



**Littleton
Affordable
Housing
Trust
Training**
November 27,
2018

Shelly Goehring
Massachusetts Housing Partnership (MHP)



Who are you?



- Name
- Role/board membership
- Your experience in the affordable housing realm



Massachusetts Housing Partnership

MISSION

Use private investment to bring **more affordable housing** to Massachusetts

- Privately-funded public non-profit organization
- Communities, non-profit, for-profit developers



Lending

- Over \$1B for over 22,000 units
- Affordable rental

ONE Mortgage

- First time homebuyers
- Fixed-rate, 30-year

Community Assistance

- Technical assistance
- 40B program

Center for Housing Data

- Collect, analyze & share info for effective policy creation



MHP Services

Community Assistance Team



MISSION To increase the supply of affordable housing by **fostering local leadership** and **providing technical support** to municipalities, non-profits and local housing authorities

Massachusetts



Trainings

- Housing Institute
- Chapter 40B
- Fair Housing
- Affirmative Fair Housing Marketing

Technical Assistance

- Pre-development
- RFPs
- Zoning
- Housing Authorities

Housing Trusts

- Conference & trainings
- Resources
- Technical assistance

Supported by:  The Kuehn Charitable Foundation

Today's agenda

November 27, 2018



What is a
housing trust?

Operations &
best practices



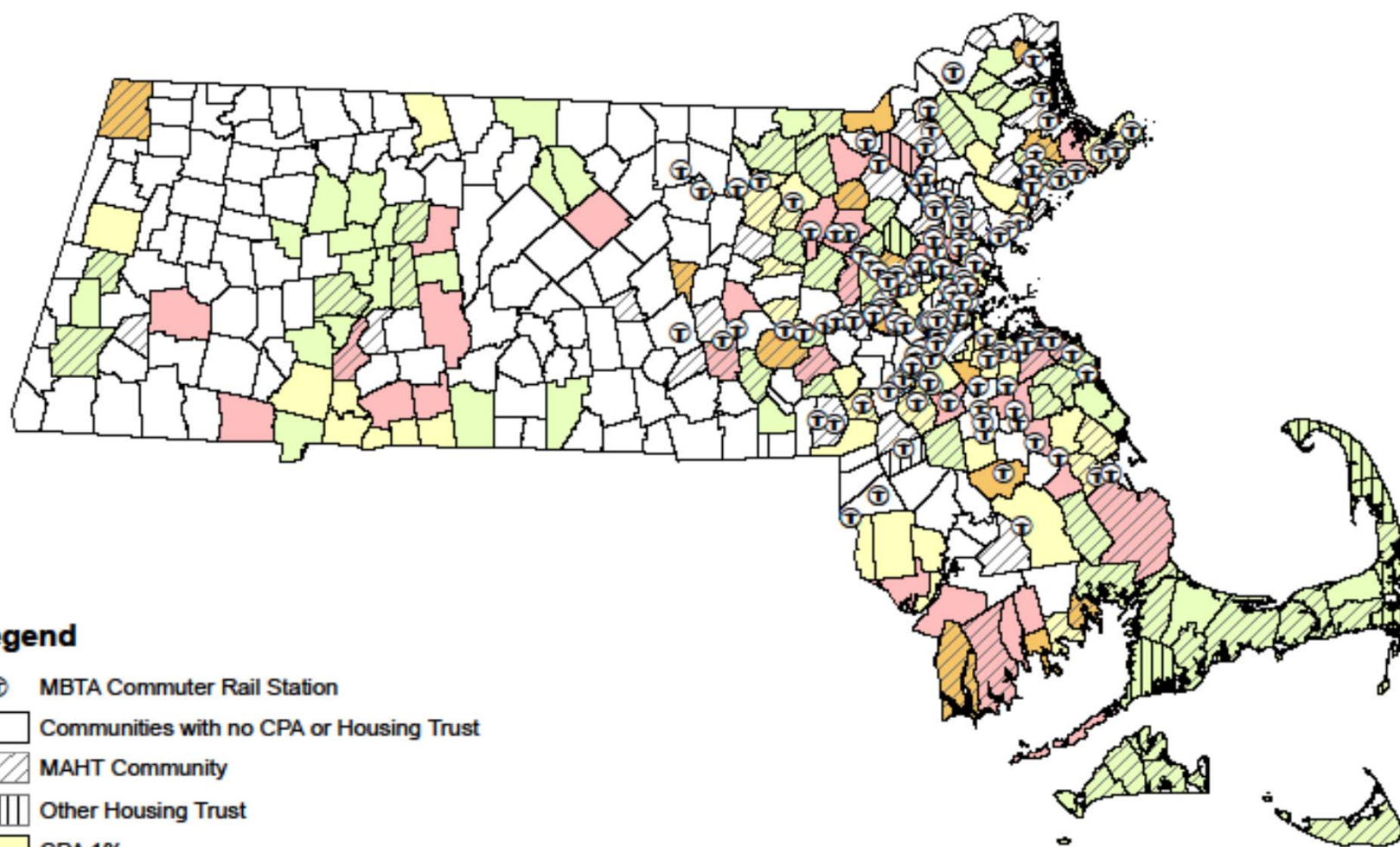
Fair housing &
eligible activities

Municipal Affordable Housing Trusts

Chapter 44, section 55c



MA Communities with CPA or Housing Trust, 2017



Legend

Ⓣ MBTA Commuter Rail Station

□ Communities with no CPA or Housing Trust

▨ MAHT Community

▨ Other Housing Trust

■ CPA 1%

■ CPA 1.5%

■ CPA 2%

■ CPA 3%

0 12.5 25 50 Miles



What is a Municipal Affordable Housing Trust (MAHT)?



- Public entity
- Created by local legislative body
- Create & preserve affordable housing
- Led by Board of Trustees



Subject to public procurement, designer selection, conflict of interest and public meeting laws



Trust Statute – MGL Ch.44, Sec 55c

PURPOSE

“...to provide for the creation and preservation of affordable housing in municipalities for the benefit of low and moderate income households...”

- Limited scope
- Low and moderate income only



Changes to Statute – H. 4565

1. Expands allowable activities for MAHTs to match those of community housing as defined by CPA.



Changes to Statute – H. 4565

2. Clarifies that **all** rules and
restrictions of CPA (Ch.44b) **remain**
in force after transfer to MAHT.

Changes to Statute – H. 4565



3. Requires trusts to track CPA funds separately and annually account for funds in CP-3 report to DOR.

1

MUNICIPAL AFFORDABLE HOUSING TRUST

Annual Report to the Community Preservation Committee (CPC)

Municipal Affordable Housing Trusts (MAHT) created under MGL Chapter 44, section 55c are required to report Community Preservation Act (CPA) expenditures to the CPC on an annual basis. This form can be used to list CPA expenditures and should be filed with the municipal official responsible for completing the CPA Projects Report (CP-3). Since the CP-3 is due to the Department of Revenue by September 15, this form should be submitted to the CPC by September 1 or another agreed upon date.

TRUST NAME: Name FISCAL YEAR: Year

YOUR NAME: Name EMAIL: Email

PHONE NUMBER: Phone number

PROJECT #1	
Project name	Name of project.
Project address	Enter street number, street name, town and zip code.
Approval date	Date the trust approved project.
Project status	Choose an item.
Description	Provide description of project. Max. 150 words.

Does this phase of the project include acquiring real property (such as ownership of land or buildings) or acquiring a real property interest (a legal interest in land such as an affordable restriction)? Yes or No.

HOUSING UNITS ANTICIPATED or CREATED	
Number of new units created	Number of units.
Number of units supported	Number of units.
LAND	
Number of acres acquired for housing	Number of acres.
AFFORDABLE PROJECT RESTRICTIONS FOR THIS PROJECT	
Entity holding restriction	Name of entity holding restriction.
Date recorded	Date restriction was recorded.
Book and page of restriction	Enter book/page here.
Registry of Deeds	Choose registry of deeds.
If no restriction, please explain why.	If no restriction, please explain why.

CPA PROJECT FUNDS FROM MAHT = Enter dollar amount.

Other Municipal Funds = Enter dollar amount.

Private Donations = Enter dollar amount.

State Funds = Enter dollar amount.

Federal Funds = Enter dollar amount.

Other Funds = Enter dollar amount. Please describe other funding: Enter other funding sources.

TOTAL PROJECT COST = Enter total project cost.

Created by MHP with support from The Kuehn Charitable Foundation.





Changes to Statute – H. 4565

4. Authorizes MAHTs to execute grant agreements.

Getting off the Ground (and staying there)

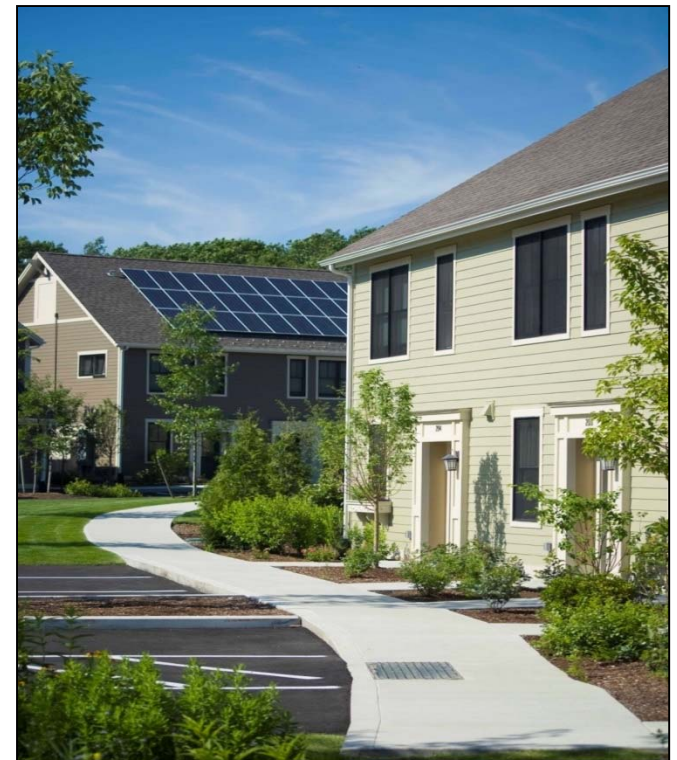


What can a housing trust do?

Broadly



- Address affordable housing needs
- Support local control of housing initiatives
- Engage in real estate activity
- Make timely decisions
- Collect \$ from variety of sources



Board Powers

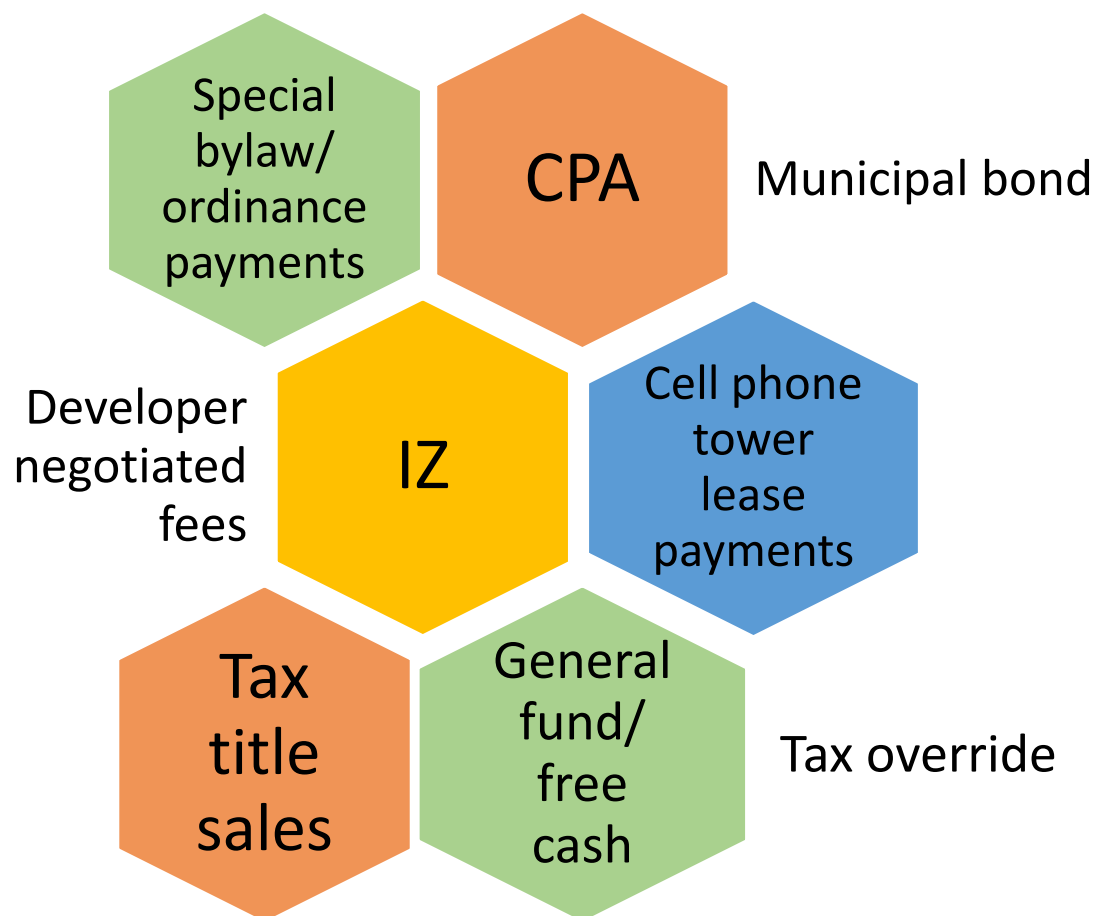
- **Accept and receive real property, personal property or money**, by gift, grant, or contribution...including but not limited to money, grants of funding or other property....
- **Purchase and retain real or personal property**, including instruments
- **Sell, lease, exchange or convey** any personal, mixed, or real property at public auction or by private contract...

Keys to Success

1. Money
2. Vision
3. Leadership
4. Transparency



What funds can be used?



Set up the trust fund account

- **Common** = municipal account through municipal treasurer
- All funds in account remain trust property
- **Track revenue sources**



Set a budget

Where will your income come from?



**Start
w/estimates**



**Further
prioritize based
on income**



**Track income &
spending**

Cambridge = 80% CPA

Somerville = 45% CPA





Create a Mission Statement

Example of Grafton



Mission Statement:

Adopted February 17, 2010

To provide for the creation, preservation and retention of affordable housing and rental housing in the Town of Grafton for the benefit of low and moderate income households through a variety of programs including education and advocacy.

Guidelines or Action Plan

BEVERLY AFFORDABLE HOUSING TRUST HOUSING GUIDELINES AND APPLICATION PACKAGE



Beverly, Massachusetts



Beverly Affordable Housing Trust
Michael P. Cahill, Mayor
Bryant Ayles
Aaron Clausen, AICP
Richard Dinkin
Susan Gabriel

City Staff: Darlene Wynne, AICP

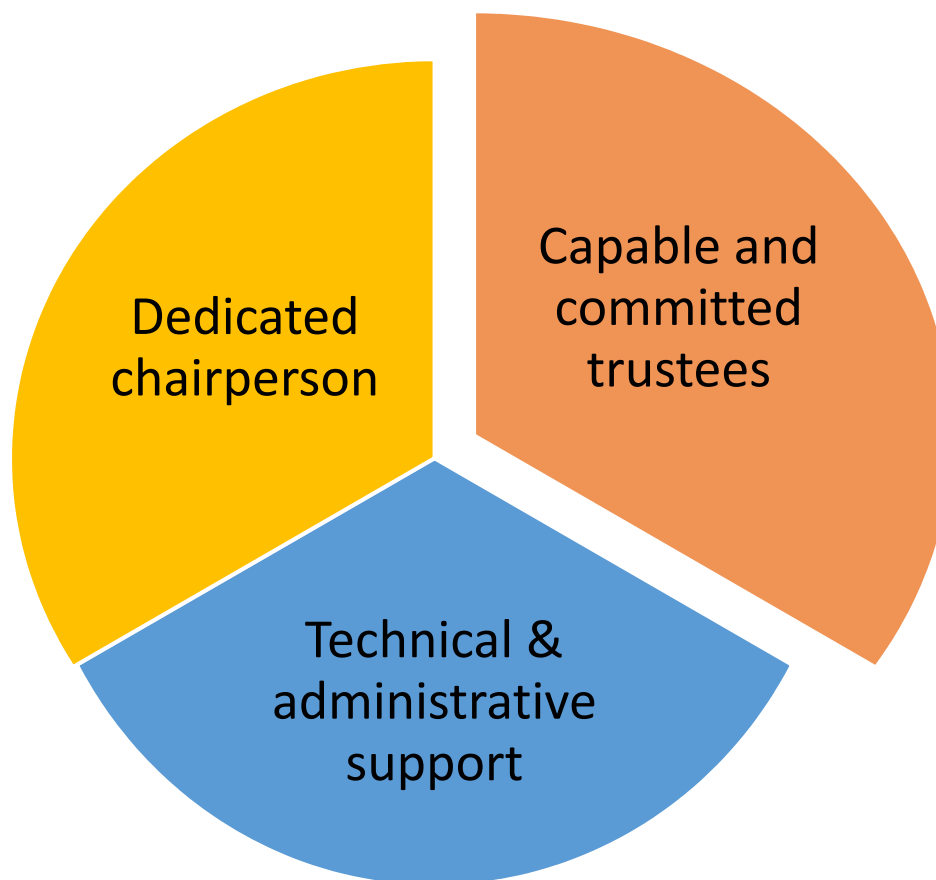
December 2017

IV. Eligible Activities

Funds requested in support of these strategies and the following activities will be eligible for funding:

- Predevelopment Activities – Includes costs related to architect and engineering fees, legal fees, financial feasibility analyses, permits, appraisals, 21E reports, property acquisition, and other costs associated with examining the feasibility of a potential development including improving projects such as septic upgrades, creating additional open space, designing passive/active recreational space, etc. *(Note: The items listed above are limited to funding through loans only, with the exception that the BAHT Trustees may authorize a self-initiated grant for any amount for projects included in this category).*
- Development Activities – Includes costs related to filling the gap between total project costs (minus other private and public funding) and what qualifying occupants (owners or renters) can afford to pay. Development activities include new construction, rehabilitation and redevelopment of affordable residential housing, and may include mixed-income and mixed-use development opportunities.
- Housing Preservation and Improvement Activities – Includes costs related to preserving the relative affordability of private unsubsidized housing units owned or occupied by eligible households, ensuring continued affordability by maintaining affordability restrictions on the property for the life of the incentive and including the property on the Subsidized Housing Inventory (SHI) list, and making necessary improvements or replacing unsound structures, thus stabilizing both residents and neighborhoods.
- Direct Assistance Activities – Includes direct support to eligible households to lower the costs of obtaining housing in Beverly and/or remaining in the community (such as funding for downpayment and closing costs; first and last month's rent plus security deposit; rental assistance). Such direct assistance, as it relates to renters, would likely address the local needs of some of the community's most "at risk" residents.
- Multiple Use Activities – Includes support for developments that incorporate housing and one or more of the other categories of CPA funding – historic preservation, open space preservation and eligible recreational opportunities.

It takes teamwork





Clarify roles

Example of Manchester-by-the-Sea (HPP)

HOUSING STRATEGIES	Priority for Implementation			
	Years 1-2	Years 3-5	# AH units	Lead
CAPACITY BUILDING				
Establish & capitalize MAHT	X			BOS/CPC
Secure professional support	X			BOS
Ongoing education	X			MAHT+
ZONING				
Pursue 40R/40S	X			PB/MAHT
Modify multi-family requirements		X		PB/MAHT
Modify accessory bylaw		X		PB/MAHT
DEVELOPMENT				
Pursue mixed-use TOD	X		5	PB/MAHT
Public property for AH	X		16	BOS/PB/MAHT
Small-scale infill & conversions	X		48	PB/MAHT

Ensure transparency



Communicate

Report
back
regularly

Promote
efforts

Use
webpage
and social
media



Westport Affordable Housing Trust

Webpage

Affordable Housing Trust Fund

The mission of the Trust Fund is to help people with modest incomes afford the cost of living in Westport in three primary ways:

- Convert existing buildings to affordable homes,
- Ease home costs for existing residents in need,
- Construct new affordable homes.

Staff Contacts

Name	Title	Phone
Leonardi Aray, AIA	Housing Specialist	(774) 264-5126

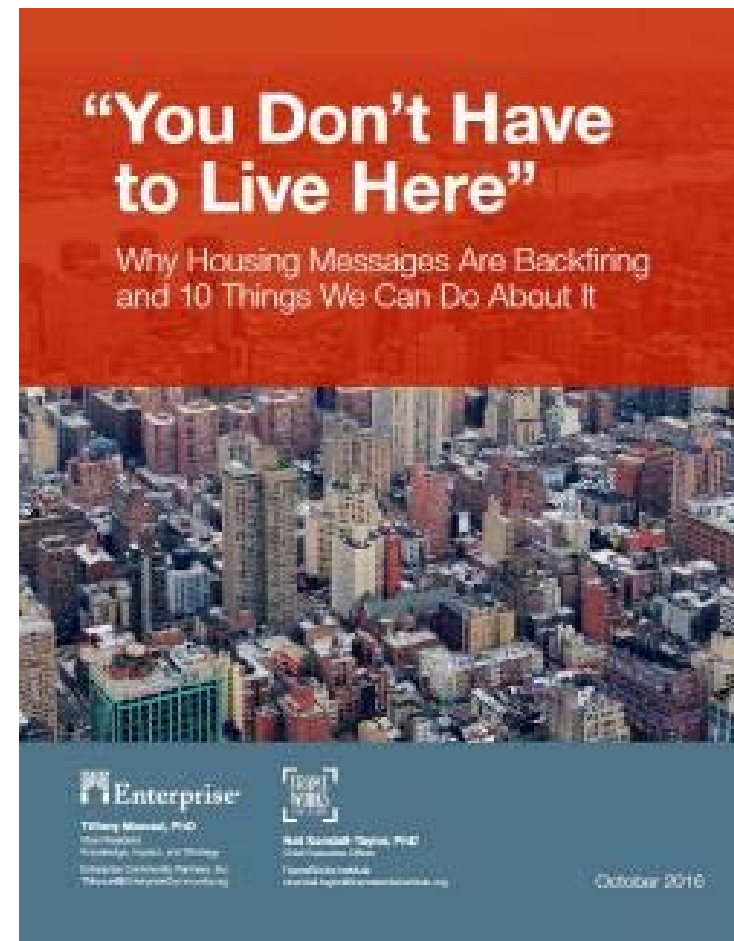
Board of Trustees

Name	Title
Elizabeth Collins	Chair
Craig J. Dutra	Vice Chair
James Sabra	Member
Henry Lanier	Member
BettyAnn Mullins	Member
Warren Messier	member

[2017 Income Limits Chart](#)[2018-22 Housing Production Plan](#)[CRE-HAB Housing Rehab Program](#)[Housing Assistance Office Brochure](#)[Housing Opportunity Purchase Program \(HOPP\)](#)[Housing Plans](#)[Noquochoke Village Job Fair Oct. 30](#)[SEED Grant Program](#)

Creating a Culture of Support

- Balance people with places and systems
- Tell “story of us” rather than “story of them”
- Connect housing to other social issues and outcomes
- Where you live affects you
- Consider language that we use (e.g. home vs housing)



Determine operating approach

Funder

Initiator

Both?



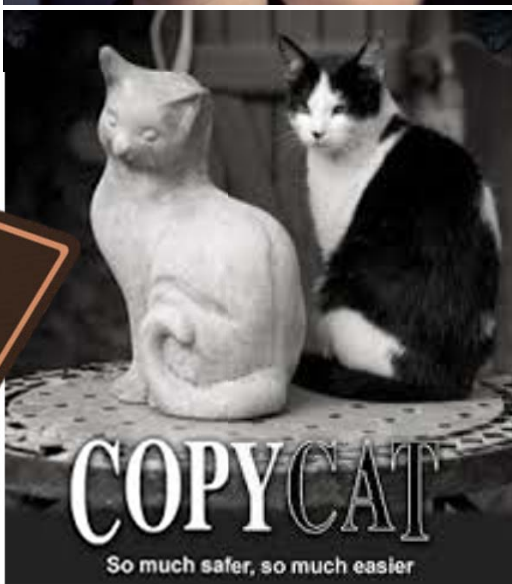
Low Hanging Fruit

What can you accomplish fairly quickly to build momentum?





**DUE
DILIGENCE**



Tips



Trust statute does not define “low and moderate income”

- Advice: Consult definitions commonly used in state/federal programs

Be clear with parameters of fund distributions

- Advice: Execute grant agreements for all distribution of funds



Legal Consideration

Open Meeting Law

MGL Chapter 30A, sections 18-25

- Within two weeks of appointment, trustees must complete Certificate of Receipt of Open Meeting Law Materials
- Some exceptions – executive session if deliberating purchasing, leasing or valuing of real property
- “Public meeting” includes deliberations that involve a quorum – careful with email



Legal Consideration

Procurement Laws

From MAHT statute:

*The trust is a board of the city or town for purposes of **chapter 30B and section 15a of chapter 40**; but agreements and conveyances between the trust and agencies, boards, commissions, authorities, departments and public instrumentalities of the city or town shall be exempt from said chapter 30b.*

Section 15a of Chapter 40: Requires 2/3 vote of legislative body to transfer land.

Exception: Accepted provisions of Section 15a then majority vote for transfer for low and moderate income housing.



Legal Consideration

Procurement Laws

Construction/capital improvement

- Public construction & bidding requirements
- Prevailing wage

Real property disposition, lease or acquisition

- Chapter 30b, Section 16 – various guidance
- If bought with CPA funds, exempt from 30b

Contracting professional services

- Three Thresholds
 - Under \$10,000
 - \$10-**50,000** – 3 **written** bids
 - **\$50,000+** -- sealed bids or proposals



Legal Consideration

Anti-aid Amendment to MA Constitution

- Public funds cannot be given or loaned to individuals or organizations for their private purposes
- Needs to have public benefit
- Payment after service rendered

Restriction

Lease
agreement

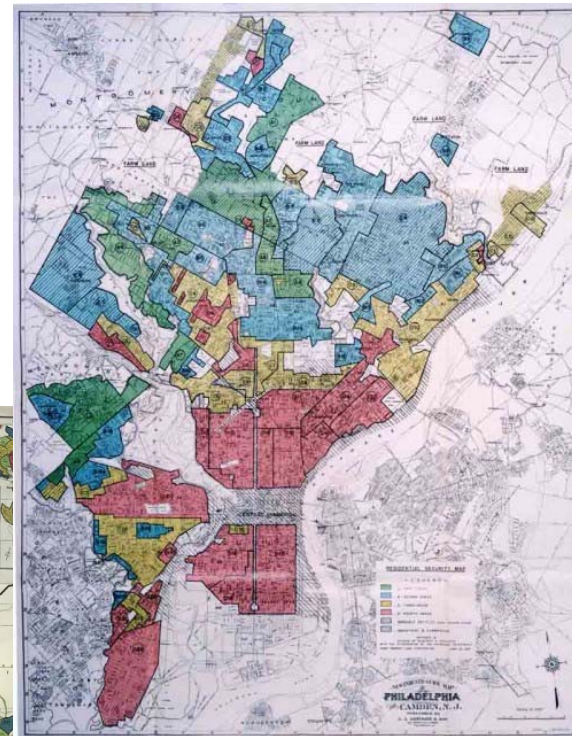
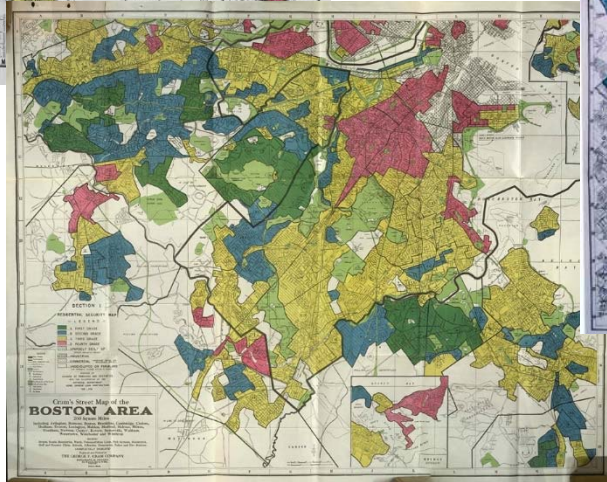
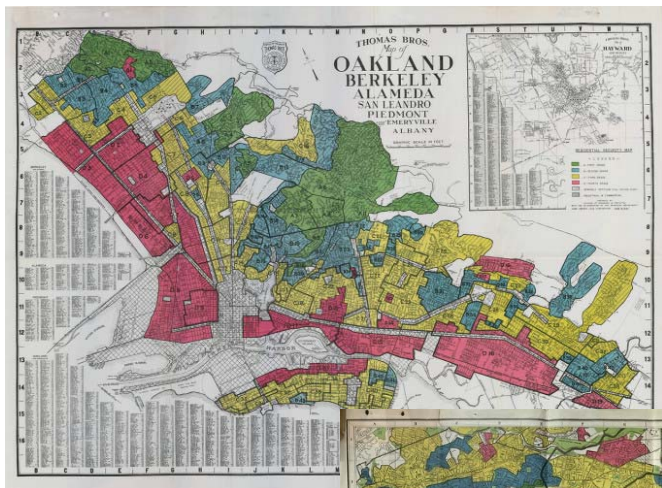
Recapture

Trusts & Fair Housing



SCAN HERE FOR
MORE INFO

Federal Government institutionalized racism and segregation -- REDLINING



Home Owners'
Loan Corporation



Legal Consideration

Federal Fair Housing Act 1968

MA Anti-Discrimination Law





Key Fair Housing Laws

Protected Classes

Federal (Fair Housing Act)

- Race
- Color
- National Origin
- Religion
- Sex
- Familial Status
- Disability

State (M.G.L. c. 151B)

All federal bases plus:

- Ancestry
- Age
- Marital Status
- Source of Income/Public Assistance
- Sexual Orientation
- Gender Identity
- Veteran History/ Military Status
- Genetic Information

Two Key Fair Housing Concepts



Disparate Impact

“Discriminatory Effect”

Affirmatively Further Fair Housing

Obligated to FH

Disparate Impact



“...[e]ffect, not motivation, is the touchstone because a thoughtless housing practice can be as unfair to minority rights as a willful scheme.”

Smith v. Anchor Bldg. Corp., 536 F.2d 231, 233 (8th Cir. 1976).



Fair Housing Act

It shall be unlawful...

To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, familial status, disability or national origin.

“otherwise make unavailable or deny”

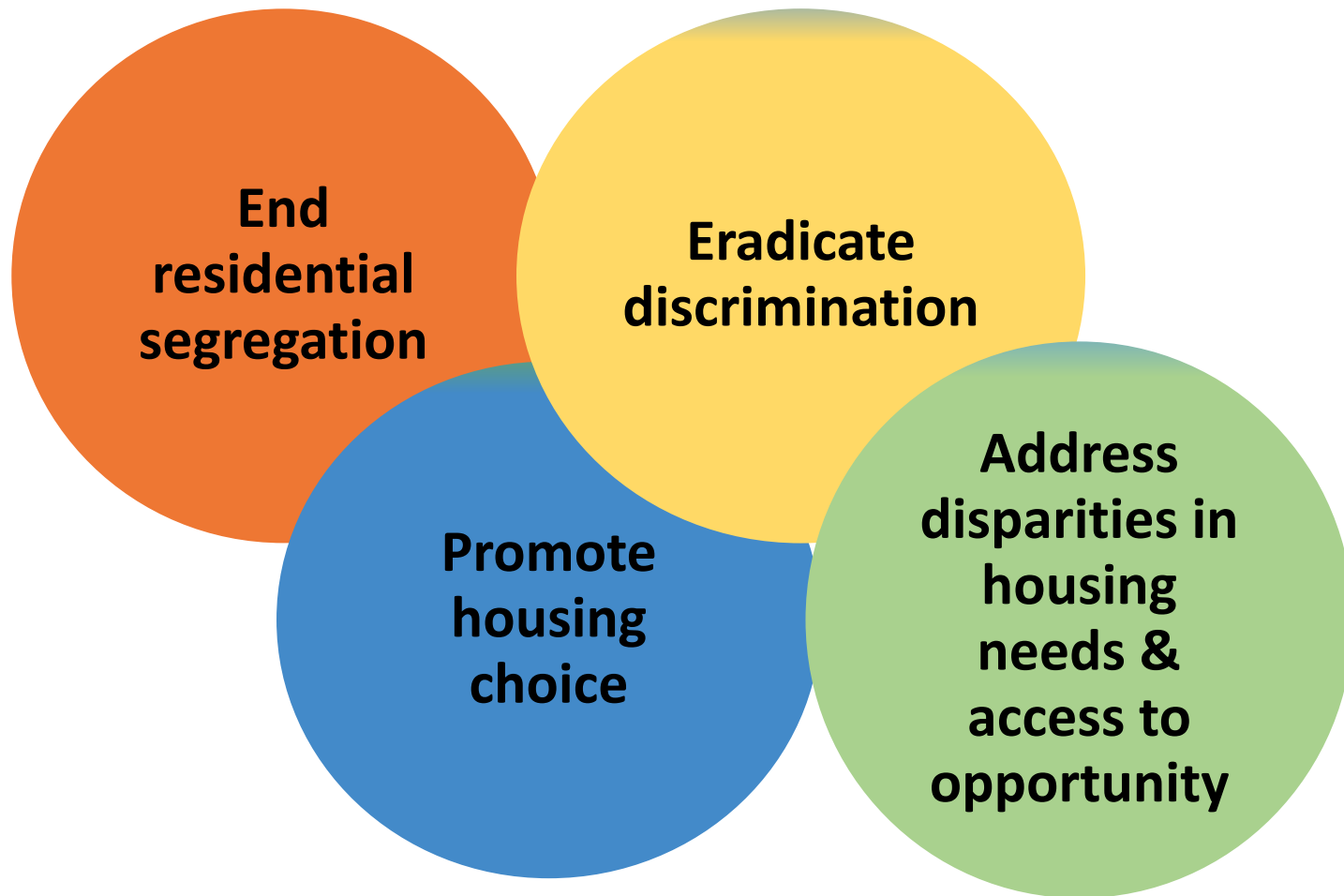
- Mortgage redlining
- Insurance redlining
- Racial steering
- Exclusionary zoning decisions
- “And other actions by individuals or governmental units which directly affect the availability of housing to minorities”

Which scenario can cause “disparate impact?”



- A. Large lot zoning
- B. Restricting the number of bedrooms by unit, rather than development
- C. Townhouse only developments (with stairs)
- D. Advertising affordable housing strictly locally
- E. All of the above

Obligation to Affirmatively Further Fair Housing





How to Affirmatively Further FH

Affirmative Fair Marketing

- Follow DHCD's marketing & resident selection plan guidelines
- Market to those least likely to apply

Zoning

- Consider ways that zoning may be creating disparate impact

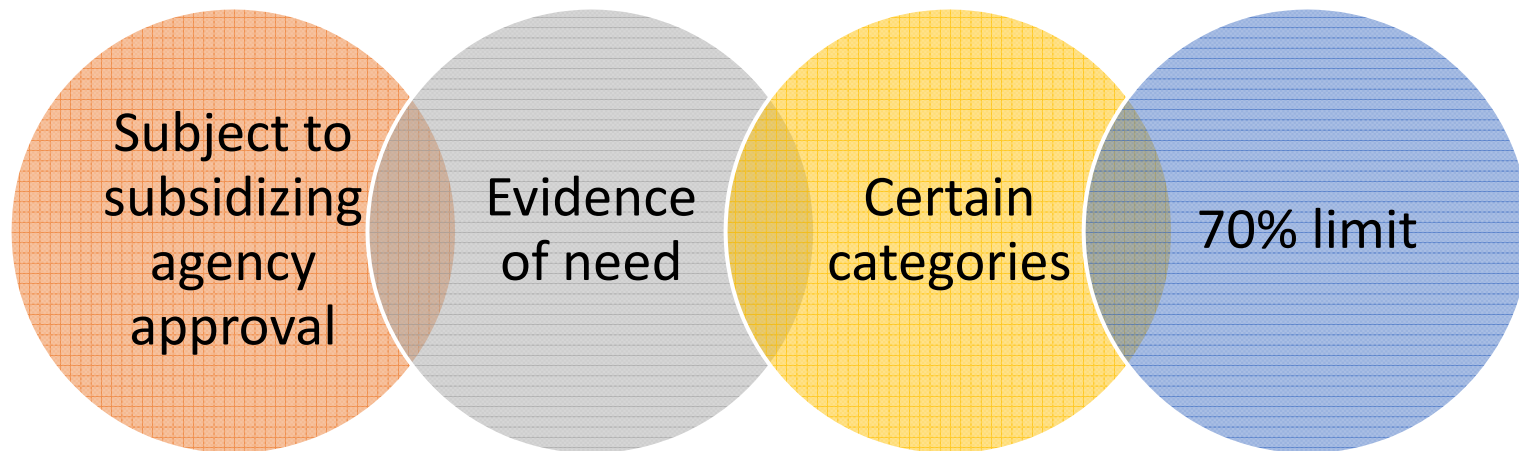
Diverse Housing Options

- Multi-family AND single family
- Rental AND homeownership
- Family AND senior



EQUAL HOUSING
OPPORTUNITY

Local Preference



Eligible Activities for Trusts



Affordable Housing



Acquire

Create

Preserve

Support



Acquire

Cromwell Court Apartments -- Barnstable



- 124 units of affordable family rental housing
- Built in 1973. Acquired and rehabilitated in 2011.
- \$500,000 CPA funds

Northampton

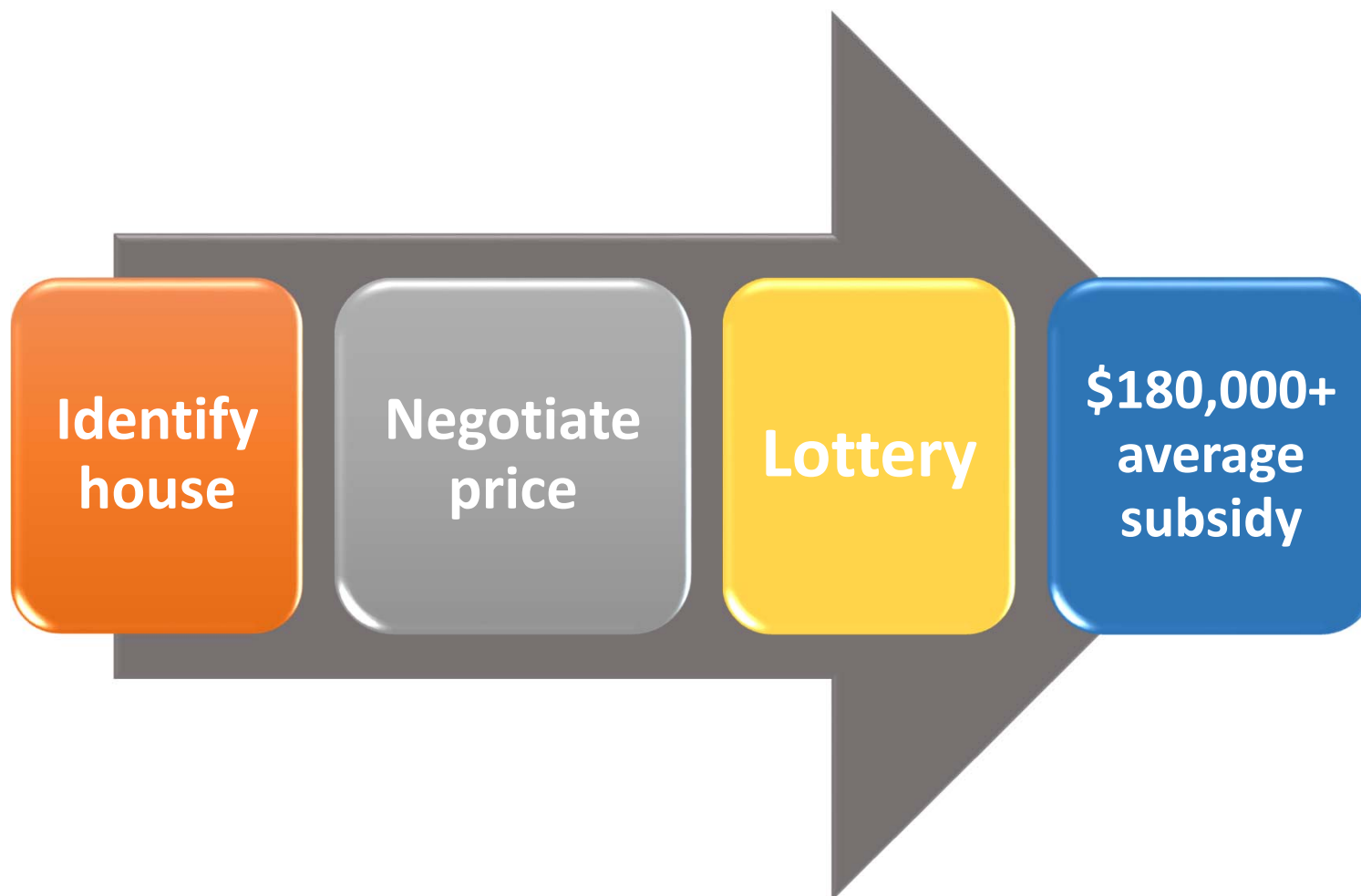
Enhanced Single-Room-Occupancy (SRO)



- 10-units of enhanced SRO on King Street for 5-homeless & 5-very low income individuals
- \$225k CPA funds out of \$2.1 million budget

Sudbury MAHT

Home Preservation Program

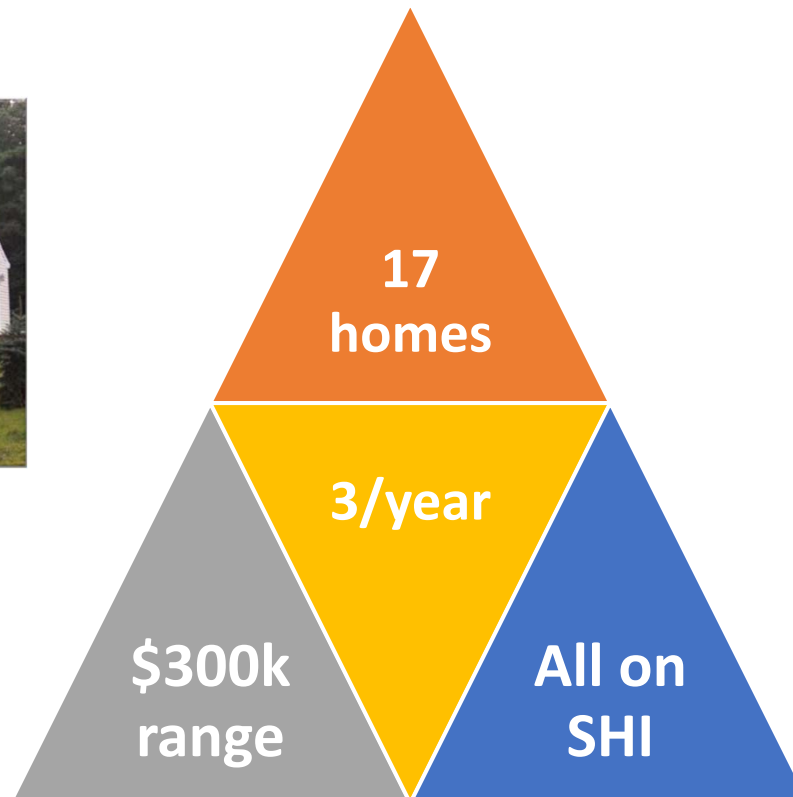


Norfolk MAHT

Small Scale Homeownership



Sold for \$155k in 2015



Sold for \$140k in 2014





Leverett

Homeownership Assistance Program



Max purchase price: \$275,000

Up to 20% (\$50,000) of sale price

Managed by Regional Planning Agency

Create



Small Scale Production

Thankful Chase's Pathway
Harwich, MA
12 family rental units
Opened in
Developer: Cape Community Development
Partnership



Paradise Pond
Northampton, MA
12 family rental units
Opened in 2007
Developer: HAP Housing



Butternut Farm
Amherst, MA
26 family rental units
Opened in 2011
Developer: HAP Housing



Baker Street Apartments
Foxboro, MA
20 family rental units
Opened in 2005



Dennis



- Melpet Farm- new construction
- Disposition town owned land
- 27 affordable townhouses, 1-, 2-, 3-bedroom units
- 60% AMI, family rental housing
- \$475,000 CPA funds



Westport

- New construction on town owned land
- 50 affordable apartments, 1-, 2-, 3-bedroom
- 60% AMI, family rental housing (five at 100% AMI)
- Up to \$1 million from MAHT (including predevelopment, acquisition, development)



Yarmouth

Yarmouth Commons



- Former Cavalier Motor Lodge on Route 28
- 69 affordable apartments, 1-, 2-, 3-bedroom units
- 60% AMI (62 units), 30% AMI (7 units)
- \$2.07 million from MAHT (\$30,000 per unit)

Norwell

Herring Brook Hill



- Former police station, declared surplus in 2014 and voted to be transferred to trust in 2015
- Trust issued RFP in 2016
- 18 units of senior rental housing
- One- and two-bedroom units up to 100% AMI
- \$1.2 million from the trust and CPC



Infill Housing

Boston



NEIGHBORHOOD HOMES INITIATIVE

the process



site + home selection
DND + neighborhood create plan



builder selection
builders respond to RFP; selected on set criteria



predevelopment
presentation of plan to community



conveyance
DND formally sells property



financing
builders begin arranging financing and permitting



developer selection
DND formally selects developers



construction monitored by DND



pre-sale through Boston Home Center



sale to homebuyer sale to selected homebuyer



Re-use



**Shoe Shop
Place**
Middleboro
25 rental
(family housing)



Stevens Corner
North Andover
42 rental
(family housing)



**Rockport HS
Apartments**
Rockport
31 rental
(age restricted)

Preserve



Amherst

Rolling Green affordable units preserved



- 204 unit multi-family development
- Refinanced in 1998 under Mass Housing's 80/20 prepayment program (15 year restrictions)
- **41 affordable units/Section 8 vouchers, \$1.25m bonded w/CPA**

Cambridge

Bishop Allen apartments preserved



- 32 units of family rental (27 three-bed & 5 two-bed) in four buildings
- Purchased in March 2012 – restrictions due to expire in April 2012
- \$4,638,750 CPA funds through the local Affordable Housing Trust

Support



**Pre-
develop-
ment**

**Housing plans
and needs
assessments**

**Rental
Assistance**

Lenox

Sawmill Brook site



- Town acquired land
- MAHT and town planner working with MHP on RFP
- Flexible, but affordable housing is priority

Wellesley

Housing Production Plan



Wellesley Housing Production Plan

How will we provide affordable housing in our town?

Do you know ...

- What is affordable housing?
- Why is it needed?
- Why is it so difficult to create affordable housing?
- What can the Town do?
- How does increasing the supply of affordable housing relate to Wellesley's new Unified Plan?

Wellesley Housing Production Plan

Join our community conversations about this important challenge for Wellesley!

- Tuesday, March 13, 7-9:30 pm: Sprague School Gym, 401 School Street
- Thursday, May 3, 7-9:30 pm: Sprague School Gym, 401 School Street
- Tuesday, June 12, 7-9:30 pm: Wellesley High School Cafeteria, 50 Rice Street
- Monday, Sept. 10 (TBD): Joint Board of Selectmen-Planning Board Meeting, Town Hall (hearing on the draft Housing Production Plan)

For more information, contact the Wellesley Planning Department, 781-431-1019, ext. 2232.



Town of Wellesley
Administration, 2018

Financial Review



J.M. Goldmann
COMMUNITY DEVELOPMENT
& PLANNING

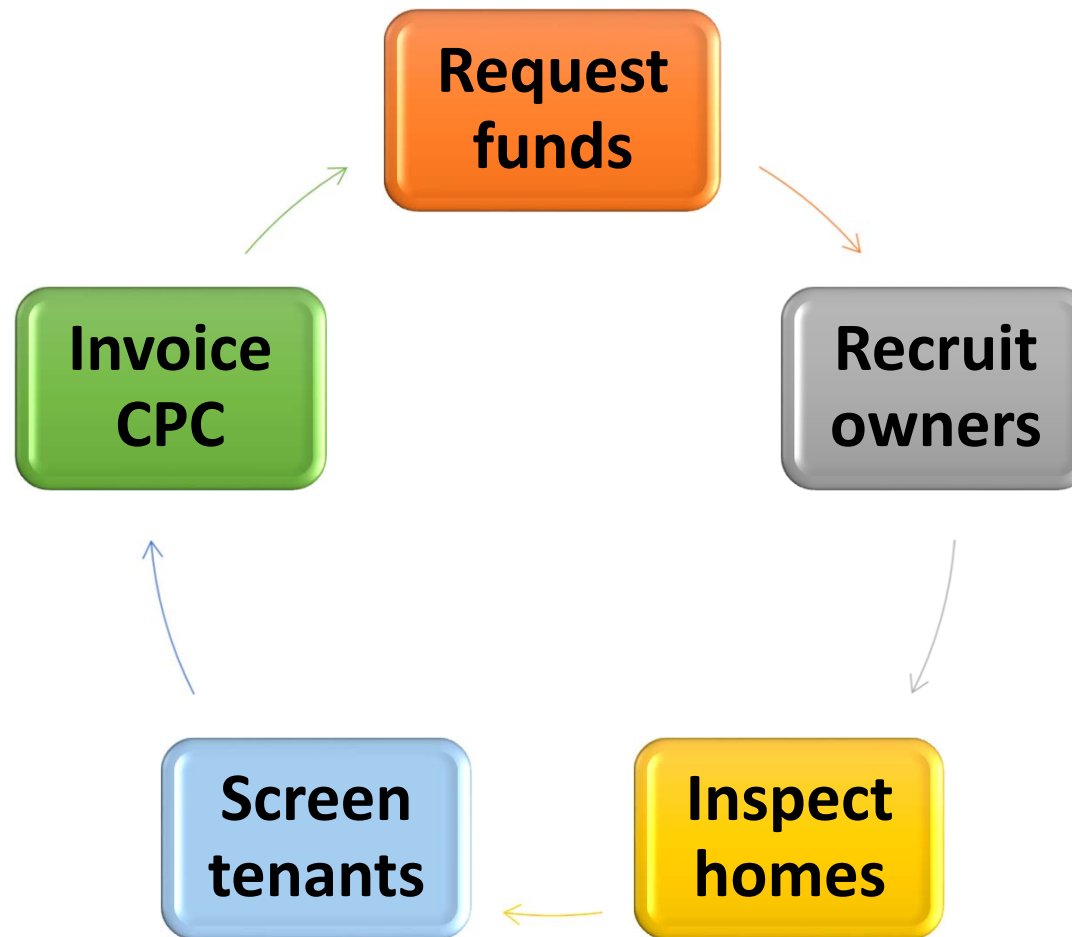


Certified plans: Ashland, Chelmsford, Medfield, Medway, Norfolk, Reading, Swampscott, Westford



Rental Assistance

Dukes County Regional Housing Authority



Martha's Vineyard FY2014

- 66 rental assistance subsidies
- 147 people on waiting list
- \$543,000 CPC appropriations
- Average monthly subsidy = \$499
- Average income served = 45% AMI





Regional Housing Services Office

At least three in the Greater Boston area

- Acton, Bedford, Burlington, Concord, Lexington, Sudbury, Wayland and Weston
- Metro North – North Reading, Reading, Saugus and Wilmington
- Bolton, Boxborough, Devens, Hudson, Littleton and Stow

Developed with support by MAPC (or inspired by MAPC)

Monitoring

Program
admin

Project
development

Resident
assistance

Three Things

1

Consider the local infrastructure – needs and resources.

2

Develop goals that reflect identified needs.

3

Be real about your capacity.

Resources





Housing Toolbox

for Massachusetts Communities

HOUSING TOOLBOX
for Massachusetts Communities 



Know what you're
looking for?

Type to search the toolbox

SEARCH

Strategies and best practices for the creation and preservation of affordable housing, with guides, tools and resources for local boards & committees, planners, municipal staff, developers, and volunteers.

www.housingtoolbox.org

Strategies and best practices for the creation and preservation of affordable housing.

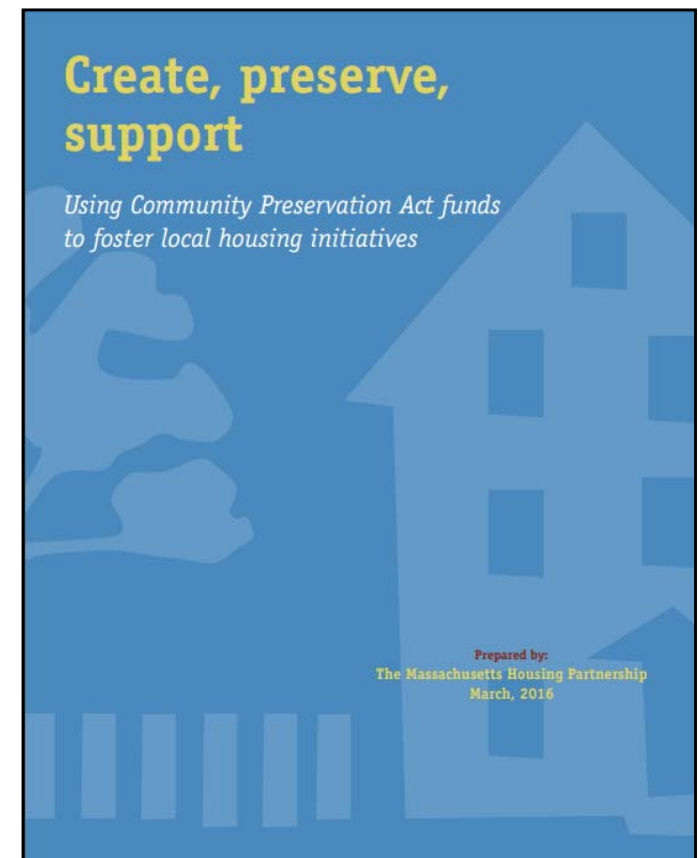
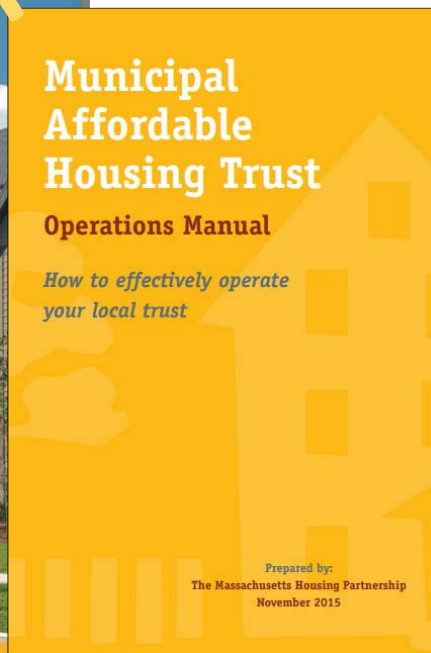
For local boards and committees, planners and municipal staff and developers



MHP Online Resources

On our website:

<http://www.mhp.net/community/publications-and-materials>



Questions?



Massachusetts Housing Partnership

www.mhp.net

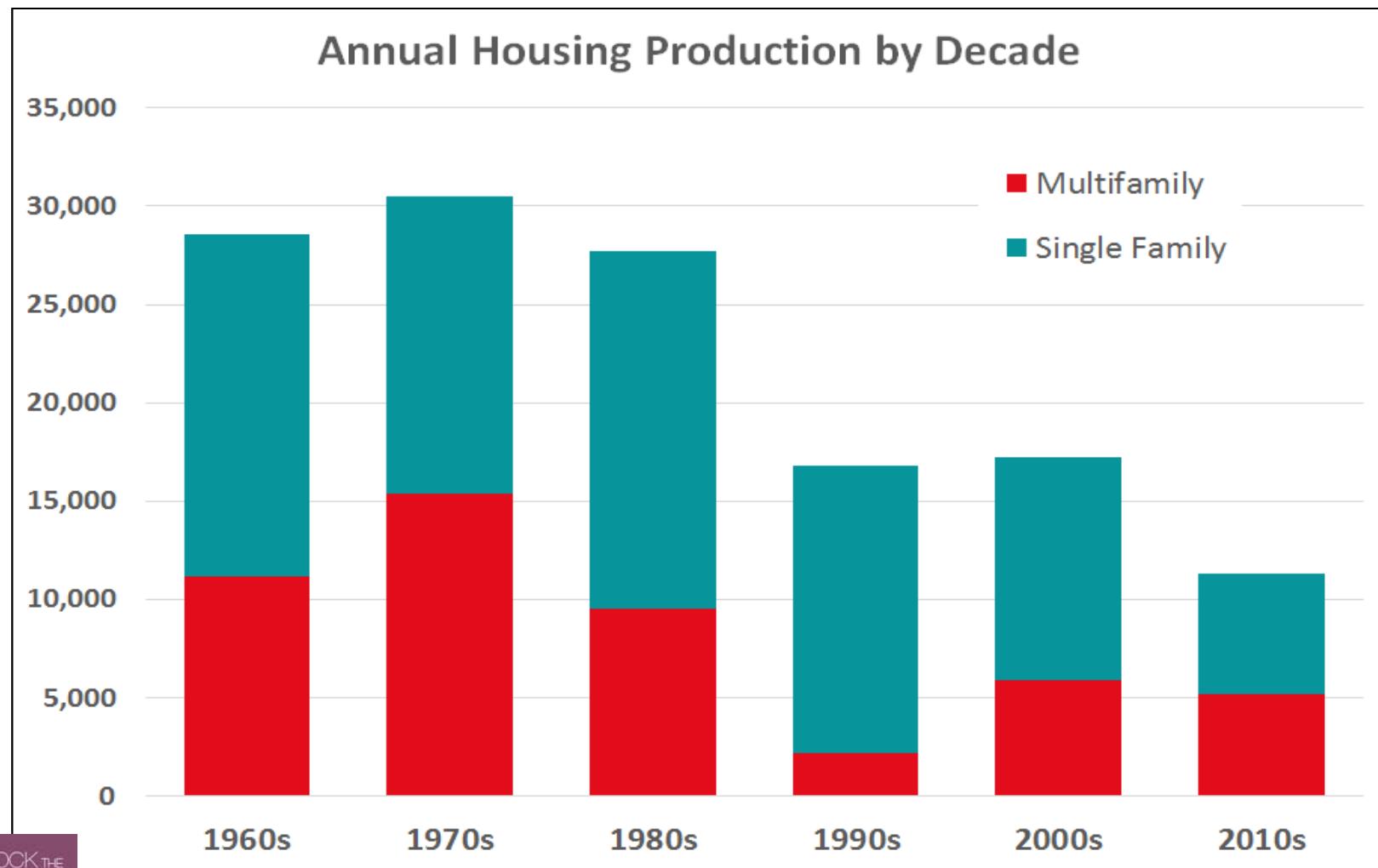
Shelly Goehring

Program Manager

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857-317-8525

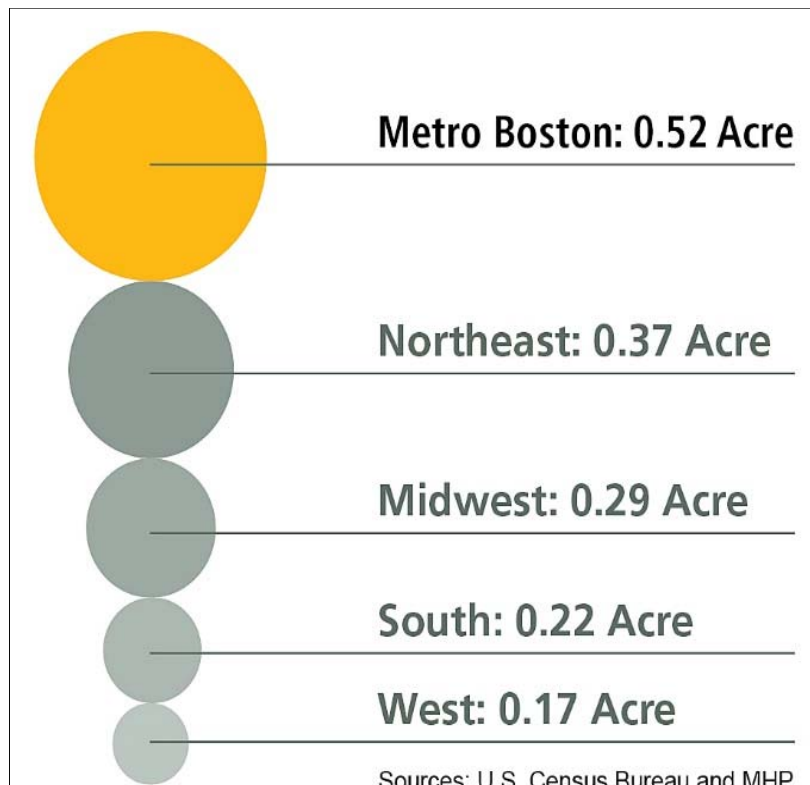
Less housing production now than at almost any point in recent history.



Large lot zoning drives up costs.

Greater Boston
median lot size:

Greater Boston
average lot size:



Sources: U.S. Census Bureau and MHP
analysis of The Warren Group data



The State of the MA Housing Market

Massachusetts has a total of 2.55 million households

Massachusetts has 1.57 million owners that make up 62% of all households.

Owners have a median household income of \$94,000

Massachusetts has 0.98 million renters that make up 38% of all households.

Renters have a median household income of \$38,000



1.3% ownership vacancy rate

Both markets have extremely low vacancy rates.

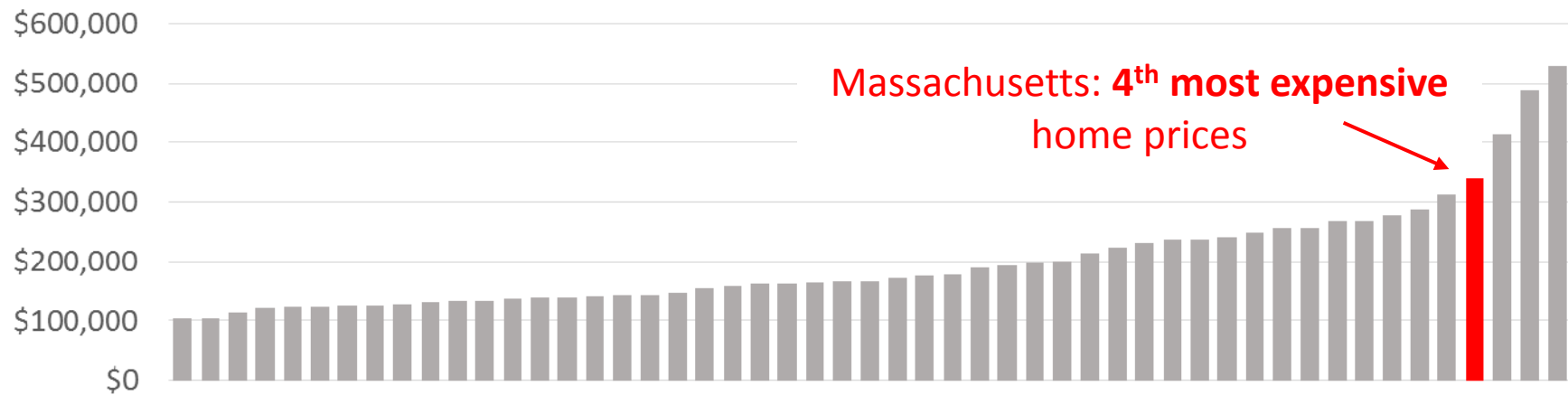
These low rates put upward pressure on housing costs.

4.0% rental vacancy rate



Housing Costs Among Highest in Nation

Median Home Price by State



Median Rent by State

