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

<table>
<thead>
<tr>
<th>Lending</th>
<th>ONE Mortgage</th>
<th>Community Assistance</th>
<th>Center for Housing Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Over $1B for over 22,000 units</td>
<td>- First time homebuyers</td>
<td>- Technical assistance</td>
<td>- Collect, analyze &amp; share info for effective policy creation</td>
</tr>
<tr>
<td>- Affordable rental</td>
<td>- Fixed-rate, 30-year</td>
<td>- 40B program</td>
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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.
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
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.
3. Requires trusts to track CPA funds separately and annually account for funds in CP-3 report to DOR.
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?

- CPA Municipal bond
- Special bylaw/ordinance payments
- Developer negotiated fees
- Cell phone tower lease payments
- General fund/free cash
- Tax title sales
- Tax override
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
What do you want to accomplish?

- Determining needs
- Setting priorities
- Create benchmarks
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 Cluens, AICP
Richard Dinin
Susan Gabriell

City Staff: Darlene Wyne, 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

- Dedicated chairperson
- Capable and committed trustees
- Technical & administrative support
Clarify roles
Example of Manchester-by-the-Sea (HPP)

<table>
<thead>
<tr>
<th>HOUSING STRATEGIES</th>
<th>Priority for Implementation</th>
<th>Lead</th>
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<tbody>
<tr>
<td><strong>CAPACITY BUILDING</strong></td>
<td></td>
<td></td>
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<tr>
<td>Establish &amp; capitalize MAHT</td>
<td>X</td>
<td>BOS/CPC</td>
</tr>
<tr>
<td>Secure professional support</td>
<td>X</td>
<td>BOS</td>
</tr>
<tr>
<td>Ongoing education</td>
<td>X</td>
<td>MAHT+</td>
</tr>
<tr>
<td><strong>ZONING</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pursue 40R/40S</td>
<td>X</td>
<td>PB/MAHT</td>
</tr>
<tr>
<td>Modify multi-family requirements</td>
<td>X</td>
<td>PB/MAHT</td>
</tr>
<tr>
<td>Modify accessory bylaw</td>
<td>X</td>
<td>PB/MAHT</td>
</tr>
<tr>
<td><strong>DEVELOPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pursue mixed-use TOD</td>
<td>X</td>
<td>5</td>
</tr>
<tr>
<td>Public property for AH</td>
<td>X</td>
<td>16</td>
</tr>
<tr>
<td>Small-scale infill &amp; conversions</td>
<td>X</td>
<td>48</td>
</tr>
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Years 1-2 | Years 3-5 | # AH units | Lead
Ensure transparency

Communicate

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<tr>
<th>Report back regularly</th>
<th>Promote efforts</th>
<th>Use webpage and social media</th>
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Westport Affordable Housing Trust

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leonardi Aray, AIA</td>
<td>Housing Specialist</td>
<td>(774) 264-5126</td>
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Board of Trustees

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elizabeth Collins</td>
<td>Chair</td>
</tr>
<tr>
<td>Craig J. Dutra</td>
<td>Vice Chair</td>
</tr>
<tr>
<td>James Sabra</td>
<td>Member</td>
</tr>
<tr>
<td>Henry Lanier</td>
<td>Member</td>
</tr>
<tr>
<td>BettyAnn Mullins</td>
<td>Member</td>
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<tr>
<td>Warren Messier</td>
<td>Member</td>
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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?
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
Federal Government institutionalized racism and segregation -- REDLINING

Home Owners’ Loan Corporation
Legal Consideration

Federal Fair Housing Act 1968
MA Anti-Discrimination Law

Protected Class + Disparate impact = Discrimination
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.”

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

- End residential segregation
- Eradicate discrimination
- Promote housing choice
- Address disparities in housing needs & access to opportunity
# 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
Local Preference

- Subject to subsidizing agency approval
- Evidence of need
- Certain categories
- 70% limit
Eligible Activities for Trusts
Affordable Housing

- Acquire
- Create
- Preserve
- Support
Acquire
Cromwell Court Apartments -- Barnstable

- 124 units of affordable family rental housing
- $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

Identify house
Negotiate price
Lottery
$180,000+ average subsidy
Norfolk MAHT
Small Scale Homeownership

17 homes
$300k range
All on SHI
3/year

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
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-development

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

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. 2202.

Certified plans: Ashland, Chelmsford, Medfield, Medway, Norfolk, Reading, Swampscott, Westford
Rental Assistance
Dukes County Regional Housing Authority

- Request funds
- Recruit owners
- Inspect homes
- Screen tenants
- Invoice CPC
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)
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

Know what you’re looking for?

Type to search the toolbox
SEARCH

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:
- Metro Boston: 0.52 Acre
- Northeast: 0.37 Acre
- Midwest: 0.29 Acre
- South: 0.22 Acre
- West: 0.17 Acre

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

Source: 2014 1-Year ACS Estimates
Housing Costs Among Highest in Nation

**Median Home Price by State**

- Massachusetts: 4th most expensive home prices

**Median Rent by State**

- Massachusetts: 9th highest rents

Source: 2014 ACS 1-Year Estimates, U.S. Census Bureau