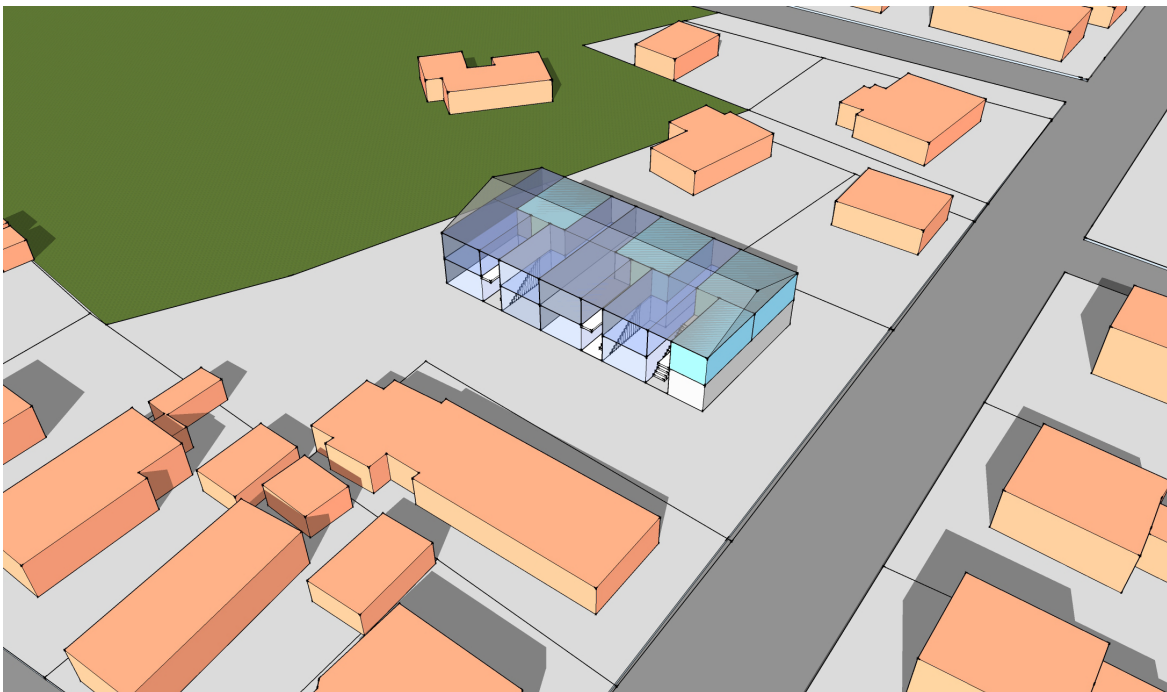
It will take time to build sufficient numbers of new, year-round apartments and homes. However, there are some steps town officials and local businesses can take relatively quickly to address the housing needs of seasonal workers. Faced with housing challenges, a number of Provincetown businesses have taken the initiative to provide housing for their seasonal workers by buying old homes and guest houses and housing workers at these sites. Provincetown officials should work closely with local businesses as they seek housing for their summer workers, encouraging solutions that work for both the businesses and the town. That might include assisting businesses that wish to team up on a larger project that could provide housing at one or two central locations for workers at a number of local establishments. The town might also consider licensing some parking lots to local businesses who want to bring modular micro-units or other forms of quick temporary housing to address immediate needs.

### Inclusionary Zoning By-Law

The town should try again to present an inclusionary zoning by-law at town meeting. Inclusionary zoning, particularly in home ownership developments, may be one of the most effective ways to address the community housing needs. Requiring deed-restricted for-sale housing at 120% or 150% of AMI would have



**A schematic of the VFW site sketched out by panelists showing Provincetown-style two-bedroom cottages. These would be less expensive, modular micro-units.**



**A schematic of the Community Center site sketched out by panelists showing a potential for new construction. A two-story workforce housing apartment building might include 16 rental units at a cost to build of \$275,000 each.**

less of a fiscal impact on a project's economics so it would be more tolerable to developers and may work better with smaller scale developments. It also allows the town to focus using public funds towards standard levels of affordability (less than 100% AMI).

There are consultants that provide fiscal impact analyses of inclusionary zoning who can help structure a zoning by-law that is feasible and doesn't create loop holes for developers. There are also great resources that provide examples and good data about the long-term successes of inclusionary zoning that can help inform the community outreach to support this effort.

The ULI Terwilliger Center for Housing recently published *The Economics of Inclusionary Zoning* ([uli.org](http://uli.org)).

The Lincoln Institute of Land Policy published a report last year on inclusionary zoning:

*Through a review of the literature and case studies, this report details how local governments are realizing the potential of inclusionary housing by building public support, using data to inform program design, establishing reasonable expectations for developers, and ensuring long-term program quality.*

*Inclusionary housing is likely to play a more significant role in our national housing strategy in the coming decade. Faced with declining federal and state resources for affordable housing and growing populations, communities need to take full advantage of every potential tool. The evidence summarized here suggests that inclusionary housing programs produce a modest yet steady supply of new affordable housing resources. Because programs generally preserve long-term affordability, the pool of local inclusionary units can grow steadily into a significant share of an area's housing stock.*



ULI Terwilliger Center for Housing's new report, *The Economics of Inclusionary Zoning*, can be found online at [uli.org](http://uli.org).

# Longer-Term Recommendations

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## Potential for Expanding Year-Round Economy

As its year-round population has dropped, Provincetown has also suffered from decline in the number of businesses open throughout the year as well. But of any community on the Cape, Provincetown may be uniquely equipped to rebuild a local economy that stays active throughout the year. In particular, Provincetown, with its impressive arts community, is well positioned to become a campus during the winter and spring months for aspiring artists, writers, filmmakers and other creative types. A similar idea was explored 15 years ago, but the timing now may be riper now for such an endeavor. Interest in the Fine Arts Work Center, for example, is outstripping its capacity.

The Center for Coastal Studies partnership with the University of Massachusetts Boston could provide yet another template for future endeavors.

## Land Use Master Plan and Corresponding Zoning Changes

The panel is aware that the best solution is the most difficult one to accomplish. A master plan for the community, identifying parcels for housing development and increased density would create predictability and avoid a parcel-by-parcel approach to creating a long-term solution for housing needs. It would also help with the planning and management of infrastructure, in particular, water. The town could also create design guidelines to address aesthetic concerns that the community has about new development.

If this does not seem feasible, Provincetown may also want to consider creating a zoning overlay district to help spur new development in prime areas, such as the two town-owned properties that it is currently considering options for. The zoning overlay can function on top of all or a large portion of the underlying zoning in the town, and it can benefit any project/property that meets specified development

criteria. This would allow the town to seek a greater percentage of affordable and workforce housing units in a project in exchange for allowing the developer to create more density, such as by adding more apartments. A zoning overlay district would also allow the town the opportunity to craft guidelines to spell out clearly what it wants and does not want with new development in the new district. This thoughtful and proactive approach to new development should encourage new private and public proposals that were previously not considered. It should also provide developers, worried about the possibility Provincetown may soon no longer fall under 40B regulations, with certainty about the rules of the road that will enable them to move forward with new projects.

## Other Zoning Items

Accessory Dwelling Unit - Assess why the accessory dwelling unit zoning hasn't produced more units. The Panel heard from a number of residents that the rules didn't reflect the physical realities of many potential opportunities and that the process was cumbersome. Now that the rules have been on the books for a while it could be a good moment to assess if there's an opportunity to relay the rules and streamline the accessory dwelling unit approval process.

Artist Live/Work Space - A number of artists are now living in their gallery space, something quite common in other arts centers, such as Boston's Fort Point neighborhood. However, since it is not an allowed use under the town's zoning rules, these key contributors to the town's vital arts scene are not able to convert part of their gallery space for residential living. The town should consider making artists live/work an acceptable use under its zoning code.

Mixed-Use – Assess the opportunity for upper floors of commercial buildings to be converted into new apartments.

## Permitting

The town should consider the designation of a single point of contact for new housing developments. This person would help to facilitate the permitting process for developers who wish to build housing in Provincetown. While developers say that many town officials are helpful and accommodating with respect to permitting requests, a single point of contact will provide a clear chain of communication and accountability that should result in even better communication between developers and town officials.

The town should also consider the creation of an expedited permitting process for housing developments that will provide affordable and workforce housing as well as seasonal worker housing. In the development world, time is money, and an expedited permitting process should encourage more developers to look hard at creating new housing stock in Provincetown.

## Think Regionally

Provincetown and other Outer Cape communities to varying degrees share similar challenges. All face shortages of both seasonal and year-round workers amid years of steadily increasing real estate prices and a rental market in which seasonable demand trumps all. Through regional collaboration, Provincetown and its neighbors may be able to identify more and larger sites for new seasonal and year-round housing than they would otherwise. The Outer Cape towns also confront similar transportation challenges as well. A regional effort could help towns bring greater resources to bear on the issue. While expanding the existing bus service may not be realistic, there may be ways to creatively use services such as Van Share, Zip Car and Bike Share to achieve the same goals.

## Expand Financing Sources

Provincetown is fortunate to have the Community Preservation Act, and have funding to launch the year-round market rate rental housing trust, when

approved. There is also the potential for a significant boost should the Legislature at some point approve long-standing home-rule petitions that would enable Provincetown to extend the hotel room tax to short-term rentals.

# Conclusion

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Provincetown is uniquely positioned to address its housing and year-round economic challenges. The town has a thriving arts community and budding aquaculture sector that could be leveraged to attract new investment and more year-around jobs. The town, through public purchases of land and changes in ownership in key privately-owned sites, has a number of potential development sites to work with as well as it looks to spur construction of additional affordable housing. Crucially, there is a growing consensus among town officials and residents as well that Provincetown's dearth of affordable housing is a keystone issue, one that threatens the very viability of the town's thriving tourism sector and the ability to maintain a vibrant, year-round economy.

However, in order to meet its goals, Provincetown's elected leaders and municipal officials will need to rethink the process of winning approval for major

housing proposals. That means finding ways to more effectively communicate major new initiatives and what's at stake for the town as well as building public support and consensus before a make-or-break Town Meeting vote. Yet that said, these are challenges municipal leaders are grappling with everywhere now and certainly not unique to Provincetown. As it moves forward with plans to deal with its growing affordability problem, Provincetown can count on some significant advantages as well, from dedicated local leadership to a committed citizenry. And that only bodes well for the town's efforts to ensure it has the housing it needs to continue to thrive and prosper for years to come.