



Westborough Affordable Housing Trust Overview

Jan. 15, 2020

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
 - **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

- 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

Today's agenda

January 15, 2020



Municipal Affordable Housing Trusts

Chapter 44, section 55c



What is a
housing trust?

Operations & best
practices

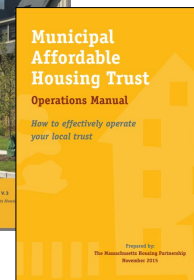
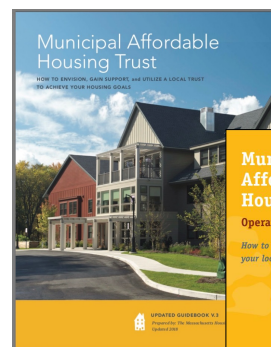


Eligible activities

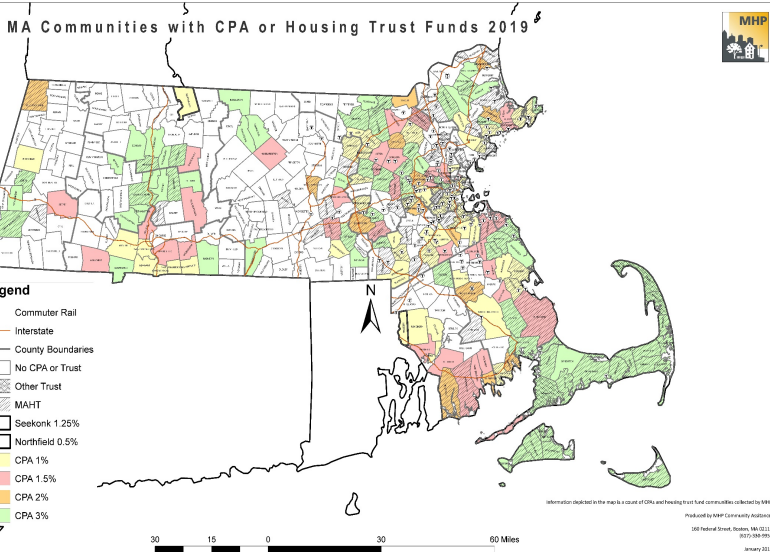


What is a Municipal Affordable Housing Trust (MAHT)?

- 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



Changes to Statute – H. 4565



PURPOSE

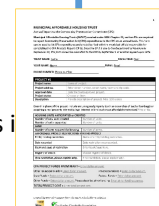
“...to provide for the creation and preservation of affordable housing in municipalities for the benefit of low and moderate income households...”

- Limited scope
- Low and moderate income only

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



Trustees



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



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?



Real estate transfer fees?

- **CPA**
 - Municipal bond
 - Special bylaw/ordinance payments
- **IZ**
 - Developer negotiated fees
 - Cell phone tower lease payments
- **General fund/free cash**
 - Tax override
 - Tax title sales

Short-term rental fee?

Marijuana tax?

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?



What do you want to accomplish?



Start w/estimates



Further prioritize based on income



Track income & spending

- Determining needs
- Setting priorities
- Create benchmarks

Cambridge = 80% CPA
Somerville = 45% CPA
Grafton = 10% CPA

Determine operating approach



Eligible Activities for Trusts



Funder

Initiator

Both?



Affordable Housing



Acquire

Cromwell Court Apartments -- Barnstable



Acquire

Create

Preserve

Support



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

Northampton

Enhanced Single-Room-Occupancy (SRO)



Sudbury MAHT

Home Preservation Program



- 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

Norfolk MAHT

Small Scale Homeownership



Leverett

Homeownership Assistance Program



Sold for \$155k in 2015

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

Sold for \$140k in 2014



Max purchase price:
\$275,000

Up to 20% (\$50,000) of
sale price

Housing &
Redevelopment

Regional

Create



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)

Westport

Noquochoke Village



Norwell

Herring Brook Hill



- 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)



- 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



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

"Expiring use" and protecting housing structure



Bedford

Bedford Village apartments preserved



What does "preserve" mean?



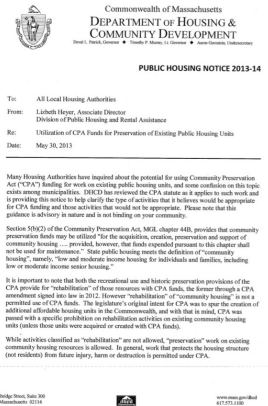
- 96 units of non-age restricted rental in 10 buildings
- Purchased by POAH in 2018, restrictions were set to expire
- \$3 million of CPA funds

Photos courtesy of POAH

"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-develop-ment
- Housing plans and needs assessments
- Rental Assistance

What does “support” mean?

Language added in 2012



Three Things



“...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!

1

Consider the local infrastructure – needs and resources.

2

Develop goals that reflect identified needs.

3

Be real about your capacity.

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

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

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

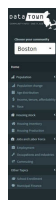
dataTOWN
COMMUNITY INFO, ONE PLACE



Is Westborough affordable?



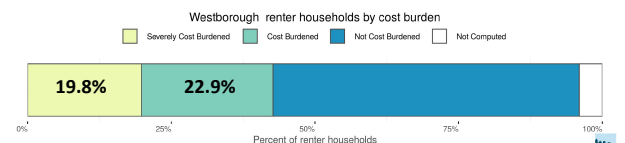
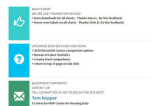
Relevant data for every community in the Commonwealth to help make the case for housing.



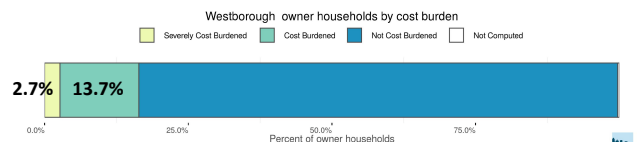
DataTown
community info • one place

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

There is a lot of great information out there, but how do you find it? DataTown is a place to explore and learn about your community. It's a place to explore and learn about your community. It's a place to explore and learn about your community.



Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates. Table B25070: Gross rent as a percentage of household income in the past 12 months

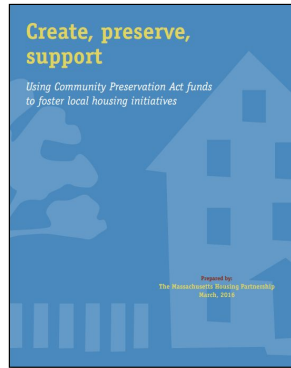


Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates. Table B25091: Mortgage status by selected monthly owner costs as a percentage of household income in the past 12 months



On our website:

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



Location Courtyard by Marriott, Marlborough

Time 8:00-8:30am Registration

8:30-3:00pm Conference



Affordable Housing Development

- Affordable housing nuts & bolts
- Balancing development pressures
- How communities support affordable housing

Housing Trusts + CPCs working together

\$30/person (includes breakfast and lunch)
Register at MHP.net

Questions?



Massachusetts Housing Partnership
www.mhp.net

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