

A complex network diagram with various sized nodes (black, blue, and grey) connected by thin grey lines. Some nodes are highlighted with larger circles or concentric circles. The background is light grey with faint circular patterns.

# MODULE 1: MUNICIPAL ROLE IN AFFORDABLE HOUSING DEVELOPMENT

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Massachusetts Housing Partnership Training – March 13, 2025

# PRESENTERS

## Jessica Allan

- Real Estate Development Director, Valley Community Development
- Former regional + city planner (15+ years)

## Karmen Cheung

- Regional VP New England, Penrose

## Marybeth Mitts

- Town of Lenox, Select Board & Affordable Housing Trust

# AGENDA

## Role of the Municipality vs. Role of the Developer

- Identify the Need
- Project Design
- Financing
- Community Support
- Monitoring & Compliance
- Realistic Timeline

## Development Example

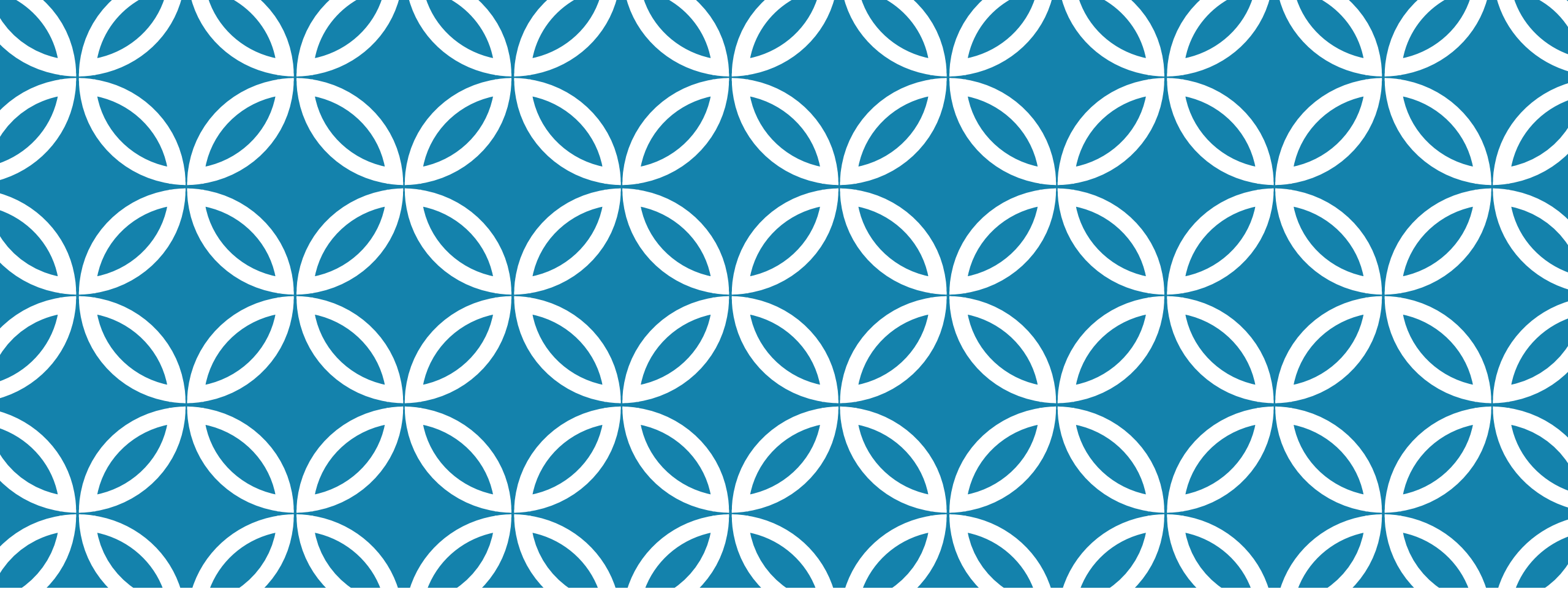
- Brushwood Farm/The Forge  
Lenox, MA

# QUESTIONS & COMMENTS

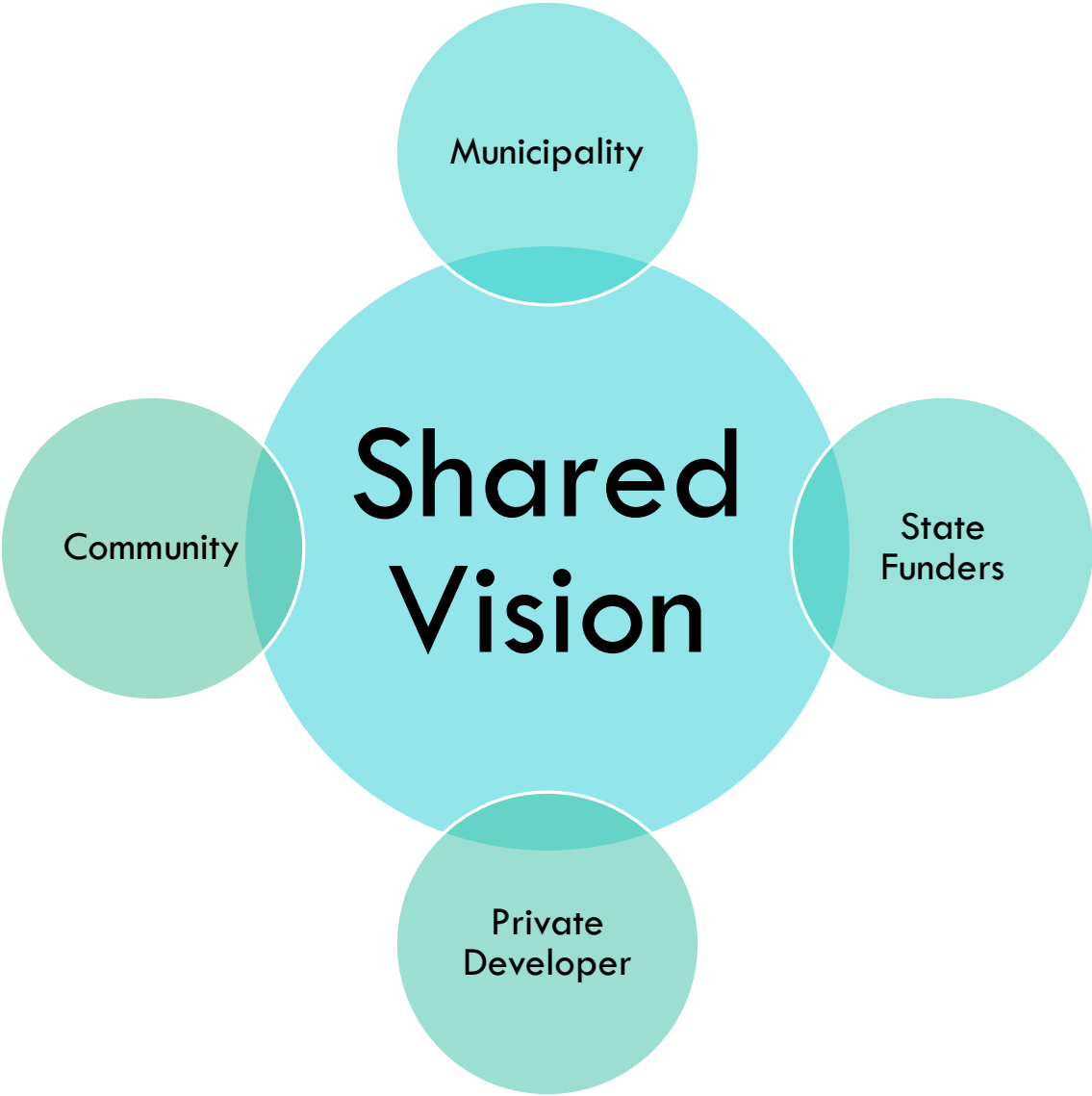
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Type into the chat !





**IDENTIFY THE NEED** |



Municipality

Shared  
Vision

State  
Funders

Private  
Developer

Community

# THE DEVELOPER



Site of Amherst Community Homes., Amherst, MA

Centrally Located

Access to public transit

Buildable

Public Utilities

Viable Scale

Available with patient seller

Reasonable acquisition cost

Sensible to State Funders


**Site Selection is half the battle!**

# THE DEVELOPER

## What is Viable Scale?

During Development	During Operations
Access to financing (LIHTC)	Financially stable operations
Ability to pay for common areas/site amenities	Ability to pay for on-site staff or support services
Ability to cover fixed costs (acquisition)	Ability to cover fixed costs (elevator maintenance)
	Ability to pay for capital repairs



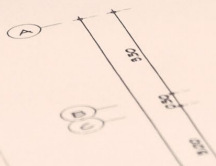


**MUNICIPAL  
ACTIONS TO  
ENCOURAGE  
AFFORDABLE  
HOUSING  
DEVELOPMENT**

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ELECTRICAL SYMBOLS

ceiling chandelier, fan  
 recessed light  
 1200w



# THE MUNICIPALITY

## Needs Assessment + Community Input

### Housing Production Plans

- Needs Assessment
- Goals & Strategies
- ID specific sites
- Input from citizens & private developers
- Approved by Planning Board + Elected Officials
- Approved by EOHLC

### Strategic Plans/Master Plans

- Needs Assessment
- Goals & Strategies
- Robust community engagement



City of Easthampton, Housing Production Plan. Concept design by Dodson & Flinker

# THE MUNICIPALITY



Middleborough, MA

## Zoning + Permitting

### Flexible Zoning Codes

- By-Right/Site Plan Review for multi-family buildings
- Adopt 40R Districts
- Zoning Incentives for affordable housing
  - reduced parking, higher densities

### Streamlined Permitting Process

- Municipal Permitting Guidebooks
- Roundtable Tech Review

# ZONING: TO 40B OR NOT TO 40B, THAT IS THE QUESTION...

## Time

- Adds 1+ years to permitting

## Zoning Waivers

- Flexible design
- Tool to reach viable scale

## Robust public process

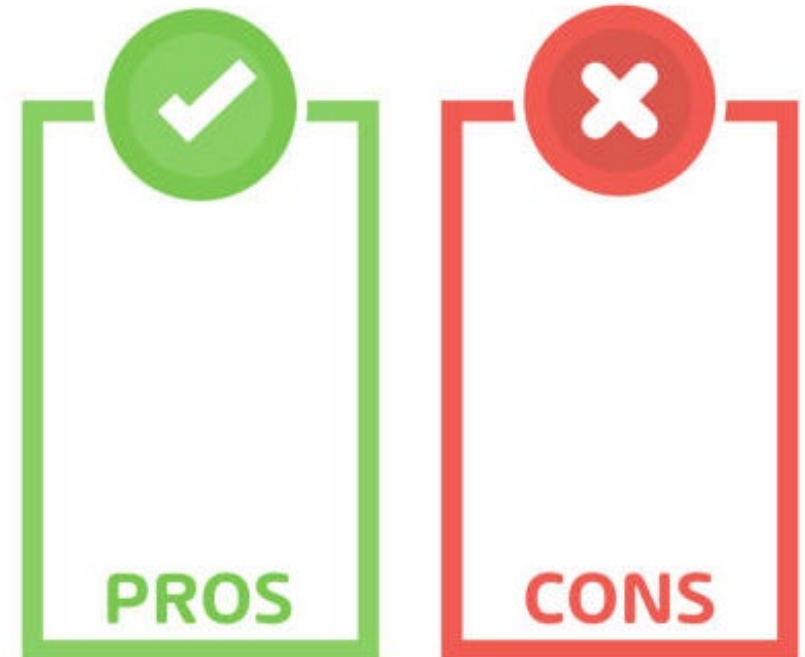
- Multiple opportunities for community feedback

## Developer Risk

- Lengthy process + associated costs
- Site control required
- Safe Harbor denial
- Lawsuits

## Municipal Risk

- Inexperienced ZBA (use MHP's Tech Assistance program!!!)
- Lawsuits



# THE MUNICIPALITY



Source: Community Preservation Coalition

## Advocacy + Funding

### Active Housing Committees & Advocates

- Housing Trusts
- Housing Partnerships
- Local Champions + Stakeholders

### Local Funding for Affordable Housing

- CPA
- Affordable Housing Trust
- Inclusionary Zoning - Payments in Lieu
- CDBG, HOME

# THE MUNICIPALITY

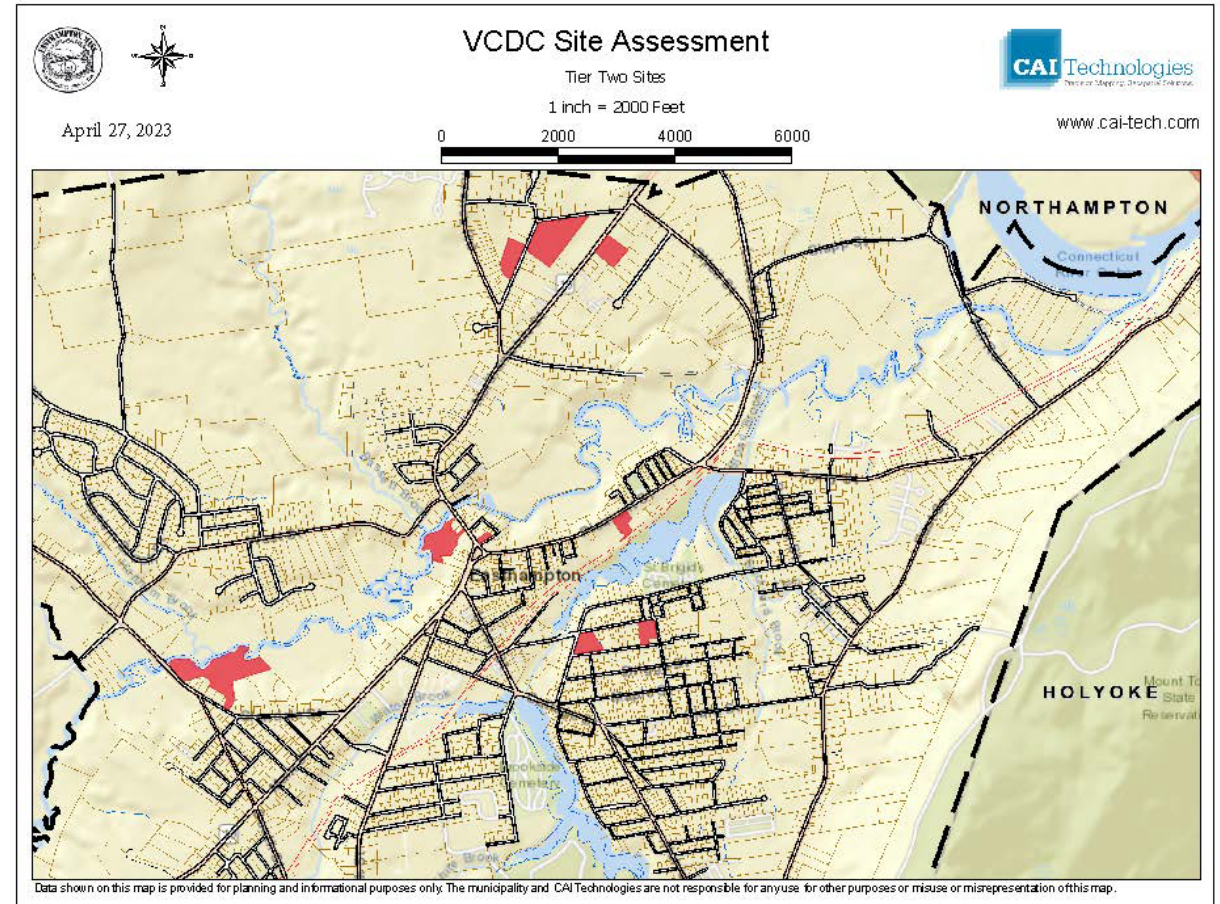
## Connector + Matchmaker

### Municipal Staff & Committees

- Know available sites + willing sellers
- Know active housing developers
- Understand community vision
- Know public infrastructure needs

### Elected Officials

- Applications for state grants to support private housing (One Stop for Growth)
- Approve local matches (CPA)
- Vocal advocates for projects



# STATE FUNDER (EOHLC)



TRANSIT ORIENTED +  
WALKABLE LOCATION



MEETS COMMONWEALTH  
SUSTAINABLE DEVELOPMENT  
PRIORITIES



NO "RED FLAG" ISSUES  
(HAZMAT, ETC.)

# MUNICIPAL SITES — THE “WHITE ELEPHANT”

Before you RFP, consider the following:

## Hire a Consultant

- For land disposition, community process

## Do a “Fit Test”

- Work with architect (or friendly developer) to assist
- Should meet state design requirements for affordable housing
- Sets a realistic expectation on number of units

## Conduct Due Diligence

- Existing condition site survey
- Asbestos and lead paint testing
- Phase I ESA/Limited Subsurface Investigations
- Structural engineering
- Location + quality of public infrastructure

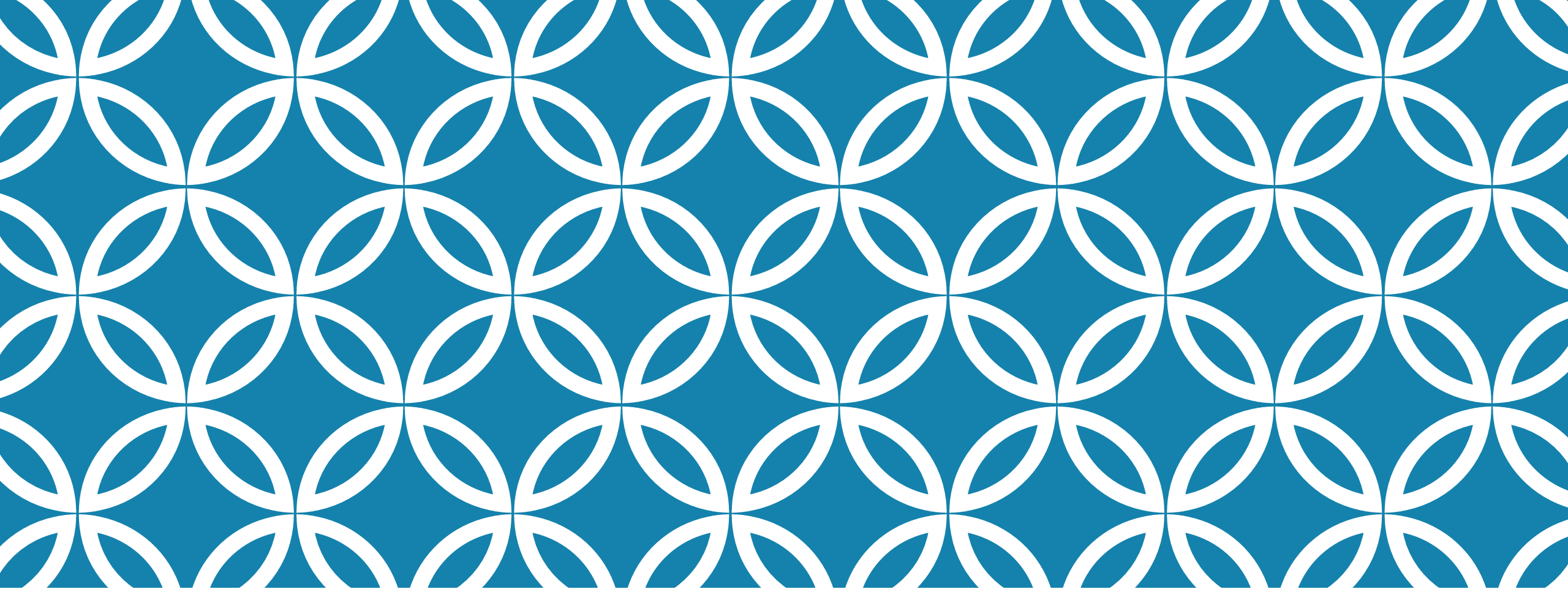
## Set low acquisition cost

- Consider selling for \$1
- Costs recaptured in future property taxes



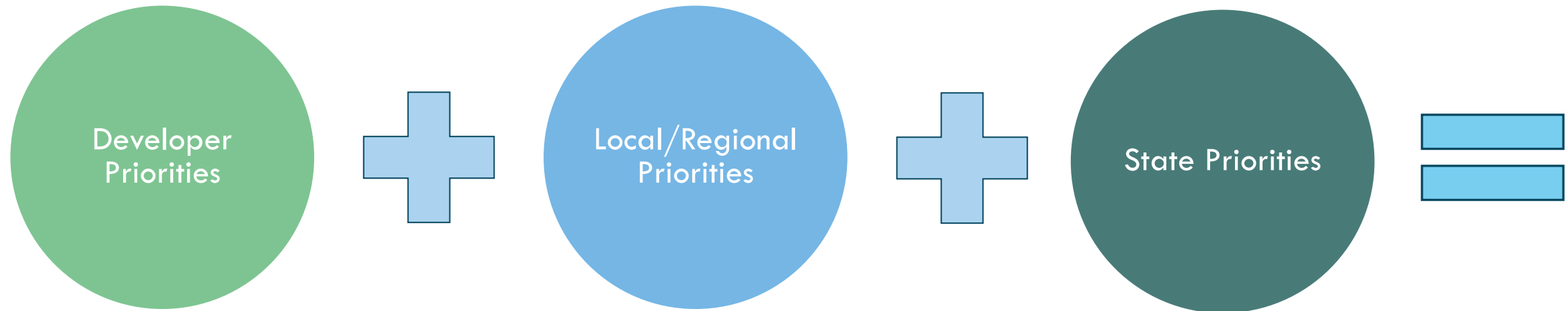
Center Elementary School, Easthampton





**PROJECT DESIGN** |

# BRINGING IT ALL TOGETHER



**Affordable housing needs  
partnerships to be successful!**

# STATE FUNDER (EOHLC) - QUALIFIED ALLOCATION PLAN



State plan for distribution of LIHTC + “soft debt”

Annual application + highly competitive

Must meet state QAP priorities/criteria to be considered for funding:

- Annual funding caps
- Site control + zoning permits
- Design Standards
- Sustainable Development Principles
- Required local match
- Units set aside for special populations
- Required % of units for ELI (30% AMI)

# THE MUNICIPALITY



## Roundtable Tech Review

- Brings municipal staff + developer together for plan review
- Multiple mtgs at stages of design
- Includes Planning, Conservation, Building, DPW, Public Safety
- Ensures developer there are no surprises in permitting
- Ensure proposed project meets community plans

## Legal

- Shepherd easements, agreements, deed restrictions, local funding requests though the approval process

# THE MUNICIPALITY

## Advocacy + Local Supporters

- Public, vocal supporters – inside and outside government
- Advocate at public meetings, newspaper, social media
- Updates public on project milestones
- Be able to identify and address “red herring” items
- Brief developer of abutter concerns before permitting

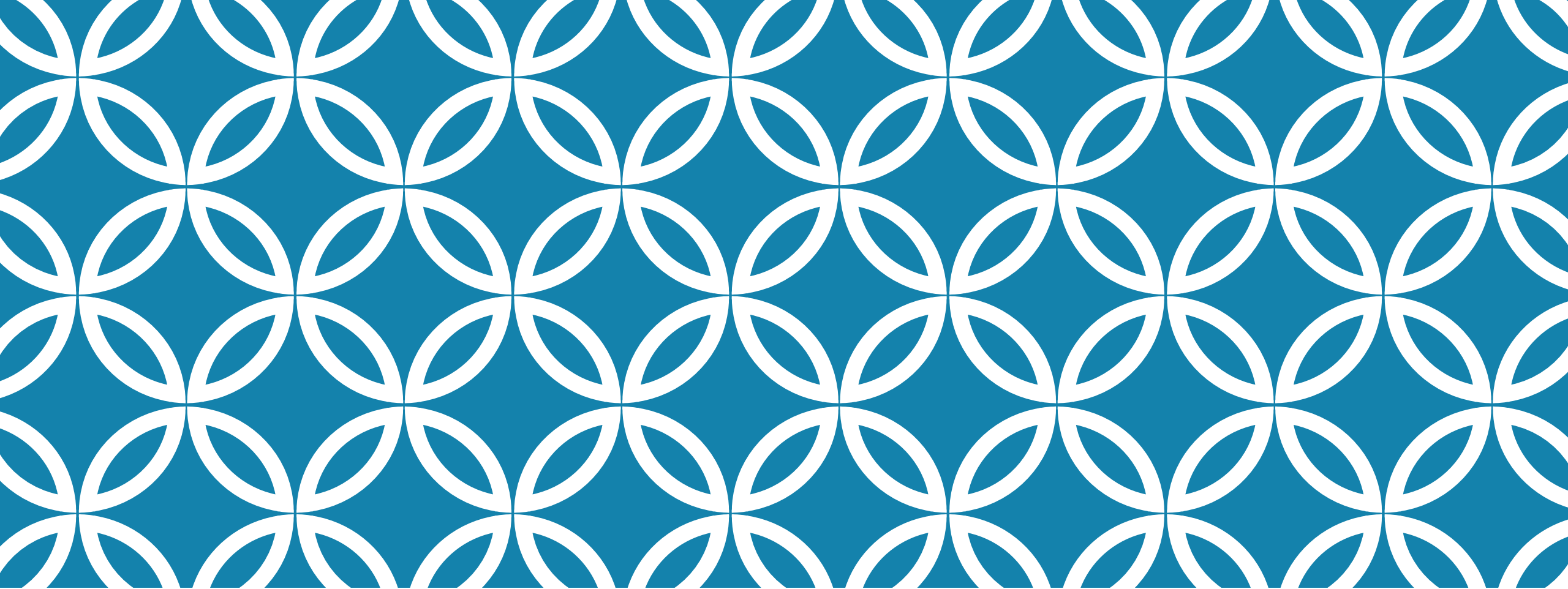


# THE DEVELOPER



QUESTIONS &  
COMMENTS





# FINANCING





# WHO PAYS FOR AFFORDABLE HOUSING DEVELOPMENT?

**LOCAL/  
GRANTS**



**LOANS**



**STATE  
FUNDS**



**TAX  
CREDITS**



# WHAT IS IT PAYING FOR?

Use	% of total (est.)
Acquisition	4%
Construction	70%
Soft Costs	13%
Required Reserves for Operation	3%
Developers OH/Fee	10%
TOTAL	100%

# WHY IS AFFORDABLE HOUSING SO EXPENSIVE?

Legally complex

High design standards from EOHLC

- Accessibility
- High Energy Efficiency (Passive House)
- Bedroom SF and distribution

High + unpredictable construction costs

Specialized consultants

The Result: Multiple Funding  
Sources Needed!

(Average 6-12 per project)



# THE MUNICIPALITY



## Advocate & support requests for local funds

- Local funding match required by state
- Needed early to leverage other funding

## Apply for state funds that support housing

- MassWorks
- HousingWorks Infrastructure Program
- Housing Choice
- Municipal Vulnerability Preparedness

# THE MUNICIPALITY

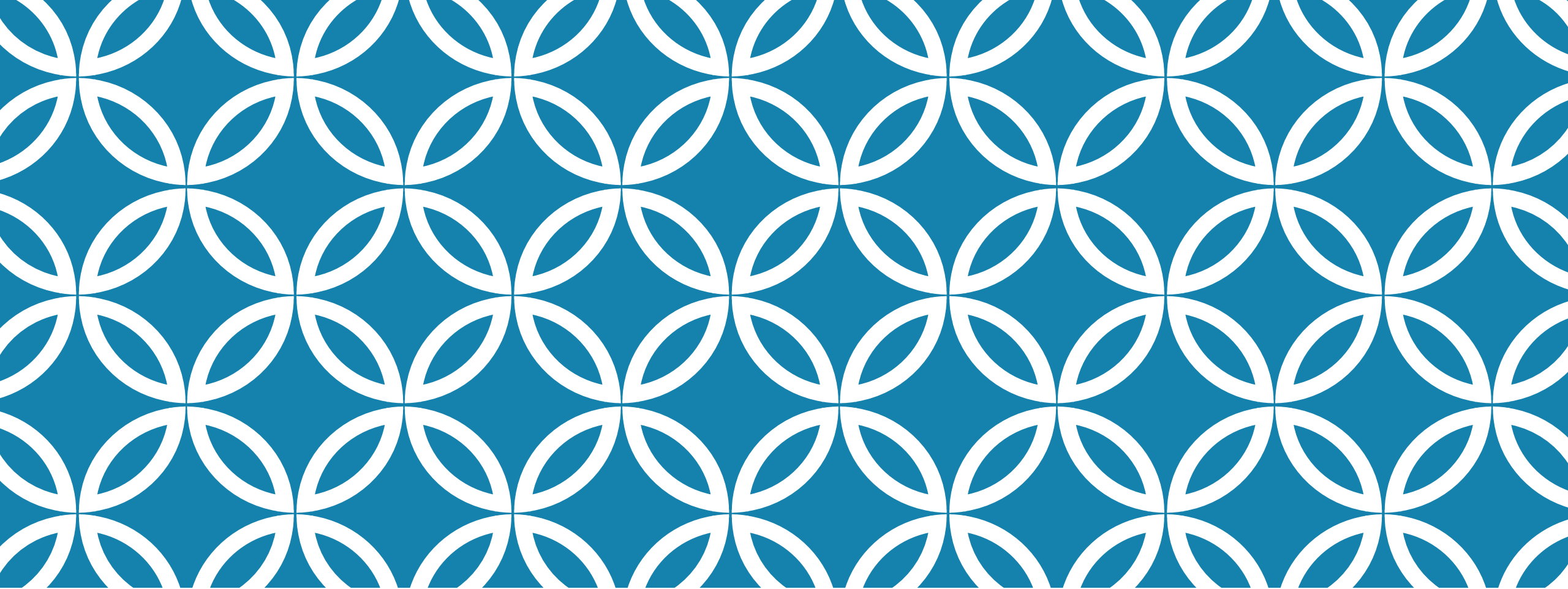
## Budget is finalized at finance closing

- Fluctuating construction pricing – supply chain, tariffs
- Shifting interest rates for loans
- Unforeseen conditions

## Developer's job to fund the gaps

- Might require multiple requests for funding to municipality based on market changes





# **MONITORING & COMPLIANCE**



# FEDERAL LIHTC / STATE FUNDED

Reviewed and approved by EOHLC at financing:

- Affirmative Fair Housing + Marketing Plan
- Supportive Services Plan
- Management Plan

Quarterly compliance by LIHTC equity for 15 years

Annual compliance EOHLC length of deed restriction

Annual compliance by municipality if deed restriction is longer than state



# LOCAL FUNDS ONLY



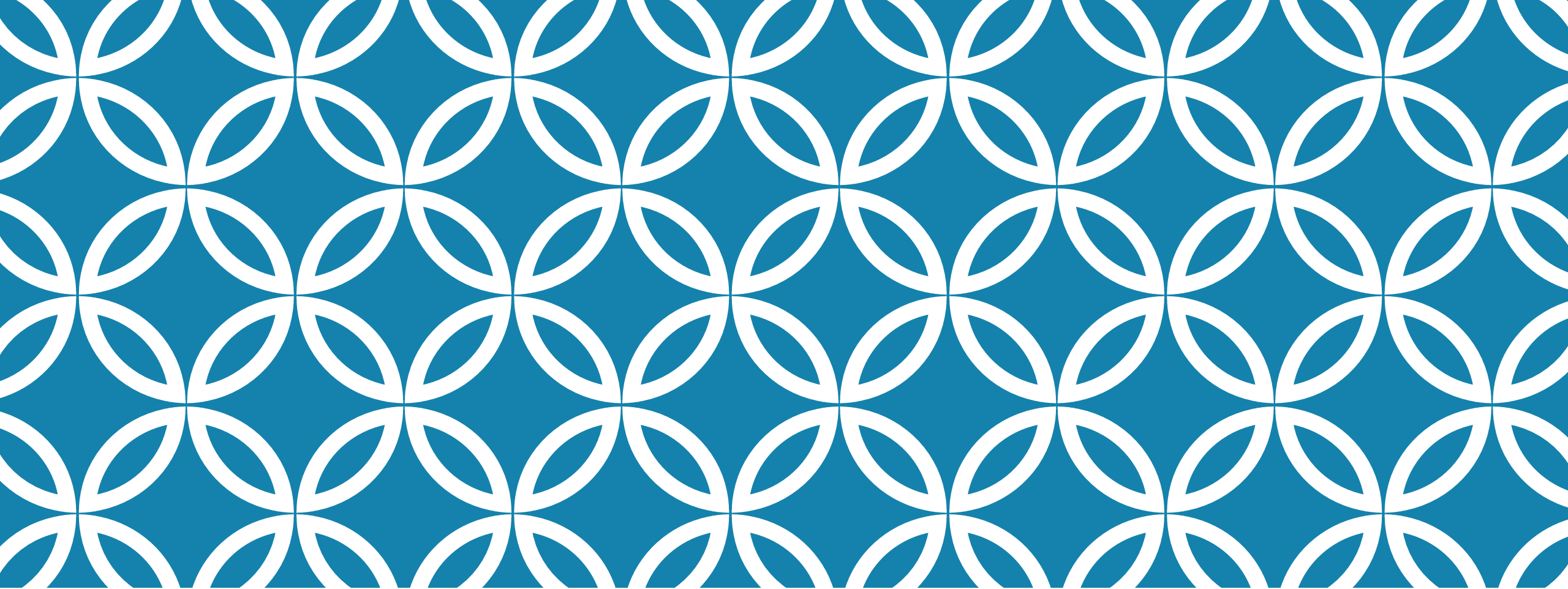
Local sources such as CPA, CDBG, HOME

May require staff time to review tenant income certifications annually for reporting to program reps



QUESTIONS &  
COMMENTS





# COMMUNITY SUPPORT



# THE MUNICIPALITY

## Cultivate Local Champions

### Who they are:

- Active in local government, churches, non-profits
- People with lived experience
- In and outside local government

### What they do:

- Make affordable housing an important agenda in their community
- Show up + speak out in favor of housing
- Write op-eds, attend meetings

**Need help organizing? Hire CHAPA!**



### Municipal Engagement Initiative

Cultivates advocates outside local government  
Works with residents to change the conversation  
about affordable housing

# THE DEVELOPER

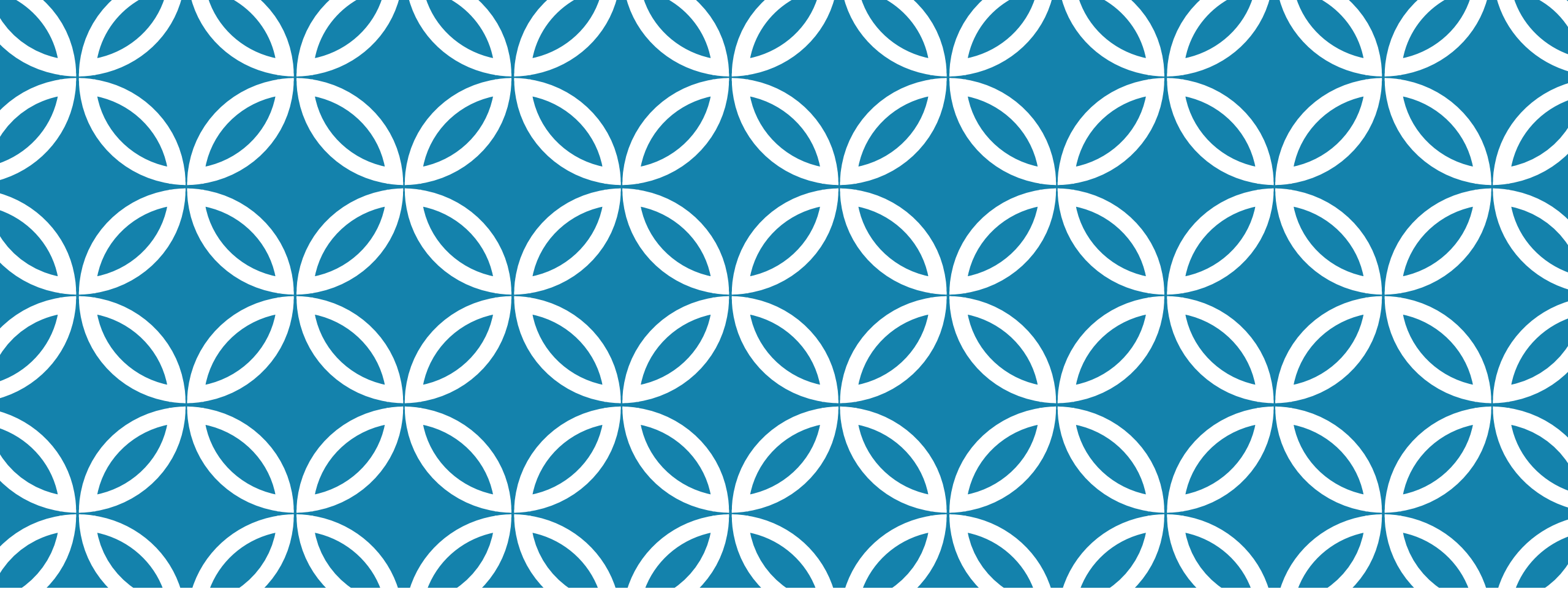
## Pre-Permitting

- Roundtable Tech review
- Brief municipal boards + community leaders
- Neighborhood events (in-person + zoom)
- One-on-one with abutters
- Goal: Address opposition before get to permitting (and avoid lawsuits)

## Post-permitting

- Project updates to staff, boards, neighbors
- Ribbon cuttings - post construction





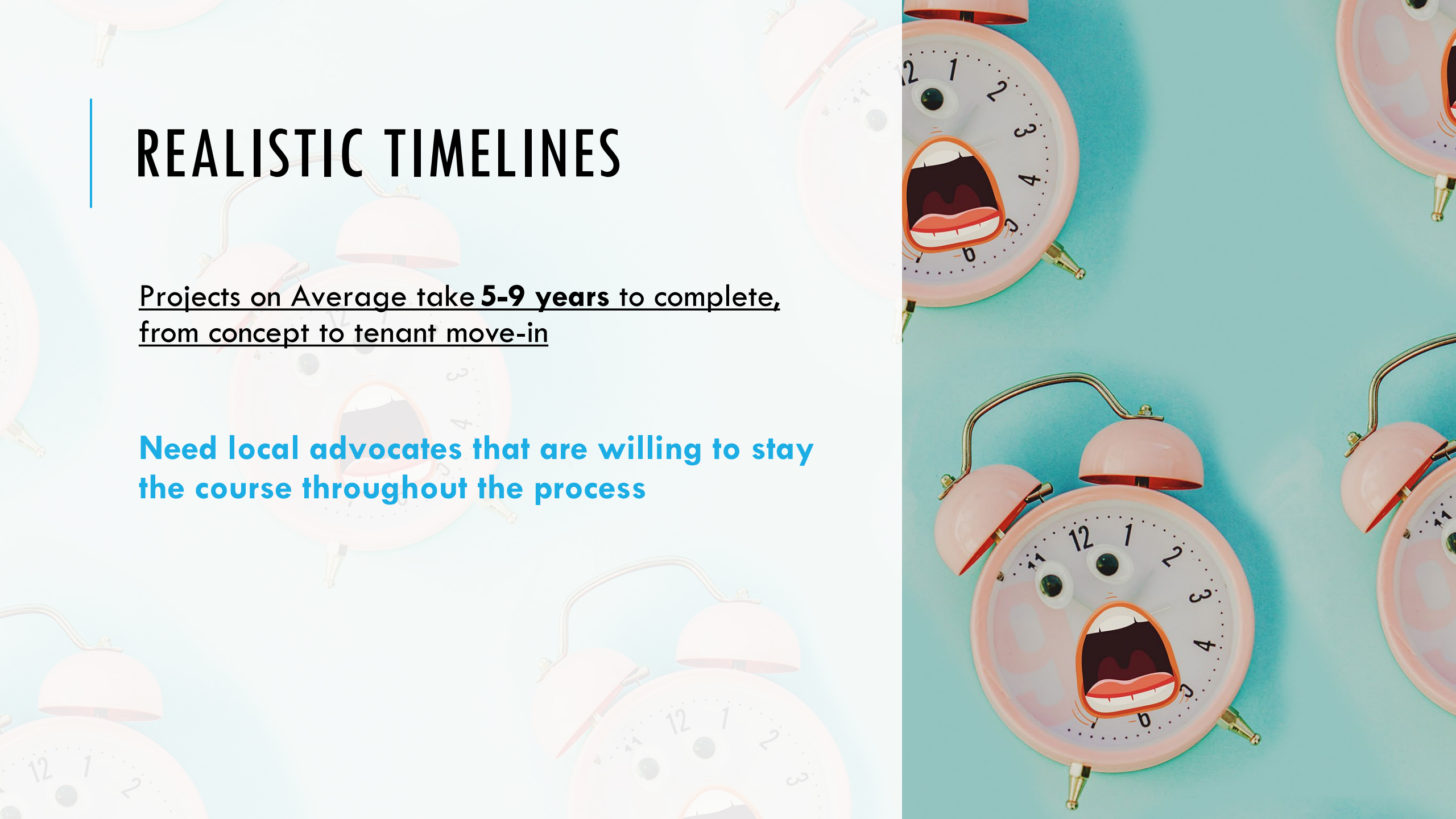
# REALISTIC TIMELINES



# REALISTIC TIMELINES

Projects on Average take **5-9 years** to complete,  
from concept to tenant move-in

**Need local advocates that are willing to stay  
the course throughout the process**



# THE DEVELOPER



Longer process = more expensive housing due to:

- Escalating building costs
- More time for paid consultants
- Plan revisions as codes change
- Carrying costs (loan interest)

# THE MUNICIPALITY

## How to help

Expediated Permitting + Flexible Zoning

Municipal point person for developer that responds to permitting, funding, and legal questions + helps move through the public process

Active and vocal advocates both inside and outside city/town hall that are in it for the long haul!





**QUESTIONS &  
COMMENTS**

