Housing Trust & CPA Conference

Affordable housing development
Massachusetts Housing Partnership

**MISSION**

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

<table>
<thead>
<tr>
<th><strong>Community Assistance</strong></th>
<th><strong>Lending</strong></th>
<th><strong>ONE Mortgage</strong></th>
<th><strong>Center for Housing Data</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Technical assistance</td>
<td>• Over $1.4B for over 27,000 units</td>
<td>• First time homebuyers</td>
<td>• Collect, analyze &amp; share info for effective policy creation</td>
</tr>
<tr>
<td>• 40B program</td>
<td>• Affordable rental</td>
<td>• Fixed-rate, 30-year</td>
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Today’s agenda
December 9, 2020

Municipal Affordable Housing Trusts

Keys to success

Trusts + CPA collaboration

Q&A
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...”

• Limited scope
• Low and moderate income only
Process to Establish Housing Trust

1. Determine ordinance or statute-as-is?
2. Legislative body accept ordinance/statute
3. Submit ordinance to AG w/in 30 days
4. Set up trust fund account
5. Record Declaration of Trust
6. Establish Board of Trustees
7. Update housing needs analysis, if necessary
8. Identify priorities & create guidelines
9. Determine operating approach
10. Identify priorities & create guidelines
11. Establish Board of Trustees
12. Set up trust fund account
13. Record Declaration of Trust
14. Legislative body accept ordinance/statute
15. Determine ordinance or statute-as-is?
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
Trustees

- Minimum five
- Include Mayor or member of Select Board
- Appointed by Mayor or SB
- Two year terms
- “Public agents”
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...
City of Beverly
Case Study

Created MAHT in early 2017.

First year:
- Appointed members
- Completed updated housing plan (already over 10% on SHI)
- Developed housing trust guidelines and NOFA (engaged AH developers)

<table>
<thead>
<tr>
<th>Trustees</th>
<th>Powers</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 5 members&lt;br&gt;• Mayor&lt;br&gt;• Planning &amp; CD&lt;br&gt;• Municipal finance&lt;br&gt;• 2 at large residents</td>
<td>• Conveyance of real property requires Mayor and CC approval</td>
<td>• IZ payments&lt;br&gt;• Potentially CPA</td>
</tr>
</tbody>
</table>
Keys to Success

Money, vision, leadership and 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 override
- Short-term rental fee?
- Tax title sales
- Marijuana tax?
- Real estate transfer fees?
What do you want to accomplish?

- Determining needs
- Setting priorities
- Create benchmarks
Plans to facilitate action

GUIDELINES OR GOALS

1. Eligible Activities

   - Predevelopment Activities – Includes costs related to architect and engineering fees, legal fees, financial feasibility analyses, permits, appraisals, 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 bonds 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 down payment 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.

STRATEGIC PLANS

TOWN OF AMHERST
HOUSING TRUST STRATEGIC PLAN
FY18-22

FUNDING PROVIDED BY THE AMHERST AFFORDABLE HOUSING TRUST FUND AND THE COMMUNITY PRESERVATION FUND

Prepared for:
Town of Amherst
Amherst Affordable Housing Trust
4 Boltwood Avenue
Amherst, MA 01002

Prepared by:
JH Geddes community preservation + planning
It takes teamwork
Is staffing necessary?

- Dedicated chairperson
- Technical & administrative support
- Capable and committed trustees
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

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<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>
</tr>
<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
Determine operating approach

- Funder
- Initiator
- Both?
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.”

Obligation to Affirmatively Further Fair Housing

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

Subject to subsidizing agency approval

Evidence of need

Only four categories

70% limit
Housing Trusts + CPA collaboration
Identify housing needs
CPA can fund housing trusts

- Applies for specific program/project
- Applies for no specific purpose
- Transfers set % each year
What are some communities offering?

**Cambridge**
80% of CPA funds directed to the housing trust

**Somerville**
45% CPA funds directed to the housing trust

**Grafton**
~10% CPA funds directed to housing trust
Grant agreements
Decide critical elements upfront

• How will the boards work together?
• What does each need from the other?
• Can CPA funds pay for administrative costs of the trust?
Trust annual reporting to CPC

Housing trusts must track CPA funds separately and annually account for funds in CP-3 report to DOR.
## Clarify roles

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

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

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<tr>
<th>Communicate</th>
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<tbody>
<tr>
<td>Consider joint board appointment</td>
</tr>
<tr>
<td>Report back regularly</td>
</tr>
<tr>
<td>Promote efforts</td>
</tr>
<tr>
<td>Use webpage and social media</td>
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Yin and Yang

Instead of competing with each other, compliment each other’s efforts to increase the supply of affordable housing.

Center your efforts on the goal of MORE housing.
Work together to create 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)
How does your Housing Trust collaborate with your Community Preservation Committee?
Questions?

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Katie Bosse