

# CPA + Community Housing Training

May 10, 2019





# Welcome! Let's get acquainted.

1. What community are you from? Is it a town or city?
2. What entity are you representing?
3. Does your community have the Community Preservation Act?
4. How would you rate your understanding of affordable housing?

# What do you hope to take away?





# 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



### Community Assistance

- Technical assistance
- 40B program

### Lending

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

### ONE Mortgage

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

### 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



## **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



# Morning agenda

May 10, 2019



What's happening statewide?

Eligible activities & working with a trust



Discussion

Cape & Community Housing



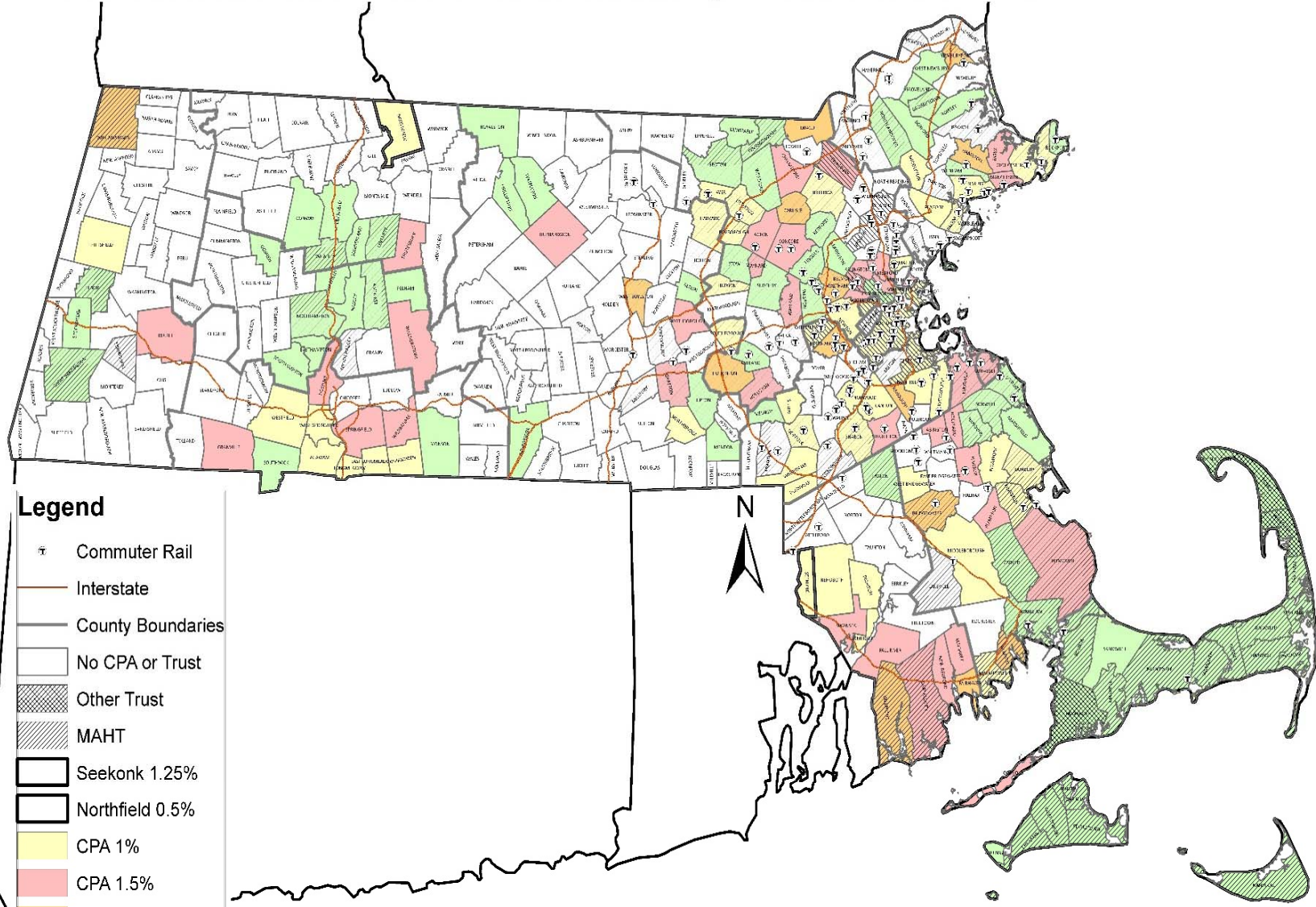
Break

# Eligible Community Housing Activities





# MA Communities with CPA or Housing Trust Funds 2019



## Legend

- Commuter Rail
- Interstate
- County Boundaries
- No CPA or Trust
- Other Trust
- MAHT
- Seekonk 1.25%
- Northfield 0.5%
- CPA 1%
- CPA 1.5%
- CPA 2%
- CPA 3%



Information depicted in the map is a count of CPAs and housing trust fund communities collected by MHP.

Produced by MHP Community Assistance.

160 Federal Street, Boston, MA 02110  
(617)-330-9955

January 2019

# “CPA Verbs”

**Acquire**

**Create**

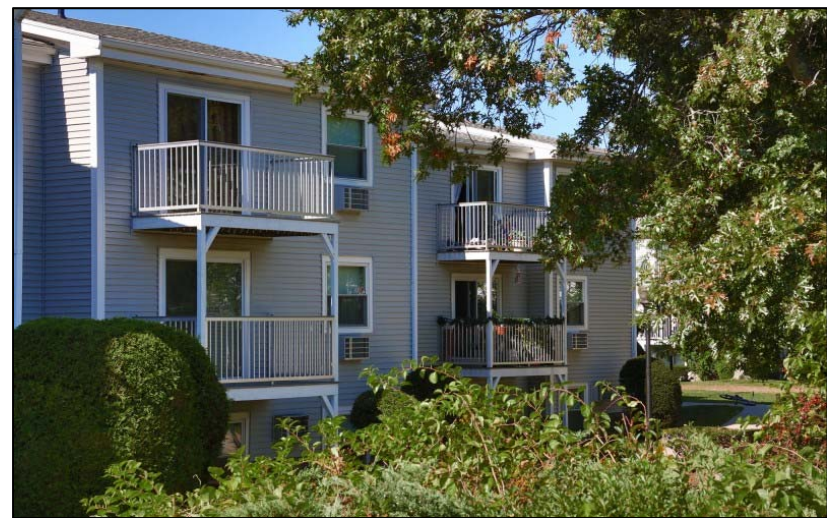
**Preserve**

**Support**



# Acquire

## Cromwell Court Apartments -- Barnstable



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

# Northampton

## Enhanced Single-Room-Occupancy (SRO)

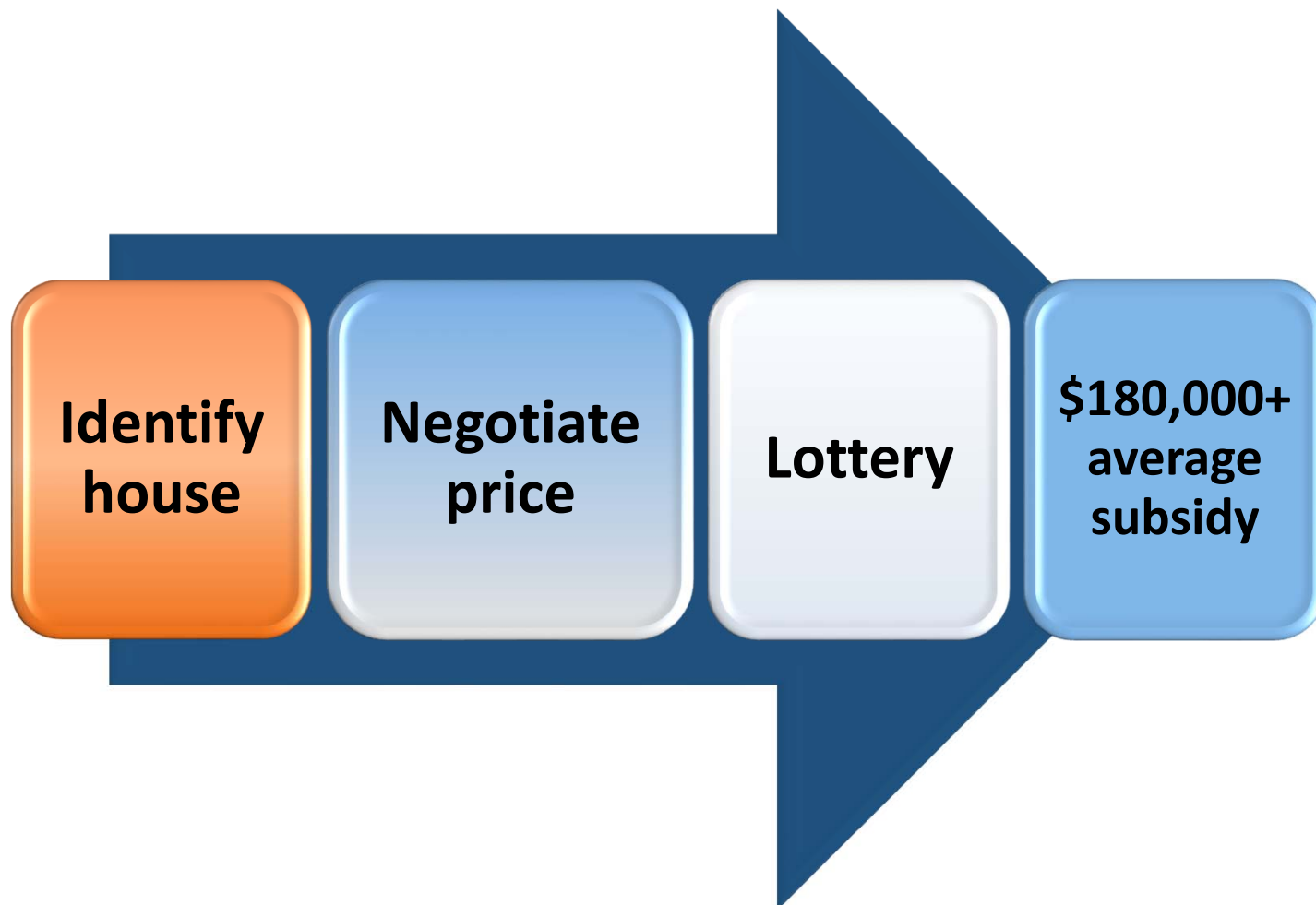


- 10-units of enhanced SRO on King Street for 5-homeless & 5-very low income individuals
- \$225k CPA funds out of \$2.1 million budget



# Sudbury MAHT

Home Preservation Program



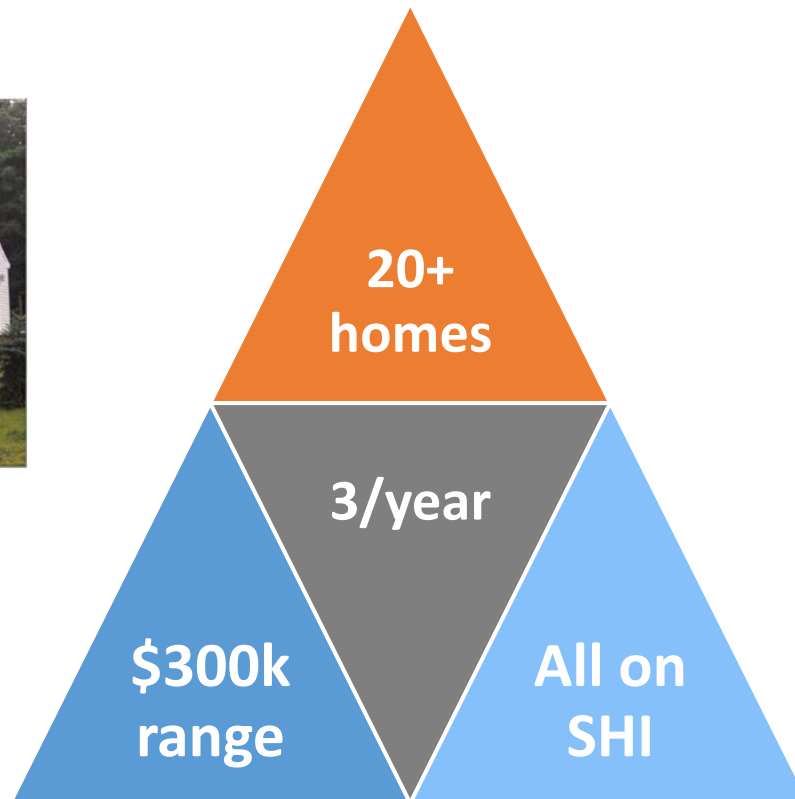


# Norfolk MAHT

## 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 Housing & Redevelopment Authority**

# 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

## Noquochoke Village

- 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





# Goshen

## Highland Village Circle



- Surplus church land, acquired by local non-profit with CEDAC acquisition loan
- 10 units of senior rental housing (62 years+)
- Single-floor, one-bedroom units, one fully accessible
- \$130,000 from the CPC

# 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





# Bedford

## Bedford Village apartments preserved



- 96 units of non-age restricted rental in 10 buildings
- Purchased by POAH in 2018, restrictions were set to expire
- Bonded \$3 million of CPA funds

# 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



# What does “preserve” mean?

“Protection of personal or real property from injury, harm or destruction.”

*That’s not rehab!*

*“...for the rehabilitation or restoration of open space and community housing that is acquired or created as provided by this section...” Section 5, CPA.*



Commonwealth of Massachusetts  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT  
Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Aaron Gornstein, Undersecretary

## PUBLIC HOUSING NOTICE 2013-14

To: All Local Housing Authorities  
From: Lizbeth Heyer, Associate Director  
Division of Public Housing and Rental Assistance  
Re: Utilization of CPA Funds for Preservation of Existing Public Housing Units  
Date: May 30, 2013

Many Housing Authorities have inquired about the potential for using Community Preservation Act (“CPA”) funding for work on existing public housing units, and some confusion on this topic exists among municipalities. DHCD has reviewed the CPA statute as it applies to such work and is providing this notice to help clarify the type of activities that it believes would be appropriate for CPA funding and those activities that would not be appropriate. Please note that this guidance is advisory in nature and is not binding on your community.

Section 5(b)(2) of the Community Preservation Act, MGL chapter 44B, provides that community preservation funds may be utilized “for the acquisition, creation, preservation and support of community housing . . . . provided, however, that funds expended pursuant to this chapter shall not be used for maintenance.” State public housing meets the definition of “community housing”, namely, “low and moderate income housing for individuals and families, including low or moderate income senior housing.”

It is important to note that both the recreational use and historic preservation provisions of the CPA provide for “rehabilitation” of those resources with CPA funds, the former through a CPA amendment signed into law in 2012. However “rehabilitation” of “community housing” is not a permitted use of CPA funds. The legislature’s original intent for CPA was to spur the creation of additional affordable housing units in the Commonwealth, and with that in mind, CPA was passed with a specific prohibition on rehabilitation activities on existing community housing units (unless those units were acquired or created with CPA funds).

While activities classified as “rehabilitation” are not allowed, “preservation” work on existing community housing resources is allowed. In general, work that protects the housing structure (not residents) from future injury, harm or destruction is permitted under CPA.

# Gloucester Housing Authority

Sheedy building

- Requested \$86,000 in CPA to supplement state modernization formula funding (\$196,000)
- Replace 30+ year old roof (single-ply rubber to cold-applied bitumen)
- One unit had been shuttered and more were at risk



# Support



**Pre-  
develop-  
ment**

**Housing plans  
and needs  
assessments**

**Rental  
Assistance**



# What does “support” mean?

Language added in 2012

“...shall include, but not be limited to, programs that provide grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance directly to individuals and families who are eligible for community housing or to an entity that owns, operates or manages such housing, **for the purpose of making housing affordable.**”

*That’s not social services!*

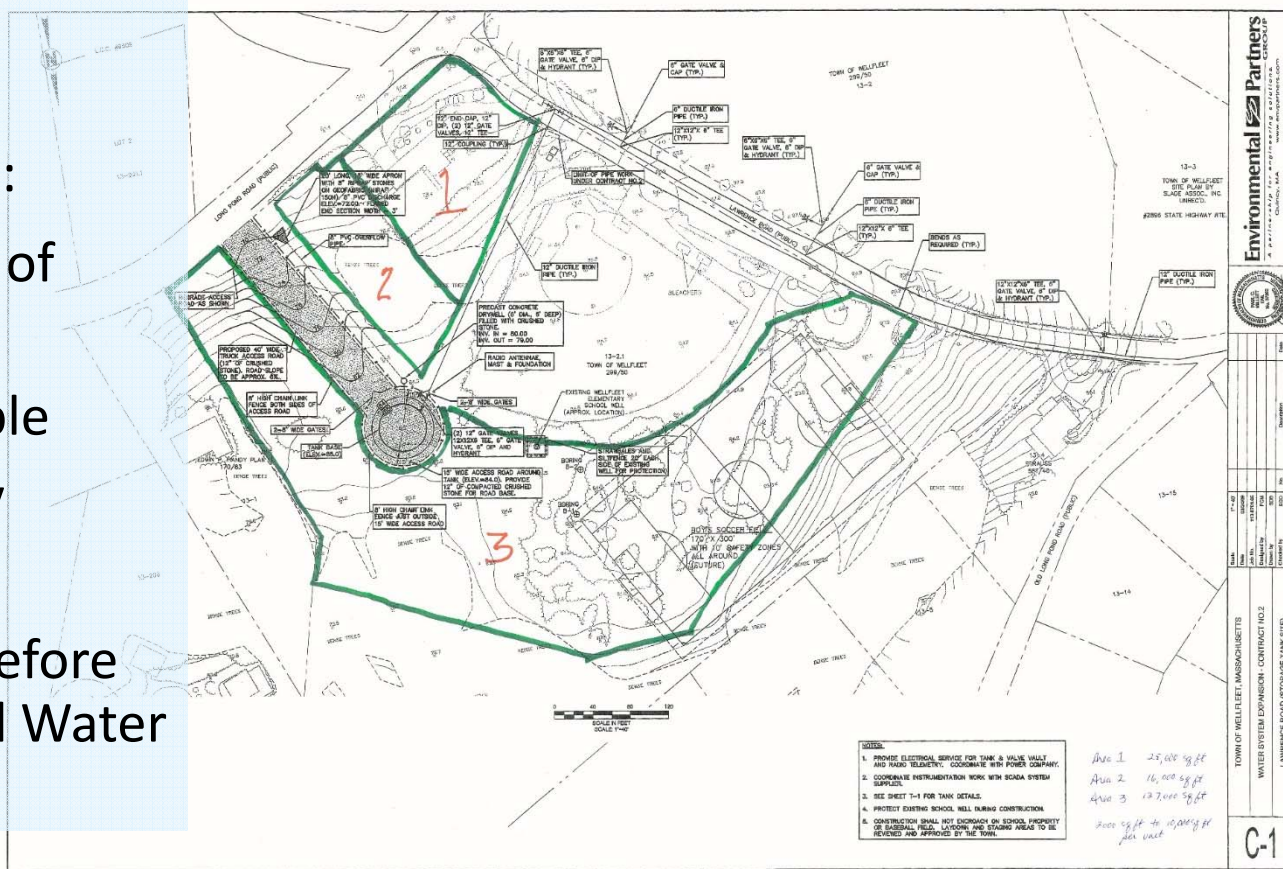
# Pre-development

## Wellfleet (95 Lawrence Road)

Three town-owned parcels totaling +/- 4.3 acres

Initial feasibility results:

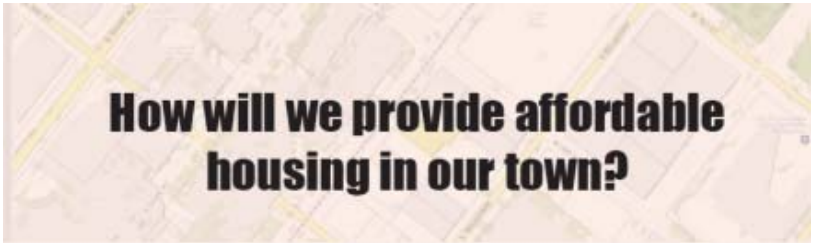
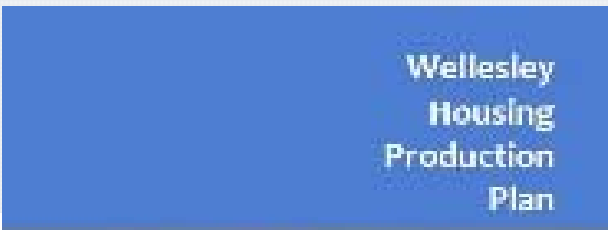
- No wetlands or zone of contribution
- Public water accessible
- Not subject to Title V nitrogen limitations
- Max. 90 bedrooms before necessitating Ground Water Disposable permit





# Wellesley

## Housing Production Plan



### 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!

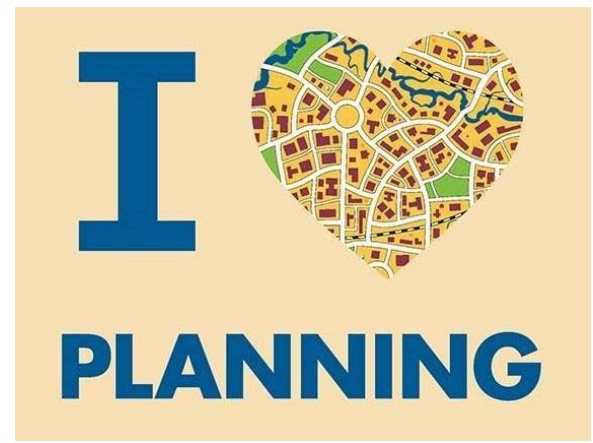
- Tuesday, March 13, 7-9:30 pm: Sprague School Gym, 401 School Street
- Thursday, May 3, 7-9:30 pm: Sprague School Gym, 401 School Street
- Tuesday, June 12, 7-9:30 pm: Wellesley High School Cafeteria, 50 Rice Street
- Monday, Sept. 10 (TBD): Joint Board of Selectmen-Planning Board Meeting, Town Hall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

Consultants



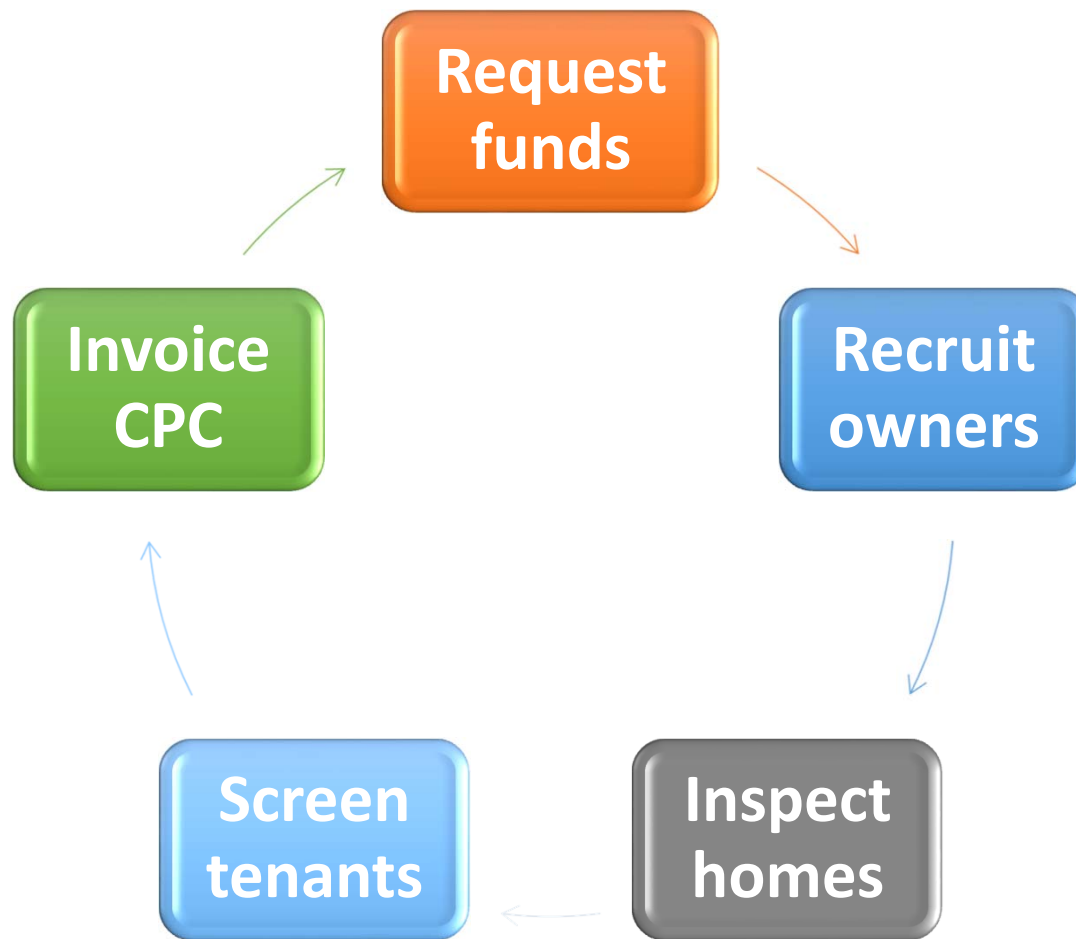
**Certified plans:** Ashland, Chelmsford, Medfield, Medway, Norfolk, Reading, Swampscott, Westford





# 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





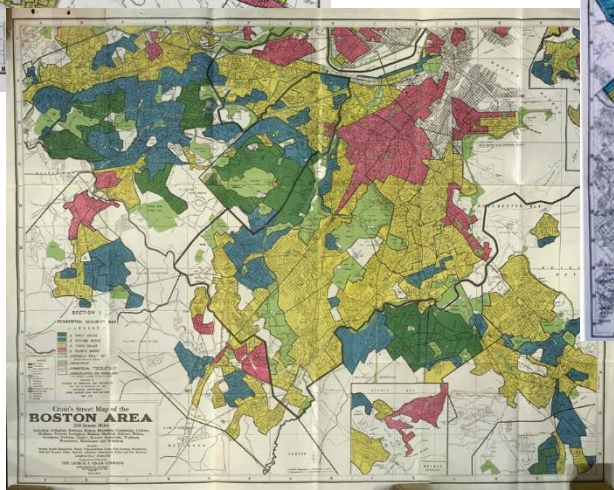
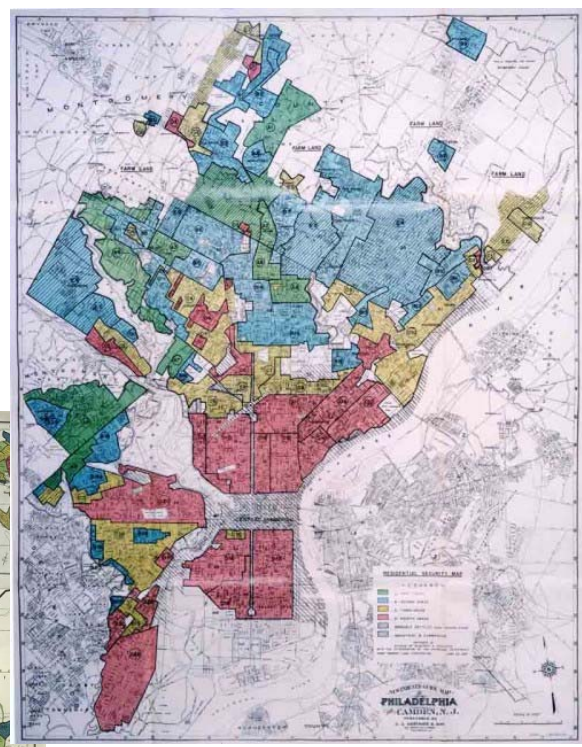
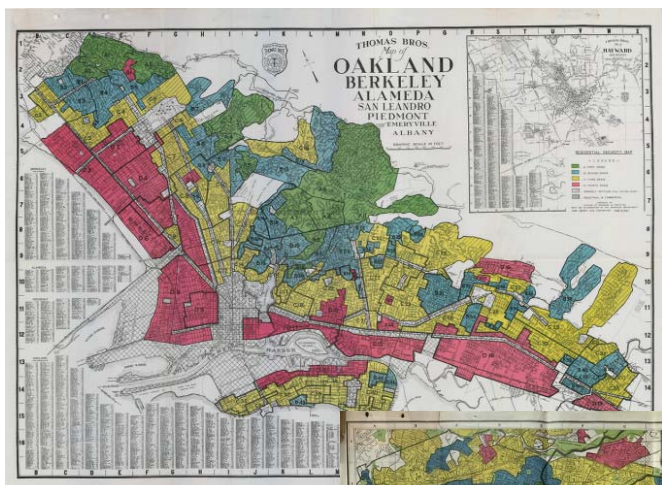
# CPA & Fair Housing



SCAN HERE FOR  
MORE INFO



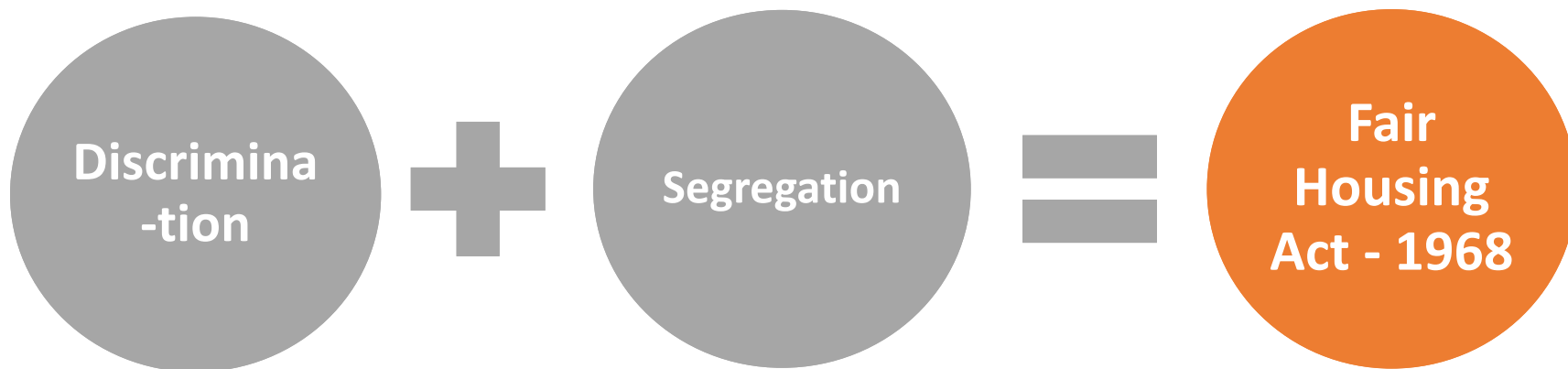
# Federal Government institutionalized racism and segregation -- REDLINING



Home Owners' Loan Corporation



# (un)Fair Housing





# 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

# What housing is covered?



Exempt in some cases:

- Owner-occupied buildings, up to 4 units
- Single family sale or rental w/o broker
- Housing operated by organization or private club w/occupancy limited to membership

# Two Key Fair Housing Concepts



**Disparate Impact**

“Discriminatory Effect”

**Affirmatively Further Fair Housing**

Obligated to FH



# Disparate Impact

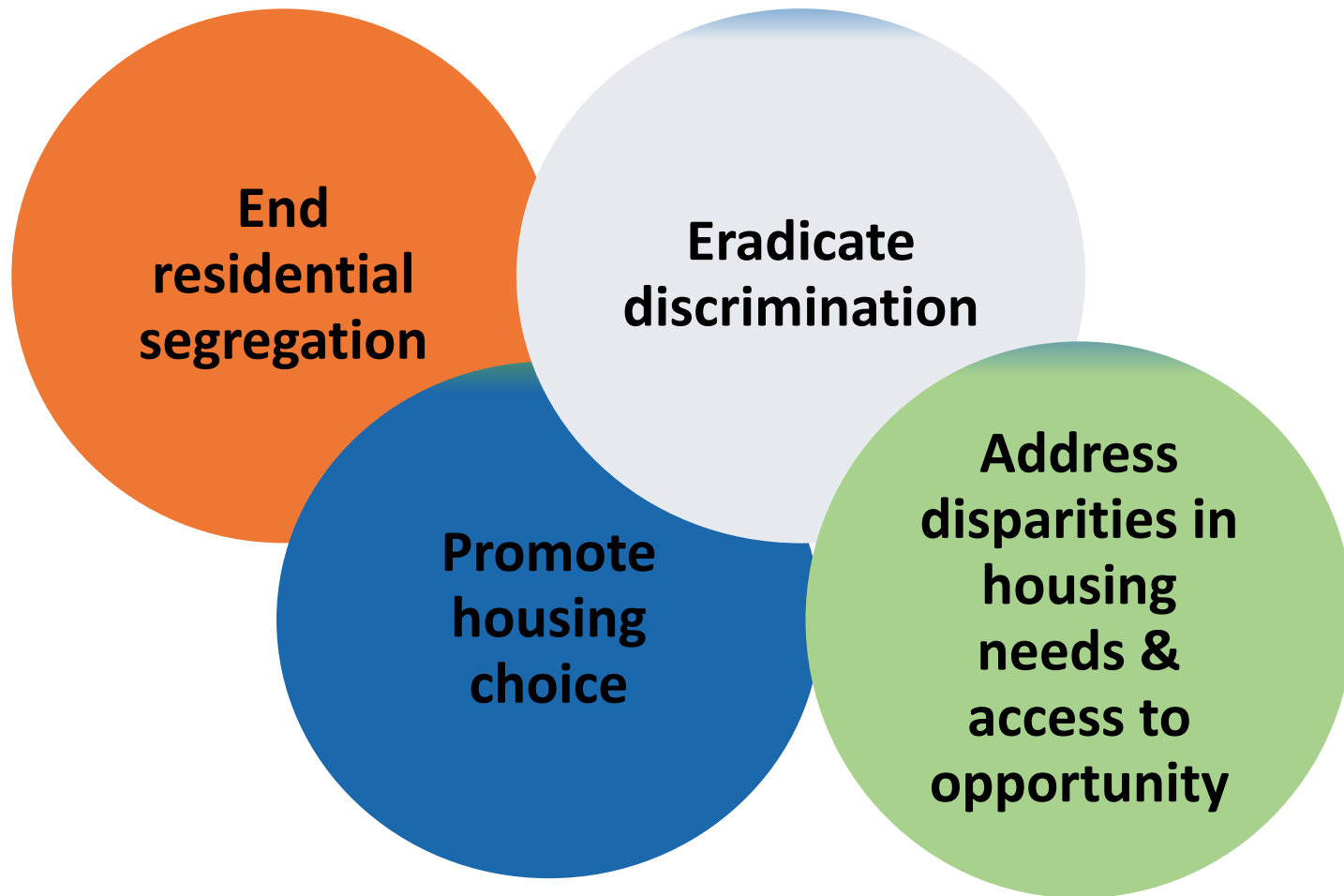


“...[e]ffect, not motivation, is the touchstone because a thoughtless housing practice can be as unfair to minority rights as a willful scheme.”

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



# 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
- Non-age restricted AND restricted



EQUAL HOUSING  
OPPORTUNITY



# Local Preference

Subject to  
subsidizing  
agency  
approval

Evidence  
of need

Certain  
categories

70% limit

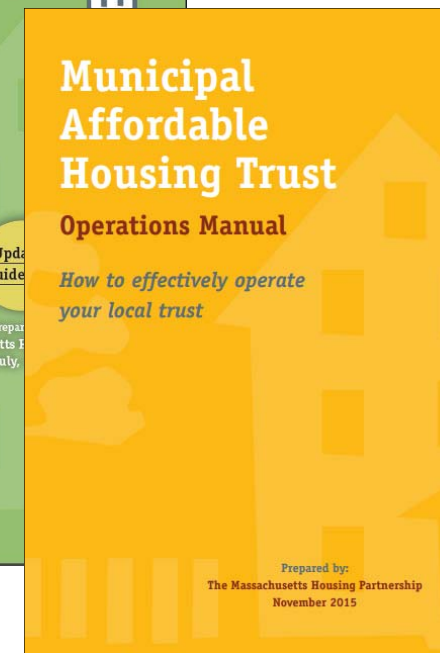
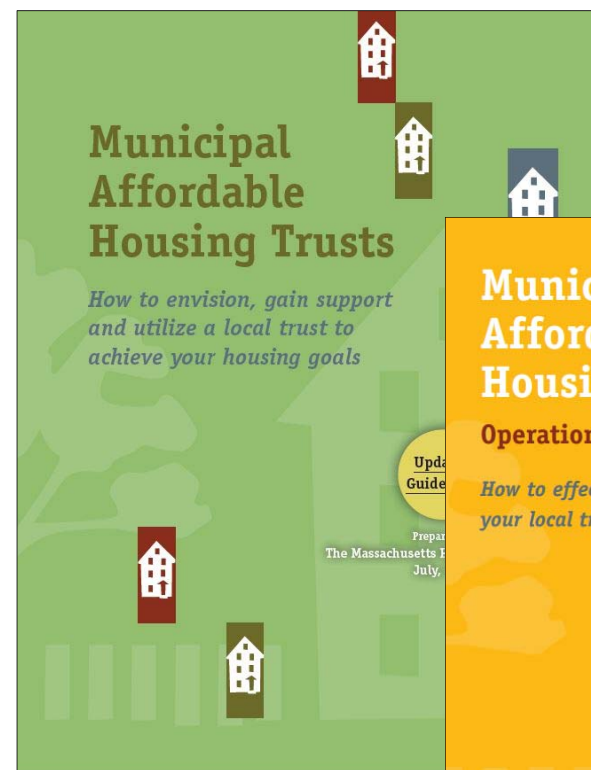
# Municipal Affordable Housing Trusts

Chapter 44, section 55c



# 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 (Ch. 30b), 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







# What can a housing trust do?

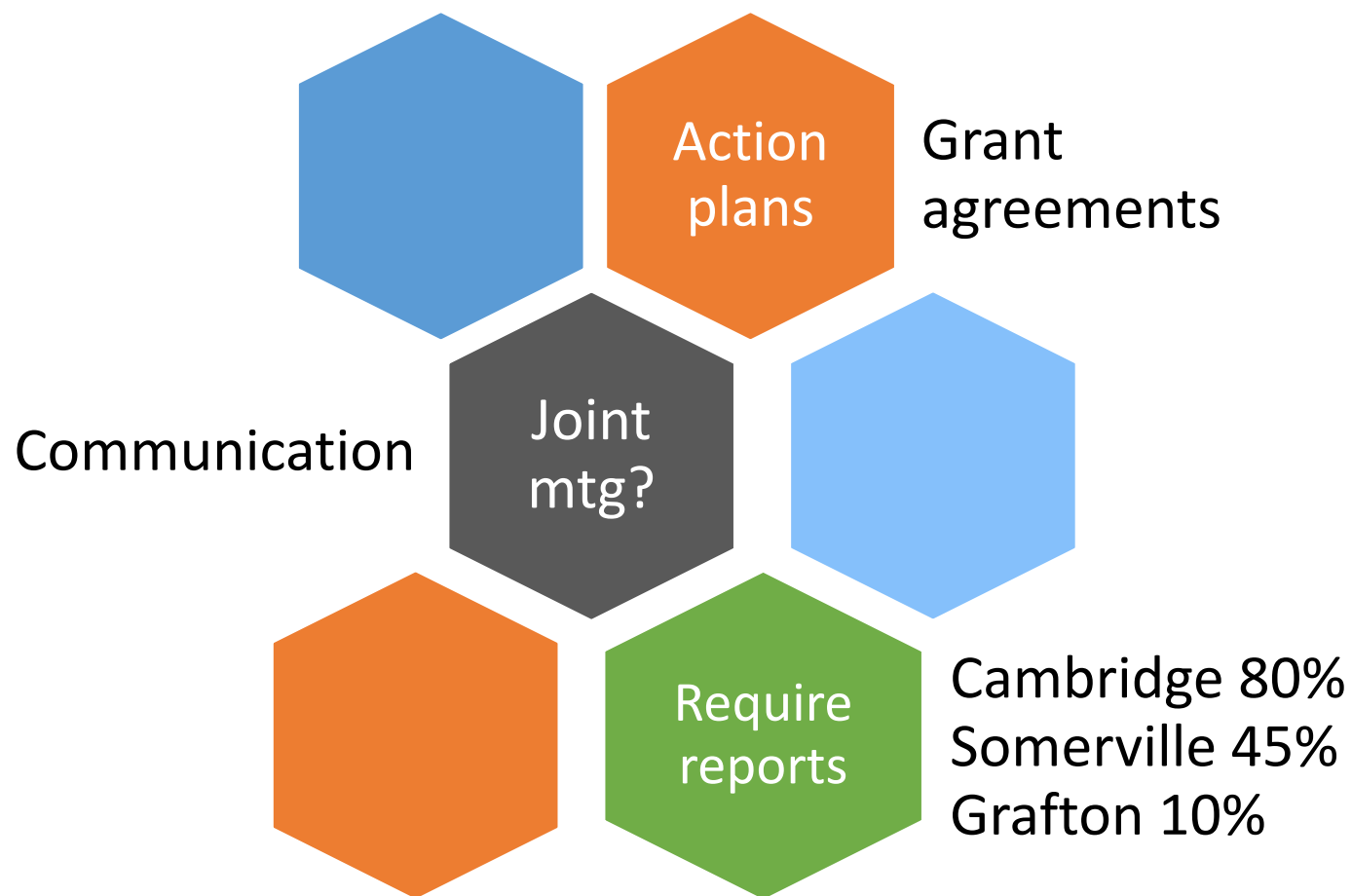
Broadly

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



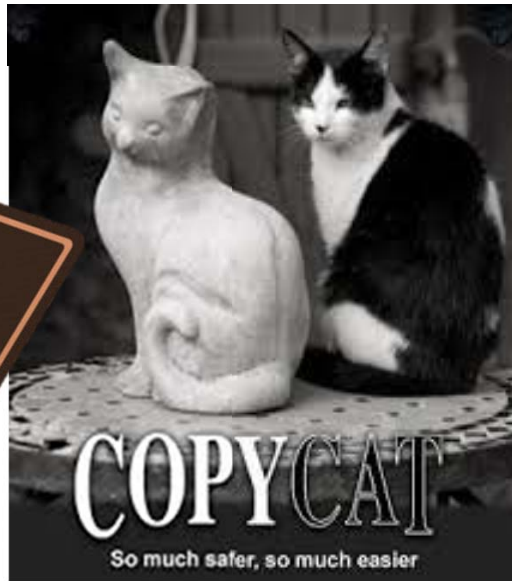


# Managing the Relationship





**DUE  
DILIGENCE**





# 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.

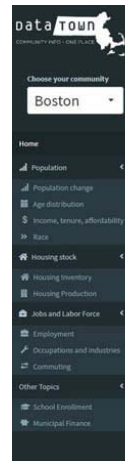
**[www.housingtoolbox.org](http://www.housingtoolbox.org)**

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

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



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



Welcome to DataTown, Massachusetts  
A place to explore and learn about your community

There is a lot of great information out there, but have you ever tried to collect data about your city or town, only to find that you need to go to multiple sites and navigate a multitude of data types that don't quite make sense for Massachusetts? Even if you can find the data you need, do you find yourself spending too much time organizing and visualizing that data?

Us too.

That's why we created DataTown. We wanted a site that not only provides community-level information from the various available data sources, but also visualizes that data so it's easy to digest. Hopefully this helps you spend less time collecting data so you can spend more time addressing the housing needs

**WHAT'S NEW?**  
WE ARE LIVE! THANKS FOR VISITING!  
• Data downloads for all charts - Thanks Dana L. for the feedback!  
• Hover-over labels on all charts - Thanks Chris K. for the feedback!

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**UPCOMING DATA SETS AND FUNCTIONING:**  
• 2010 Decennial Census comparison options  
• Bureau of Labor Statistics  
• County-level comparisons  
• returns to top of page on tab click

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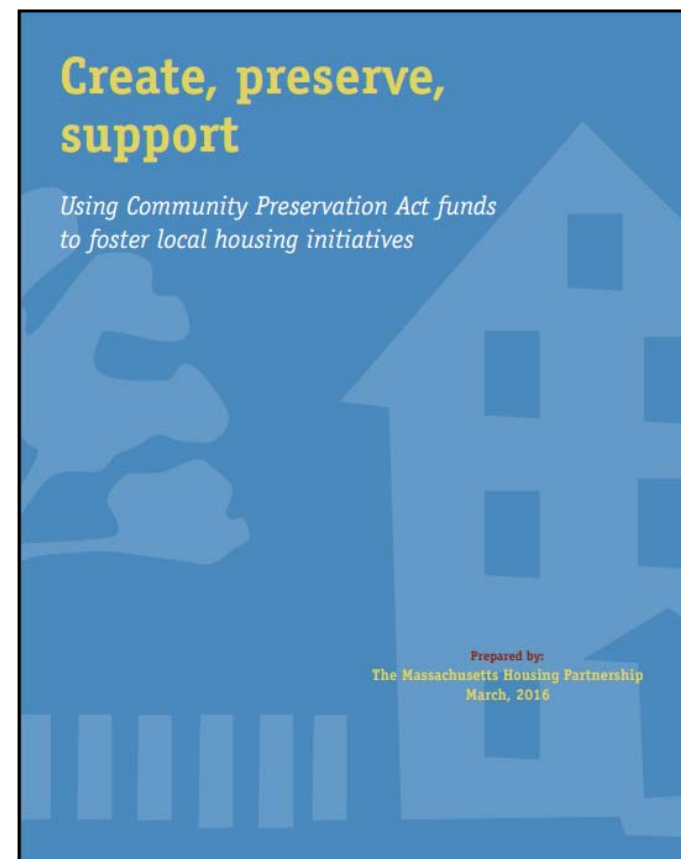
**QUESTIONS? COMMENTS?**  
CONTACT US!  
TELL US WHAT YOU'D LIKE TO SEE ON THE SITE NEXT!  
**Tom Hopper**  
Co-Director MHP Center for Housing Data



# MHP Online Resources

**On our website:**

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



June 5-6, 2019  
Devens Common Center  
Devens, MA

13th annual  
**Massachusetts  
Housing Institute**  
Training for local officials



Massachusetts Housing Partnership  
[www.mhp.net](http://www.mhp.net)



For more information on registration  
and agenda, contact Katie Bosse at  
[Kbosse@mhp.net](mailto:Kbosse@mhp.net)





# Questions?

## Massachusetts Housing Partnership

[www.mhp.net](http://www.mhp.net)

### **Shelly Goehring**

Senior Program Manager

[sgoehring@mhp.net](mailto:sgoehring@mhp.net)

Direct line: 857-317-8525



# CPA Bonding to Support Housing Development Chelmsford Woods and Rolling Green

# Chelmsford Woods Residences

261-267 Littleton Road



- 116 affordable rental units
- 1-, 2-, 3-bedroom apartments, plus 3-bedroom townhouses
- Phase I opened in 2016
- Phase II, 2018
- LIHTC financing

Photo by Chelmsford Housing Authority

# First Steps

- Housing Production Plan identified site for affordable housing
- CHA subsidiary (CHOICE) negotiated purchase & sale agreement
- Community engagement
- Request to CPC





# Town Meeting Warrant Article

Spring 2013

**ARTICLE 17:** Board of Selectmen Representative to the Community Preservation Committee, James M. Lane, Jr. moves that the Town **appropriate \$2,181,000 for the creation of Community Housing on an 8.64-acre parcel of land located at 261 – 267 Littleton Road**, including the payment of all costs incidental or related thereto; that **to meet this appropriation the Town appropriate \$418,243 from the Community Preservation Fund Housing Reserve, appropriate \$275,804 from the Community Preservation Fund General Reserve, and the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$1,486,953 under Chapters 44 and 44B**, or any other enabling authority; that the Board of Selectmen and Town Manager are authorized to contract for and expend any federal or state aid available for the project, to enter into a grant agreement, and to acquire an affordable housing restriction on the property; and that the Board of Selectmen and Town Manager are authorized to take any other action necessary or convenient to carry out this project.



# Town Meeting Vote

Yes  
137

No  
9

Passed with **94%** of  
the vote!



# Additional Details

Permitted under Chapter 40B

Phase I – funded in FIRST round by state  
(\$12.55 million in LIHTC)

Non-profit partnered with for-profit  
(CHOICE with Stratford Capital Group)

“Certified” the town for one-year



# 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**





# Problem



- Affordability restrictions set to expire Jan. 2013
- First mortgage paid off April 2012
- Second mortgage paid off Sept. 2013
- Owner would not commit to retaining affordability

**Town of Amherst committed to preserving affordability.**  
Designated \$25,000 to explore options.



# Partnerships were critical.



## Town of Amherst

- Provided leadership
- Contributed \$1.25 million CPA funds (bonded)



## Massachusetts Housing Partnership

- Architectural contract to evaluate rehab needs
- Worked with Town to identify potential buyer
- Preliminary budget for application to CPC for town funds



## Beacon Communities

- Negotiated with owner for purchase of property
- Secured financing, including 4% credits
- Committed to retaining 41 units affordable in perpetuity



# Additional Partners



## MA Department of Housing & Community Development (DHCD)

- Provided tax credits



## US Department of Housing & Urban Development (HUD)

- Provided mortgage insurance



## Amherst Housing Authority

- Provided some mobile Section 8 vouchers



# Key to Preservation



- Town's willingness to seek new owners
- Contribution of \$25,000 to research options and \$1.25 million in CPA to insure permanent affordability
- MHP's early technical assistance
- Amherst Housing Authority's Section 8 advocacy with previous and new owners
- Beacon's willingness to work with Town and negotiate purchase from Equity Residential

Bonding can stretch your CPA resources to support affordable housing developments.





# Questions?

## Massachusetts Housing Partnership

[www.mhp.net](http://www.mhp.net)

### **Shelly Goehring**

Senior Program Manager

[sgoehring@mhp.net](mailto:sgoehring@mhp.net)

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