Cohasset
Affordable Housing Trust Training
July 31, 2019

Shelly Goehring
Massachusetts Housing Partnership (MHP)
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

<table>
<thead>
<tr>
<th>Lending</th>
<th>ONE Mortgage</th>
<th>Community Assistance</th>
<th>Center for Housing Data</th>
</tr>
</thead>
</table>
| • Over $1B for over 22,000 units  
• Affordable rental | • First time homebuyers  
• Fixed-rate, 30-year | • Technical assistance  
• 40B program | • 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

Supported by: The Kuehn Charitable Foundation
Today’s agenda
July 31, 2019

What is a housing trust?

Operations & best practices

Fair housing & eligible activities
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, 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
Changes to Statute – H. 4565

1. Expands allowable activities for MAHTs to match those of community housing as defined by CPA.

2. Clarifies that all rules and restrictions of CPA (Ch.44b) remain in force after transfer to MAHT.

3. Requires trusts to track CPA funds separately and annually account for funds in CP-3 report to DOR.

4. Authorizes MAHTs to execute grant agreements.
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 member of Select Board
- Appointed by Select Board
- 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...
Keys to Success

1. Money
2. Vision
3. Leadership
4. 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?
Set up the trust fund account

- **Common** = municipal account through municipal treasurer
- All funds in account remain trust property
- **Track revenue sources**
Set a budget

Where will your income come from?

- Start w/estimates
- Further prioritize based on income
- Track income & spending

Cambridge = 80% CPA
Somerville = 45% CPA
Grafton = 10% 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.
Guidelines or Action Plan

BEVERLY AFFORDABLE HOUSING TRUST
HOUSING GUIDELINES AND APPLICATION PACKAGE

Beverly, Massachusetts

Beverly Affordable Housing Trust
Michael P. Cahill, Mayor
Bryant Ayles
Aaron Clouse, AICP
Richard Driskin
Susan Gabriel
City Staff: Darlene Wayne, 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.
It takes teamwork

- Dedicated chairperson
- Capable and committed trustees
- Technical & administrative support
## Clarify roles

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

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

Communicate

<table>
<thead>
<tr>
<th>Report back regularly</th>
<th>Promote efforts</th>
<th>Use webpage and social media</th>
</tr>
</thead>
</table>

TRUST
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>
</tr>
</thead>
<tbody>
<tr>
<td>Leonardi Aray, AIA</td>
<td>Housing Specialist</td>
<td>(774) 264-5126</td>
</tr>
</tbody>
</table>

Board of Trustees

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<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>
</tr>
</tbody>
</table>

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
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)
Where are the young adults?

Age distribution of population
Cohasset v. State
2013-2017 ACS

Number of cars per household
Cohasset

Is Cohasset affordable?

Cohasset renter households by cost burden

- Not Cost Burdened: 14.5%
- Cost Burdened: 26.7%
- Severeley Cost Burdened: 19.4%

Source: U.S. Census Bureau American Community Survey, 2013-2017 5-year estimates. Table B25070: Gross rent as a percentage of household income in the past 12 months.

Cohasset owner households by cost burden

- Not Cost Burdened: 19.4%
- Cost Burdened: 3.8%

Source: U.S. Census Bureau American Community Survey, 2013-2017 5-year estimates. Table B25081: Mortgage Status by selected monthly owner costs as a percentage of household income in the past 12 months.
Determine operating approach

Funder
Initiator
Both?
Low Hanging Fruit

What can you accomplish fairly quickly to build momentum?
Tips

Trust statute does not define “low and moderate income”

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

Be clear with parameters of fund distributions

• Advice: Execute grant agreements for all distribution of funds
MGL Chapter 30A, sections 18-25

• Within two weeks of appointment, trustees must complete Certificate of Receipt of Open Meeting Law Materials

• Some exceptions – executive session if deliberating purchasing, leasing or valuing of real property

• “Public meeting” includes deliberations that involve a quorum – careful with email
From MAHT statute:

The trust is a board of the city or town for purposes of chapter 30B and section 15a of chapter 40; but agreements and conveyances between the trust and agencies, boards, commissions, authorities, departments and public instrumentalities of the city or town shall be exempt from said chapter 30b.

**Section 15a of Chapter 40:** Requires 2/3 vote of legislative body to transfer land.

**Exception:** Accepted provisions of Section 15a then majority vote for transfer for low and moderate income housing.
## Legal Consideration

### Procurement Laws

<table>
<thead>
<tr>
<th>Construction/capital improvement</th>
<th>Real property disposition, lease or acquisition</th>
<th>Contracting professional services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Public construction &amp; bidding requirements</td>
<td>• Chapter 30b, Section 16 – various guidance</td>
<td>• Three Thresholds</td>
</tr>
<tr>
<td>• Prevailing wage</td>
<td>• If bought with CPA funds, exempt from 30b</td>
<td>• Under $10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• $10-50,000 – 3 written bids</td>
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<tr>
<td></td>
<td></td>
<td>• $50,000+ -- sealed bids or proposals</td>
</tr>
</tbody>
</table>
Legal Consideration

Anti-aid Amendment to MA Constitution

• Public funds cannot be given or loaned to individuals or organizations for their private purposes

• Needs to have public benefit

• Payment after service rendered

Restriction  Lease agreement  Recapture
Trusts & Fair Housing
Federal Government institutionalized racism and segregation -- REDLINING

Home Owners’ Loan Corporation

LEGEND

- HOUSING INVENTORY
- BEST
- STILL DESIRABLE
- DECLINING
- HAZARDOUS
- FUTURE DEVELOPMENT
- BUSINESS & INDUSTRY
Legal Consideration

Federal Fair Housing Act 1968
MA Anti-Discrimination Law

Protected Class + Disparate Impact = Discrimination
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
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
- Promote housing choice
- Eradicate discrimination
- Address disparities in housing needs & access to opportunity
Local Preference

Subject to subsidizing agency approval
Evidence of need
Certain categories
70% limit
Eligible Activities for Trusts
Affordable Housing

- Acquire
- Create
- Preserve
- Support
Acquire
Cromwell Court Apartments -- Barnstable

- 124 units of affordable family rental housing
- $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

- Identify house
- Negotiate price
- Lottery
- $180,000+ average subsidy
Norfolk MAHT
Small Scale Homeownership

- 20+ homes
- $300k range
- 3/year
- All on SHI

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
  Developer: HAP Housing
Dennis
Melpet Farm

- 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

Photo courtesy of Metro West Development Collaborative
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

Photos by Austin Design
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

Photos courtesy of POAH
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
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.
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 shuttered and more were at risk
Support

- Pre-development
- 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
How will we provide affordable housing in our town?

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.

Certified plans: Ashland, Chelmsford, Medfield, Medway, Norfolk, Reading, Swampscott, Westford
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
Regional Housing Services Office

At least three in the Greater Boston area

- Acton, Bedford, Burlington, Concord, Lexington, Sudbury, Wayland and Weston
- Metro North – North Reading, Reading, Saugus and Wilmington
- Bolton, Boxborough, Devens, Hudson, Littleton and Stow

Developed with support by MAPC (or inspired by MAPC)
Three Things

1. Consider the local infrastructure – needs and resources.

2. Develop goals that reflect identified needs.

3. Be real about your capacity.
Resources
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

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.
MHP Online Resources

On our website:
http://www.mhp.net/community/publications-and-materials
Massachusetts Housing Partnership
www.mhp.net

Shelly Goehring
Program Manager
sgoehring@mhp.net
857-317-8525