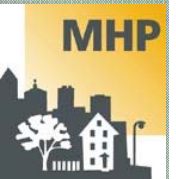




Affordable Housing Trust Training

October 5, 2017



Welcome! Let's get acquainted.

What kind of community
are you from?

- A. A city
- B. A town

What entity are you representing?

- A. Affordable Housing Trust
- B. Community Preservation Committee
- C. Municipal government
- D. Non-profit organization
- E. For-profit firm
- F. Other governmental agency

Does your community have a municipal affordable housing trust?

- A. Yes
- B. No
- C. No, but we are considering creating one.
- D. No, we have another form of affordable housing trust.

How would you rate your understanding of affordable housing?

- A. Affordable what?
- B. It's not just public housing.
- C. I know what LIHTC, SHI and DHCD stand for.
- D. I've participated in funding affordable housing.
- E. I know a tremendous amount about 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
- Work with communities, non-profit, for-profit developers

Lending

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

ONE Mortgage

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

Community Assistance

- Technical assistance
- 40B program

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

Sampling



Housing Institute

Intensive two-day workshop, discussions & problem solving around affordable housing development

Affirmative Fair Housing Marketing w/MassHousing

Legal foundation of fair housing and elements of acceptable AFHM and Resident Selection Plan

Lotteries for affordable housing units w/MassHousing

Step by step guide to the lottery process

Chapter 40B for municipal officials & board members

An overview of the 40B statute and review of the roles and responsibilities of ZBA and other municipal boards

Technical Support

Predevelopment

RFPs

Zoning

HAs

Small grants

Engage consultants

Staff time

Affordable Housing Trust Support

Trainings

- Regional
- Community-based



Resources

- Reporting form
- Topical one-pagers

TA

- Phone & email

Morning agenda

October 5, 2017



State trends

Trusts

Operations & best practices



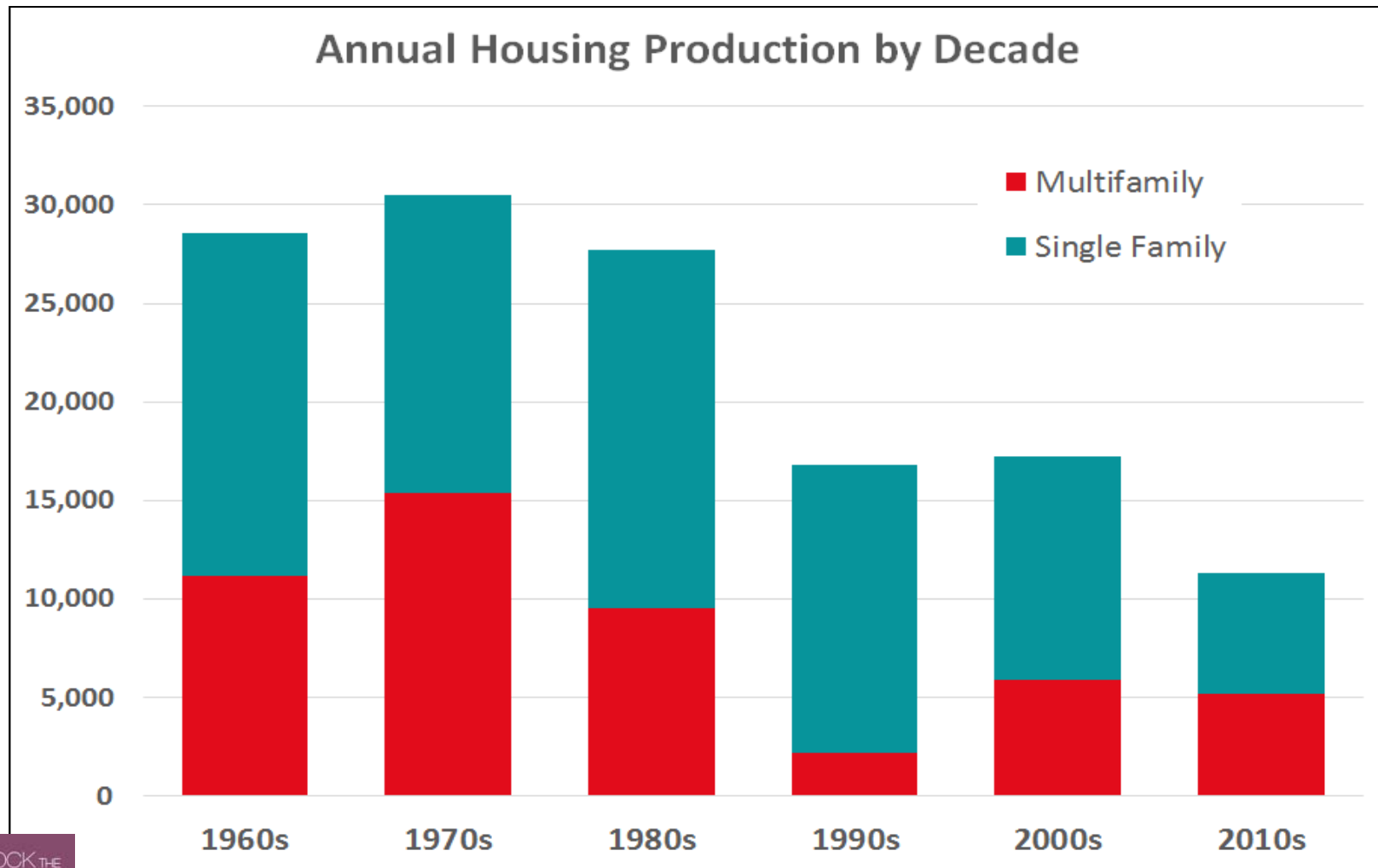
Fair housing & eligible activities

Trust building



Break

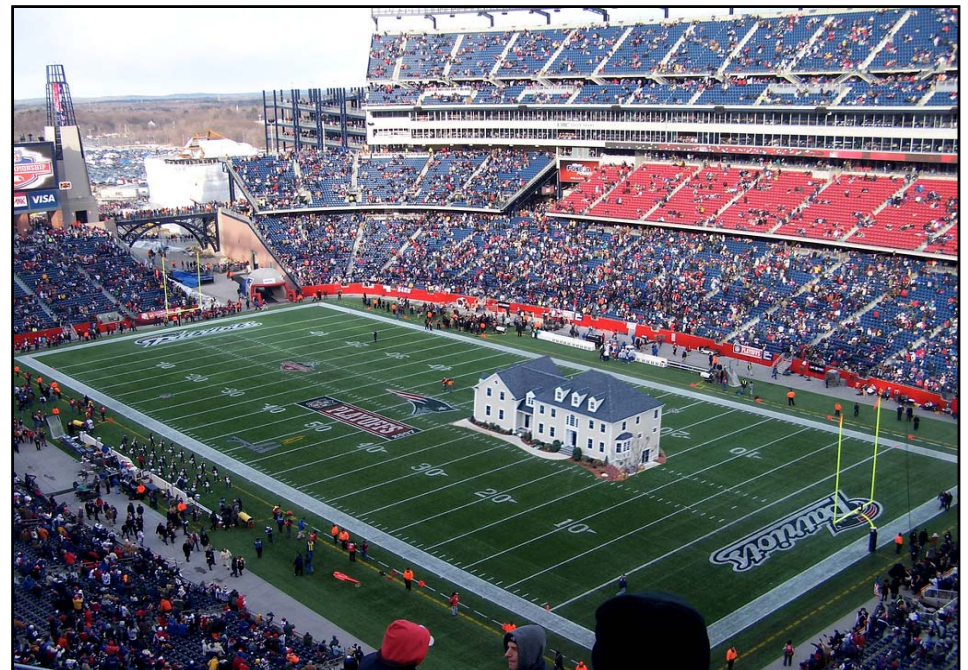
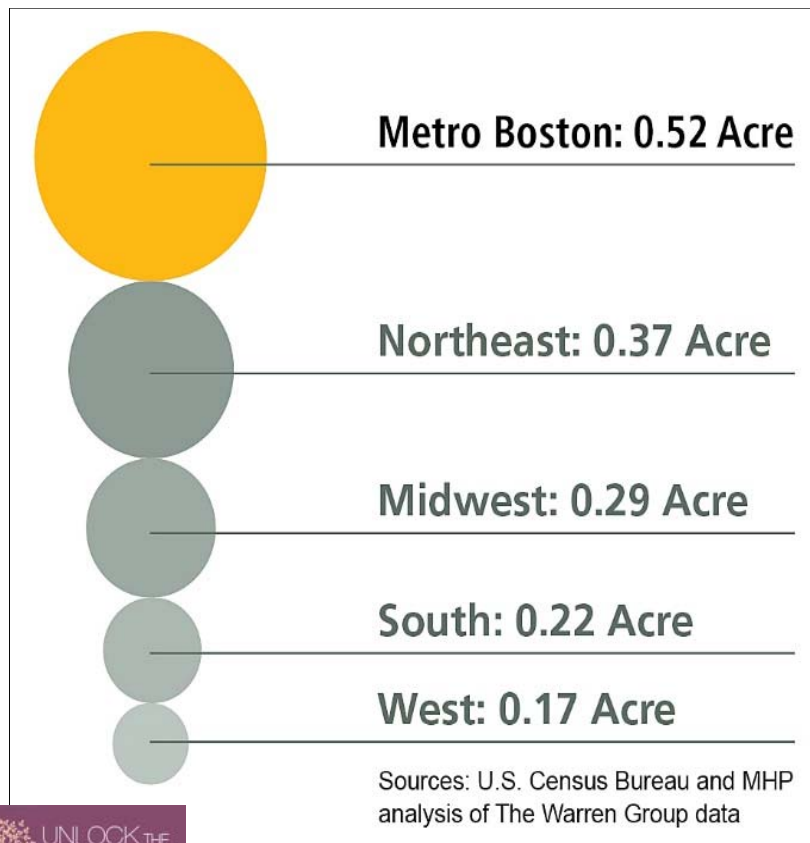
Less housing production now than at almost any point in recent history.



Large lot zoning drives up costs.

Greater Boston
median lot size:

Greater Boston
average lot size:



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

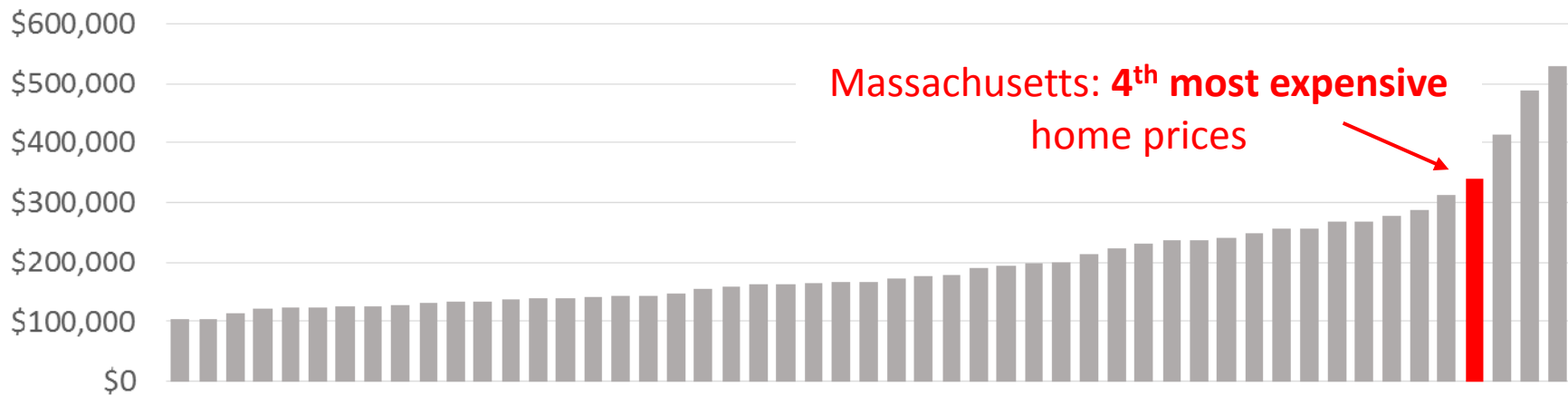
Both markets have extremely low vacancy rates.

4.0% rental vacancy rate

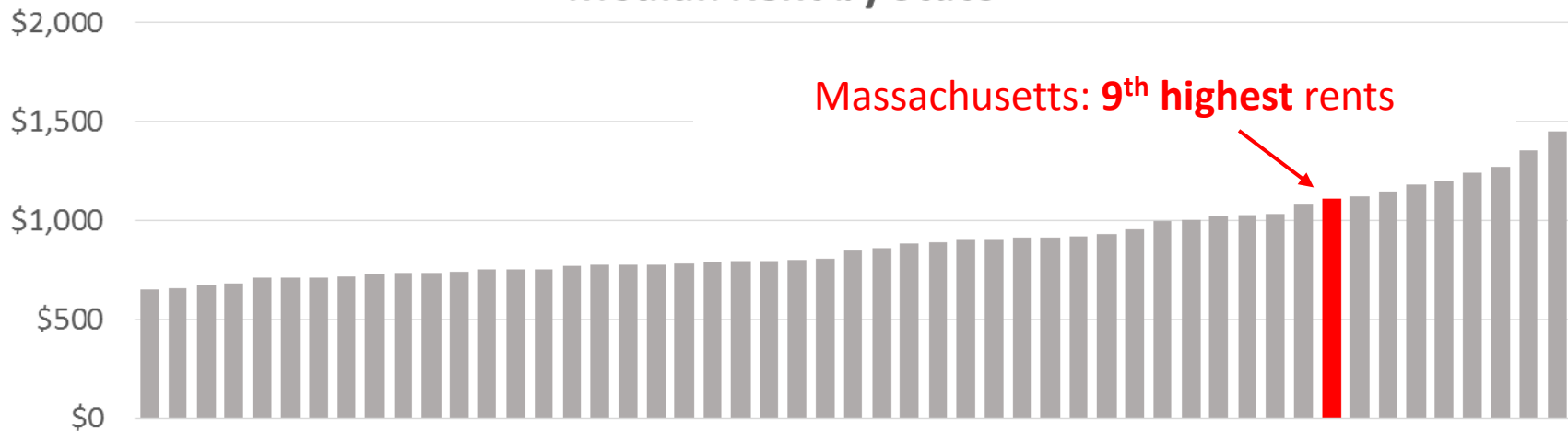
These low rates put upward pressure on housing costs.

Housing Costs Among Highest in Nation

Median Home Price by State

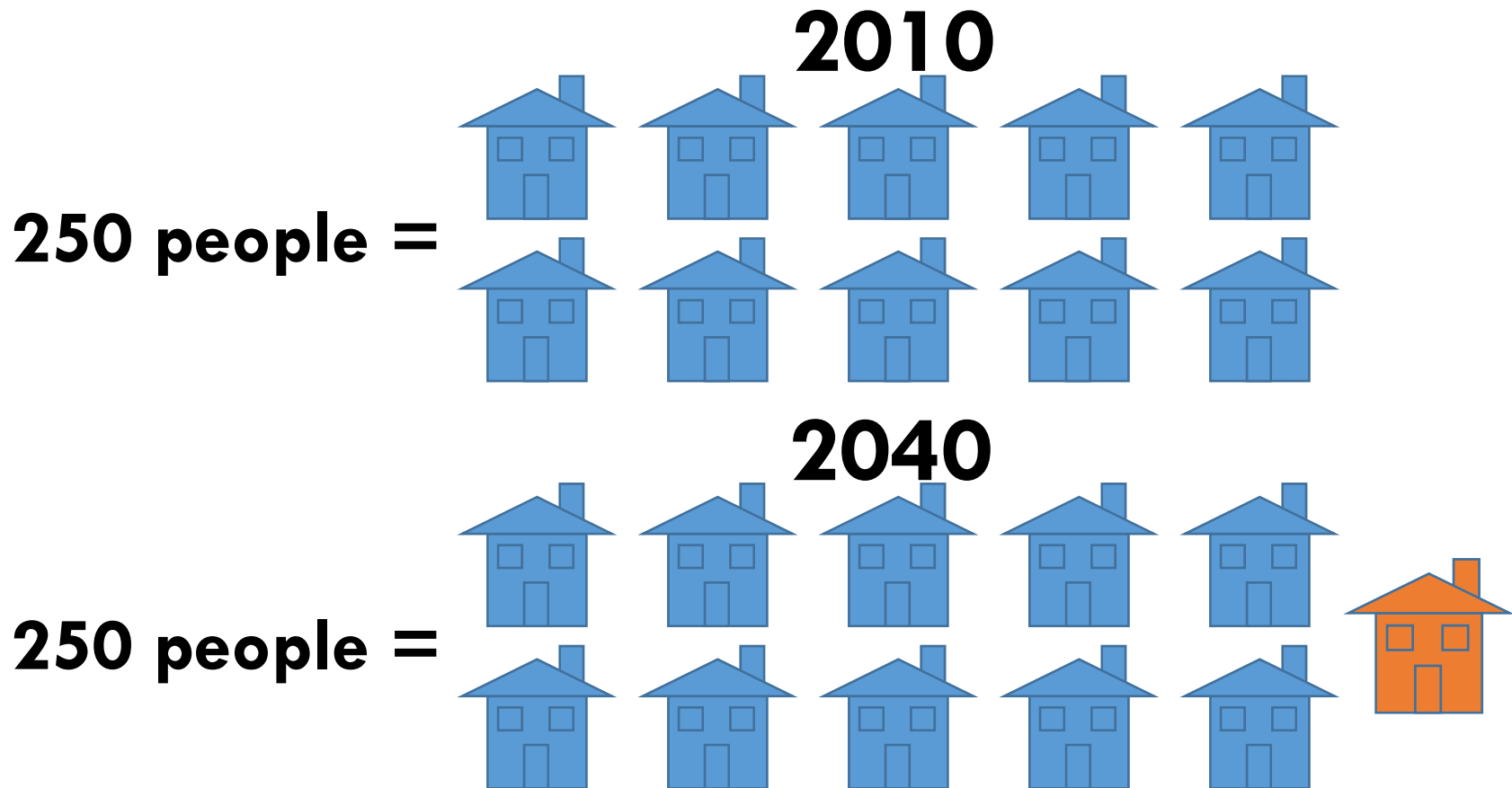


Median Rent by State



Decreasing Household Size

Same number of residents form more households and will need more housing units

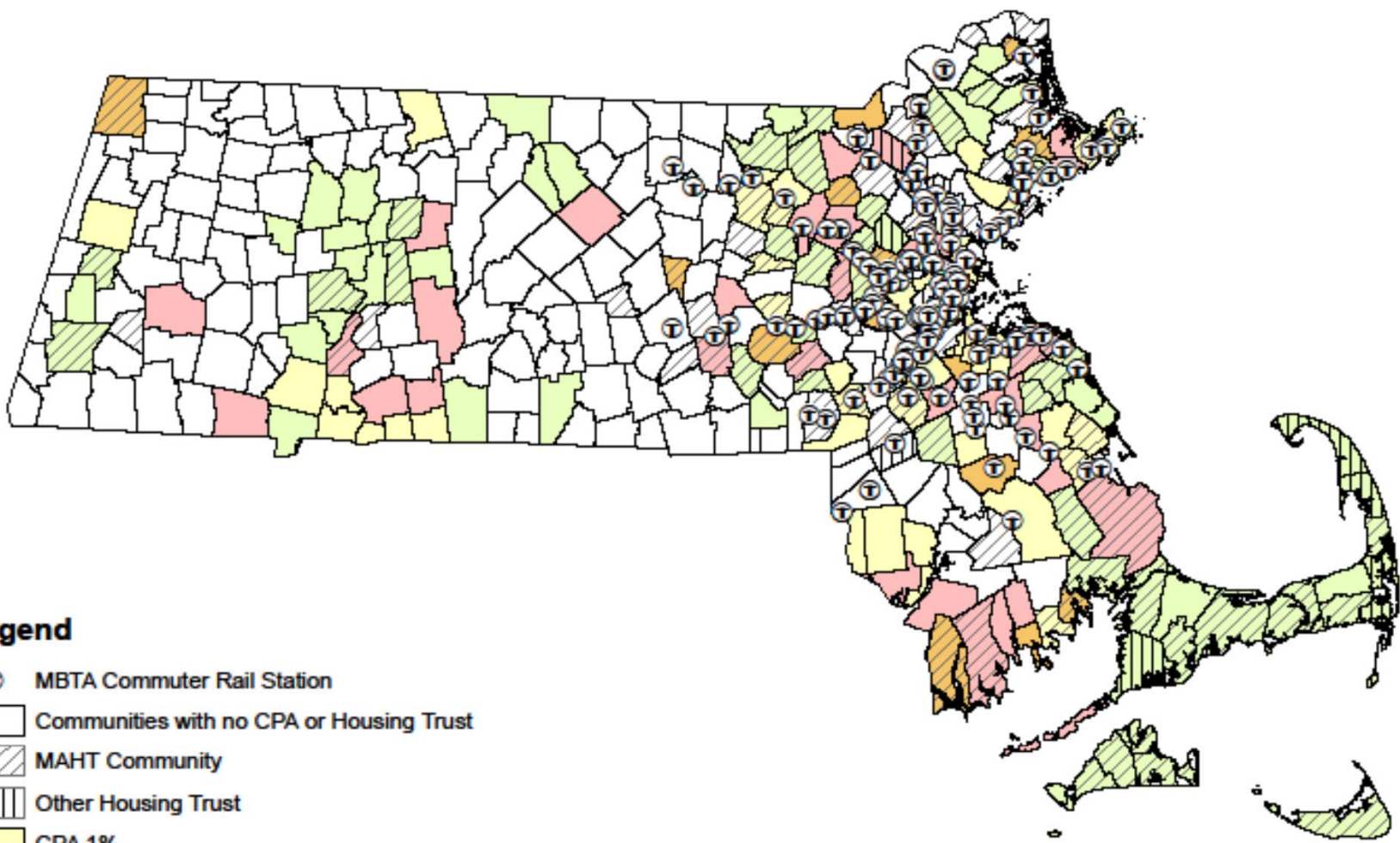


Municipal Affordable Housing Trusts









Chapter 44, section 55c



MA Communities with CPA or Housing Trust, 2017



Legend

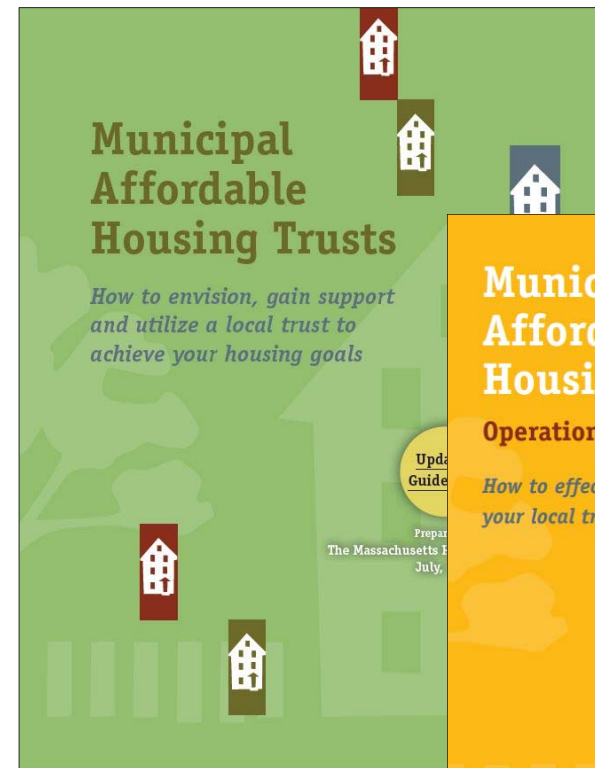
-  MBTA Commuter Rail Station
-  Communities with no CPA or Housing Trust
-  MAHT Community
-  Other Housing Trust
-  CPA 1%
-  CPA 1.5%
-  CPA 2%
-  CPA 3%

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 (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

Changes to Statute – H. 4565

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.

Changes to Statute – H. 4565

3. Requires trusts to track CPA funds separately and 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 55c 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. 150 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 other funding sources.
TOTAL PROJECT COST = Enter total project cost.

Created by MHP with support from The Kuehn Charitable Foundation.

Changes to Statute – H. 4565

4. Authorizes MAHTs to execute grant agreements.

Getting off the Ground (and staying there)



What can a housing trust do?

\$ for
development

Rehab/
conversion

Increase
affordability

Develop
municipal land

Preserve
expiring
affordability

Create
programs

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...

Board Powers

- **Execute deeds, assignments, transfers, pledges**, leases, covenants, contracts, promissory notes, releases, grant agreements and other instruments.
- **Employ advisors and agents**, such as accountants, appraisers and lawyers
- **Borrow money** and to mortgage and pledge trust assets as collateral
- **Manage and improve real property**

Keys to Success

1. Money
2. Vision
3. Leadership
4. Transparency



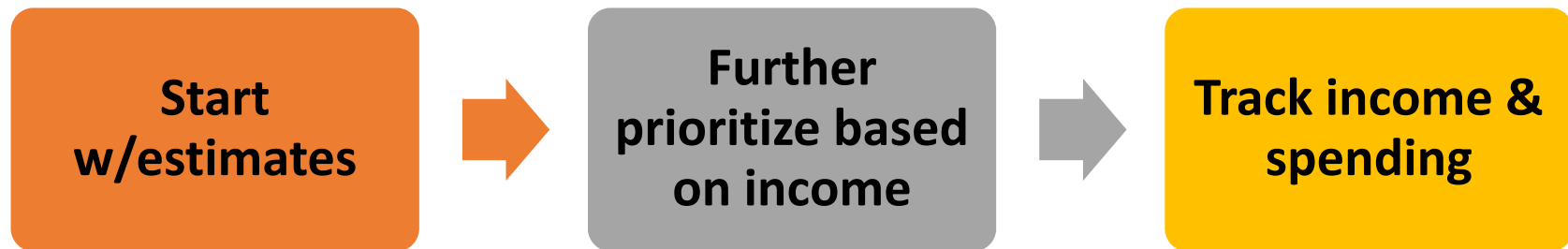
What funds can be used?



Set a budget



Where will your income come from?



Cambridge = 80% CPA

Somerville = 45% CPA

What do you want to accomplish?



Determining needs



Setting priorities



Create benchmarks

Create a Mission Statement

Example of Grafton

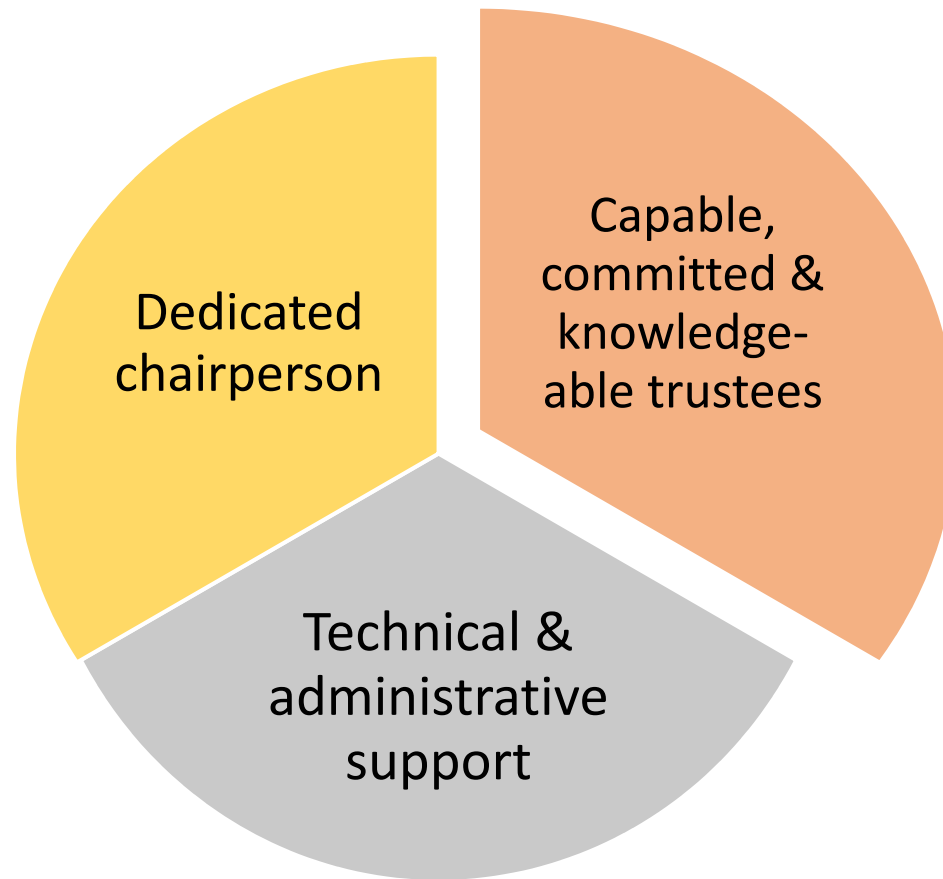


Mission Statement:

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.

An effective trust strikes a balance



Delegating Tasks

Who does what?

Chairperson

- Provides leadership
- Sets agenda
- Keeps trustees on-task & moving forward

Trustees

- Attend meetings, provide input & vote
- Complete assigned tasks
- Participate in subcommittees
- Be local AH advocate
- Board packet

Staff

- Provides TA (perhaps feasibility studies, RFPs)
- Lends continuity to projects
- Completes admin tasks
- Communicates with other town staff/boards

Clarify roles

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

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	PR/MAHT
Public property for AH	X		16	BOS/PB/MAHT
Small-scale infill & conversions	X		48	PB/MAHT

Support for the Trust

Staff or consultant

Administrative

- Keeps minutes
- Prepares budgets, invoices & payments
- Point person for communication among trustees

Implementation

- Research & analysis
- Writes & issues RFPs
- Processes developer/funding applications
- Manages projects to completion

Information

- Provides technical expertise & advice
- Communicates w/other municipal staff & departments

Strong Leadership

Westford AHT chairperson

- Approx. 6 hours/week
- Sets agenda
- Follow-up on projects
- Contact with trustees
- Multi-family zoning by-law work
- AH world professionally
- Involved in developing HPP

“The chair is the ‘driving force.’ To be effective in meeting its mission, a trust needs a leader to drive its activities and agenda.”

--Westford AHT staffer

Ensure transparency



Communicate

Report
back
regularly

Promote
efforts

Use
webpage
and social
media

Determine operating approach

Funding
entity

Active
initiator

Both?



Lessons Learned

Trust statute does not define “low and moderate income”

- Advice: Consult definitions commonly used in state/federal programs

BEWARE: CPA area median income (AMI) numbers may differ from HUD numbers

- Advice: Be clear about income numbers necessary per funding source or program.

Lessons Learned

Be clear with parameters of fund distributions

- Advice: Execute grant agreements for all distribution of funds

Report back to CPC

- Advice: Clearly document different funding sources/expenditures

Anti-aid Amendment to MA Constitution

- Public funds cannot be given or loaned to organizations for their private purposes
- Needs to have public benefit
- Payment after service rendered

Restriction

Lease
agreement

Mortgage/
Recapture

Trust is a municipal entity

Should the trust decide to undertake development **it is complicated**

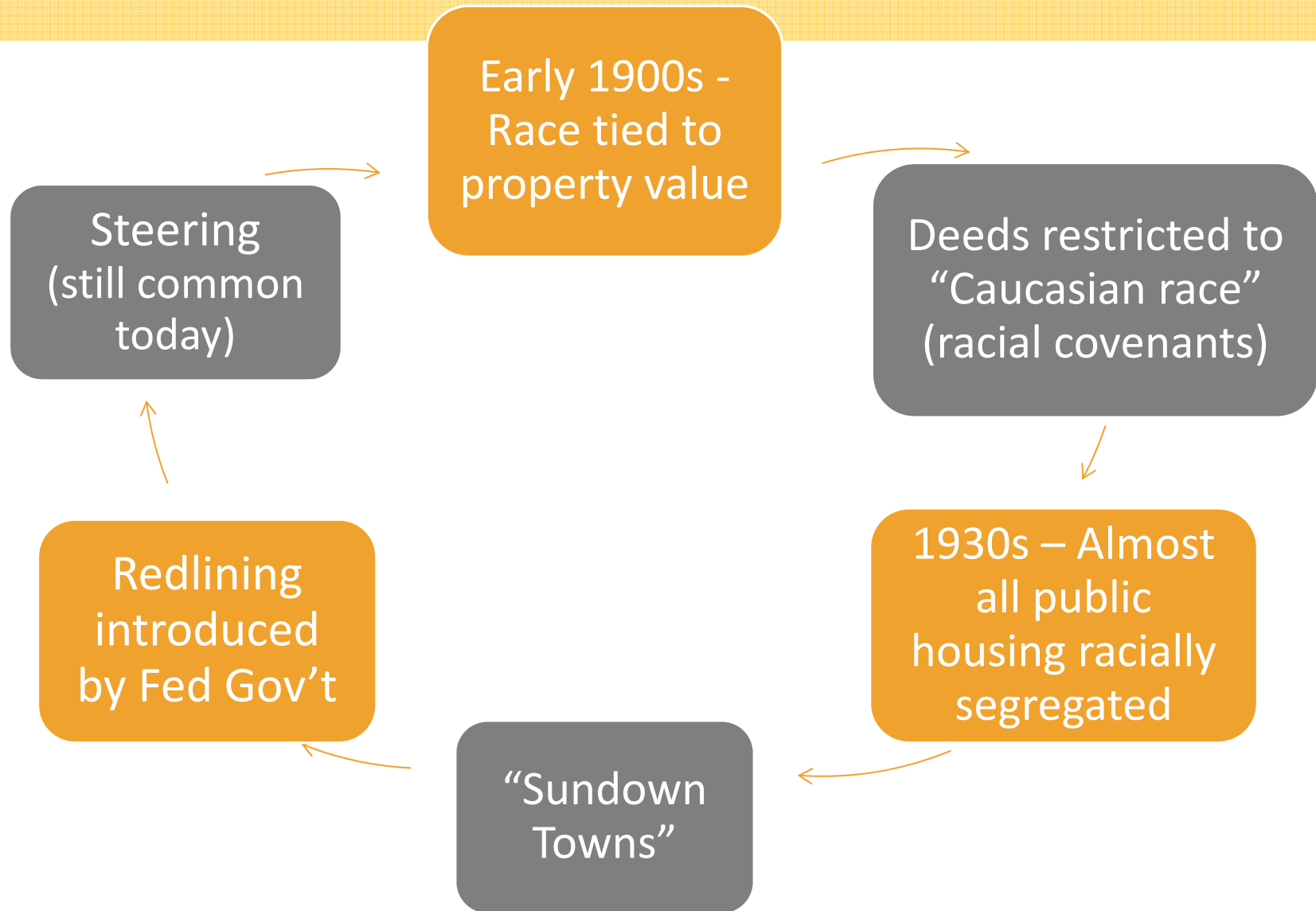
Trusts are **subject to state procurement and disposition statutes** as well as public construction and design laws

Trusts & Fair Housing

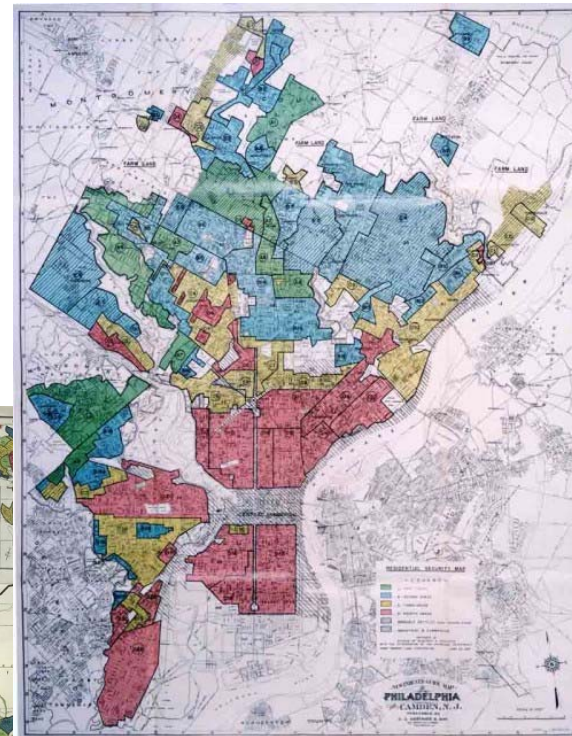
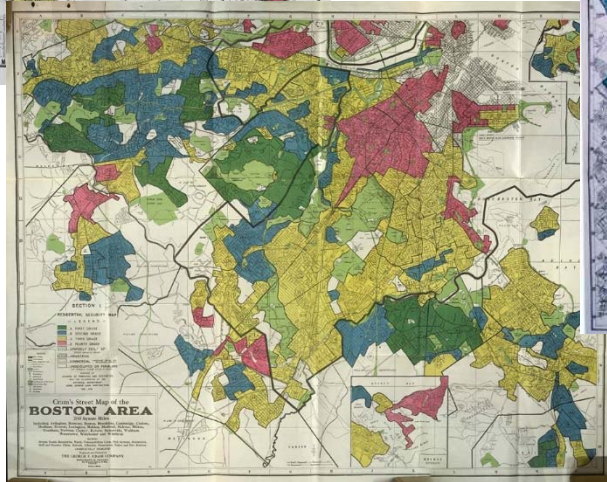
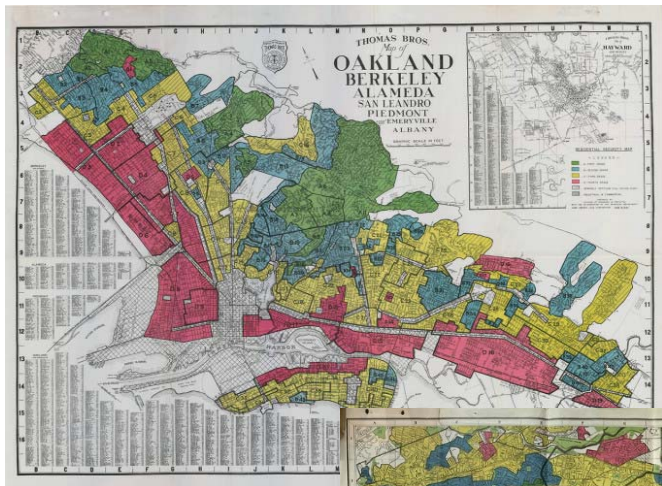


SCAN HERE FOR
MORE INFO

(un)Fair Housing race



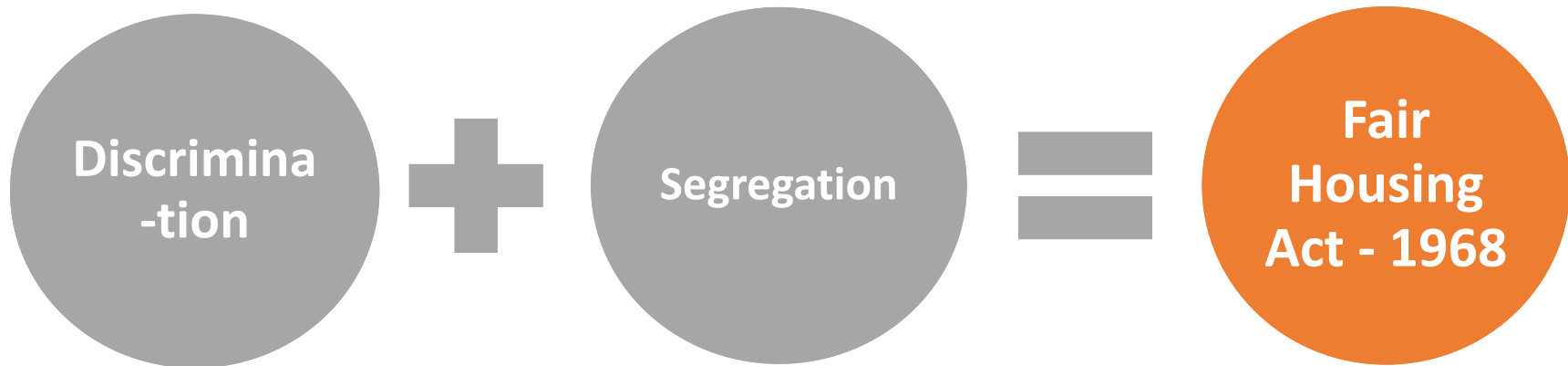
Federal Government institutionalized racism and segregation -- REDLINING



Home Owners'
Loan Corporation



(un)Fair Housing



Policy efforts to reverse discrimination

1968 Federal Fair Housing Act

1969 MA Chapter 40B

1977 Community Reinvestment Act



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

Discriminatory Effect Rule

Three Part Burden Shifting Test

Is it likely that policy or practice will negatively impact members of a protected class?

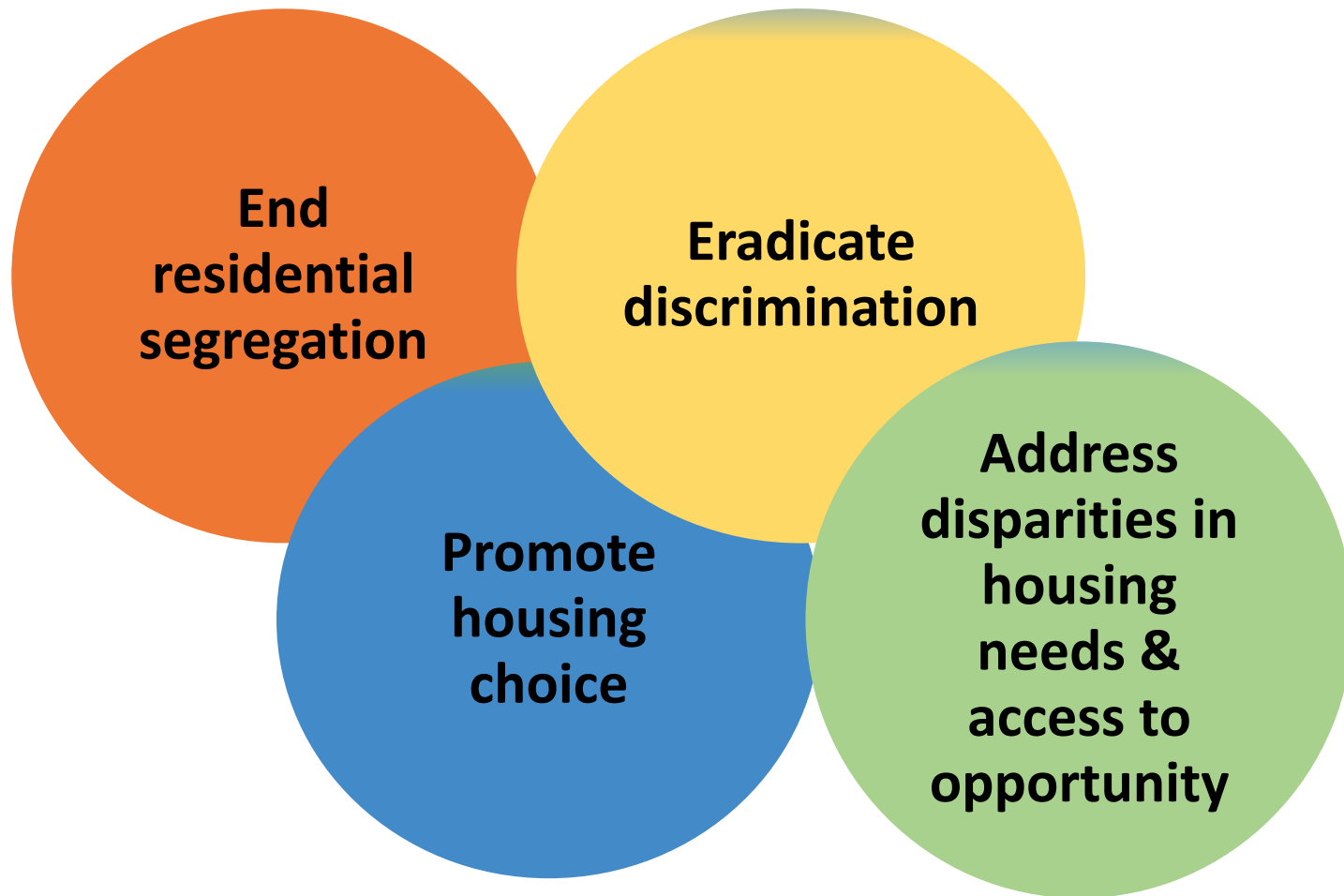
Is the policy or practice necessary to achieve substantial, legitimate, non-discriminatory interests?

Is there a less discriminatory alternative that would meet the same interests?

Disparate Impact

- Local plans or zoning bylaws prioritize studio and 1-bedroom units, restricting the number of bedrooms by unit rather than by development or lot.
-
- A town is predominantly white and decides to advertise new affordable housing units with flyers at the local library, community center and Town Hall.
-
- Planning or zoning approval processes mandate or prioritize townhouses.

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
- Family AND senior



EQUAL HOUSING
OPPORTUNITY

Examples of AFHMP Problems

Marketing

- Local preference advertised
- Limiting language, e.g., “empty-nesters,” “young professionals”
- Advertising/outreach not designed to reach protected classes in the region
- Marketing only in English & not in non-English media

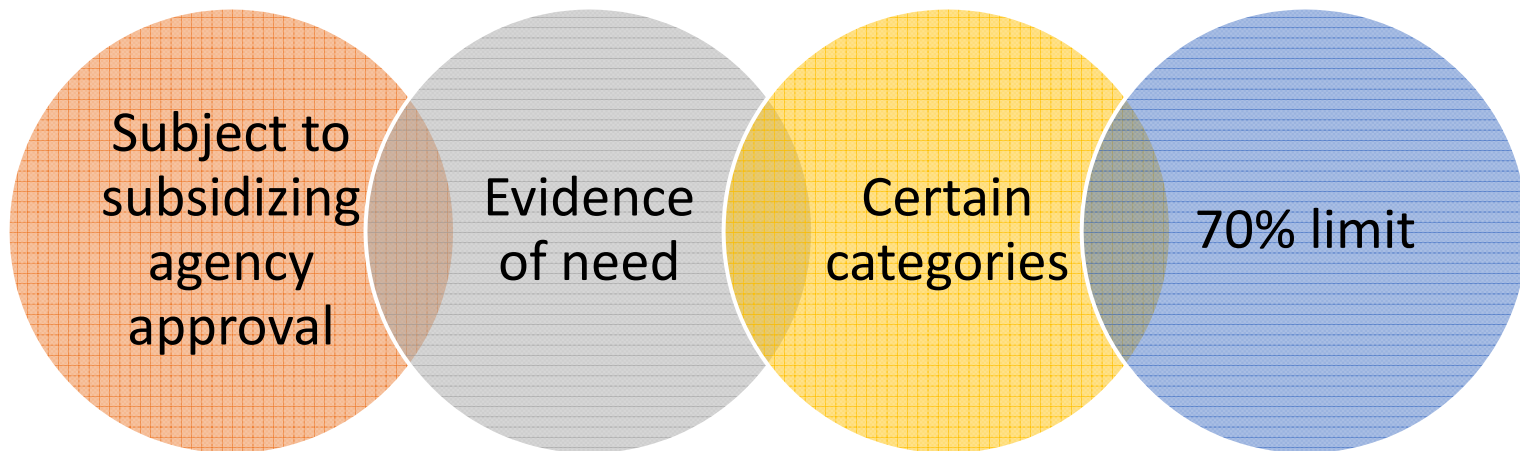
Application Process/Selection

- Application period is too short
- Language access and reasonable accommodation information not provided
- Selection process not clearly described
- Preferences are misstated as eligibility criteria or defined improperly

Inconsistency

- Criteria inconsistent with AFHMP guidelines
- Criteria inconsistent with applicable subsidy program requirements
- Inconsistent language within the AFMHP or inapplicable language

Local Preference



Eligible Activities for Trusts



Trust Accomplishments

Grants for new
production

Homebuyer
down payment
& principal buy-
down

Land
acquisition

Rental
assistance

Pre-
development
assistance

Habitat for
Humanity

Housing plans
& housing
staff

Affordable Housing

Acquire

Create

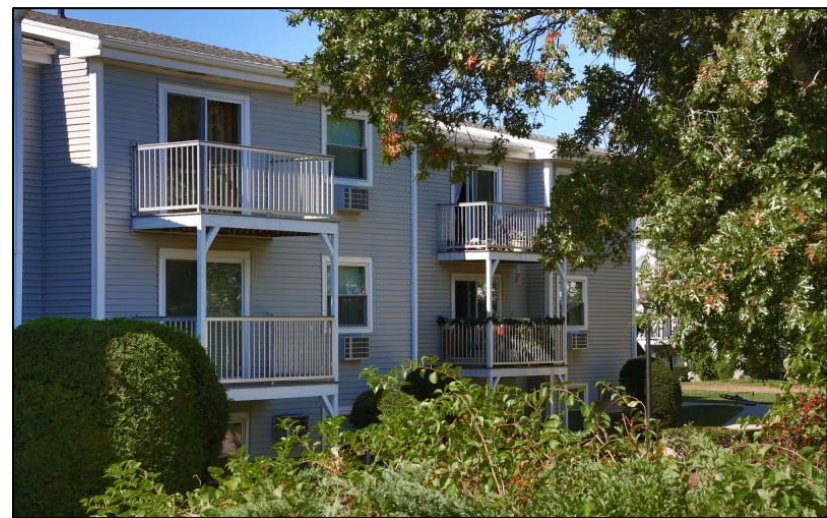
Preserve

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

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



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

Infill Housing

Boston

Front elevation



50 Peacevale Rd

Disclaimer: This rendering represents the Design Intent. Exact details and dimensions may change during construction.



First Floor



50 Peacevale Rd

Disclaimer: This rendering represents the Design Intent. Exact details and dimensions may change during construction.



NEIGHBORHOOD HOMES INITIATIVE

the process



site + home selection
DND + neighborhood create plan



builder selection
builders respond to RFP; selected on set criteria



predevelopment
presentation of plan to community



conveyance
DND formally sells property



financing
builders begin arranging financing and permitting



developer selection
DND formally selects developers



construction monitored by DND



pre-sale through Boston Home Center



sale to homebuyer sale to selected homebuyer



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-
develop-
ment**

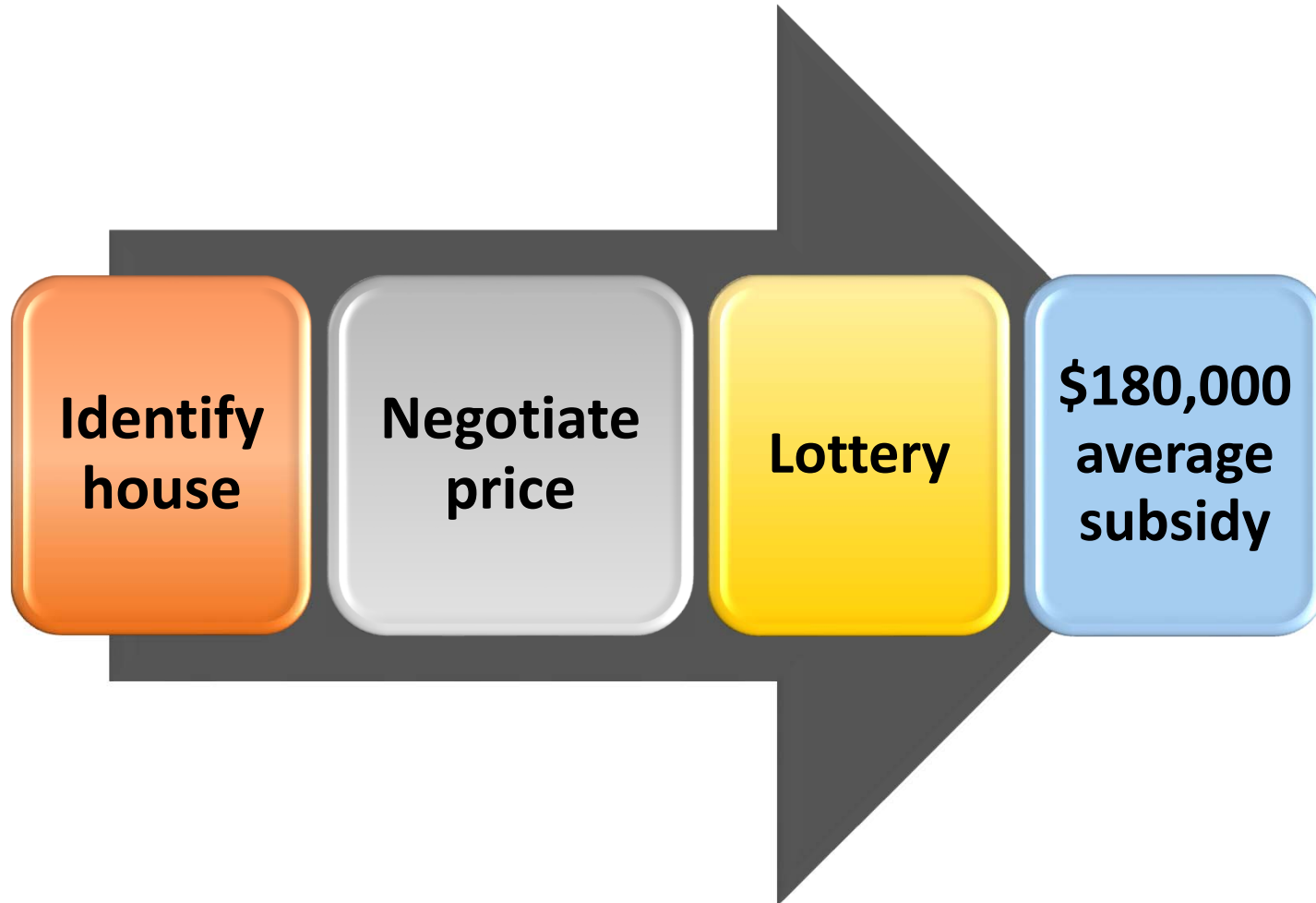
**Buy
Downs**
(create)

**Down-
Payment
Assistance**

**Rental
Assistance**

Sudbury MAHT

Home Preservation Program

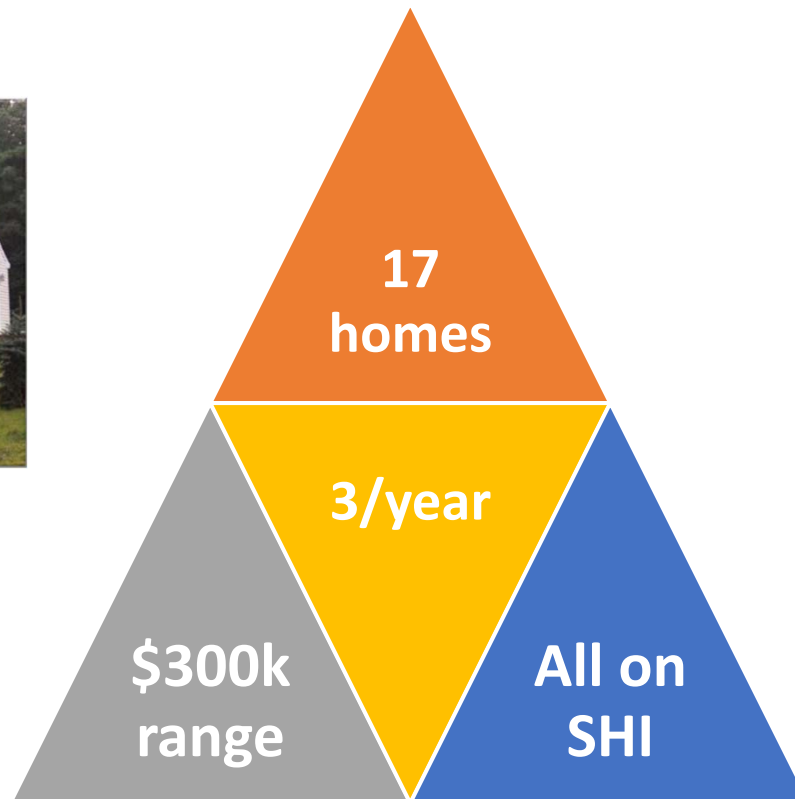


Norfolk MAHT

Small Scale Homeownership



Sold for \$155k in 2015

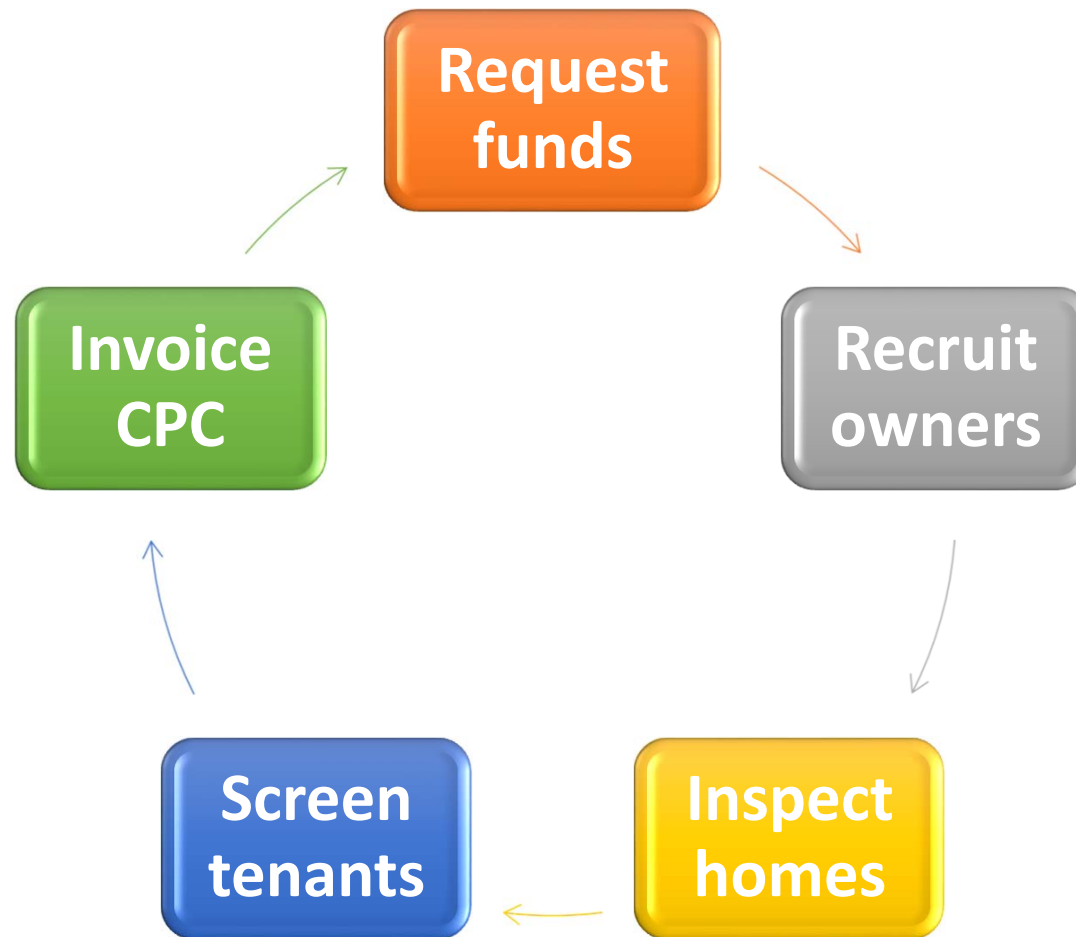


Sold for \$140k in 2014



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



Questions?



Massachusetts Housing Partnership

www.mhp.net

Shelly Goehring

Program Manager

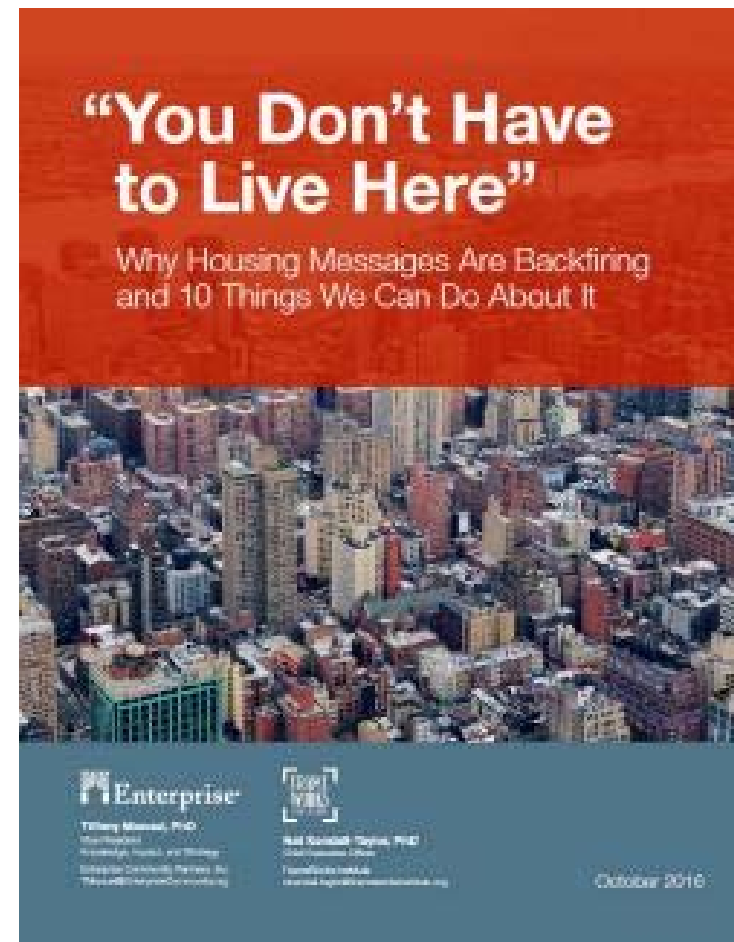
sgoehring@mhp.net

Direct line: 857-317-8525

Wrapping Up

Creating a culture of support

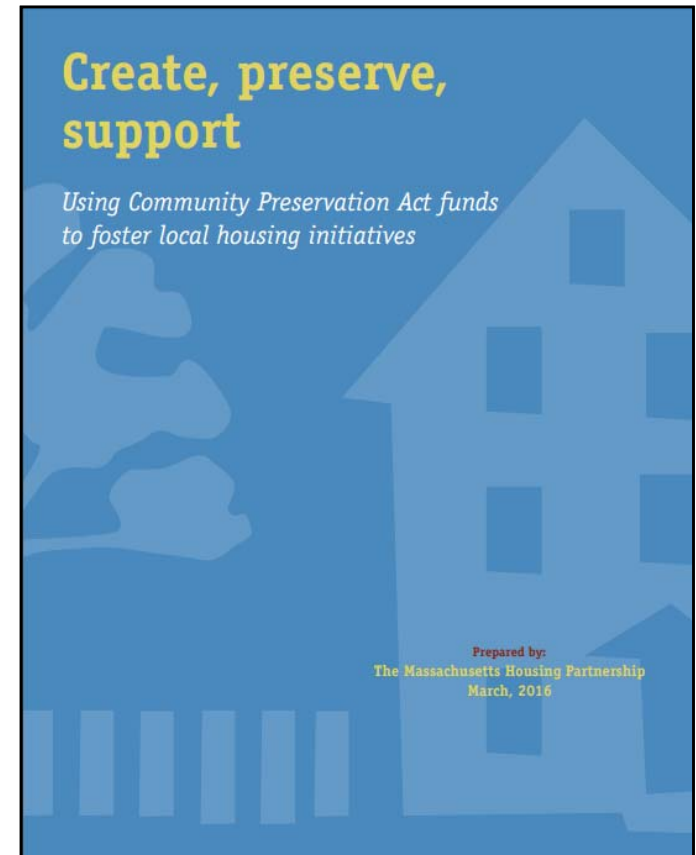
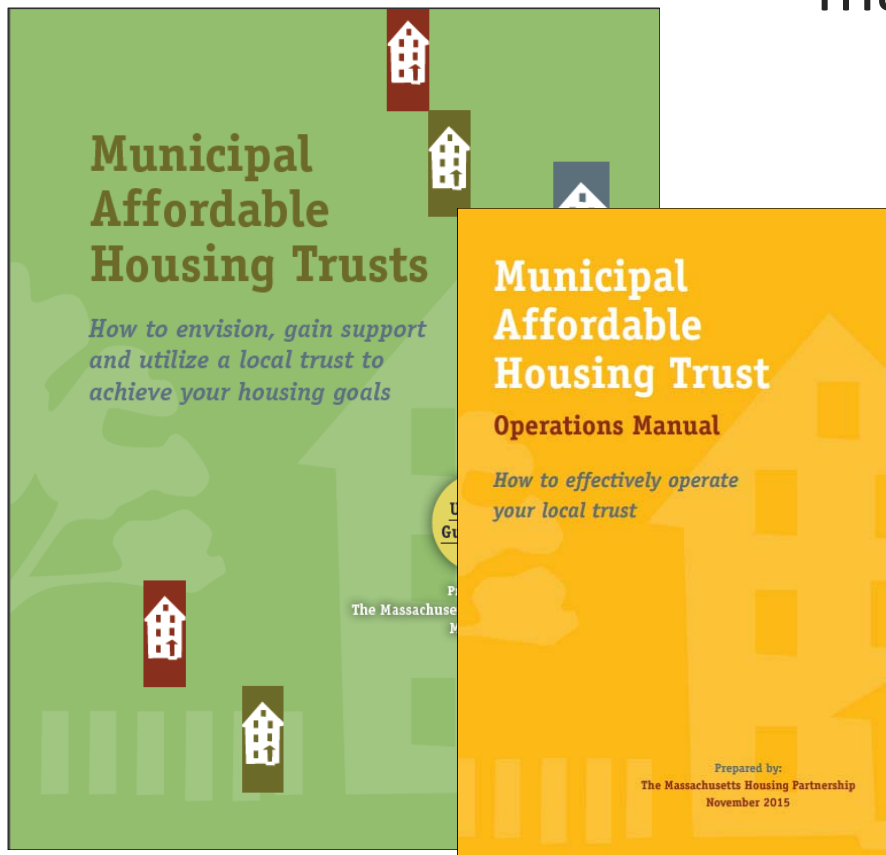
- Balance people with places and systems
- Tell “story of us” rather than “story of them”
- Connect housing to other social issues and outcomes
- Where you live affects you
- Consider language that we use (e.g. home vs housing)



MHP Online Resources

On our website:

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



Housing Toolbox

www.housingtoolbox.org

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.