



Truro Affordable Housing Trust Training

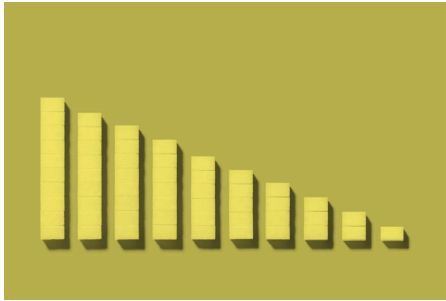
September 12, 2024

Shelly Goehring
Senior Program Manager



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

Sept. 12, 2024



**Housing trust fund
basics**

**Trust operations & best
practices**



Eligible activities





Housing Trust Fund basics

Municipal Affordable Housing Trust Funds

M.G.L. Chapter 44, Section 55c

- Public entity
- Created by local legislative body
- Create & preserve affordable housing – narrow focus
- Led by Board of Trustees
- Subject to public procurement, designer selection, conflict of interest & public meeting laws





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”



Brewster

Case study

- Created MAHT in 2018 and dissolved an existing affordable housing fund.
- \$88,000 was transferred to new MAHT.

Board members

- Select Board
- Town Administrator
- Housing Partnership
- Community Preservation Committee
- Planning Board
- Citizens at large (2)

Powers

- Allocations over \$50k subject to Select Board approval



Beverly

Case study

Created MAHT in 2017

First year:

- Appointed members
- Completed updated housing plan
- Developed housing trust guidelines & NOFA

Trustees

- 5 members
- Mayor
- Planning & CD
- Municipal finance
- 2 at large residents

Powers

- Conveyance of real property requires Mayor and CC approval

Funding

- IZ payments
- *Potentially* CPA



Board Powers

MGL Chapter 44, Section 55c

16 explicit powers including:

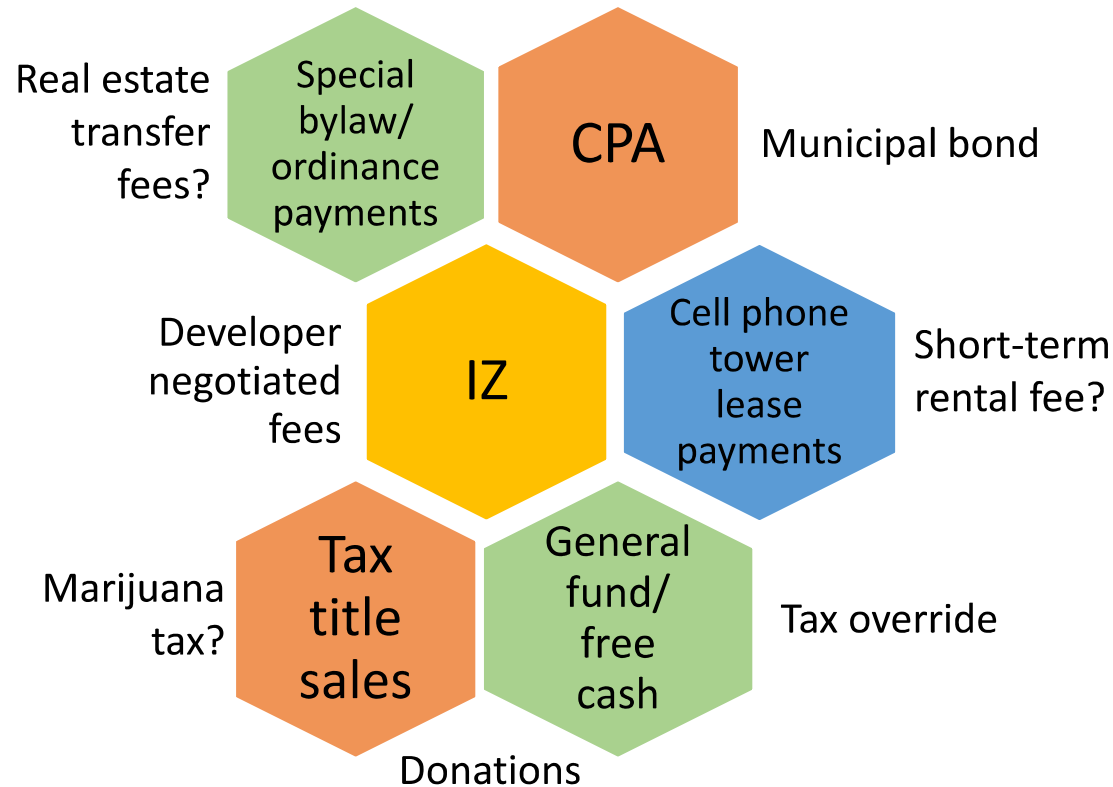
- Accept and receive real property, personal property or money
- Purchase and retain real or personal property
- Sell, lease, exchange or convey any personal, mixed, or real property





Trust operations & best practices

What funds can be used?



Common = municipal account through municipal treasurer



What do you want to accomplish?



Determining needs



Setting priorities

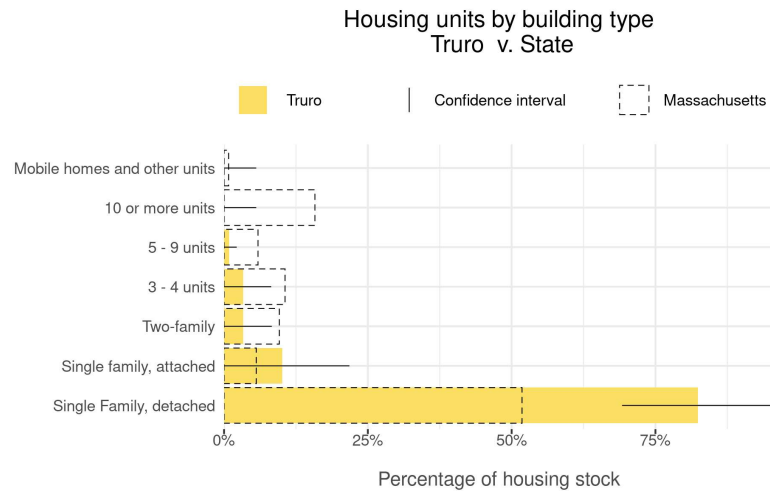


Create benchmarks

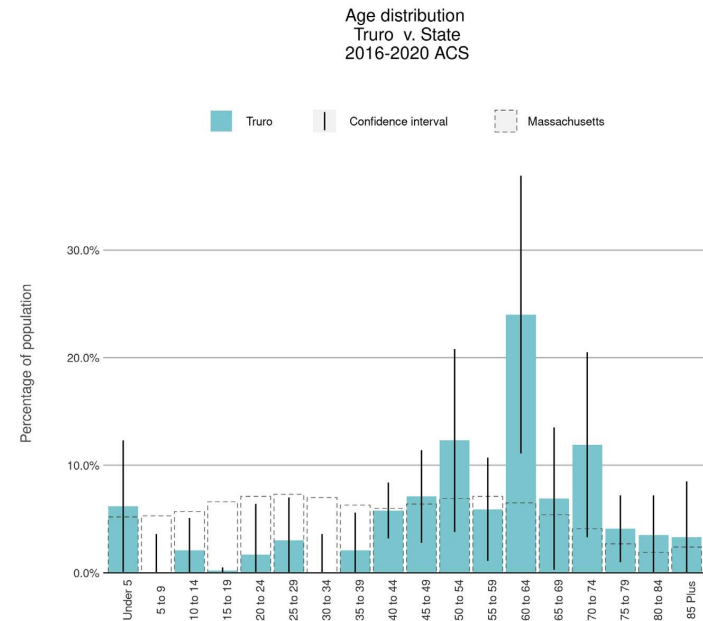


Familiarize yourself with local housing needs

Use other resources like DataTown



Source: U.S. Census Bureau American Community Survey,
2016-2020 5-year estimates, Table S2504: Physical Housing Characteristics



Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey,
2016-2020 5-year estimates, Table S0101: Age and Sex



Learn about affordable housing finance

HOUSING TOOLBOX for Massachusetts Communities

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



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

Amherst Affordable Housing Trust Fund

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.



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



Example of (measurable) goals

- 1. Create 100 units of low/moderate income rental and homeownership housing units over the next five years.**
 - a. Issue RFP for one home at Freeman Avenue in 2021.
 - b. Provide funds to support ADU creation in 2022.
 - c. Provide funds to support 46 units at Lawrence Road 2024.
 - d. Complete 4 units at Old Kings Highway and 8 units at Paine Hollow Rd by 2024.
 - e. Acquire property for the creation of at least 20 new homes by 2025.
- 2. Raise \$1 million annually from 2022 – 2027 for a total of \$5M.**
 - a. Request 80% of short-term rental tax revenue
 - b. Annual request for CPA funds.
 - c. Fundraising for donations.
 - d. Secure 1-2 additional revenue streams.



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 Ayres
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:

- **Predevelopment Activities** – Includes costs related to architectural financial feasibility analyses, permits, appraisals, 21E report costs associated with examining the feasibility of a potential project such as septic upgrades, creating additional open space, recreational space, etc. (Note: The items listed above are limited with the exception that the BAHT Trustees may authorize a project for projects included in this category).
- **Development Activities** – Includes costs related to filling the gap (minus other private and public funding) and what qualifies as affordable to pay. Development activities include new construction, redevelopment of affordable residential housing, and may include development opportunities.
- **Housing Preservation and Improvement Activities** – Include relative affordability of private unsubsidized housing units, ensuring continued affordability by maintaining property for the life of the incentive and including the project in the Inventory (SHI) list, and making necessary improvements to stabilize 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



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			
	Years 1-2	Years 3-5	# AH units	Lead
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



Ensure transparency



Communicate

Consider joint
board
appointment

Report back
regularly

Promote
efforts

Use webpage
and social
media



Work together to create a culture of support



Balance people
with places and
systems



Tell “story of
us” rather than
“story of them”



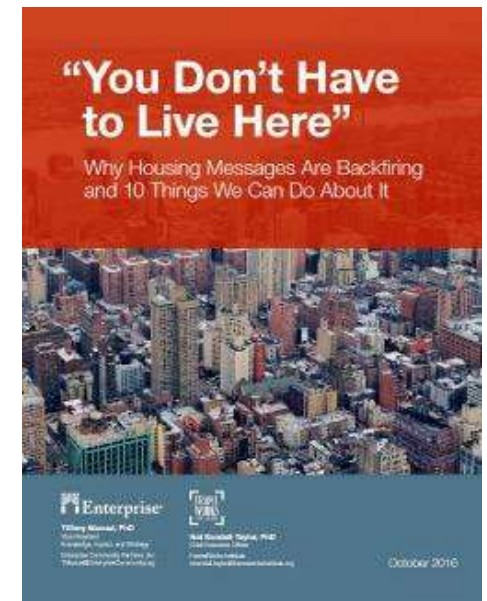
Connect
housing to
other social
issues and
outcomes



Where you live
affects you



Consider
language that
we use
(e.g. home vs
housing)





Eligible Activities

CPA statute

	Open Space	Historic	Recreation	Housing
Acquire	YES	YES	YES	YES
Create	YES	NO	YES	YES
Preserve	YES	YES	YES	YES
Support	NO	NO	NO	YES
Rehabilitate and/or Restore	YES (if acquired or created with CPA funds)	YES	YES	YES (if acquired or created with CPA funds)





Barnstable Cromwell Court Apartments

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



Buy downs

Typically, “buying down” cost of existing home

Structured many different ways.

Acquire homes

Contribute difference

Allocate vouchers

High subsidy per unit.

Slow accumulation of units.



Norfolk AHT Buy down program





Norwell

Herring Brook Hill
18 units of age-restricted
rental housing
Local contribution: \$1.2MM



Photo: POAH

Brewster

Brewster Woods
30 units of rental housing
Local contribution: \$550,000



Westport

Noquochoke Village
50 units of rental housing
Local contribution: \$1MM (including
acquisition, predevelopment and
development)



Middleborough

Shoe Shop Place
25 units of rental housing
Local contribution: \$25k



Williamstown

Cole Ave Apartments
42 units of rental housing
Local contribution: \$200k

Photo: Allegrone Companies



Swampscott

Machon School
38 units of age-restricted
rental housing

Photo: B'Nai B'Rith Housing



Auburn

Mary D. Stone Apartments
55 units of age-restricted
rental housing

Photo: Pennrose

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.”

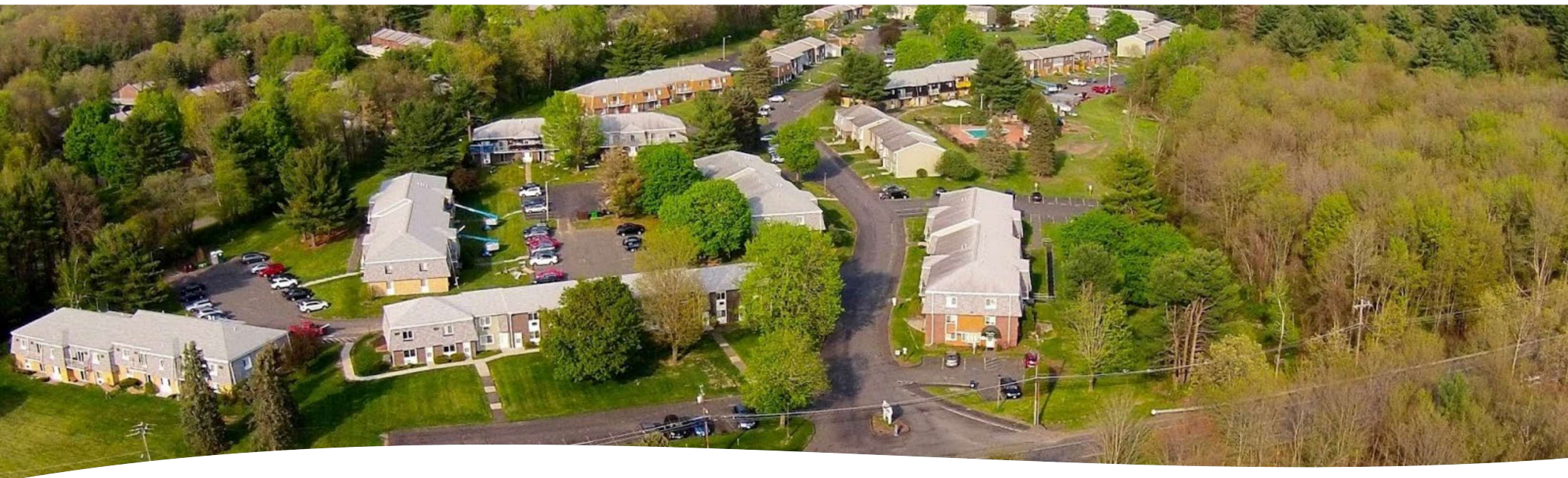
It is important to note that both the recreational use and historic preservation provisions of the CPA provide for “rehabilitation” of those resources with CPA funds, the former through a CPA amendment signed into law in 2012. However “rehabilitation” of “community housing” is not a permitted use of 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.

100 Cambridge Street, Suite 300
Boston, Massachusetts 02114



www.mass.gov/dhcd
617.573.1100



Amherst

Rolling Green

- 204-unit multi-family development
- 15-year restrictions set to expire
- 41 affordable units preserved
- \$1.25 million bonded with CPA



Gloucester Housing Authority

Sheedy Building

- Requested \$86,000 in CPA to supplement state modernization formula funding (\$196,000)
- Replaced 30+ year old roof
- One unit shuttered and more were at risk



**Pre-
develop-
ment**

**Housing plans
and needs
assessments**

**Rental
Assistance**



Three Final Things

1

Consider the local infrastructure – needs and resources.

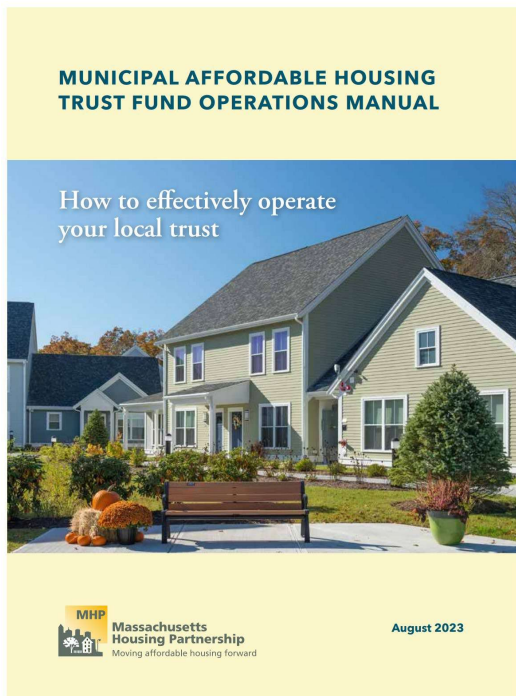
2

Develop goals that reflect identified needs.

3

Be real about your capacity.

MHP Online Resources



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.

Contact Information

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