

Tackling affordable housing

By CONOR BERRY

PROVINCETOWN - Risk is a fact of life, and Ted Malone knows that better than most.

Seven years ago, he left a secure job with a nonprofit **community** revitalization group to make a go of it on his own as an affordable **housing** developer.

Using knowledge acquired from more than a dozen years in the field, Malone founded **Community Housing Resource** Inc. in 1996. The goal of his for-profit company was simple. It's the company's mission statement: "To provide affordable **housing** opportunities to the **communities** of the Outer Cape." So far, CHR, as the Provincetown **housing** development and consulting company is commonly known, is carving out that niche, becoming a rare for-profit company in what is considered the realm of government agencies and nonprofit organizations.

To date, CHR has worked to create 45 affordable units, either for rent or sale. Another 46 affordable units are in development. CHR will only take on projects that are at least 50 percent affordable, double the 25 percent mandated under Chapter 40B, the state's "anti-snob" affordable **housing** law.

That kind of commitment is earning Malone and his staff a reputation for running a company that does work few others in the private sector are willing to take on. Heather Peters, a tenant at the newly opened Old Ann Page Way complex built by CHR, said she was grateful to Malone for providing much-needed **housing** for working people. Old Ann Page Way residents pay rent on a sliding-scale basis. Some of the development's one-bedroom apartments rent for \$535, heat included. At the market rate, one-bedrooms are more likely to go for \$800 to \$1,000 in Provincetown, local real estate agents have said.

To qualify for affordable **housing** in Provincetown, tenants must have a household income that is 65 percent of the county's median household-income level. In Provincetown, to qualify for affordable **housing** a family of three can only earn \$36,640.

CHR will manage the Old Ann Page Way units along with the Massachusetts **Housing** Equity Fund, one of several financial partners in the project.

"It's completely changed my life. Having this stable, affordable **housing** has taken this barrier down," Peters said.

Town officials have similar compliments.

"There are families living at Old Ann Page Way who probably would have had to leave town" if it were not for Malone, said Mary-Jo Avellar, chairwoman of the Provincetown Board of Selectmen. "He seems to be the only one in town who's making (affordable **housing**) an objective."

And while such kudos make it sound like Malone's work is easy, progress is rarely smooth.

"There's a lot of risk involved in putting out the money for these," said Malone, 48, who grew up in Huntington, Long Island. It takes a certain kind of determination to stay afloat and avoid drowning in bureaucratic paperwork that accompanies affordable **housing** developments. And because such initiatives rely heavily on federal and state subsidies, it generally takes longer for developers, general contractors and subcontractors to get paid - a fact that dissuades many developers and builders from considering affordable projects. Simply put, it can test a person's resolve and patience. But it's a test Malone apparently is willing to take, again and again.

After leaving New York for Connecticut, where he lived for several years, he moved to Massachusetts, where he has lived for 20 years. He and his partner live in Provincetown.

And he's familiar with those government bureaucracies.

"I come from a not-for-profit affordable **housing** advocacy background," said Malone, who prior to branching out on his own had worked for the Washington, D.C.-based National Neighborhood Reinvestment Corp., a nonprofit organization that helps rebuild **communities**.

Working out of the organization's New England office in Boston, he traveled the region and trained municipal officials on the ins and outs of affordable **housing**. Because the need is great in Massachusetts Malone was always on the go, bouncing from town to town. Only 33 of the state's 350 cities and towns have achieved the state's 10-percent affordable **housing** goal. About 6.5 percent of Provincetown's **housing** stock is deemed affordable, officials from the Cape Cod Commission have said.

After 12 years with the nonprofit organization, Malone left in 1995. A year later, he founded **Community Housing Resource Inc.** Malone's business is helping fulfill a dire need on the Outer Cape. The situation is most pronounced in Provincetown, where the number of year-round **housing** units declined by 13.6 percent, from 2,385 in 1990 to 2,062 in 2000. Town officials say most of those units were sold and became seasonal **housing**. During the same period, the number of seasonally occupied units increased by 412, according to the U.S. Census.

The exodus of the year-round population is linked to Provincetown's "**housing** crisis," town officials say, and census data revealed the town was the only Cape **community** to lose population between 1990 and 2000. Provincetown has the highest percentage of low- and moderate-income households on the Cape, at 61.8 percent, according to the census.

The median price for homes sold on the Cape and islands the week of May 25 was \$278,000, according to The Warren Group. In Truro, Provincetown and Wellfleet, the median sale prices are \$466,250, \$450,000 and \$379,000, respectively, according to Banker & Tradesman, a Boston real estate publication. Stemming that population loss and providing affordable **housing** has been CHR's sole focus.

"We sort of act like a nonprofit or a social service agency," Malone said. "A lot of our focus has been on helping the working poor."

Working his business this way has created risks, but it has dividends, too. CHR is in demand. In fact, when a property owner in Provincetown wants to sell land, they often approach Malone, not the other way around. CHR has several projects either in development or slated to break ground.

"I've dealt with Ted, and he's done very, very good work," said Paul Ruchinkas, an affordable **housing** specialist with the Cape Cod Commission, the regional planning agency for Barnstable County.

John McShane, president of McShane Construction of Marstons Mills, also has dealt with Malone. He was the general contractor for CHR's conversion of a South Wellfleet cottage colony into six affordable homes in 1997. McShane, who estimates his firm has built more than 100 affordable units over the past 15 years, said he would consider working with Malone again.

According to Ruchinkas, Malone is doing the job "other developers want no part of." And why don't they? "It's more paperwork," he said. In general, the sheer number of state and federal agencies involved in affordable projects could put off developers, Ruchinkas said.

Then there's the diplomatic process of getting **community** leaders to back an initiative, which typically entails CHR shuffling from one municipal board to another to explain a project. And there's the arduous process of securing permits, then lining up financial partners, tradesmen, contractors and suppliers.

Securing funding, whether from a bank, government agency, nonprofit organization or a mix of all three, can take several months to a year or more. In the case of the Old Ann Page Way project, CHR had seven financial partners, including the Massachusetts **Housing** Investment Corp., the Massachusetts **Housing** Equity Fund and the state Department of **Housing** and **Community** Development.

The project took four years to complete. Malone closed on the land, the former site of an A&P supermarket, in 1999 and construction finished a few months ago. Tenants started moving in around March, and the grand opening took place last month.

Malone's staff - Kristine Hopkins, Monica Stubner, Michael Bunn and Jim Pipilas - work long and hard to identify new sites and development and financial partners. "We all keep our ears open," Malone said.

"And frankly, people come to us when they have properties available." It's not easy, he said, but the end result is rewarding.

"We make a living for the five of us. We're not in this to become rich. We're in it because of what we believe in. "People of modest means used to be able to carve out a living here ... and that's who we're looking to serve."

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