



Sterling Affordable Housing Trust Overview

Jan. 8, 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

Massachusetts



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 8, 2020



What is a
housing trust?

Operations & best
practices



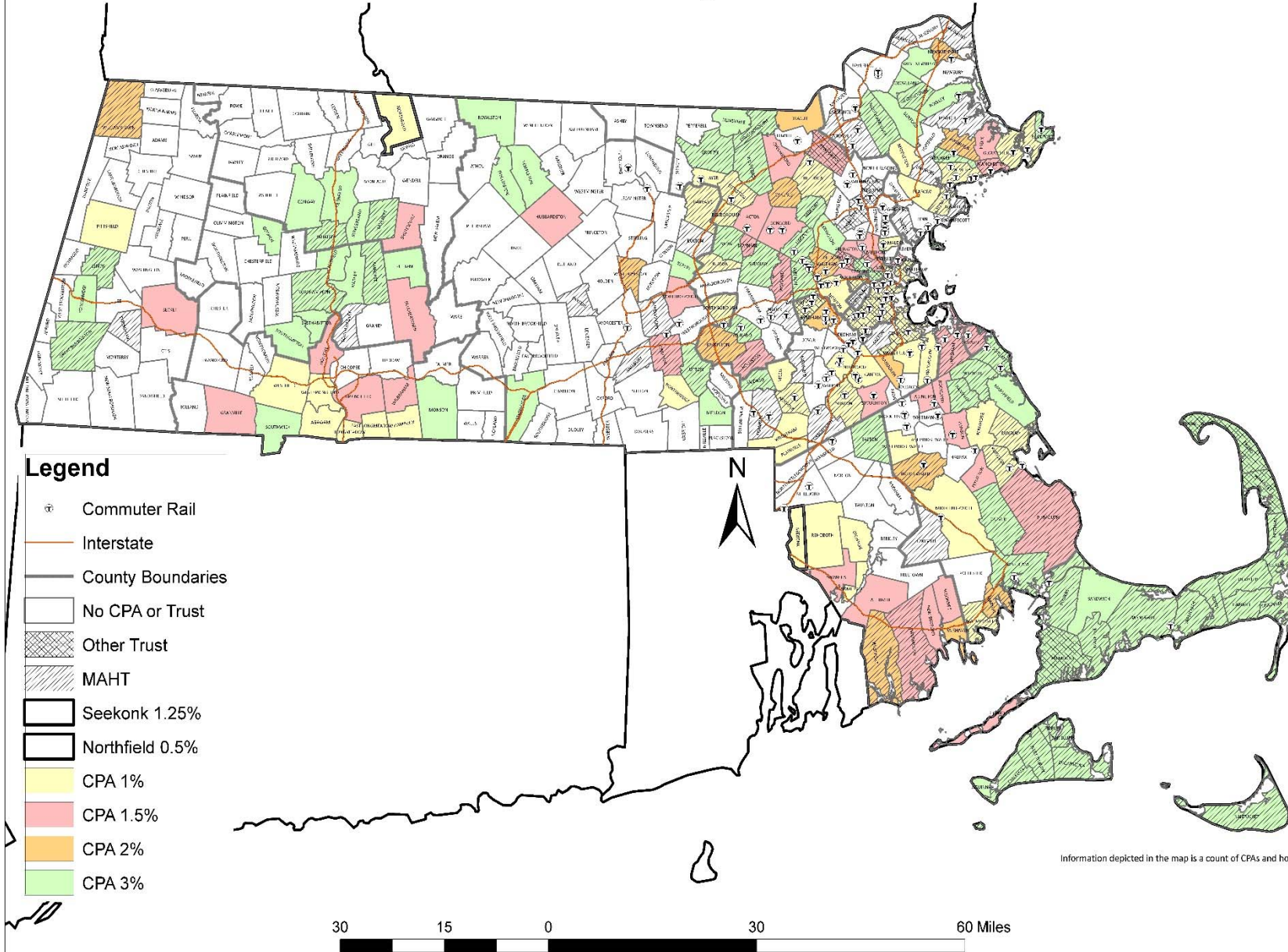
Eligible activities

Municipal Affordable Housing Trusts

Chapter 44, section 55c



MA Communities with CPA or Housing Trust Funds 2019



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

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

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

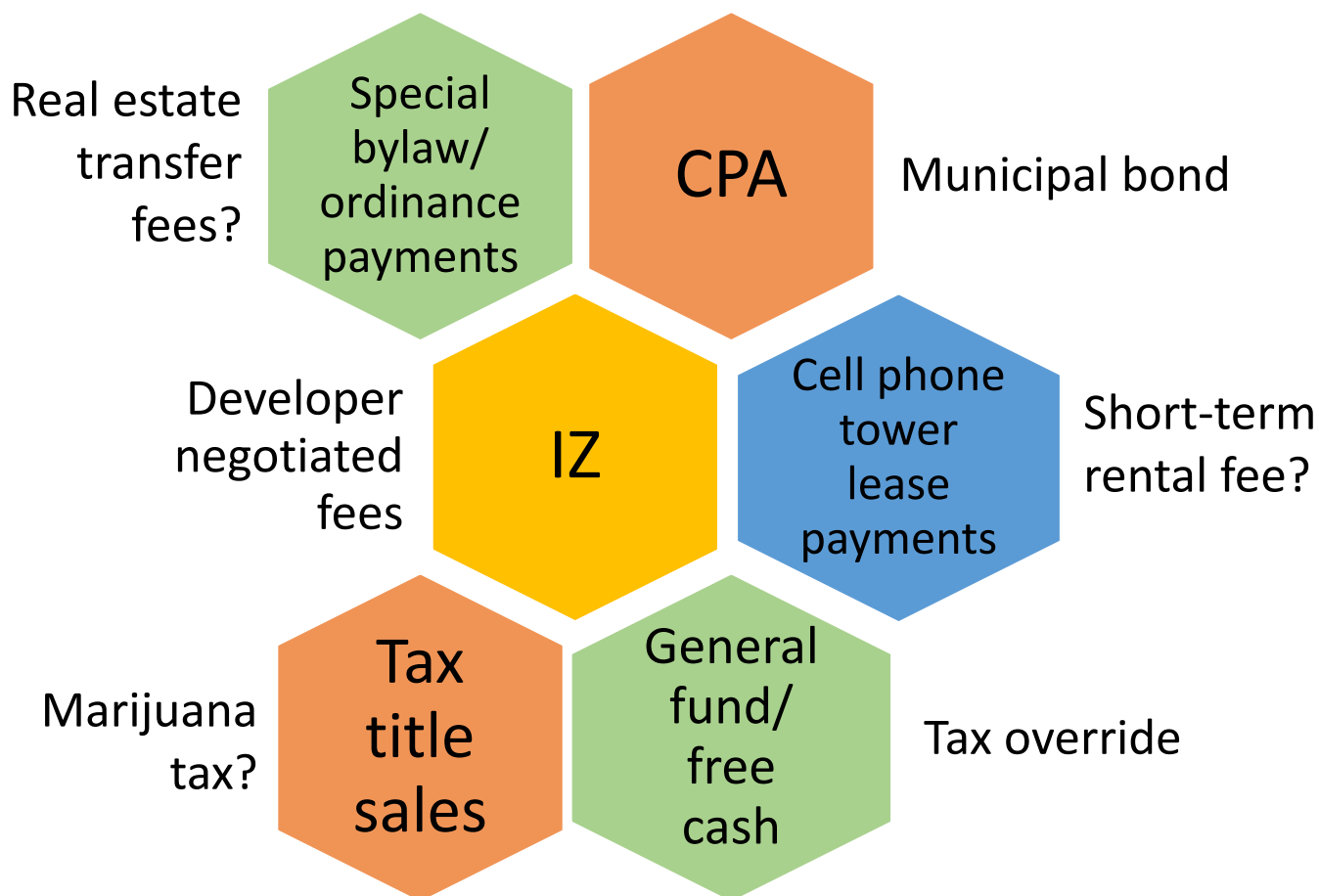
- **Accept and receive real property, personal property or money**, by gift, grant, or contribution...including but not limited to money, grants of funding or other property....
- **Purchase and retain real or personal property**, including instruments
- **Sell, lease, exchange or convey** any personal, 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?



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

Grafton & Amherst



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.

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.

Plans to facilitate action

GUIDELINES OR GOALS

BEVERLY AFFORDABLE HOUSING TRUST HOUSING GUIDELINES AND APPLICATION PACKAGE



Beverly, Massachusetts



Beverly Affordable Housing Trust
Michael P. Cahill, Mayor
Bryant Ayles
Aaron Clausen, AICP
Richard Dinkin
Susan Gabriel

City Staff: Darlene Wynne, AICP

December 2017

IV. Eligible Activities

Funds requested in support of these strategies are:

- **Predevelopment Activities** – Includes cost financial feasibility analyses, permits, appraisals, and other costs associated with examining the feasibility of projects such as septic upgrades, creating recreational space, etc. (*Note: The items listed are eligible for funding with the exception that the BAHT Trustees are not funding projects included in this category.*)
- **Development Activities** – Includes costs related to the development of affordable housing (minus other private and public funding) that are not affordable to pay. Development activities include the redevelopment of affordable residential housing development opportunities.
- **Housing Preservation and Improvement Activities** – Includes the relative affordability of private unsubsidized households, ensuring continued affordable housing for the life of the incentive and in the Inventory (SHI) list, and making necessary stabilizing both residents and neighborhoods.
- **Direct Assistance Activities** – Includes direct assistance in obtaining housing in Beverly and/or remaining downpayment and closing costs; first and second mortgage assistance. Such direct assistance, as it relates to 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.

STRATEGIC PLANS

TOWN OF AMHERST

HOUSING TRUST STRATEGIC PLAN FY18-22

**FUNDING PROVIDED BY THE AMHERST
AFFORDABLE HOUSING TRUST FUND AND
THE COMMUNITY PRESERVATION FUND**

Prepared for
Town of Amherst
Amherst Affordable Housing Trust
4 Boltwood Avenue
Amherst, MA 01002

Prepared by
JM Goldson community preservation + planning

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LOCAL HOUSING NEEDS AND OBJECTIVES
ELIGIBLE USES OF TRUST FUNDS & LEGAL CONSIDERATIONS
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FIVE-YEAR GOALS
OPERATING APPROACH & RELATIONSHIP WITH CPA FUNDS
PRIORITY INITIATIVES
OPERATING STRATEGIES
FIVE-YEAR BUDGET

APPENDIX 1

AMHERST AFFORDABLE HOUSING TRUST BYLAW, AS MODIFIED MAY 2017

APPENDIX 2

SUMMARY OF STRATEGIC PLANNING WORK SESSION

SUMMARY
1) SMALL GROUP DISCUSSION EXERCISE PART 1
2) PARTNER DISCUSSION EXERCISE PART 2
3) PRIORITIZATION EXERCISE

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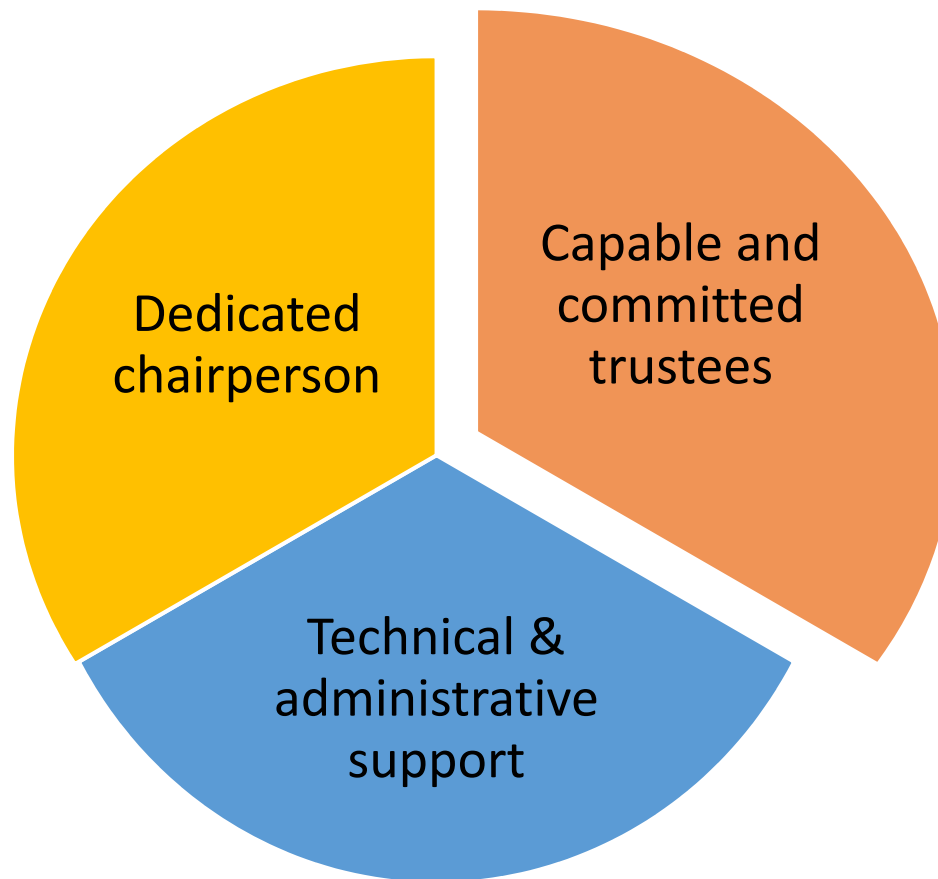
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It takes teamwork

Is staffing necessary?





Clarify roles

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

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

Report
back
regularly

Promote
efforts

Use
webpage
and social
media



Westport Affordable Housing Trust

Webpage

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

Name	Title	Phone
Leonardi Aray, AIA	Housing Specialist	(774) 264-5126

Board of Trustees

Name	Title
Elizabeth Collins	Chair
Craig J. Dutra	Vice Chair
James Sabra	Member
Henry Lanier	Member
BettyAnn Mullins	Member
Warren Messier	member

[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](#)

Determine operating approach

Funder

Initiator

Both?





Legal Consideration

Open Meeting Law

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



Legal Consideration

Procurement Laws

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

Construction/capital improvement

- Public construction & bidding requirements
- Prevailing wage

Real property disposition, lease or acquisition

- Chapter 30b, Section 16 – various guidance
- If bought with CPA funds, exempt from 30b

Contracting professional services

- Three Thresholds
 - Under \$10,000
 - \$10-**50,000** – 3 **written** bids
 - **\$50,000+** -- sealed bids or proposals



Legal Consideration

Anti-aid Amendment to MA Constitution

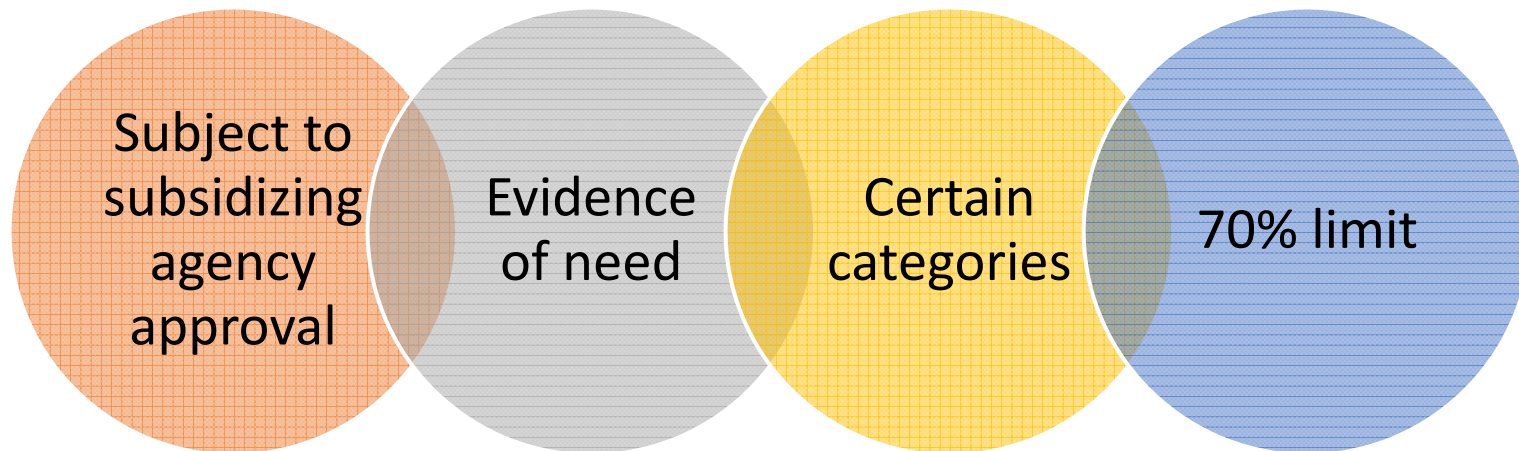
- Public funds cannot be given or loaned to individuals or organizations for their private purposes
- Needs to have public benefit
- Payment after service rendered

Restriction

Lease
agreement

Recapture

“Local Preference”



Eligible Activities for Trusts



Affordable Housing



Acquire

Create

Preserve

Support



Acquire

Cromwell Court Apartments -- Barnstable



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

Northampton

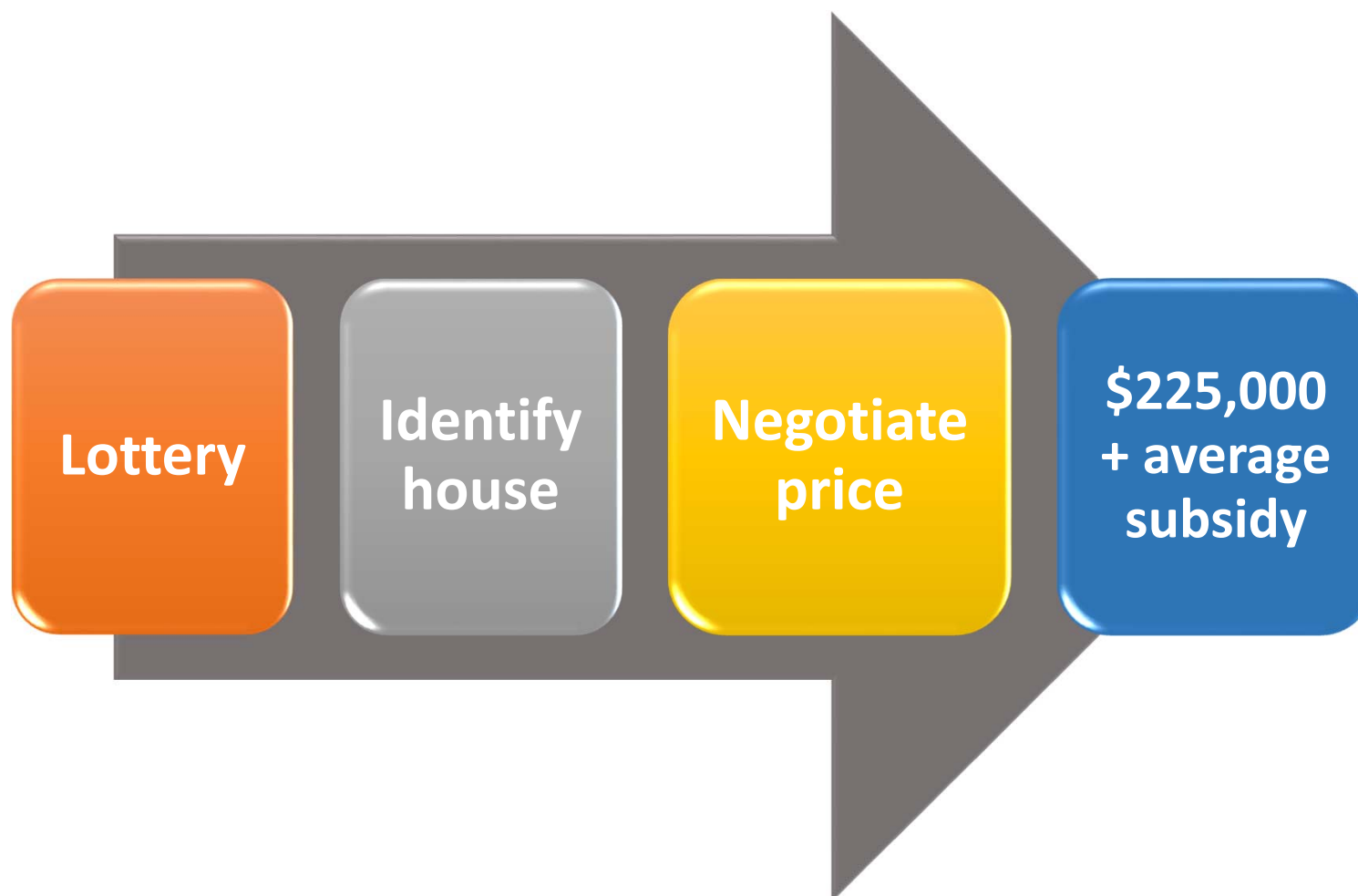
Enhanced Single-Room-Occupancy (SRO)



- 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

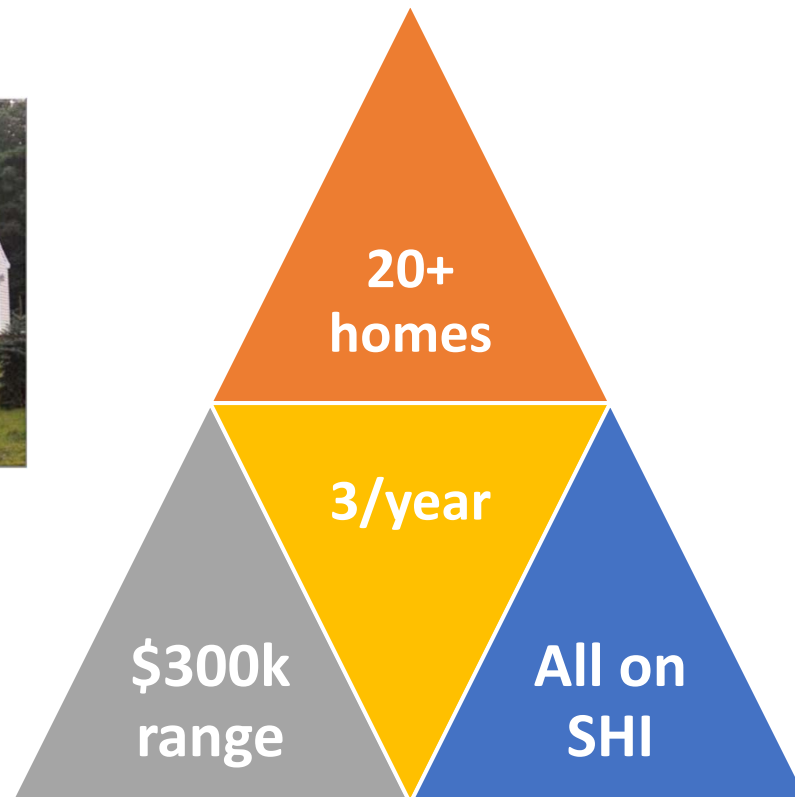


Norfolk MAHT

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



- 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



DEVELOPMENT DATA			
LOT AREA	=	SUMMARY LOT AREA	
NUMBER OF BUILDINGS	=	2	TOTAL NUMBER OF UNITS = 27
NUMBER OF RESIDENTS	=	54	
NUMBER OF ALL OF USE		RESIDENTIAL	
		COMMERCIAL	
		INDUSTRIAL	

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)



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



Re-use



**Shoe Shop
Place**
Middleboro
25 rental
("family" housing)



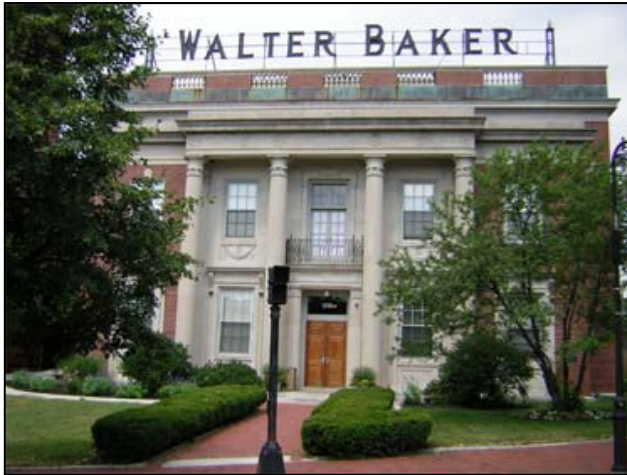
Stevens Corner
North Andover
42 rental
("family" housing)



**Rockport HS
Apartments**
Rockport
31 rental
(age restricted)

Preserve

“Expiring use” and protecting housing structure



Bedford

Bedford Village apartments preserved



- 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

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.



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.”

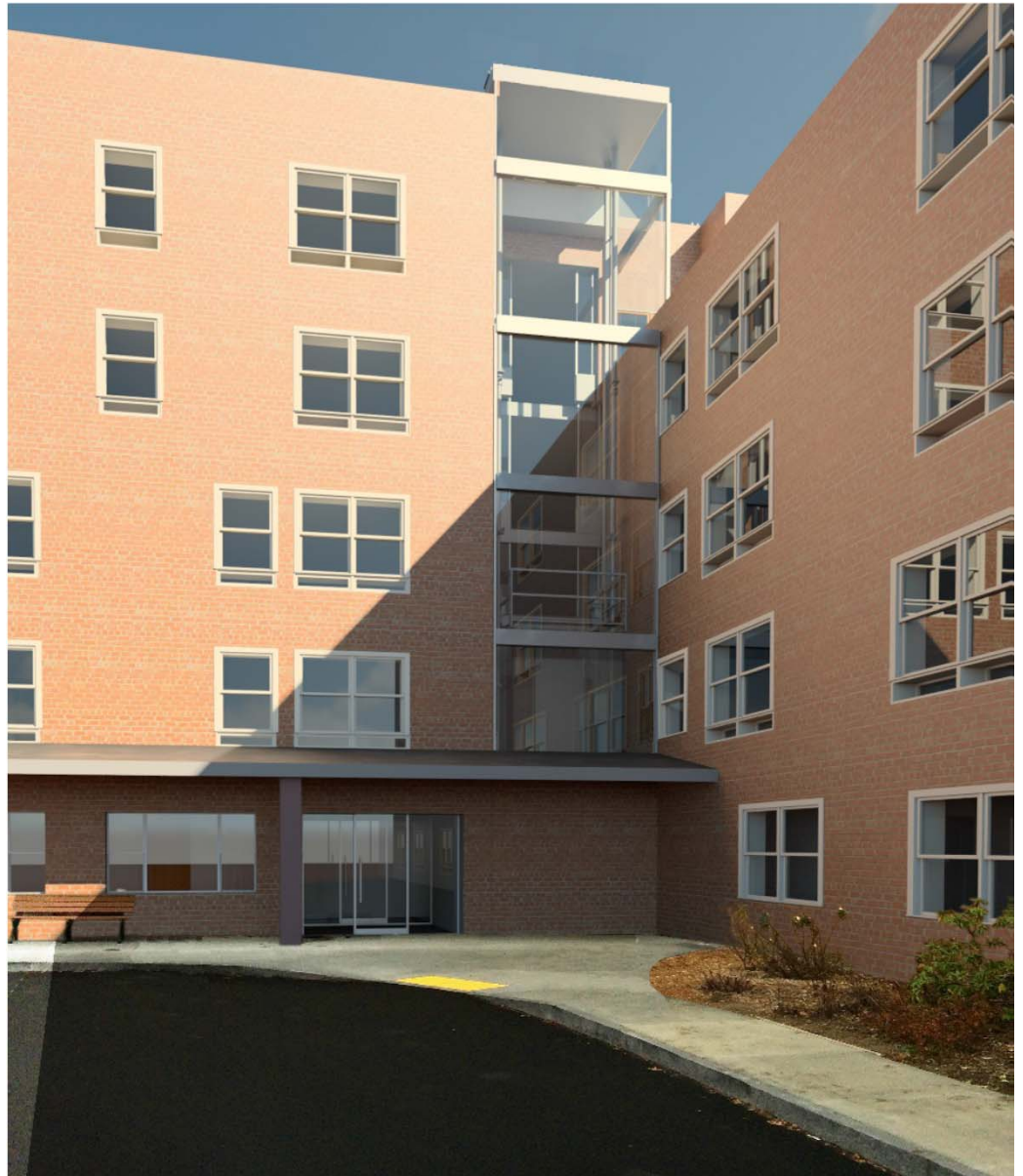
It is important to note that both the recreational use and historic preservation provisions of the CPA provide for “rehabilitation” of those resources with CPA funds, the former through a CPA amendment signed into law in 2012. However “rehabilitation” of “community housing” is not a permitted use of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

Three Things

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.

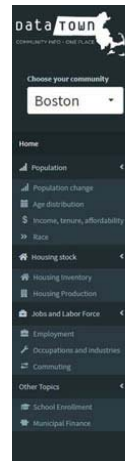
www.housingtoolbox.org

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

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



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



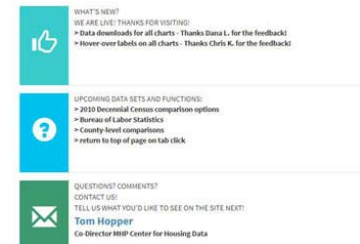
Welcome to DataTown, Massachusetts

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.

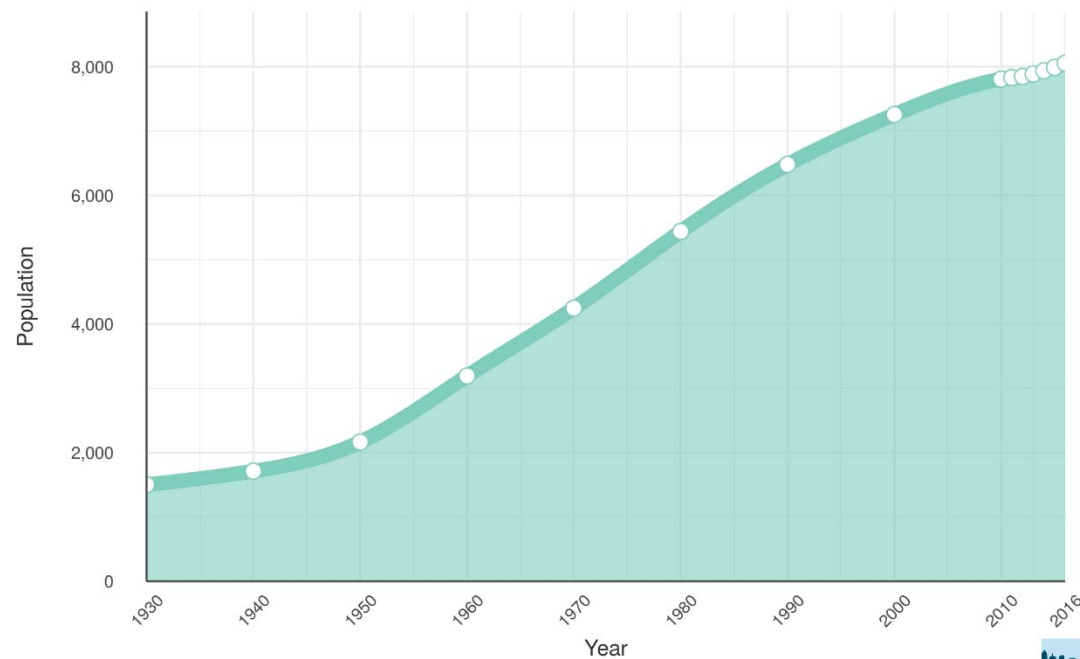
That's why we created DataTown. We wanted a site that not only compiles community-level information from the various available data sources, but also visualizes that data so it's easy to digest. Hopefully this helps you spend less time collecting data so you can spend more time addressing the housing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



Using Data to tell a Story



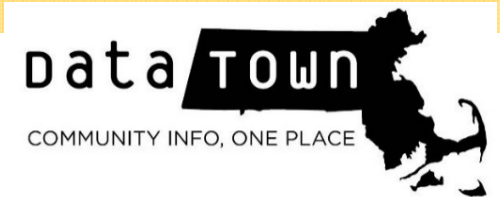
Population change
Sterling



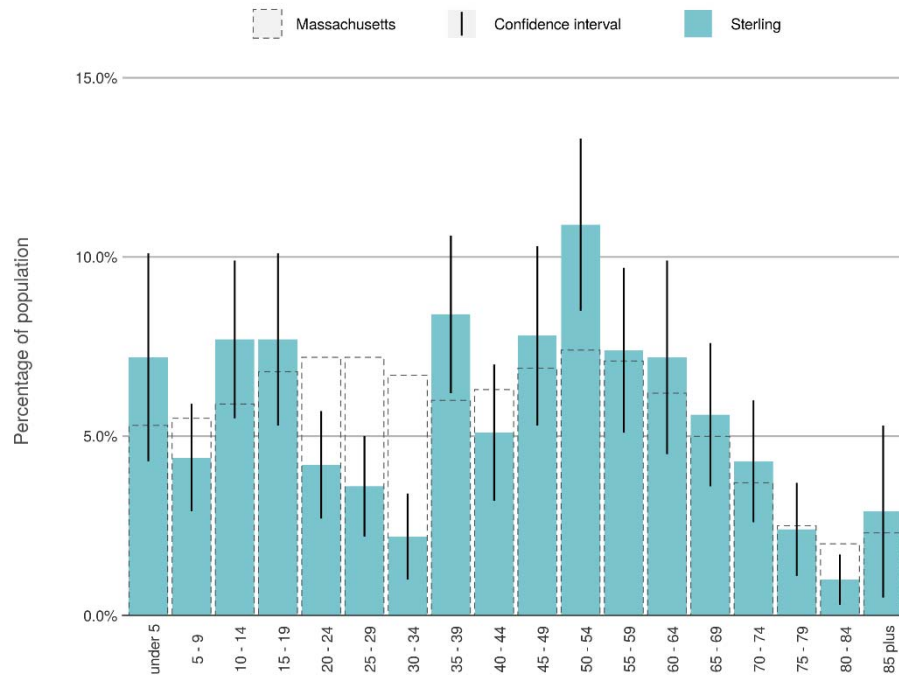
Source: U.S. Census Bureau Population Estimates Program



“Millennial Valley”



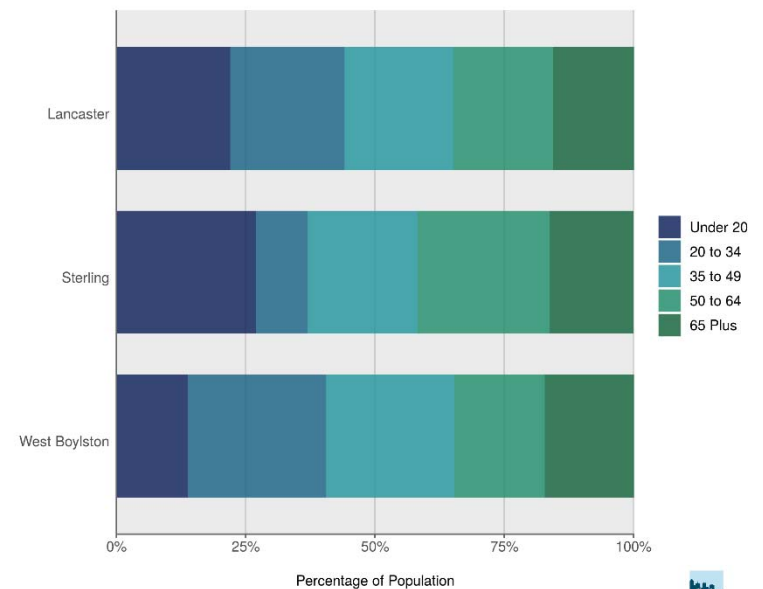
Age distribution of population
Sterling v. State
2013-2017 ACS



Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey, 2013-2017 5-year estimates. Table S0101: Age and Sex



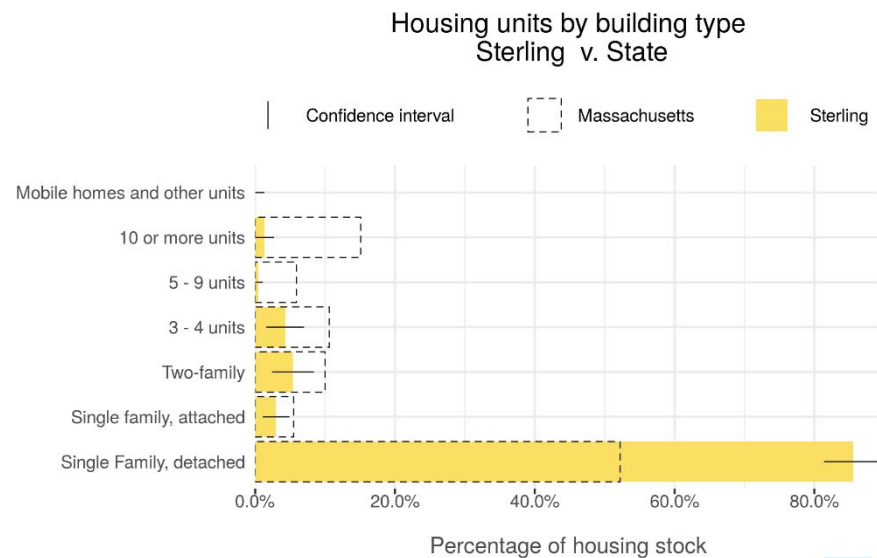
Age distribution
2013-2017 ACS



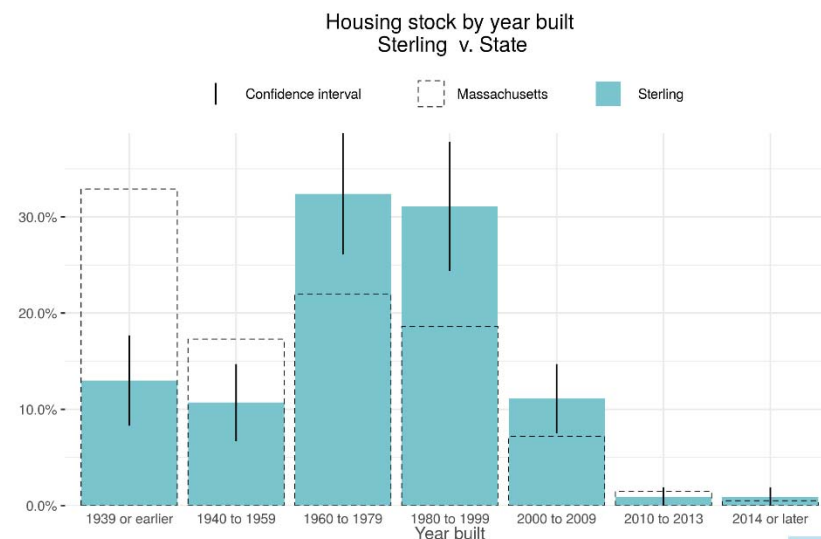
Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey, 2013-2017 5-year estimates. Table S0101: Age and Sex



A Glimpse of Sterling's Housing



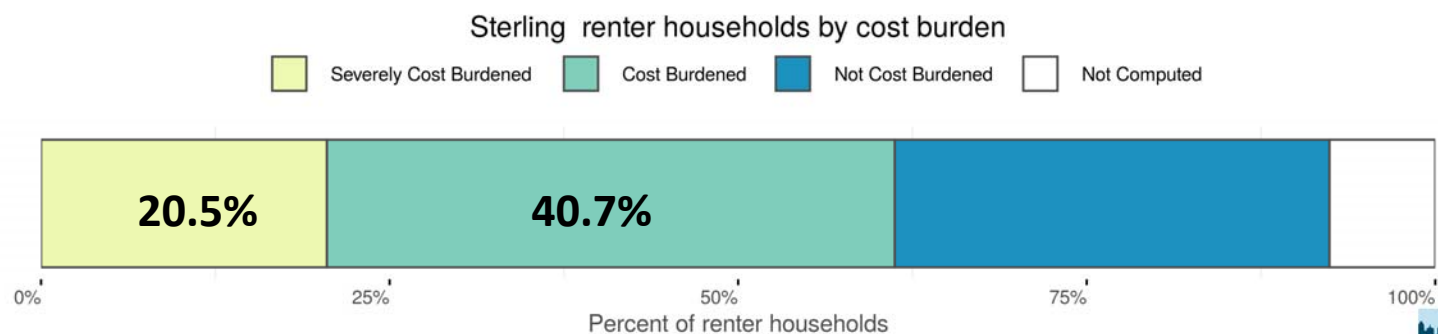
Source: U.S. Census Bureau American Community Survey, 2013-2017 5-year estimates
Table S2504: Physical Housing Characteristics for Occupied Housing Units



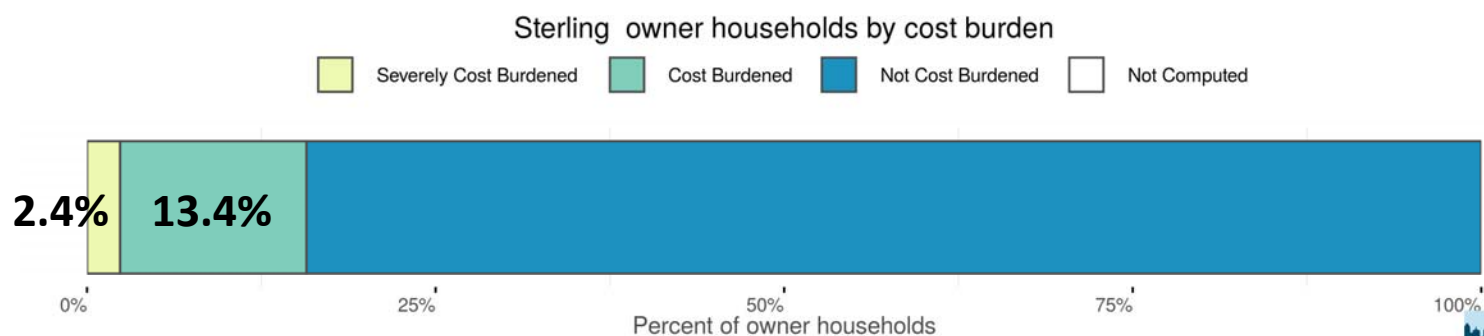
Source: U.S. Census Bureau American Community Survey, 2013-2017 5-year estimates
Table S2504: Physical Housing Characteristics for Occupied Housing Units



Is Sterling affordable?



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



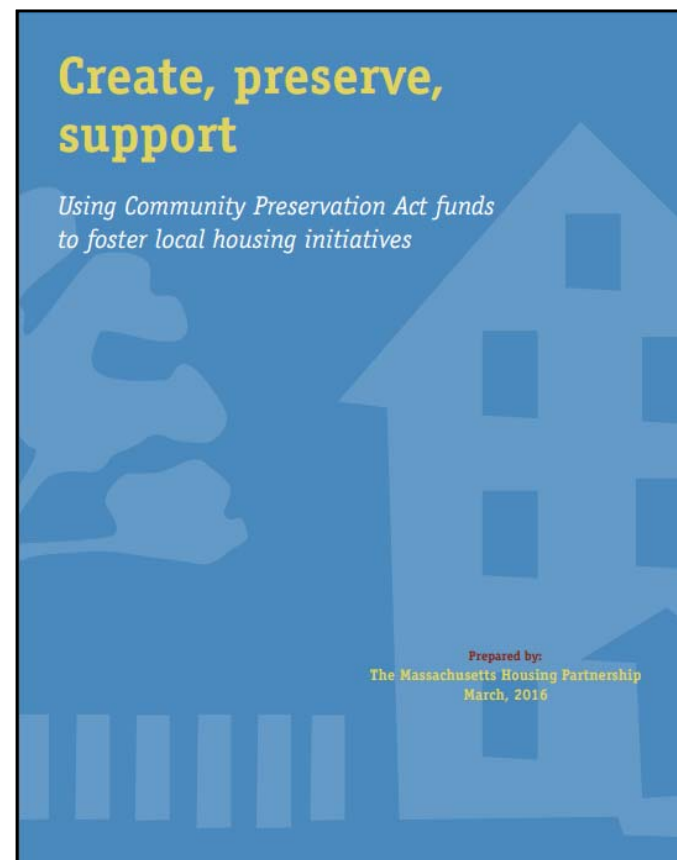
Source: U.S. Census Bureau American Community Survey, 2013-2017 5-year estimates. Table B25091:
Mortgage Status by selected monthly owner costs as a percentage of household income in the past 12 months



MHP Online Resources

On our website:

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



Affordable Housing Trust + CPA Housing Conference



Saturday, March 14 • F O R M E M B E R S A N D S T A F F

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

Program Manager

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857-317-8525