

9-21-2023

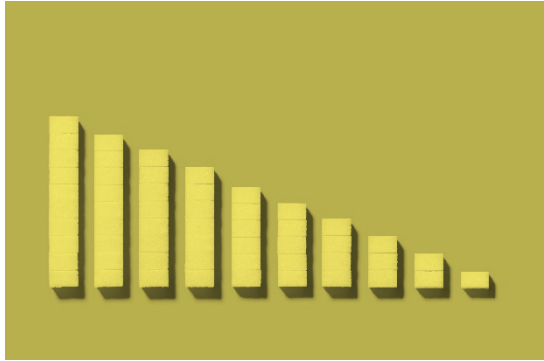
Affordable Housing Trust Funds

Getting Started



MHP Mission

MHP works with communities to create innovative policy and financing solutions that provide affordable homes and better lives for the people of MA.



Center for Housing Data

Collects, analyzes & shares info for effective policy creation



Community Assistance

Builds local capacity through TA and training, including 40B program



Lending

Lent over \$1.4B for creation/preservation of over 27,000 units of affordable rental housing



Homeownership

Supports first time homebuyers w/innovative products like ONE Mortgage

Today's agenda

September 21, 2023



Municipal
Affordable Housing
Trusts

Getting started:
The basics



Mission statement,
goals & strategies

Guidelines



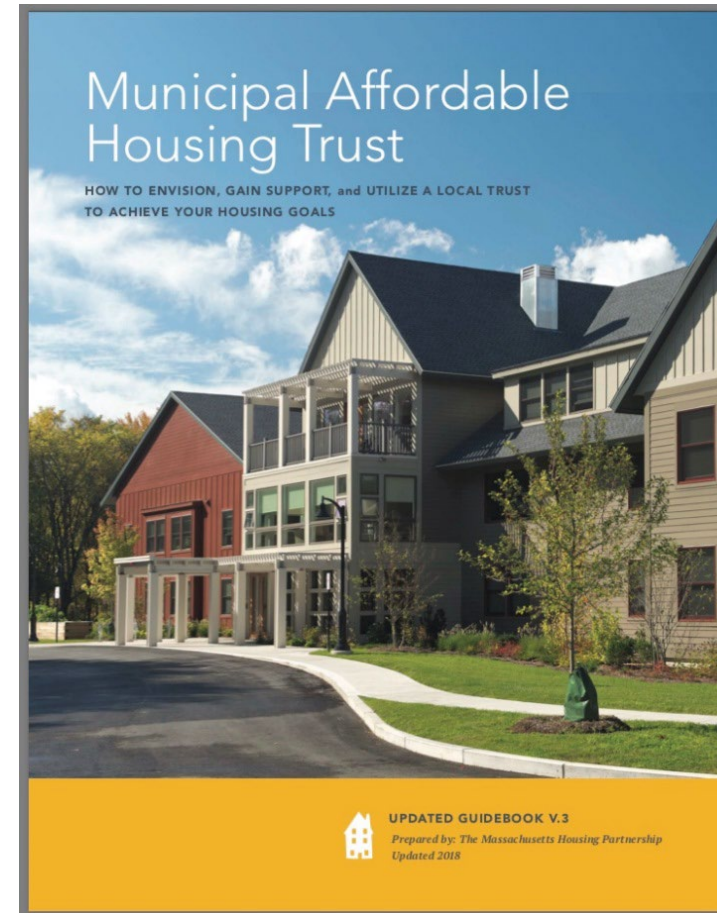
**What is an
affordable
housing
trust fund?**



Municipal Affordable Housing Trust

- 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 and for the funding of community housing as defined...” in accordance with CPA

- Limited scope
- Low and moderate income only

Trust annual reporting to CPC

Housing trusts must track CPA funds separately and the CPC must 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 55A 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 100 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 at re-funding sources.

TOTAL PROJECT COST = Enter total project cost.

Created by AMHCP in support from the Annetta C. Cavallaro Foundation



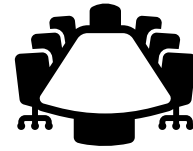
What can a housing trust fund do?

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



Trustees

MGL Chapter 44, Section 55c



Minimum five

Includes CEO

Appointed by Mayor/CC/SB

Two-year terms

“Public agents”

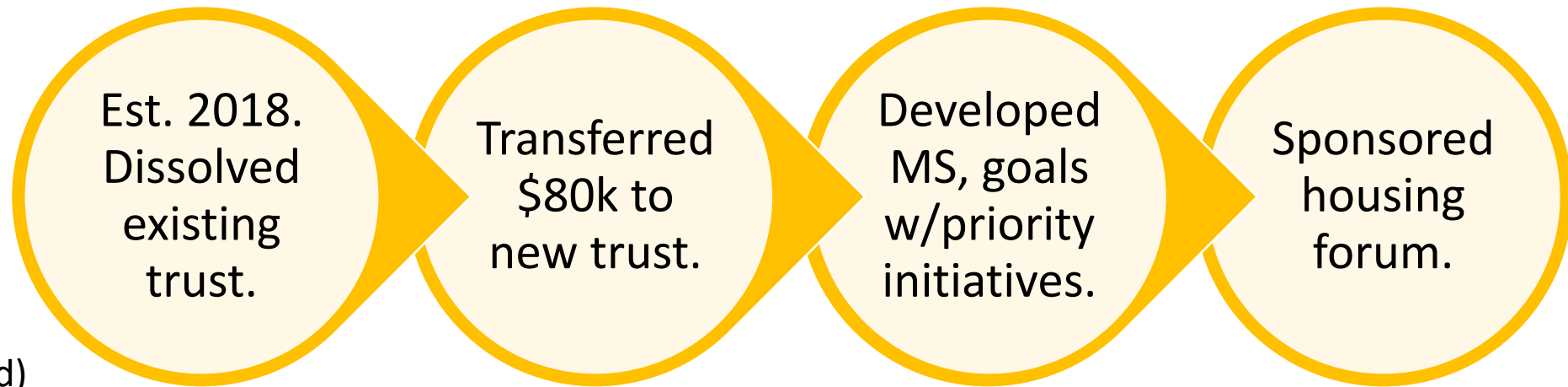
Board Powers

MGL Chapter 44, Section 55c

16 explicit powers including:

- Accept and receive real property, personal property or money
- Purchase and retain real or personal property
- Sell, lease, exchange or convey any personal, mixed, or real property

Town of Brewster Case Study



Trustees (7 required)

- Select board
- Town administrator (or designee)
- Housing partnership
- Community Preservation Committee
- Planning board
- Citizens at large (2)

Powers

- Allocations over \$50k subject to SB approval



**Getting
Started**
the basics

Identify housing needs



Kick off your work with current data showing the local housing landscape.

Make sure data is not collected in a vacuum.

Learn about affordable housing finance



Past trust trainings walk through affordable housing finance from the lender and developer perspectives.

Engage a developer

Invite an affordable housing developer to walk through a real development pro forma, explaining the process to structure a deal

Decide critical elements upfront

1. Clarify roles across boards.
2. How will boards work together?
3. Identify places for collaboration.
4. Who funds what?

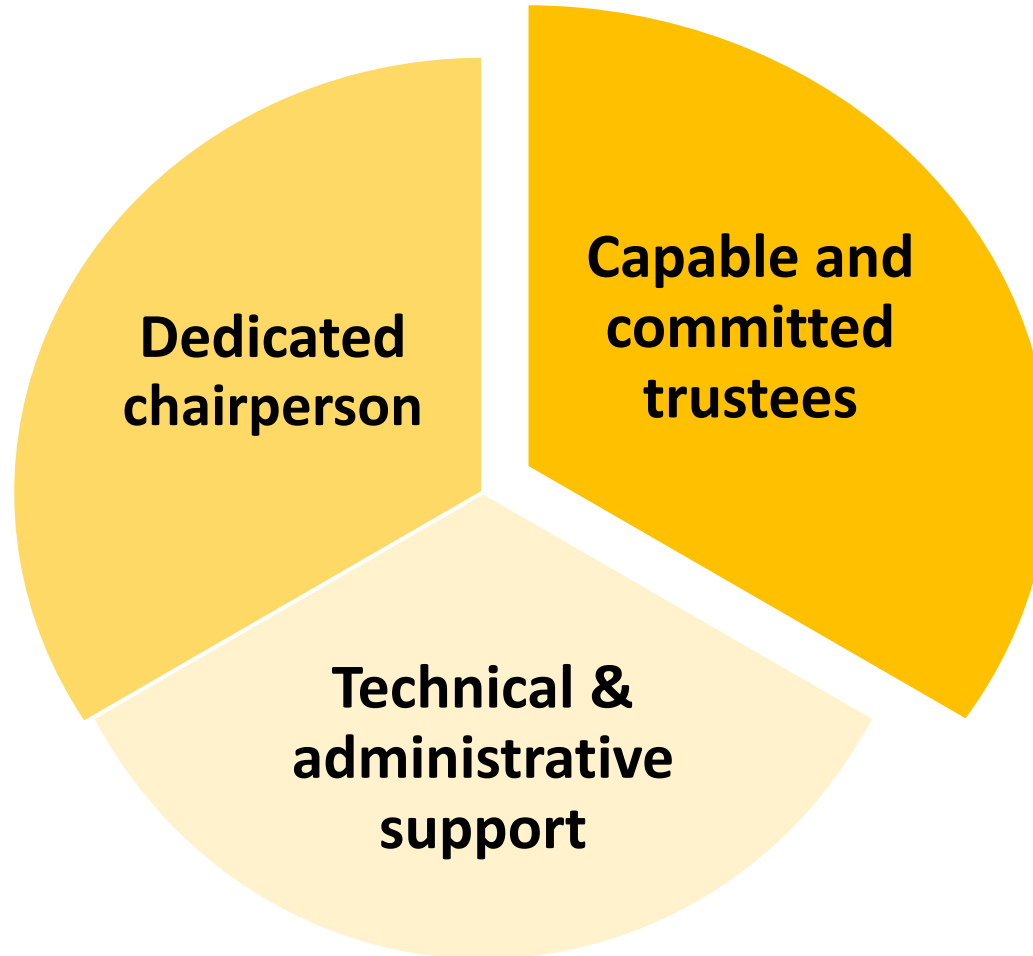
HOUSING STRATEGIES	Priority for Implementation		# AH units	Lead
	Years 1-2	Years 3-5		
CAPACITY BUILDING				
Establish & capitalize MAHT	X			BOS/CPC
Secure professional support	X			BOS
Ongoing education	X			MAHT+
ZONING				
Pursue 40R/40S	X			PB/MAHT
Modify multi-family requirements		X		PB/MAHT
Modify 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

Example from Manchester-by-the-Sea's HPP.



It takes teamwork

Is staffing necessary?



Ensure transparency



Communicate

Consider joint
board
appointment

Report back
regularly

Promote
efforts

Use webpage
and social
media

Don't make it hard for people to find you

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



Determine operating approach

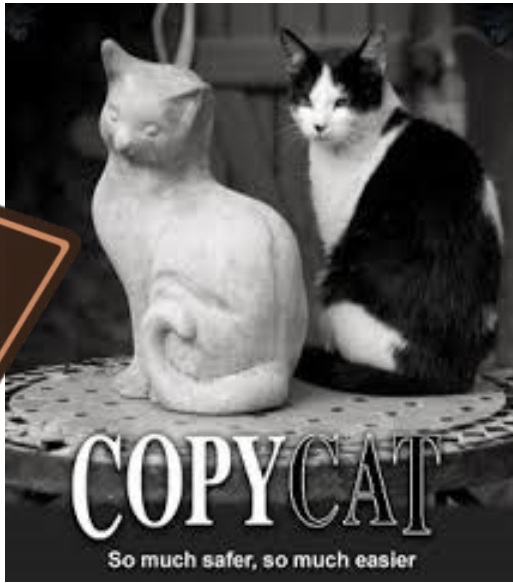
Funder

Initiator





**DUE
DILIGENCE**





Getting Started

Mission statement, goals & strategies

Create a mission statement

What you want to accomplish

This is a declaration of your organization's purpose. It should direct the organization toward its ultimate destination. Keep it short.

1. What you do
2. How you do it
3. Who do you do it for

Mission statement examples

Amherst

The Trust's mission, as an instrument of town government, is to promote the town's affordable housing priorities as determined through the most recent town housing plan, particularly to create safe, decent and affordable housing for our most vulnerable populations.

Grafton

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.

Winchester

The mission of the Winchester Affordable Housing Trust (WHAT) is to support and sustain an inclusive and socioeconomically diverse community consistent with the policy objectives of the most recent Winchester Housing Production Plan through investment, education and advocacy.



What do you want to accomplish?

A planning framework



GOALS 2-3 well-defined, *measurable* goals



STRATEGIES that intentionally support the goals



TASKS organized actions to achieve strategies

Goals

Well-defined, targeted statements that give direction and focus

- These should be measurable
- Think SMART – specific, measurable, achievable, realistic and time-bound

EXAMPLES

Increase homeownership by 5% among moderate income households within the next two years.

Create 100 units of low/moderate income rental and homeownership housing units over the next five years.

Strategies

The approach you take to achieve a goal

- Strategy may be seen as a “blueprint” or “game plan.”
- It is a journey (long duration)

EXAMPLES

(Goal) Increase homeownership by 5% among moderate income households within the next two years.

Establish a down payment assistance program.

(Goal) Create 100 units of low/moderate income rental and homeownership housing units over the next five years.

Provide funds to support accessory dwelling unit (ADU) creation.

Tasks (or tactics)

Specific activities to execute your strategies

- Tasks are the organized actions that help achieve a certain end.
- A task is a trip (short duration).

EXAMPLES

(Strategy) Establish a down payment assistance program.

Create down payment assistance program application documents.

(Strategy) Provide funds to support accessory dwelling unit (ADU) creation.

Create ADU funding program parameters inline with the local ADU bylaw.



**Getting
Started**
trust
guidelines

Determining how the trust will function

GUIDELINES

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.

Common elements of guidelines

1. Mission statement, goals and strategies
2. Roles and responsibilities of the trust
3. Priority/eligible funding activities
4. Stipulations for funding (e.g., income limits)
5. Project monitoring and reporting
6. Application process
7. Selection criteria
8. Application form

Three Final Things

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Consider the local infrastructure – needs and resources.



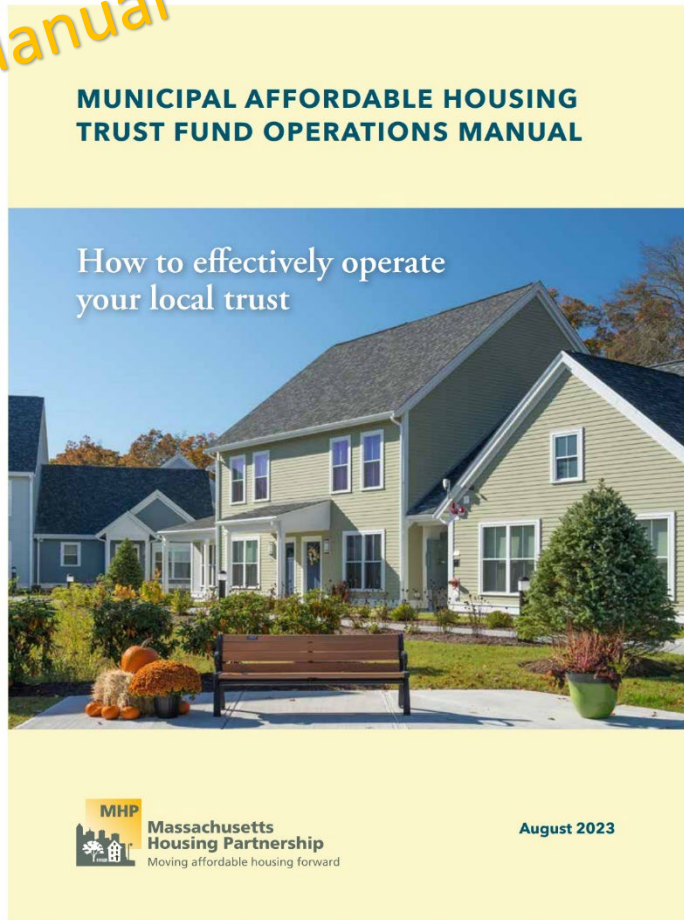
Develop goals that reflect identified needs.



Be real about your capacity.

MHP Online Resources

Newly updated
Operations Manual



Relevant data for every community in the Commonwealth to help make the case for housing.



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



Questions?

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