

TO: Barnstable Town Council
Tax Incentive Advisory Committee

FROM: HDIP TIE Staff Review Committee

DATE: September 6, 2023

RE: Housing Development Incentive Program Applications
171 Main Street Hyannis
50 Yarmouth Road Hyannis
68 Yarmouth Road Hyannis

The Town of Barnstable has received 3 applications seeking a Tax Increment Exemption through the Housing Development Incentive Program (HDIP).

The goals of HDIP are to spur residential growth, expand diversity of housing stock, support economic development and promote neighborhood stabilization in Gateway municipalities.

All 3 applicants are seeking local tax increment exemptions only; they are not seeking State HDIP tax credits.

The Staff Review Committee has determined that all 3 applications are complete and meet the eligibility requirements of the HDIP Program.

171 Main Street Hyannis. Atlantic Apartments

The developer of this project is Todd Elwell.

The project will convert a former office building into 11 new market rate rental units (3 studios, 4- 1 bedroom, 4 -2 bedroom) and retain one office space. Amenities include on site laundry and will provide high energy efficiency units. The project has received all required permits. It is connected to municipal wastewater. The owner will be responsible for management and maintenance of the property. The proposed rents are moderately priced market rate rents, lower than 2 recently completed projects in the area. The TIE requires all units to be leased on a year round basis. The operating pro forma is in line with industry standards.

The total development cost, with acquisition, is \$2.3 million.
The per unit development cost is \$209,090

The requested Tax Increment Exemption is for 100% of the increased value for the first 5 years, 85% next 5 years and 55% remaining 10 years. The Assessor estimates the TIE to be valued at \$237,869.95 over the 20 years.

The HDIP staff review committee has reviewed the application and found it to be complete and the proposed development meets the objectives of Barnstable's HDIP Zone Plan by increasing residential stock, increasing diversity which currently is overwhelmingly homeownership, and provides workforce housing opportunities thereby supporting economic development.

50 Yarmouth Road Hyannis, "Linnell Landing"

The developer of this project is Jake Dewey. The construction contractor is Seashore Homes.

The project consists of new construction of 12 rental units on the site of an existing 3 unit dwelling(which will remain and be improved). Upon completion there will be 4- 2 bedroom, townhouse style units and 8-1 bedroom units in a multifamily building. The project can be developed "as of right" in the Downtown Village zoning district. It is connected to municipal wastewater. The owner will be responsible for management and maintenance of the property. The proposed rents are moderately priced market rate rents, lower than 2 recently completed projects in the area. One of the units is required to be an Inclusionary Housing unit, priced at 65% AMI and one additional unit will be priced at 80% of AMI. The project has received a subsidy award from the Barnstable Affordable Housing Trust for \$500,000.

The total development cost, with acquisition is just under \$3.8 million.
The per unit development cost is \$284,667

The Tax Increment Exemption request is 100% of the increased value for first 5 years, 85% next 5 years and 55% remaining 10 years. The Assessor estimate the TIE to be valued at \$377,534.77.

The HDIP staff review committee has reviewed the application and found it to be complete and the proposed development meets the objectives of Barnstable's HDIP Zone Plan by increasing residential stock, increasing diversity which currently is overwhelmingly homeownership, and providing workforce housing opportunities thereby supporting economic development

68 Yarmouth Road Hyannis

The developer of this project is Mark Hanson. The contractor is Branson Group, also owned by Mark Hanson.

This project is a raze and replace of an existing structure consisting of 9 total bedrooms and replacing it with new construction of 8 market rate duplex style units, each with 3

bedroom for a total of 24 total bedrooms. The project has an approved Regulatory Agreement and is ready to begin construction. The owner will be responsible for management and maintenance of the property. The property is connected to municipal sewer. The proposed rents are moderately priced market rate rents. The TIE requires all units to be leased on a year round basis. Three bedroom rental units are currently in particularly short supply. The operating pro forma is in line with industry standards.

The total development cost is \$2,450,000.
The per unit development cost is \$306,250

The Tax Increment Exemption request is 100% of the increased value for the first 5 years, 85% next 5 years and 55% remaining 10 years. The Assessor estimates the value of the TIE to be \$251,304.56 over the 20 years.

The HDIP staff review committee has reviewed the application and found it to be complete and the proposed development meets the objectives of Barnstable's HDIP Zone Plan by increasing residential stock, increasing diversity of stock which currently is overwhelmingly homeownership, and provide workforce housing opportunities thereby supporting economic development.

Strategic Importance

All 3 projects are within the Housing Development Zone, the Growth Incentive Zone, and the new zoning Downtown Village district, an area the Town that has been identified as a focus for redevelopment of underutilized properties and promotion of residential development.

The location of all 3 projects are within walking distance of the two largest Cape employers, Cape Cod Hospital and the Town of Barnstable, the location provides easy access to public transportation options and a variety of downtown amenities. All are connected to municipal wastewater infrastructure. All 3 projects will provide visual improvements to existing, aging, blighted properties. Each project provides an improved quality of housing for tenants with new construction of high energy efficient units.

Combined these project will create 27 new market rate rental units in the Housing Development Zone.

The rents levels proposed are attainable by the Cape Cod workforce. They are moderately priced, market rate rents and all are less than recently completed developments nearby, thereby affording market rate renters at a slightly lower income bracket to afford these units.

The new market rate units will have a positive influence on the real estate market dynamic in the Housing Development Zone and improve the East Main Street streetscape.

Enclosed are the HDIP applications for your review.

Value of TIE Local Tax Incentives for 171 Main St

Fiscal Year	Municipal Tax Rate Per Thousand	TIE Incremental Assessed Value	Projected Annual Property Tax Bill for Incremental Assessed Value	TIE Yearly Exemption %	Exempted Annual Property Tax	Exempted Annual CPA Surtax	Total Value of Local Incentive	Net Property Tax Gained	Net CPA Surtax Gained	Total Net Taxes Gained
2024	\$7.25	\$1,751,100	\$12,689.78	100%	\$12,689.78	\$380.69	\$13,070.48	\$0.00	\$0.00	\$0.00
2025	\$7.43	\$1,751,100	\$13,007.03	100%	\$13,007.03	\$390.21	\$13,397.24	\$0.00	\$0.00	\$0.00
2026	\$7.61	\$1,751,100	\$13,332.20	100%	\$13,332.20	\$399.97	\$13,732.17	\$0.00	\$0.00	\$0.00
2027	\$7.80	\$1,751,100	\$13,665.51	100%	\$13,665.51	\$409.97	\$14,075.47	\$0.00	\$0.00	\$0.00
2028	\$8.00	\$1,751,100	\$14,007.15	100%	\$14,007.15	\$420.21	\$14,427.36	\$0.00	\$0.00	\$0.00
2029	\$8.20	\$1,751,100	\$14,357.33	85%	\$12,203.73	\$366.11	\$12,569.84	\$2,153.60	\$64.61	\$2,218.21
2030	\$8.40	\$1,751,100	\$14,716.26	85%	\$12,508.82	\$375.26	\$12,884.08	\$2,207.44	\$66.22	\$2,273.66
2031	\$8.61	\$1,751,100	\$15,084.17	85%	\$12,821.54	\$384.65	\$13,206.19	\$2,262.62	\$67.88	\$2,330.50
2032	\$8.83	\$1,751,100	\$15,461.27	85%	\$13,142.08	\$394.26	\$13,536.34	\$2,319.19	\$69.58	\$2,388.77
2033	\$9.05	\$1,751,100	\$15,847.80	85%	\$13,470.63	\$404.12	\$13,874.75	\$2,377.17	\$71.32	\$2,448.49
2034	\$9.28	\$1,751,100	\$16,244.00	55%	\$8,934.20	\$268.03	\$9,202.22	\$7,309.80	\$219.29	\$7,529.09
2035	\$9.51	\$1,751,100	\$16,650.10	55%	\$9,157.55	\$274.73	\$9,432.28	\$7,492.54	\$224.78	\$7,717.32
2036	\$9.75	\$1,751,100	\$17,066.35	55%	\$9,386.49	\$281.59	\$9,668.09	\$7,679.86	\$230.40	\$7,910.25
2037	\$9.99	\$1,751,100	\$17,493.01	55%	\$9,621.15	\$288.63	\$9,909.79	\$7,871.85	\$236.16	\$8,108.01
2038	\$10.24	\$1,751,100	\$17,930.33	55%	\$9,861.68	\$295.85	\$10,157.53	\$8,068.65	\$242.06	\$8,310.71
2039	\$10.50	\$1,751,100	\$18,378.59	55%	\$10,108.22	\$303.25	\$10,411.47	\$8,270.37	\$248.11	\$8,518.48
2040	\$10.76	\$1,751,100	\$18,838.06	55%	\$10,360.93	\$310.83	\$10,671.76	\$8,477.13	\$254.31	\$8,731.44
2041	\$11.03	\$1,751,100	\$19,309.01	55%	\$10,619.95	\$318.60	\$10,938.55	\$8,689.05	\$260.67	\$8,949.72
2042	\$11.30	\$1,751,100	\$19,791.73	55%	\$10,885.45	\$326.56	\$11,212.02	\$8,906.28	\$267.19	\$9,173.47
2043	\$11.59	\$1,751,100	\$20,286.53	55%	\$11,157.59	\$334.73	\$11,492.32	\$9,128.94	\$273.87	\$9,402.80
				20 YR TOTALS	\$230,941.70	\$6,928.25	\$237,869.95	\$93,214.48	\$2,796.43	\$96,010.92

Map / parcel	327/232 & 233
Estimated value when completed	\$3,020,000
FY2024 base value	\$1,268,900
Increase in value subject to TIE	\$1,751,100

Number of units 11

Value of TIE Local Tax Incentives for 50 Yarmouth Road

Fiscal Year	Municipal Tax Rate Per Thousand	TIE Incremental Assessed Value	Projected Annual Property Tax Bill for Incremental Assessed Value	TIE Yearly Exemption %	Exempted Annual Property Tax	Exempted Annual CPA Surtax	Total Value of Local Incentive	Net Property Tax Gained	Net CPA Surtax Gained	Total Net Taxes Gained
2024	\$7.25	\$2,480,300	\$17,974.11	100%	\$17,974.11	\$539.22	\$18,513.34	\$0.00	\$0.00	\$0.00
2025	\$7.43	\$2,480,300	\$18,423.47	100%	\$18,423.47	\$552.70	\$18,976.17	\$0.00	\$0.00	\$0.00
2026	\$7.61	\$2,480,300	\$18,884.05	100%	\$18,884.05	\$566.52	\$19,450.58	\$0.00	\$0.00	\$0.00
2027	\$7.80	\$2,480,300	\$19,356.15	100%	\$19,356.15	\$580.68	\$19,936.84	\$0.00	\$0.00	\$0.00
2028	\$8.00	\$2,480,300	\$19,840.06	100%	\$19,840.06	\$595.20	\$20,435.26	\$0.00	\$0.00	\$0.00
2029	\$8.20	\$2,480,300	\$20,336.06	100%	\$20,336.06	\$610.08	\$20,946.14	\$0.00	\$0.00	\$0.00
2030	\$8.40	\$2,480,300	\$20,844.46	100%	\$20,844.46	\$625.33	\$21,469.80	\$0.00	\$0.00	\$0.00
2031	\$8.61	\$2,480,300	\$21,365.57	100%	\$21,365.57	\$640.97	\$22,006.54	\$0.00	\$0.00	\$0.00
2032	\$8.83	\$2,480,300	\$21,899.71	100%	\$21,899.71	\$656.99	\$22,556.70	\$0.00	\$0.00	\$0.00
2033	\$9.05	\$2,480,300	\$22,447.21	100%	\$22,447.21	\$673.42	\$23,120.62	\$0.00	\$0.00	\$0.00
2034	\$9.28	\$2,480,300	\$23,008.39	80%	\$18,406.71	\$552.20	\$18,958.91	\$4,601.68	\$138.05	\$4,739.73
2035	\$9.51	\$2,480,300	\$23,583.60	80%	\$18,866.88	\$566.01	\$19,432.88	\$4,716.72	\$141.50	\$4,858.22
2036	\$9.75	\$2,480,300	\$24,173.19	80%	\$19,338.55	\$580.16	\$19,918.70	\$4,834.64	\$145.04	\$4,979.68
2037	\$9.99	\$2,480,300	\$24,777.51	80%	\$19,822.01	\$594.66	\$20,416.67	\$4,955.50	\$148.67	\$5,104.17
2038	\$10.24	\$2,480,300	\$25,396.95	80%	\$20,317.56	\$609.53	\$20,927.09	\$5,079.39	\$152.38	\$5,231.77
2039	\$10.50	\$2,480,300	\$26,031.88	50%	\$13,015.94	\$390.48	\$13,406.42	\$13,015.94	\$390.48	\$13,406.42
2040	\$10.76	\$2,480,300	\$26,682.67	50%	\$13,341.34	\$400.24	\$13,741.58	\$13,341.34	\$400.24	\$13,741.58
2041	\$11.03	\$2,480,300	\$27,349.74	50%	\$13,674.87	\$410.25	\$14,085.12	\$13,674.87	\$410.25	\$14,085.12
2042	\$11.30	\$2,480,300	\$28,033.48	50%	\$14,016.74	\$420.50	\$14,437.24	\$14,016.74	\$420.50	\$14,437.24
2043	\$11.59	\$2,480,300	\$28,734.32	50%	\$14,367.16	\$431.01	\$14,798.18	\$14,367.16	\$431.01	\$14,798.18
20 YR TOTALS					\$366,538.61	\$10,996.16	\$377,534.77	\$92,603.97	\$2,778.12	\$95,382.09

Map / parcel **327/168**
 Estimated value when completed **\$3,447,400**
 FY2024 base value **\$967,100**
 Increase in value subject to TIE **\$2,480,300**

Number of units 15 (includes 1 affordable)

Value of TIE Local Tax Incentives for 68 Yarmouth Rd

Fiscal Year	Municipal Tax Rate Per Thousand	TIE Incremental Assessed Value	Projected Annual Property Tax Bill for Incremental Assessed Value	TIE Yearly Exemption %	Exempted Annual Property Tax	Exempted Annual CPA Surtax	Total Value of Local Incentive	Net Property Tax Gained	Net CPA Surtax Gained	Total Net Taxes Gained
2024	\$7.25	\$1,850,000	\$13,406.49	100%	\$13,406.49	\$402.19	\$13,808.68	\$0.00	\$0.00	\$0.00
2025	\$7.43	\$1,850,000	\$13,741.65	100%	\$13,741.65	\$412.25	\$14,153.90	\$0.00	\$0.00	\$0.00
2026	\$7.61	\$1,850,000	\$14,085.19	100%	\$14,085.19	\$422.56	\$14,507.75	\$0.00	\$0.00	\$0.00
2027	\$7.80	\$1,850,000	\$14,437.32	100%	\$14,437.32	\$433.12	\$14,870.44	\$0.00	\$0.00	\$0.00
2028	\$8.00	\$1,850,000	\$14,798.25	100%	\$14,798.25	\$443.95	\$15,242.20	\$0.00	\$0.00	\$0.00
2029	\$8.20	\$1,850,000	\$15,168.21	85%	\$12,892.98	\$386.79	\$13,279.77	\$2,275.23	\$68.26	\$2,343.49
2030	\$8.40	\$1,850,000	\$15,547.42	85%	\$13,215.30	\$396.46	\$13,611.76	\$2,332.11	\$69.96	\$2,402.08
2031	\$8.61	\$1,850,000	\$15,936.10	85%	\$13,545.69	\$406.37	\$13,952.06	\$2,390.42	\$71.71	\$2,462.13
2032	\$8.83	\$1,850,000	\$16,334.50	85%	\$13,884.33	\$416.53	\$14,300.86	\$2,450.18	\$73.51	\$2,523.68
2033	\$9.05	\$1,850,000	\$16,742.87	85%	\$14,231.44	\$426.94	\$14,658.38	\$2,511.43	\$75.34	\$2,586.77
2034	\$9.28	\$1,850,000	\$17,161.44	55%	\$9,438.79	\$283.16	\$9,721.95	\$7,722.65	\$231.68	\$7,954.33
2035	\$9.51	\$1,850,000	\$17,590.47	55%	\$9,674.76	\$290.24	\$9,965.00	\$7,915.71	\$237.47	\$8,153.18
2036	\$9.75	\$1,850,000	\$18,030.24	55%	\$9,916.63	\$297.50	\$10,214.13	\$8,113.61	\$243.41	\$8,357.01
2037	\$9.99	\$1,850,000	\$18,480.99	55%	\$10,164.55	\$304.94	\$10,469.48	\$8,316.45	\$249.49	\$8,565.94
2038	\$10.24	\$1,850,000	\$18,943.02	55%	\$10,418.66	\$312.56	\$10,731.22	\$8,524.36	\$255.73	\$8,780.09
2039	\$10.50	\$1,850,000	\$19,416.59	55%	\$10,679.13	\$320.37	\$10,999.50	\$8,737.47	\$262.12	\$8,999.59
2040	\$10.76	\$1,850,000	\$19,902.01	55%	\$10,946.10	\$328.38	\$11,274.49	\$8,955.90	\$268.68	\$9,224.58
2041	\$11.03	\$1,850,000	\$20,399.56	55%	\$11,219.76	\$336.59	\$11,556.35	\$9,179.80	\$275.39	\$9,455.19
2042	\$11.30	\$1,850,000	\$20,909.55	55%	\$11,500.25	\$345.01	\$11,845.26	\$9,409.30	\$282.28	\$9,691.57
2043	\$11.59	\$1,850,000	\$21,432.28	55%	\$11,787.76	\$353.63	\$12,141.39	\$9,644.53	\$289.34	\$9,933.86
				20 YR TOTALS	\$243,985.01	\$7,319.55	\$251,304.56	\$98,479.13	\$2,954.37	\$101,433.50

Map / parcel	327/166
Estimated value when completed	\$2,510,000
FY2024 base value	\$660,000
Increase in value subject to TIE	\$1,850,000

Number of units 8