

Governor Prence Inn Redevelopment

Town of Orleans

Committee Meeting

June 6, 2022



UNION STUDIO
ARCHITECTURE & COMMUNITY DESIGN

KIRK & COMPANY
Real Estate Counselors

Tonight's Agenda

1. Committee's Decision-Making Process
 1. Community Feedback
 2. Market Analysis
 3. Local and Regional Plans
 4. Housing Need
 5. Project Costs & Funding Resources
2. Site Conditions & Capacity
3. Revised Plans
4. Next Steps
5. Q&A/Comments



Task	Schedule	Key Deliverables
Analyze Project Site & Begin Community Engagement	February-March	Site Report Community Meeting #1- Introduction to Process, Community Feedback Community Survey Community Interviews
Develop Grounded Site Vision	March-April	Technical Memorandum outlining housing needs, market analytics, site suitability Community Meeting #2 – Design Thinking
Refine Development Options	May-June	Site conceptual plans/visualizations Community Meeting #3- Development Options
Implementation Strategy	June	Final Project Report and Appendix Final project presentations to Affordable Housing Trust & Select Board
Final Project Report	September	

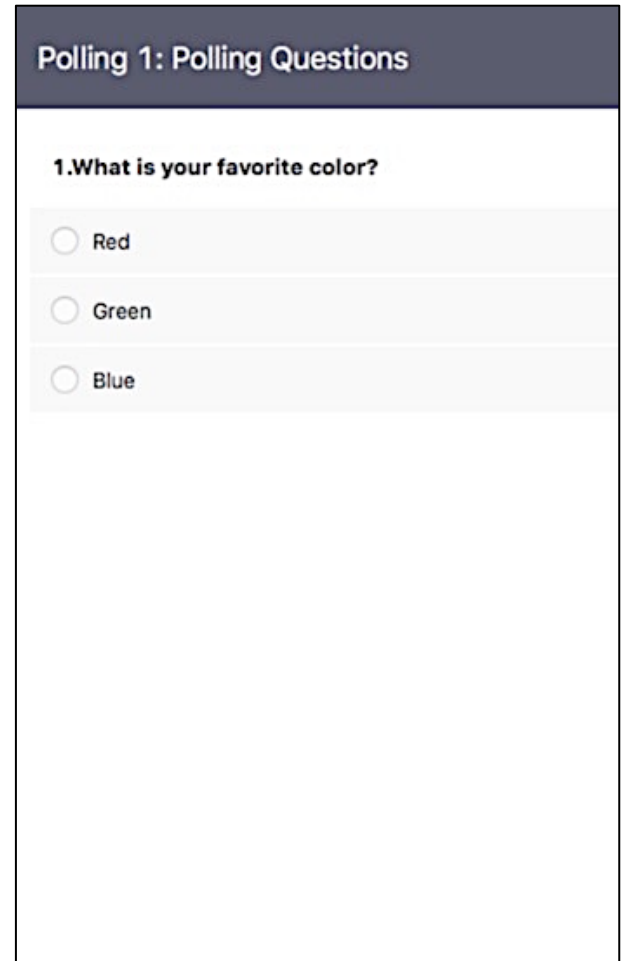
Meeting Protocol

Q&A Tool:

- You will be invited to enter questions into the Q&A tool at certain points during the meeting. At the end of the presentation, we will read and answer as many questions as possible.
- We will compile a Q&A document to address any questions we did not get to and will share at a later date.

Poll:

- Although your participation is appreciated, it is not required!
- There are three questions. Please be sure to scroll down so you can view all the questions.



Polling 1: Polling Questions

1. What is your favorite color?

Red

Green

Blue

***You should see the Poll appear on your screen, like the image above.**

The Site



COMMITTEE GOALS



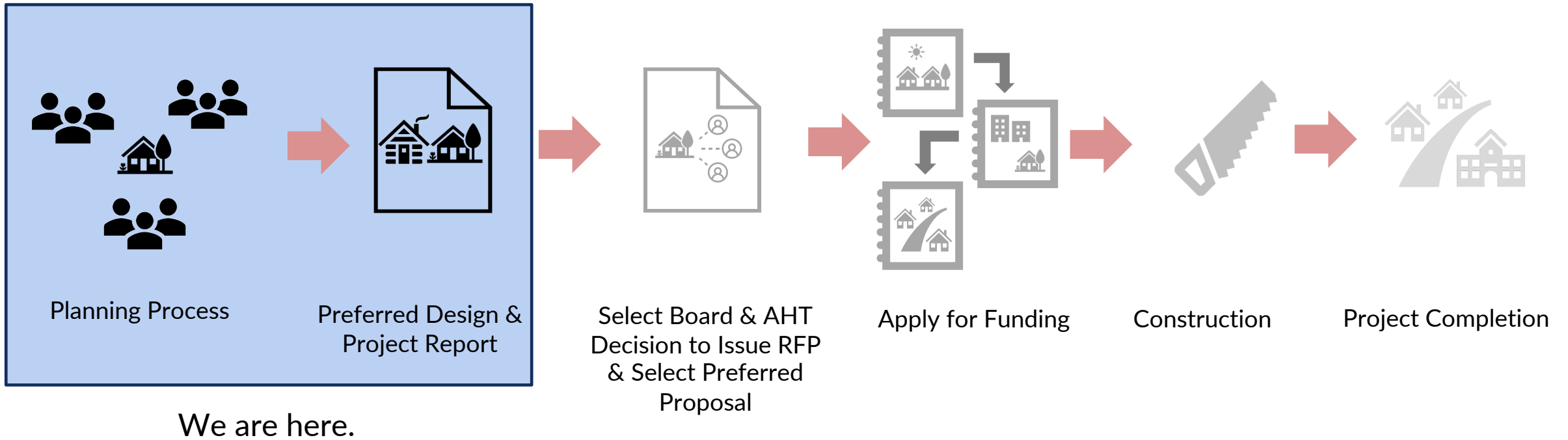
IDENTIFY A PREFERRED
PROJECT CONCEPT



RECOMMEND CRITERIA FOR
INCLUSION IN RFP



WHAT WOULD IMPLEMENTATION LOOK LIKE?





PROJECT CONSIDERATIONS

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN

PROJECT CONSIDERATIONS



MUNICIPAL
NEEDS FOR
SPACE



COMMUNITY
FEEDBACK



MARKET
ANALYSIS



LOCAL &
REGIONAL
PLANS



SITE
CONDITIONS
& CAPACITY



PROJECT
COSTS &
POTENTIAL
FUNDING
RESOURCES





MUNICIPAL NEEDS FOR SPACE

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN

Municipal Departments & Committee Feedback

Fire Department

- Select Board gave direction not to consider the site
- Response times at site are not sufficient

Library

- Select Board gave direction not to consider the site

Community Center

- Needs a larger space than the Governor Prence Site





COMMUNITY FEEDBACK

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN

Public Statements on Housing Need

“We have become an amusement park for the wealthy.”

“I watched other towns die, and Orleans will too.”

“We move to Nickerson for the summer to be able to afford to stay.”

“My friend has lived here her whole life and is living in an industrial warehouse to be able to stay.”

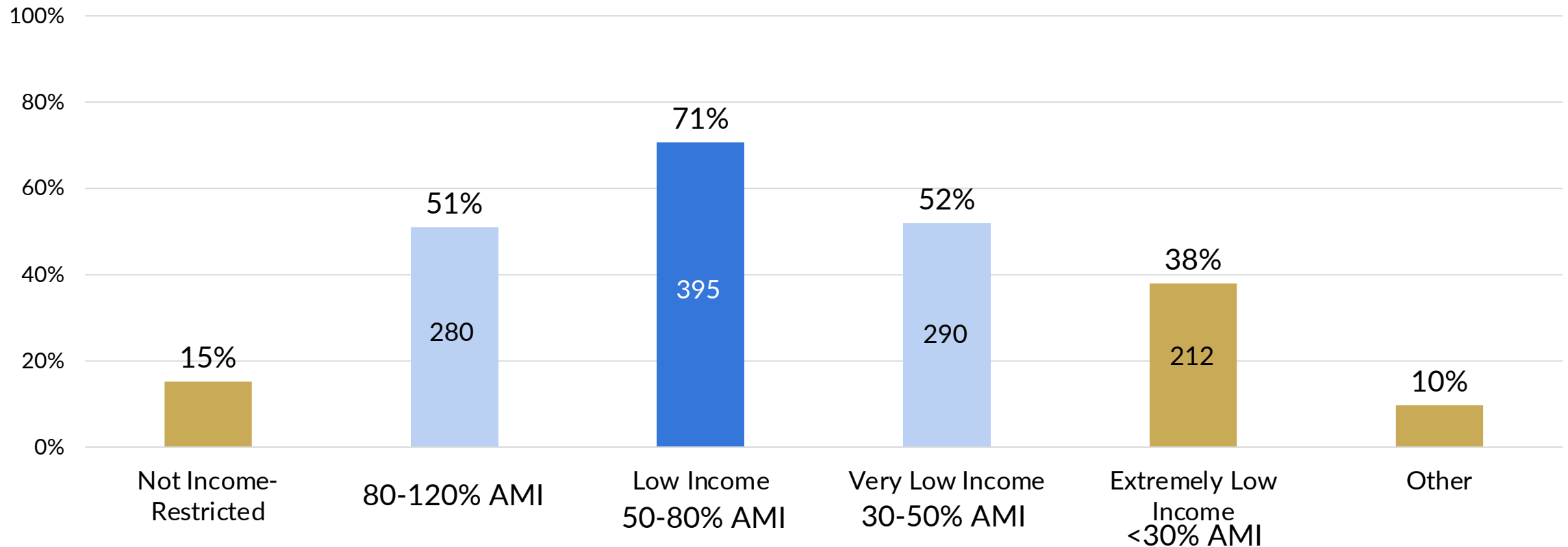
“We can't find employees because they can't find housing.”



1st Survey Results

Thoughts on Housing for Site

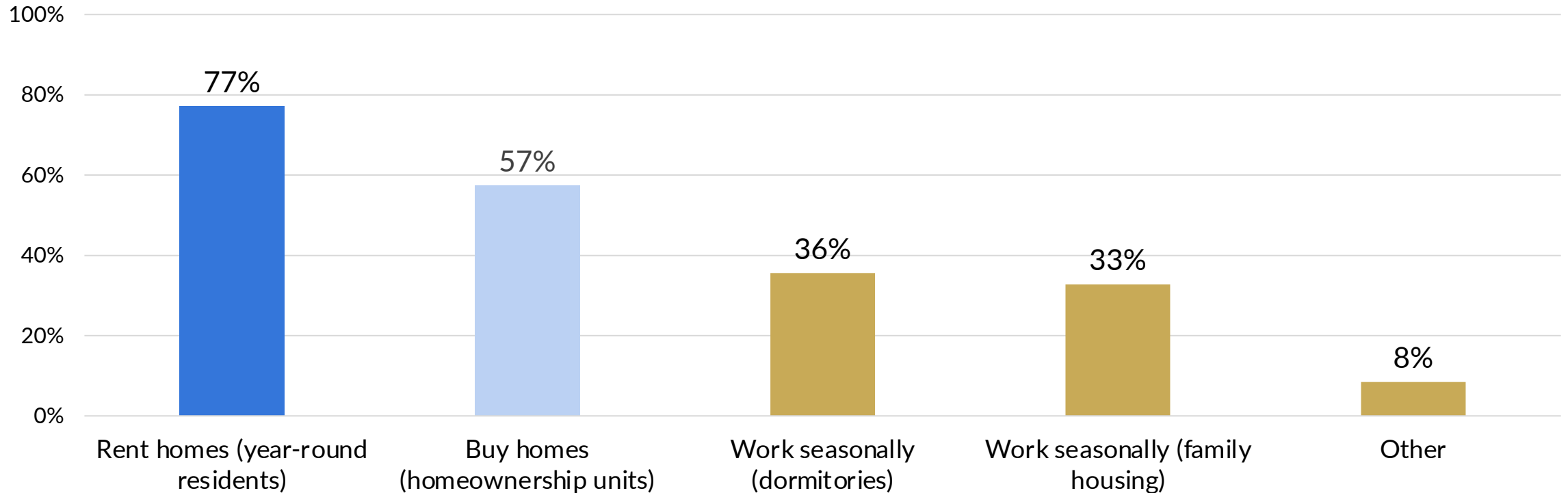
Potential Income Levels Served



1st Survey Results

Thoughts on Housing for Site

Housing Tenure

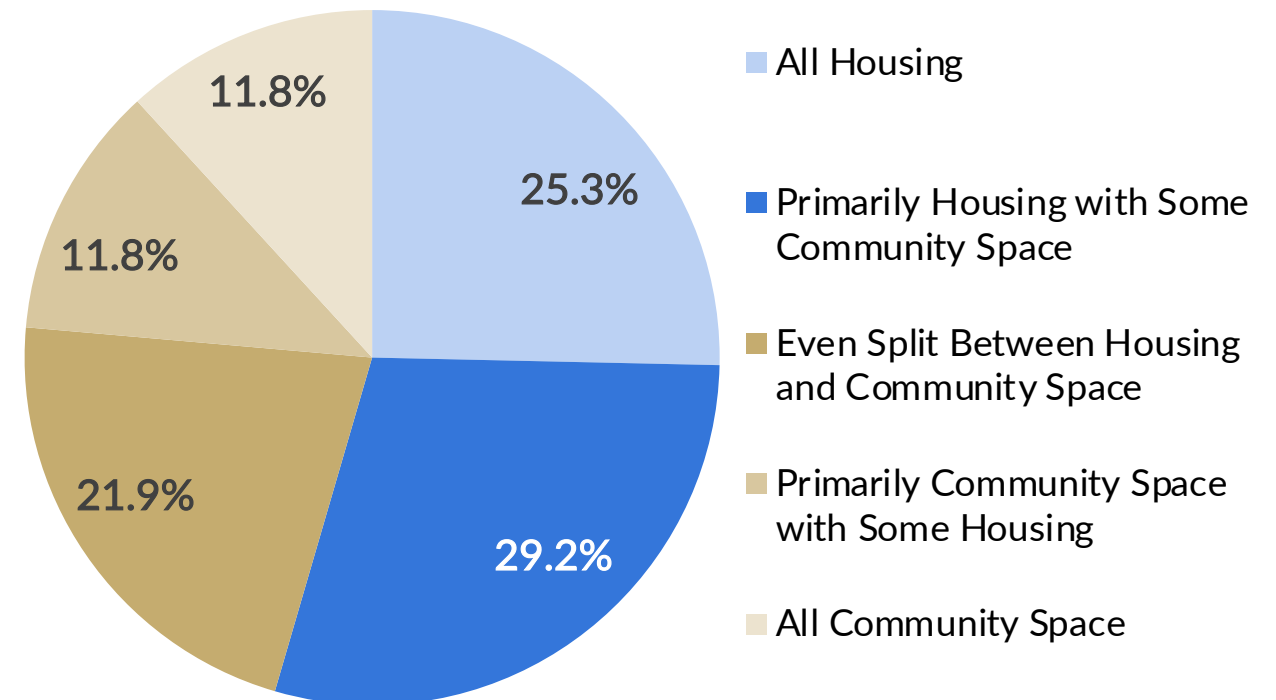


2nd Survey Results

Use of Site

- More than half of respondents say the site should be used “all” or “primarily” for housing
- 23.8% supported primarily or all community space
- 11.8% oppose any housing on the site

In your opinion, what proportion of the land on this site should be reserved for housing vs. community space?





TOWNHOMES



COTTAGES



COTTAGES



TOWNHOMES

MOST POPULAR HOUSING TYPOLOGIES IN SURVEY

Majority Support



Use of all or majority of the site for housing, with a portion for community use



Housing for households with:
-Low-Incomes (71%)
-Very Low-Incomes (52%)
-80-120% Incomes (51%)



Housing on the site for:
-Rental (77%)
-Homeownership (57%)



A variety of building types, especially Cape style cottages and townhomes



QUESTIONS OR COMMENTS?

- Please use the Q&A feature to enter your questions relating to the **factors that guided the committee's decision-making process.**
- We will answer submitted questions later this evening.

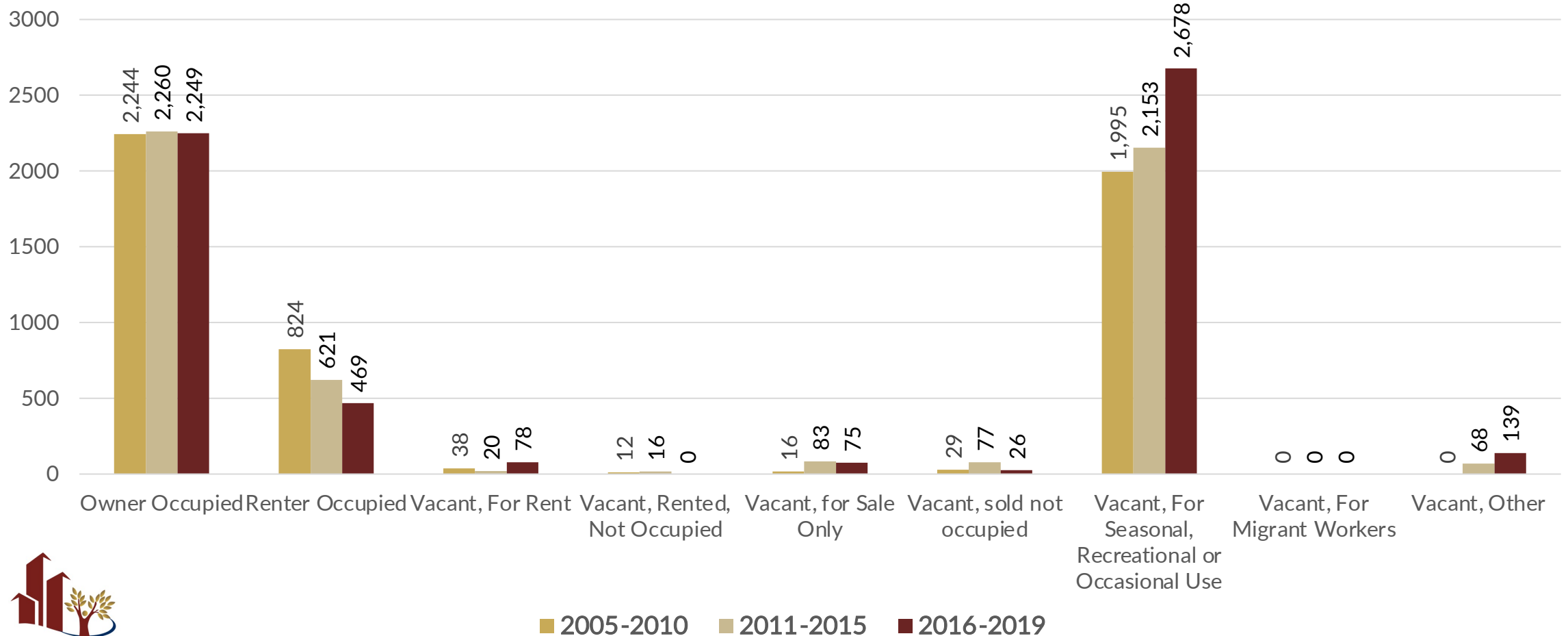




MARKET ANALYSIS

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN

Orleans Tenure, Occupancy & Vacancies 2005-2020



Housing Market Statistics



HOME PRICE
APRIL 2022
\$1,110,000



MEDIAN 2BD MARKET RENT
APRIL 2022:
~\$2,300



Income Compared to Area Median Income (AMI)	Household Size					
	1	2	3	4	5	6
120% AMI	\$97,104	\$110,976	\$124,848	\$138,720	\$149,818	\$160,915
100% AMI	\$80,920	\$92,480	\$104,040	\$115,600	\$124,848	\$134,096
Low Income (80%)	\$60,900	\$69,600	\$78,300	\$86,950	\$93,950	\$100,900
60% AMI	\$45,660	\$52,200	\$58,740	\$65,220	\$70,440	\$75,660
Very Low Income (50%)	\$38,050	\$43,500	\$48,950	\$54,350	\$58,700	\$63,050
Extremely Low Income (30%)	\$22,850	\$26,100	\$29,350	\$32,600	\$35,250	\$37,850



Income Compared to Area Median Income (AMI)	Household Examples from December 2021 Average Wage Data/Orleans Employment Base (2-3 examples per category)
120% AMI	<ul style="list-style-type: none"> ● An engineer (\$115,440) and a stay-at-home parent with 1 child
	<ul style="list-style-type: none"> ● Two real estate agents (\$49,556)
100% AMI	<ul style="list-style-type: none"> ● A fisherman (\$80,132) and a home health aid (\$23,608) with 2 children
	<ul style="list-style-type: none"> ● A single policeman who doesn't work overtime (\$62,797)
Low Income (80% AMI)	<ul style="list-style-type: none"> ● A retail worker (\$37,440) and a healthcare worker (\$44,876) with 4 children
	<ul style="list-style-type: none"> ● A masonry contractor (\$52,832) and a performing artist (\$37,284) with one child



Income Compared to Area Median Income (AMI)	Household Examples from December 2021 Average Wage Data/Orleans Employment Base (2-3 examples per category)
Low Income (60% AMI)	<ul style="list-style-type: none"> ● A construction worker (\$55,536) and a stay-at-home parent with an infant
Very Low Income (50% AMI)	<ul style="list-style-type: none"> ● A retail worker with one child (\$37,440)
	<ul style="list-style-type: none"> ● A nurse's aid with two children (\$44,876)
Extremely Low Income (30% AMI)	<ul style="list-style-type: none"> ● A waiter with 2 children (\$24,700)
	<ul style="list-style-type: none"> ● A single person working at an office supply store (\$20,696)



Will projects in the pipeline meet need?

The 62-units coming online at the Cape Cod Five development will meet a fraction of local and regional need.

“Any and all affordable housing offered in Barnstable County will have a strong applicant response.”





LOCAL & REGIONAL PLANS

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN

Themes in Local and Regional Plans

Future development should be focused in town center where there is sewer capacity to protect ecological resources and prevent further increases in nitrogen

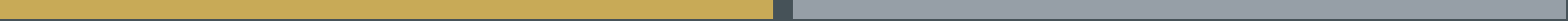
The town and region has a rapidly aging population and continued growth in seasonal housing demand, reducing the number of year-round rentals (3,000 lost between 2010-2015 in the county).

There is a great need for increased affordable housing across income levels and tenures

Adding residential density town center is core strategy in Orleans' economic development plan to support year-round labor base and to support year-round commercial businesses

There is concern about vacancies in existing commercial plazas and the need for support for existing businesses.





PROJECT COSTS & POTENTIAL FUNDING RESOURCES

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN



How can a project come together?

- Can fit 77 units with townhomes, manor houses, small apartments
- Orleans residents supported
 - Rental (77%)
 - Low-Incomes (71%)
 - Very Low-Incomes (52%)
 - Moderate Incomes (51%)
 - Homeownership (52%)

How much does it cost to build housing?



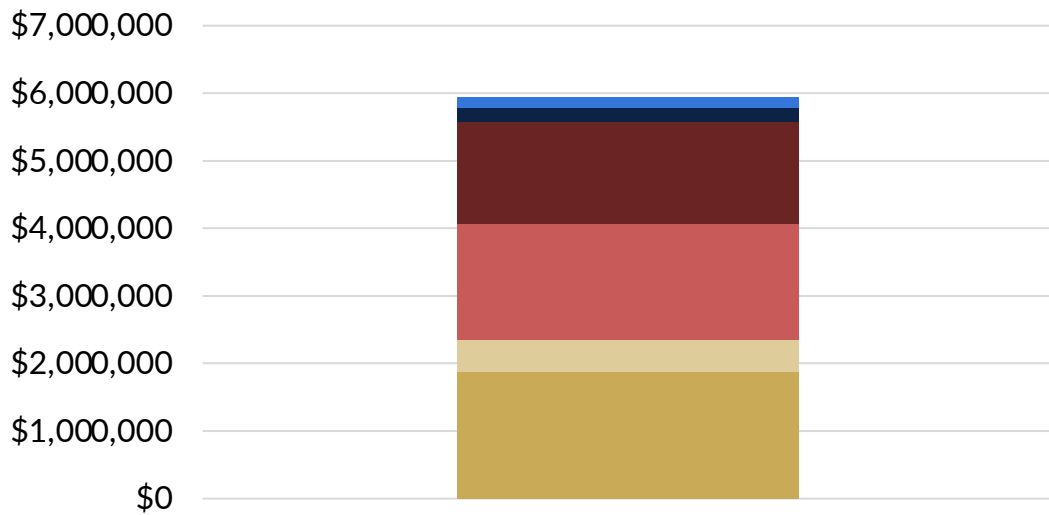
\$350-500K per unit



For 70 units at \$450K, development
would cost \$31,500,000

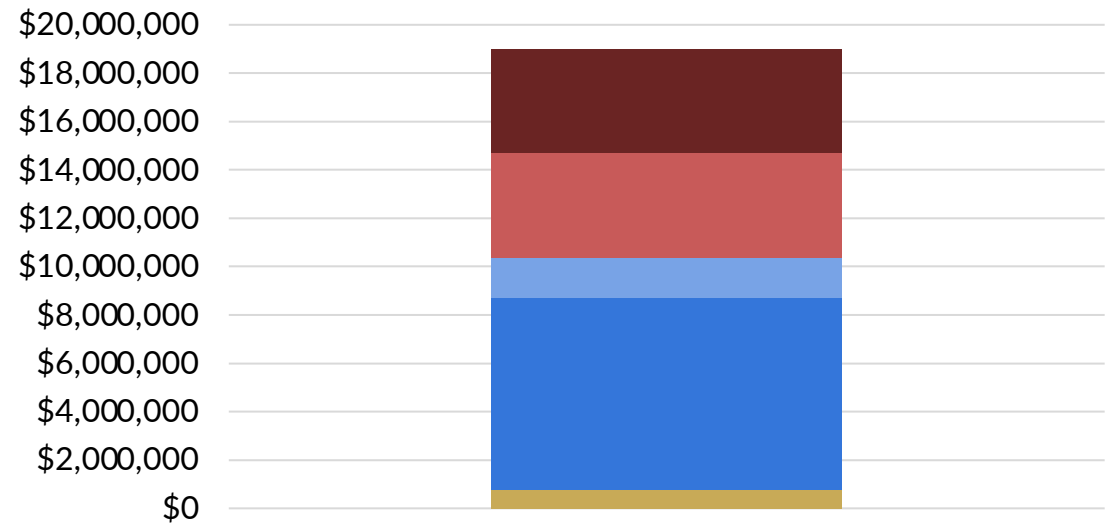
Recent Affordable Housing Projects

107 Main Street- 14 units, 80% AMI



- AHT/CPC
- CSHI
- First Mortgage
- HAC Equity
- Town of Orleans- Gift of Land
- CEDAC Grant
- Deferred Developer Fee

Anchor Point, Beverley, MA- 38 units, 60% AMI

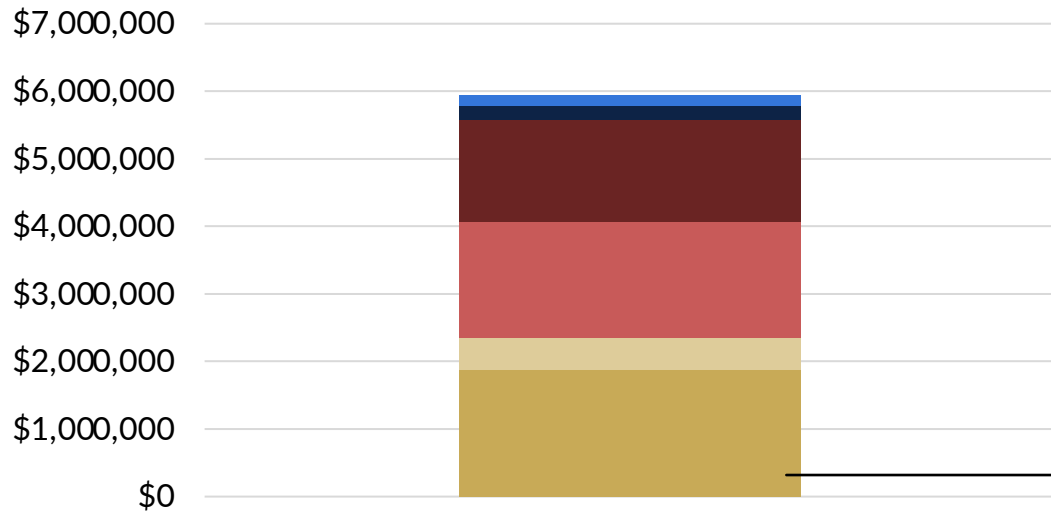


- Local CPC/Home
- Federal LIHTC
- State LIHTC
- MA DHCD Soft Debt
- First Mortgage



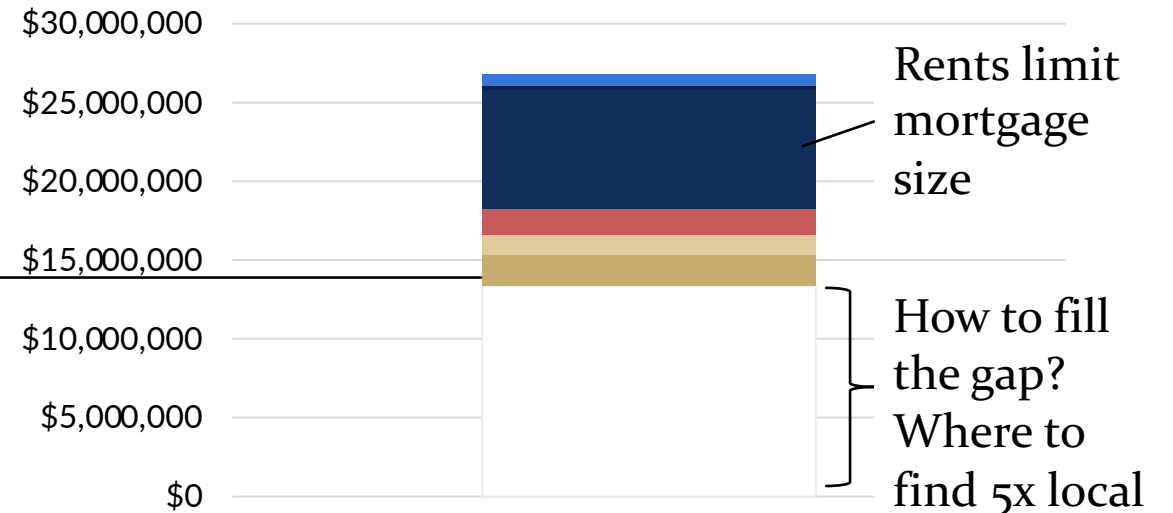
The Gap in Scaling Moderate Income Rental

107 Main Street- 14 units, 80% AMI



- AHT/CPC
- Town of Orleans Gift of Land
- CSHI
- CEDAC Grant
- First Mortgage
- Deferred Developer Fee

101 Fake Street- 70 units, 80% AMI



- Gap
- AHT/CPC
- Town of Orleans Gift of Land
- State Soft Subsidies
- CEDAC Grant
- First Mortgage
- Deferred Developer Fee
- Developer Equity

Rents limit mortgage size

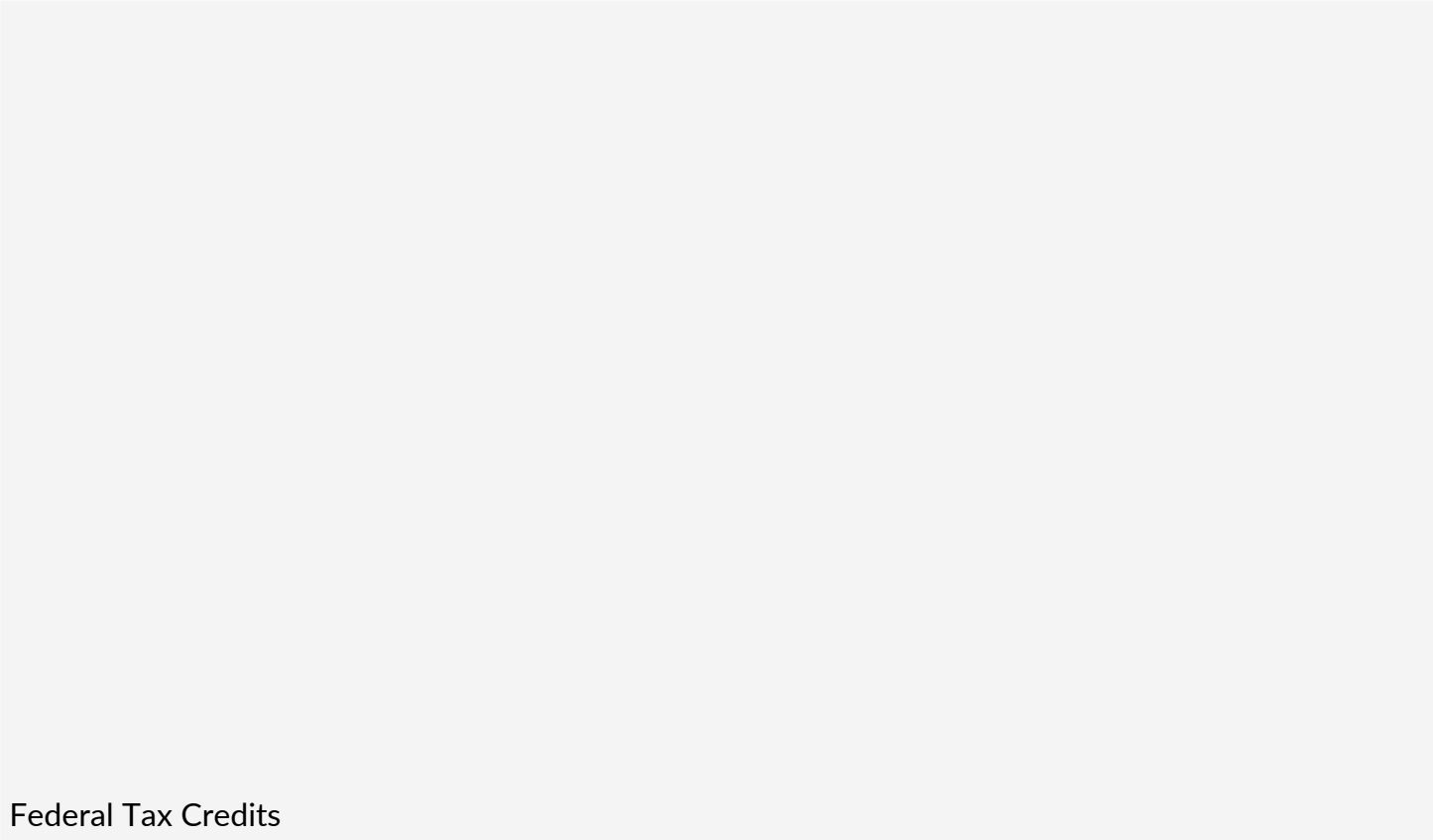
How to fill the gap?
Where to find 5x local dollars?



Where and what level of funding is available?

FEDERAL

STATE



- LOCAL
- REGIONAL
- STATE
- FEDERAL

Federal Tax Credits



LOCAL

REGIONAL

HOME

Community Preservation Committee

ARPA

Affordable Housing Trust

Can local dollars fill a \$13M gap?

Community Preservation Committee

- Received ~1M in 2021 tax receipts
- Total Budget of 2.2M in 2021
- \$1.4M allocated; 300K for 2022 AHT

Affordable Housing Trust

- \$119K Budget in 2021
- \$300K Budget in 2022
- \$275K Annual Override

Bonds at Town Meeting

- 2021 Voters approved a \$2M bond for Cape Cod Five project

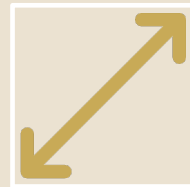
Can regional dollars fill a \$13M gap?

- The Barnstable County HOME Consortium's PY22 allocation is estimated to be \$450,000 plus approximately \$170,000 in repurposed program income.
- Towns will be able to apply for County ARPA funds (\$10M total), but those funds will be allocated according to priorities for regional investment.

Can market rate units fill a \$13M gap?



Market rate rents aren't strong enough to offset market rate units' own cost of construction



The lack of existing market rate multifamily apartments means banks will resist lending to a project where more than 5 or 10% of units are market rate



Banks will see too much risk in a budget where 25-30% of operations depends on market rents that need to be \$3,000 without project failing

Market Rate Rental Realities

Feasible

Infeasible

\$3,000 rent needed to cross subsidize

\$2,868 rent needed to built market units alone

Market rents too low to cross subsidize

Market rents detract from feasibility

\$2,000 market rents found in Cape Cod Five Study



Can state or federal dollars fill a \$13M gap?

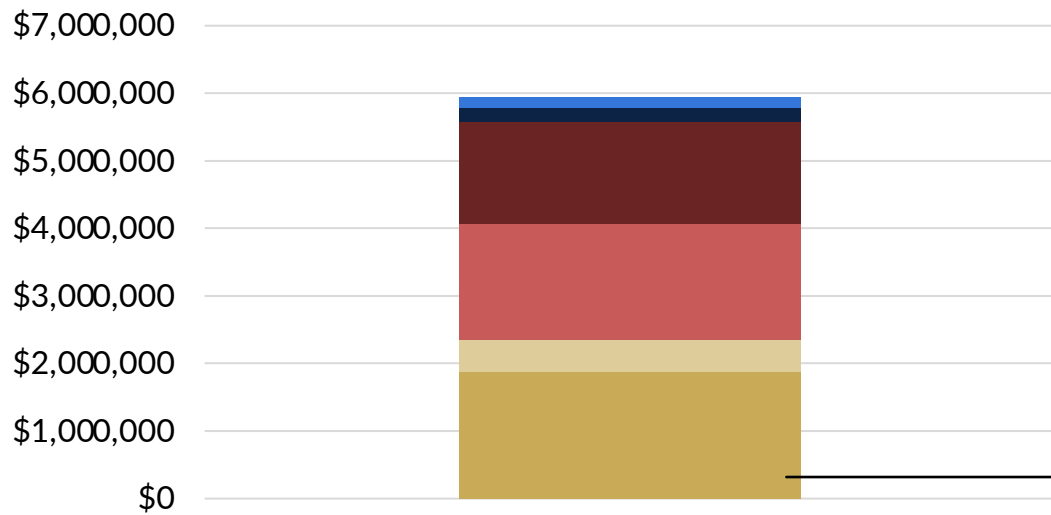
- In 2022, Massachusetts' Department of Housing and Community Development awarded
 - \$63M in subsidy funding
 - Tax credits generated \$200M in equity

Affordable Housing Funding Environment Realities

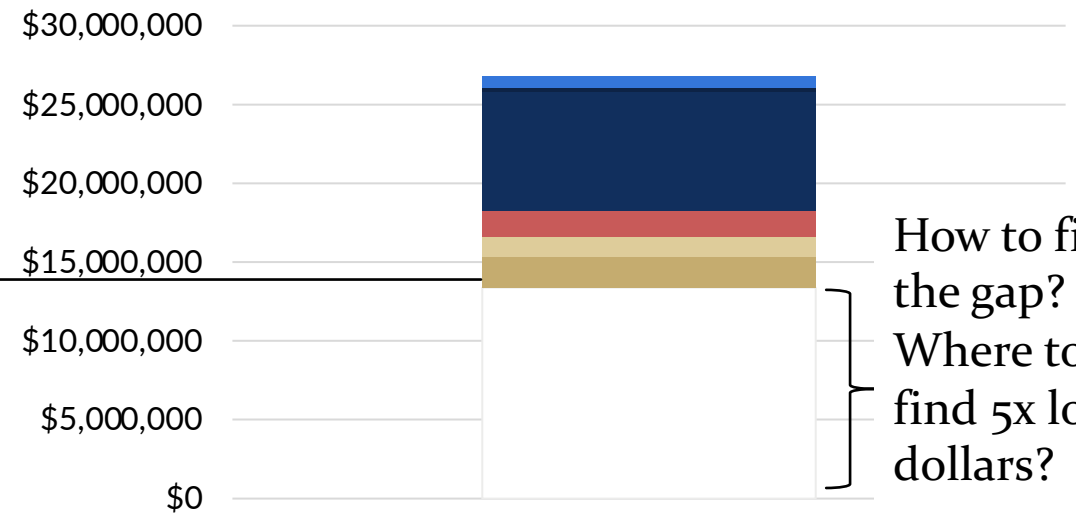
-
- Most projects with significant scale are funded through LIHTC.
 - Projects can get creative “on the edges” or when smaller.
 - Smaller projects may cost more per unit and serve fewer households.
-

The Gap in Scaling Moderate Income Rental

107 Main Street- 14 units, 80% AMI



101 Fake Street- 70 units, 80% AMI



How to fill the gap?
Where to find 5x local dollars?

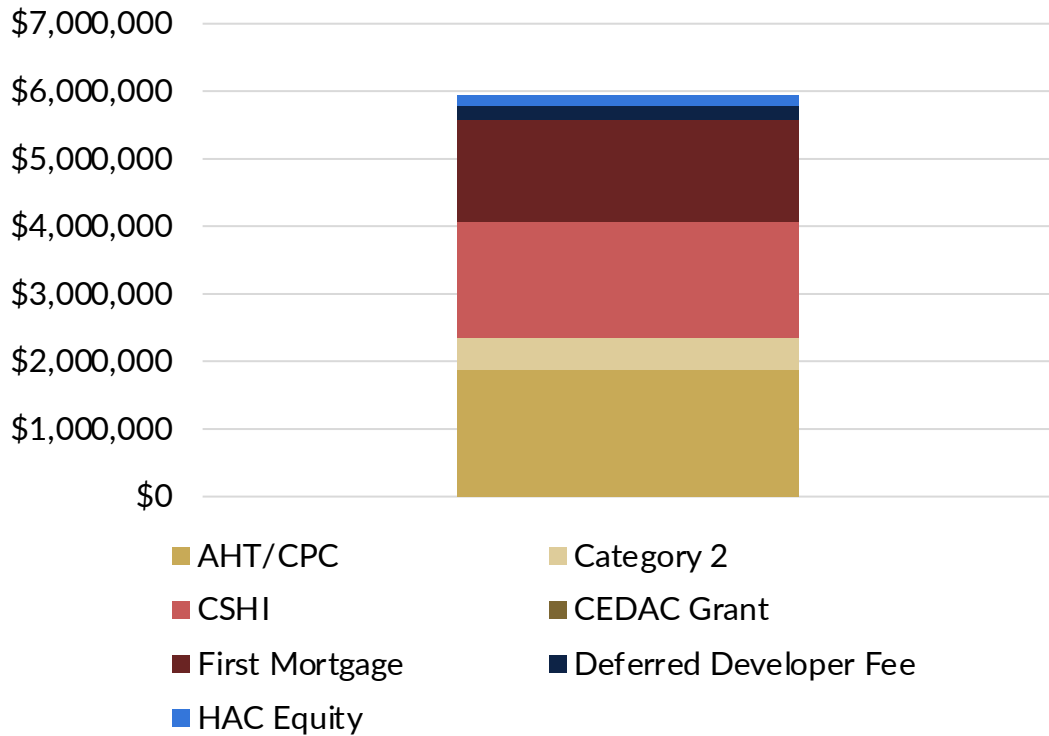
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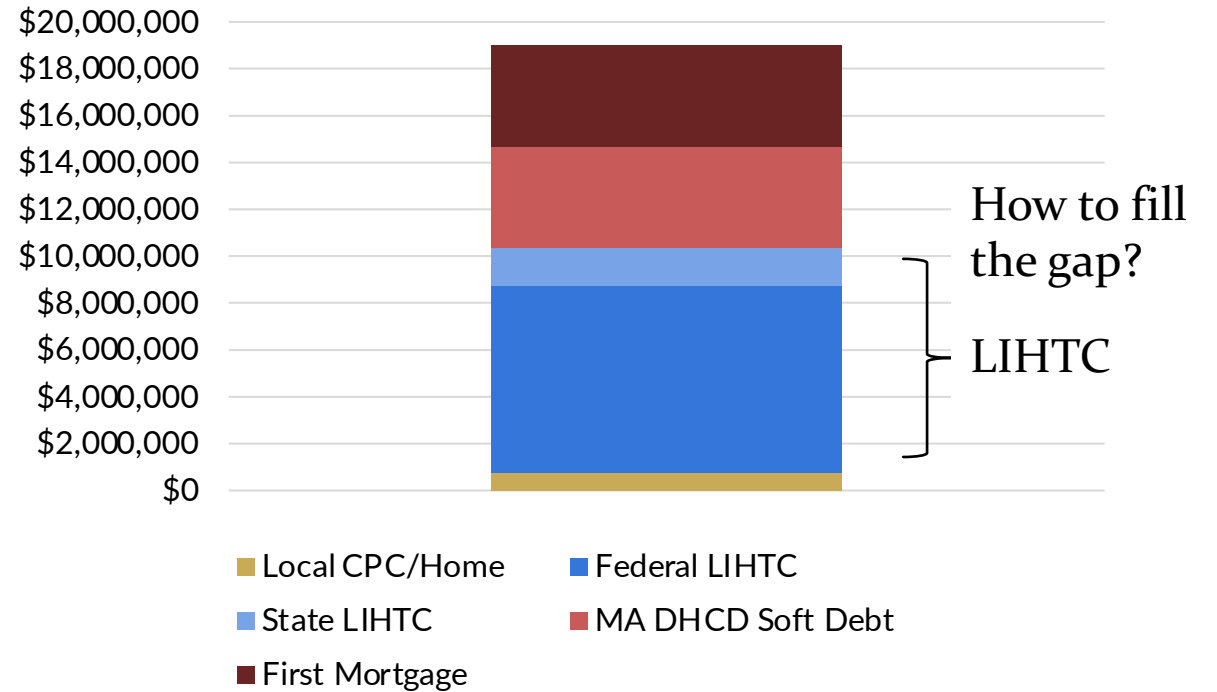


Recent Affordable Housing Projects

107 Main Street- 14 units, 80% AMI



Anchor Point, Beverley, MA- 38 units

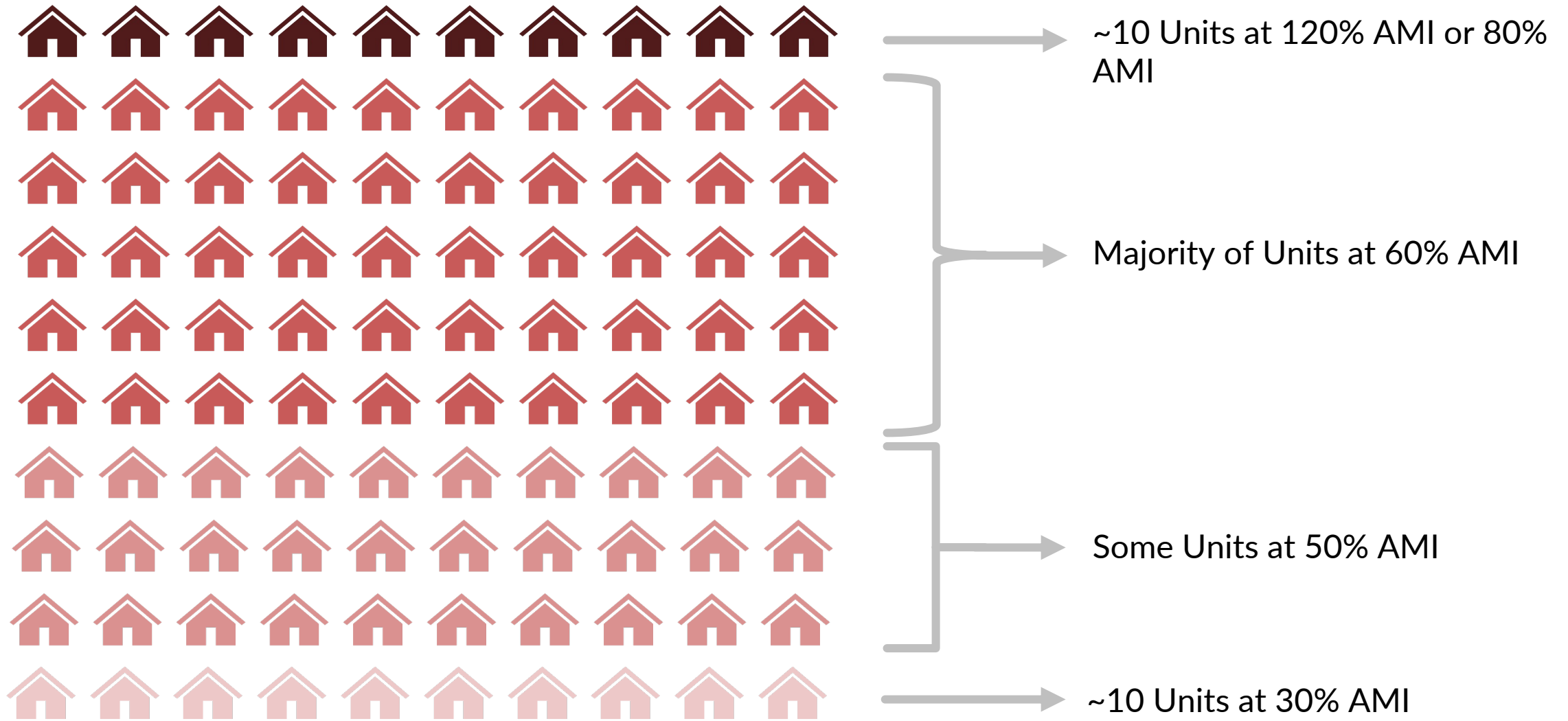


Typical Large Projects are funded with LIHTC



Majority of Units at 60% AMI

Local or State Funds May Allow for Other Incomes

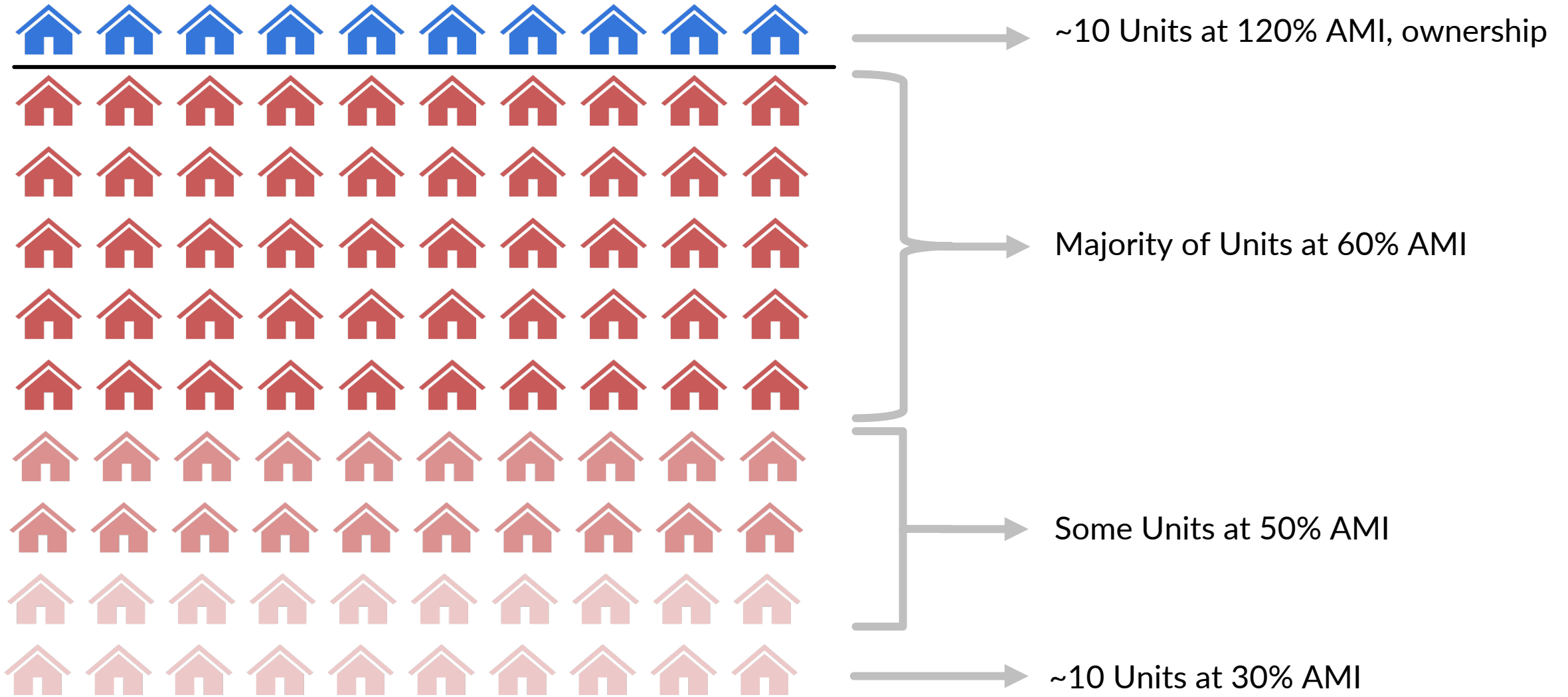


Projects only serving homeownership, workforce or special populations tend to be small.

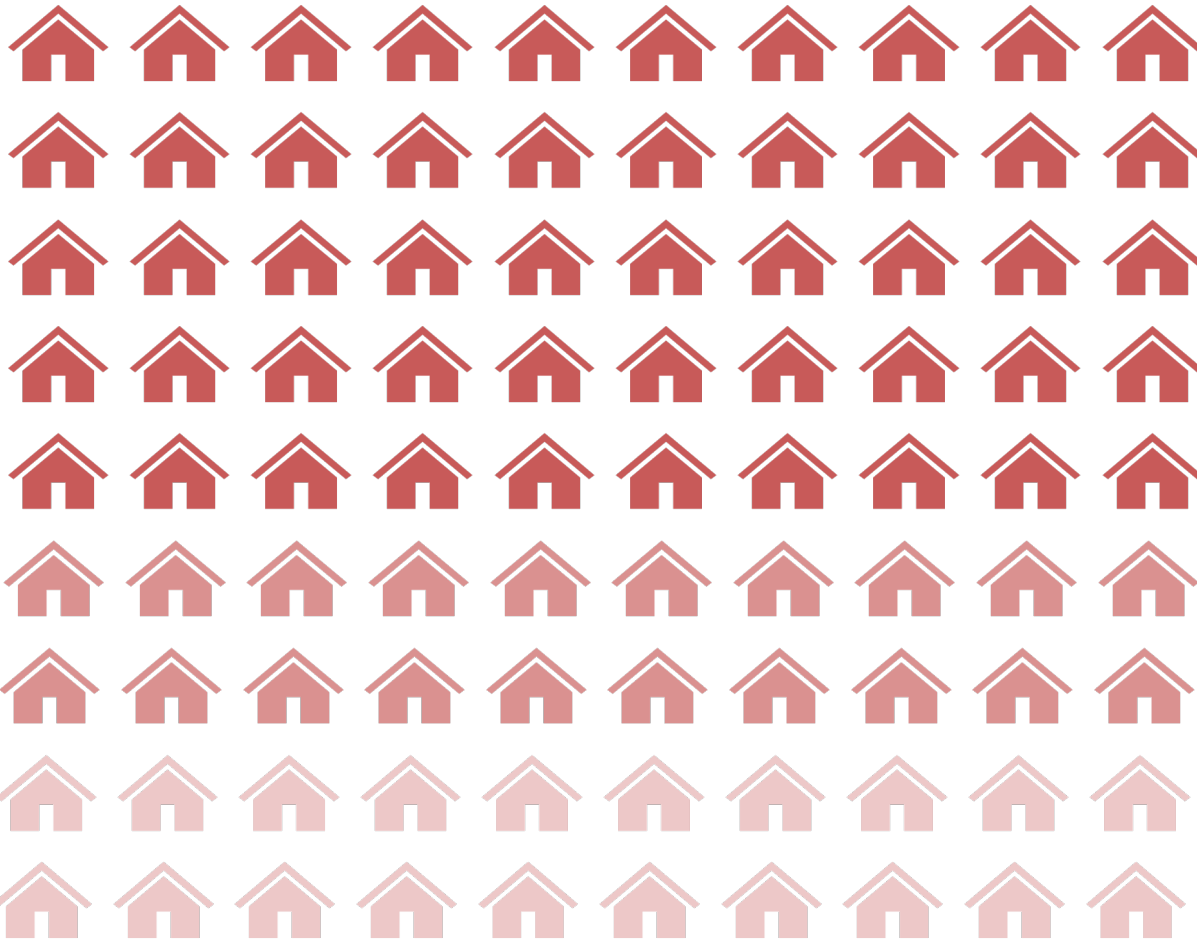


~10 Units at 60% AMI,
homeownership

But large projects can be creative on the edges!



But large projects can be creative on the edges!



They may require:

- Construction/Project Phasing
- Developer collaborations
- Lot subdivision
- More complex legal structures
- More time identifying willing lenders



SITE CONDITIONS AND CAPACITY

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN

Neighboring Properties on Route 6A

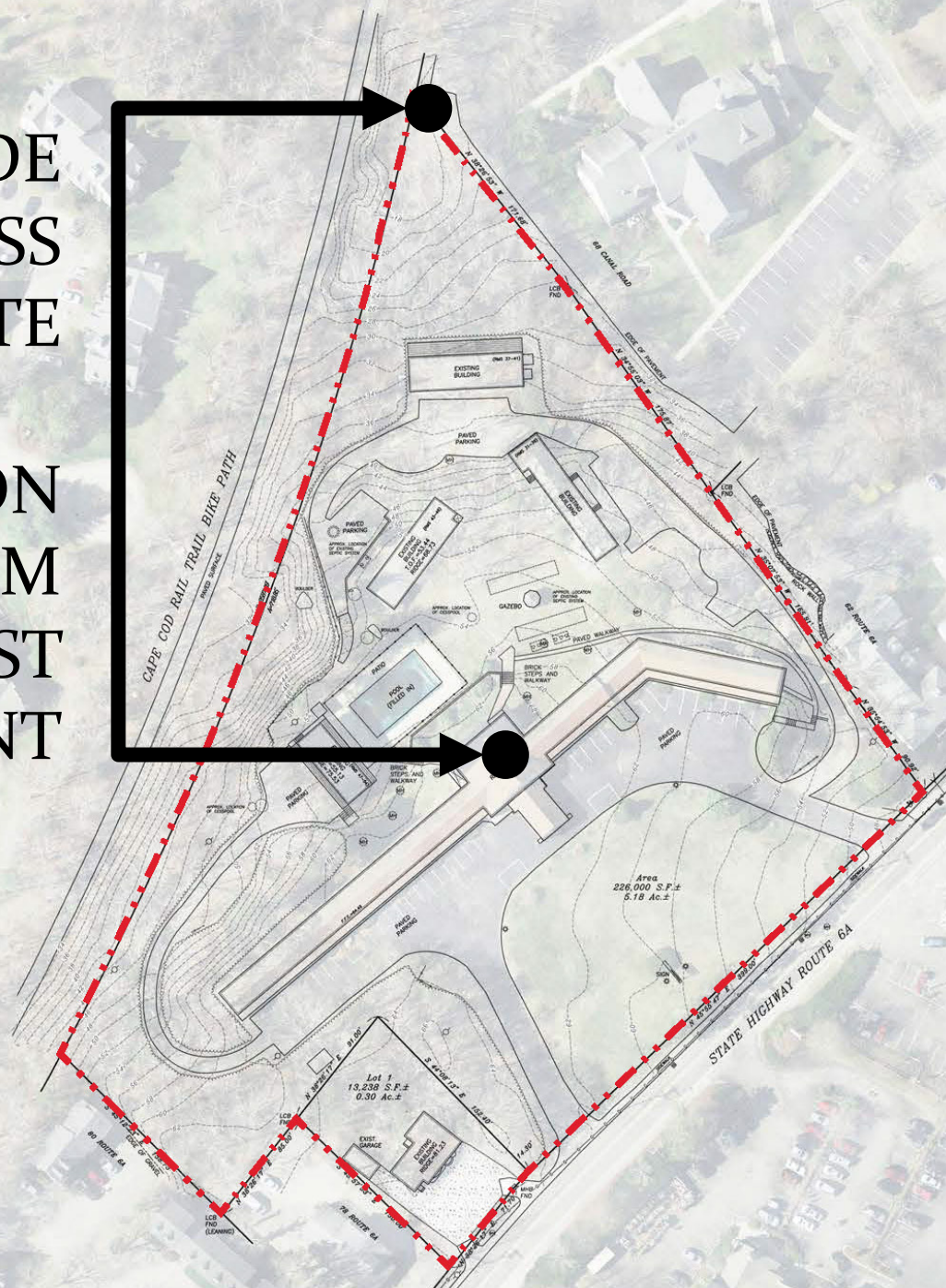


Neighboring Residential Properties Across the Cape Cod Trail, north of the site



MAJOR GRADE
CHANGES ACROSS
SITE

46 FT. ELEVATION
CHANGE FROM
HIGHEST TO LOWEST
POINT



Original Scenario Matrix

Estimated Number of Housing Units

Site Components	Potential Concepts	Estimated Number of Housing Units			
		Mostly Cottages	Mostly Townhouses	Mostly Apartments	Half Bungalow/Half Apartment
Mostly Housing	1.Housing + Common Green Space	35-45	50-60	Up to 77	20 + 35
Some Community Space	1. Housing + Small Community Building and/or Commercial Space	25-30	35-40	45-50	14 + 24
Mostly Community Space	1. Housing + Large Community Building and/or Commercial Space	15-20	20-25	25-30	8 + 14

Recommended Scenarios for Exploration

Estimated Number of Housing Units

Site Components	Potential Concepts	Estimated Number of Housing Units			
		Mostly Cottages	Mostly Townhouses	Mostly Apartments	Half Bungalow/Half Apartment
Mostly Housing	1.Housing + Common Green Space	35-45	50-60	Up to 77	20 + 35
Some Community Space	1. Housing + Small Community Building and/or Commercial Space	25-30	35-40	45-50	14 + 24
Mostly Community Space	1. Housing + Large Community Building and/or Commercial Space	15-20	20-25	25-30	8 + 14



IS "SOME" COMMUNITY SPACE MEANINGFUL?



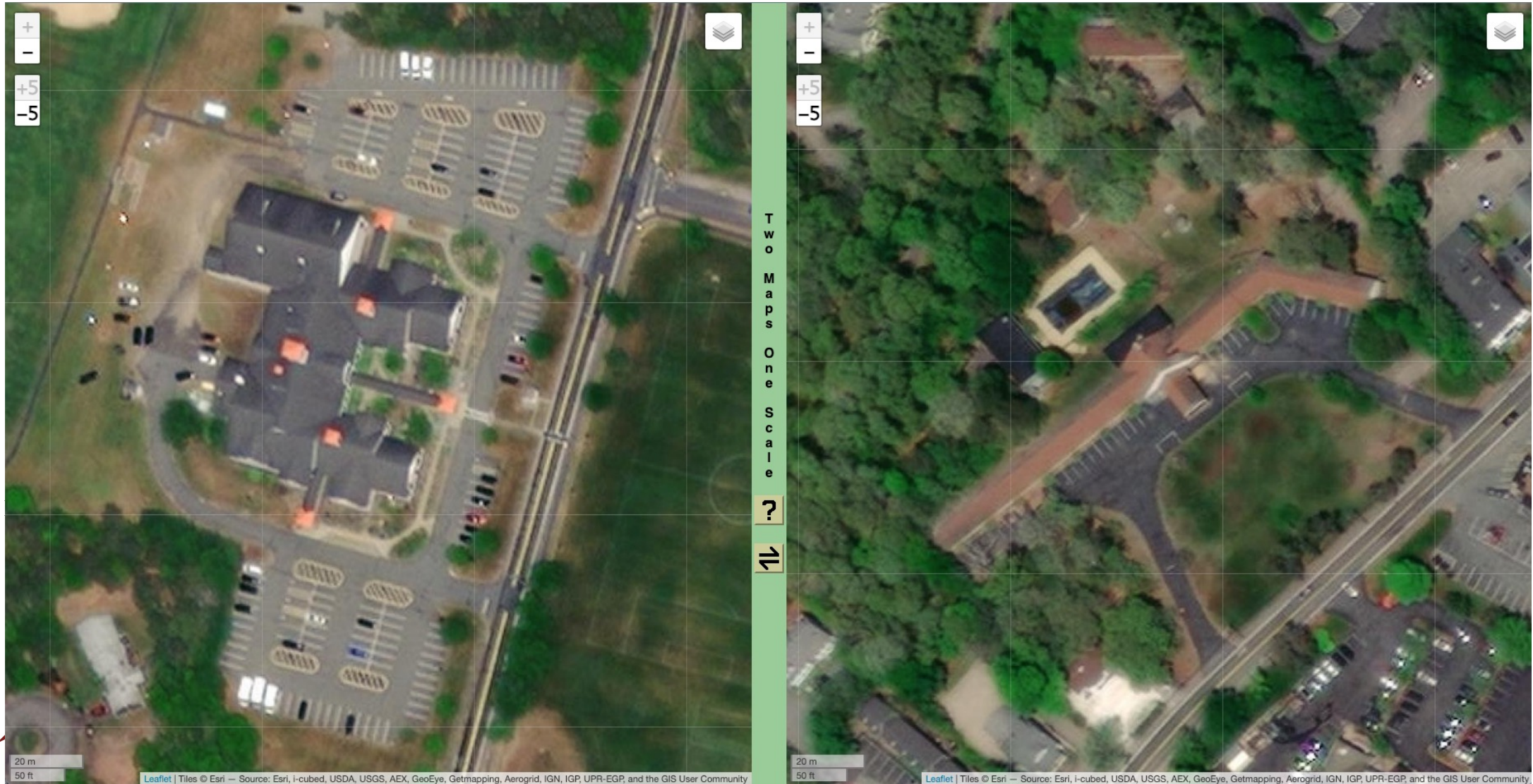
Community Center Feasibility Task Force



- The Task Force is looking for a large site in town
- They do not favor the Governor Prence site
- Orleans' economic development plan recommended that the creation of a cultural anchor institution happen as part of the community center planning



HARWICH COMMUNITY CENTER VS. GOV. PRENCE SITE



"Some" Community Space Considerations

- Town center has 9 open spaces within ½ mile of Governor Prence site
- Unclear usefulness, manager and ongoing cost to maintain & program small community building





QUESTIONS OR COMMENTS?

- Please use the Q&A feature to enter your questions relating to the **site conditions and capacity**.
- We will answer submitted questions later this evening.





REVISED SCHEMATIC DESIGN OPTIONS

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN

QUESTIONS OR COMMENTS?

- Please use the Q&A feature to enter your questions relating to the **schematic design options**.
- We will answer submitted questions later this evening.

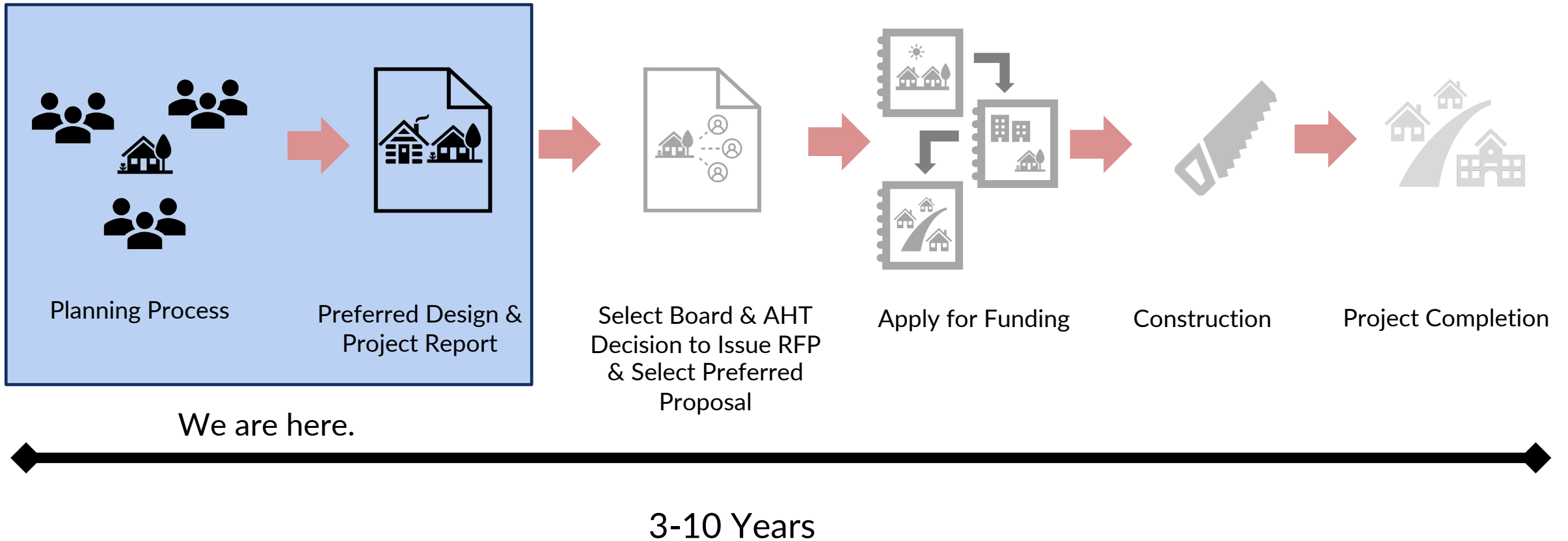




NEXT STEPS & CLOSE OUT

GOVERNOR PRENCE INN
REDEVELOPMENT PLAN

REMINDER: PROJECT PROCESS



QUESTIONS OR COMMENTS?

- Please use the Q&A feature to enter any other questions relating to this project.
- The consultant team will compile questions that we do not get to and generate a Q&A document to share at a later date.
- This presentation will be made available on the Governor Prence Planning Committee's webpage.
- If you have comments on the presentation, please email your comments to Planning Director George Meservey at gmeservey@town.orleans.ma.us by Monday, June 27.



Thank you!



UNION STUDIO
ARCHITECTURE & COMMUNITY DESIGN

KIRK & COMPANY
Real Estate Counselors



APPENDIX



THE PURCHASE

To see if the Town will vote to authorize and direct the Select Board and/or the Town of Orleans Affordable Housing Trust Fund to acquire by gift, by purchase, by eminent domain or otherwise, for **general municipal purposes, including but not limited to affordable housing, the land known as the Governor Prence Motel**, situated at 66 Route 6A and shown on the Orleans Assessors Map as Parcel 26- 23-0 and the land situated at 76 Route 6A and shown on the Orleans Assessors Map as Parcel 26-22-0, both being described in Certificate of Title No. 136186 and to raise and appropriate, or borrow the sum Two Million Three Hundred Fifty Thousand Dollars (\$2,350,000) or any other sum for such acquisition, and, further to raise and appropriate, or borrow the additional sum of One Hundred Thousand Dollars (\$100,000) for the purpose developing a plan including the necessary bid documents for the demolition of the existing motel buildings, provided, however, that no funds, shall be borrowed hereunder unless the Town shall have voted at an election to exempt the amounts required to pay for the bond from the limitations of Proposition 2 ½ so-called, if required; and further that the sum of Twenty-Five Thousand Dollars (\$25,000) be raised and appropriated for the purpose of paying ongoing expenses associated with the motel property and to authorize the Select Board and/or the Town of Orleans Affordable Housing Trust Fund, to execute any and all instruments as may be necessary on behalf of the Town. The sums appropriated hereunder will be added to the sum of \$450,000.00 authorized by the Orleans Affordable Housing Trust for this purpose or to take any other action relative thereto (Select Board and Town of Orleans Affordable Housing Trust Fund) (3/4 Vote Required)



COMMITTEE CHARGE



Work with the Town to develop an RFP for Consultant Services



Work with consultant on planning process



Make recommendations on development options and implementation strategies



1 Person Household



Firefighter

- Starting Salary: 55,680
- Low Income (80% AMI)
- plus \$5,100 for EMT or \$7,600 for paramedic



Grocery Store Employee

- Example Salary: \$39,988
- Low Income (60% AMI)



Police Officer

- Starting Salary: \$62,797
- Median Income (100%)



Landscaper

- Starting Salary: \$43,992
- Low Income (60%)



Teacher

- Example Salary: \$49,236
- Low Income (80% AMI)



Home Health Aid

- Example Salary: \$38,092
- Low Income (60% AMI)



2 Person
Household

Single
Parent
Household



Firefighter

- Starting Salary: 55,680
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Grocery Store Employee

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How much would projects cost at different scales?

44 units

- \$19,800,000

60 units

- \$27,000,000

70 units

- \$31,500,000

