



community development partnership

Creating opportunities for people to live, work, and thrive on the Lower Cape

Harbor Hill: A New Market Rate Rental Community

"It was really all about stability."

Chris Cardia
Resident, Harbor Hill



Over the past 20 years, the affordability and availability of year-round rental housing on the Outer and Lower Cape has greatly diminished as existing year-round rental housing has been acquired by second home owners and largely rented as short-term vacation rentals. On-line vacation rental platforms have accelerated this conversion and the town of Provincetown has led the way in seeing its inventory of year-round rental housing affordable for working families disappear from the market.

A 2018 study by UMass Dartmouth entitled *Understanding the Housing Needs and Challenges Facing Provincetown, Massachusetts*, explains the negative impact of the short-term vacation rental market on the availability of year-round rentals. The owner of a two-bedroom condominium in

Provincetown renting their unit for the 20-week tourism season at \$254 a night could potentially net more than \$34,000 annually for a unit that could otherwise rent for a market rate rent of \$1,300 per month or \$15,600 per year. Even if a property owner rented the unit for only half of the summer season, they would still earn more than they would if it were rented on a year-round basis. These market forces have led to a severe shortage of year-round rental apartments for working people who earn too much to qualify for traditional affordable housing

In response to the lack of market rate rental housing, the Town of Provincetown, through special legislation, created the Provincetown Year-Round Market Rate Rental Trust in 2016 and the Trust moved quickly to acquire Harbor Hill, a former timeshare community that had filed for bankruptcy. After a lengthy process through Bankruptcy and Land Courts, the Town acquired the property in 2018.

Harbor Hill is not a typical affordable housing development. True affordable housing is income restricted and is based on the area median income (AMI)- the most that one can make and still qualify is 80% of the AMI. In Barnstable County that is just over \$51,000 for a single person household. For many residents of the Outer Cape who make above 80% AMI, this leaves a gap between the ability to qualify for affordable housing and the reality of what is available in the current housing market in

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Provincetown. Harbor Hill was purchased by the Trust in order to close this gap and to provide “market rate rentals.”

Residence at Harbor Hill is not restricted to residents who make below the 80% income threshold. Instead, residents can apply for units at Harbor Hill if they are making more than the threshold, up to \$146,000 for a family of four.

Provincetown Residents are already beginning to benefit from the establishment of market rate rental housing in Provincetown. The Harbor Hill complex consists of 28 units, a mix of one, two, and three-bedroom units. The CDP was selected by the Trust through a competitive bid process to manage the property. Most of the units are still under renovation, but tenants have already begun to move into the completed apartments.



One resident who has already moved into an available apartment at Harbor Hill is Chris Cardia. Chris has been a Provincetown resident for the last 20 years and had lived in the same apartment for almost 10 years, before his landlord decided to sell the property. “Many available rentals are investment properties” says Chris, “eventually owners want to cash in on their investment.”

During his apartment search Harbor Hill was one of many options that Chris considered. Like many others in town, he had been following the possible conversion of the time-share units into year-round apartments since Harbor Hill declared bankruptcy in 2016. “It was really all about stability,” says Chris on his decision to move into Harbor Hill. Chris had only lived in three apartments in his 20 years in Provincetown. “My friends say I’m the lucky one, some of them move every six months.” says Chris. After having his last apartment sold by his landlord, Chris was wary to rent an apartment where he could find himself in the same situation. He ultimately decided on Harbor Hill for the stability offered by the town owned property.

The CDP is currently accepting applications for the remaining available units. Leases are being signed now for units currently under renovation, with a prospective move in date after the renovations are complete in the Spring. For more information go to: <https://capecdp.org/affordable-housing/rental-housing>