

# Municipal Affordable Housing Trusts

Manchester-by-the-Sea

March 15, 2016



Massachusetts  
Housing  
Partnership

**Susan Connelly**  
**Carsten Snow**  
160 Federal Street  
Boston, MA 02110  
617-330-9955  
[www.mhp.net](http://www.mhp.net)

# About MHP

Massachusetts Housing Partnership is a quasi-public agency with a mission to bring more affordable housing to Massachusetts through:

- Permanent financing for affordable rental projects
- ONE Mortgage first-time homebuyer program
- Research on housing policy and work on policy initiatives
- **Trainings, Workshops and Technical Assistance to support production and best practices in affordable housing**



# MHP's Community Assistance Team

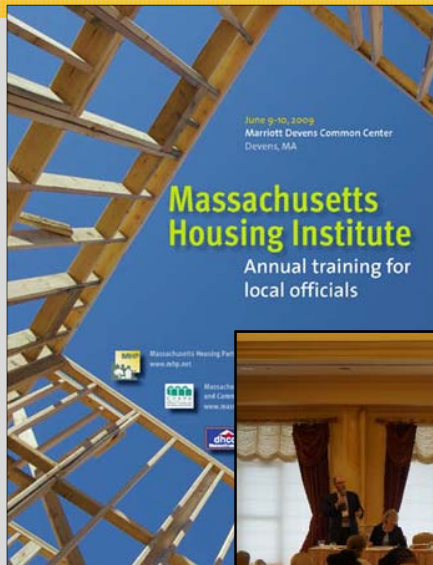
**OUR MISSION:** To increase the supply of affordable housing by fostering local leadership and providing technical support to municipalities, non-profits and local housing authorities

**OUR WORK:**

- Direct Technical Assistance to municipalities, housing authorities and non-profits
- Grant Programs to support trainings, 3<sup>rd</sup> party technical assistance & non-profit collaboration
- Workshops & Trainings
- 40B Technical Assistance Grants
- Publications
- Special Initiatives & Policy



# Workshops and Trainings



**Annual Housing Institute**  
 June 14 and 15, 2016  
 Devens Common Center,  
 Devens, MA

## Sessions included:

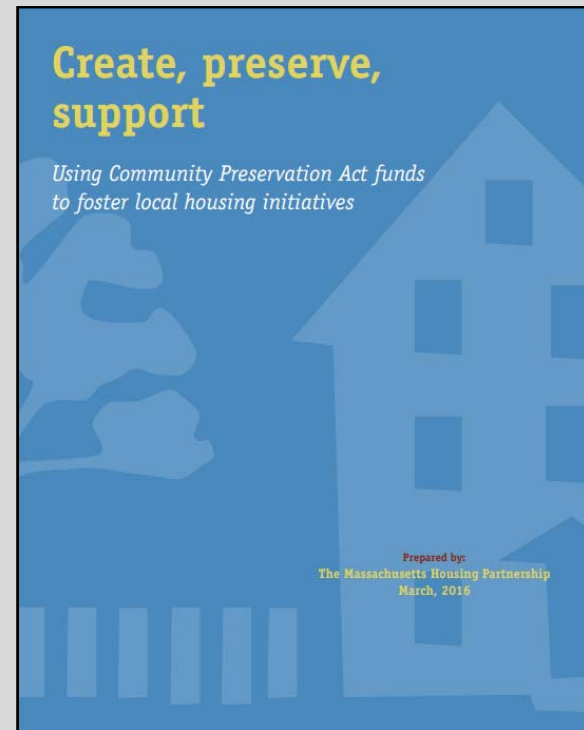
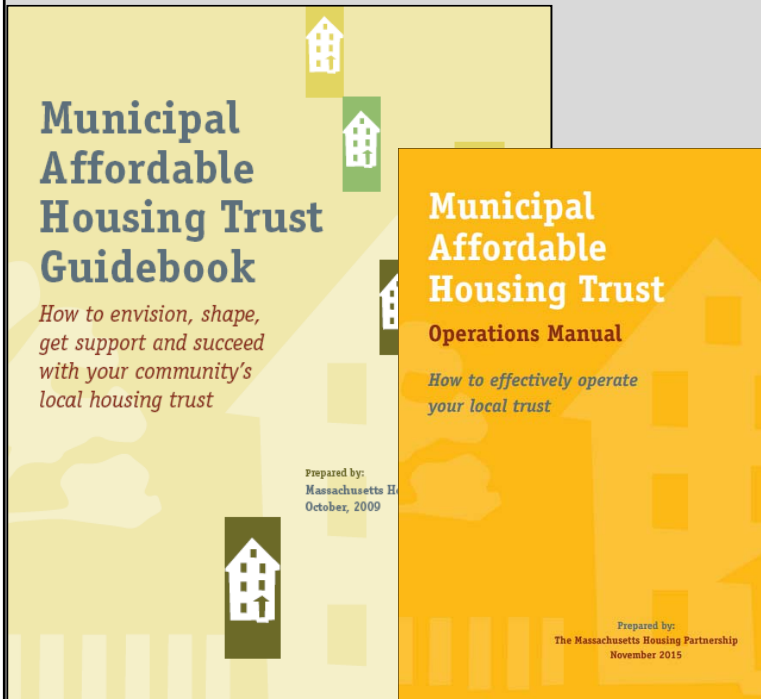
- State, federal policies and resources
- Design projects to reflect local design
- Understanding development process
- Development finance & finding a site
- Land use and permitting
- Local Strategies that Work



# MHP Online Resources

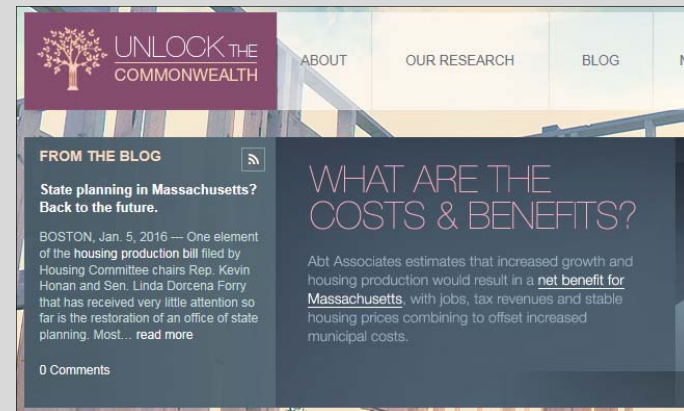
On our website:

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



# Current Housing Challenges

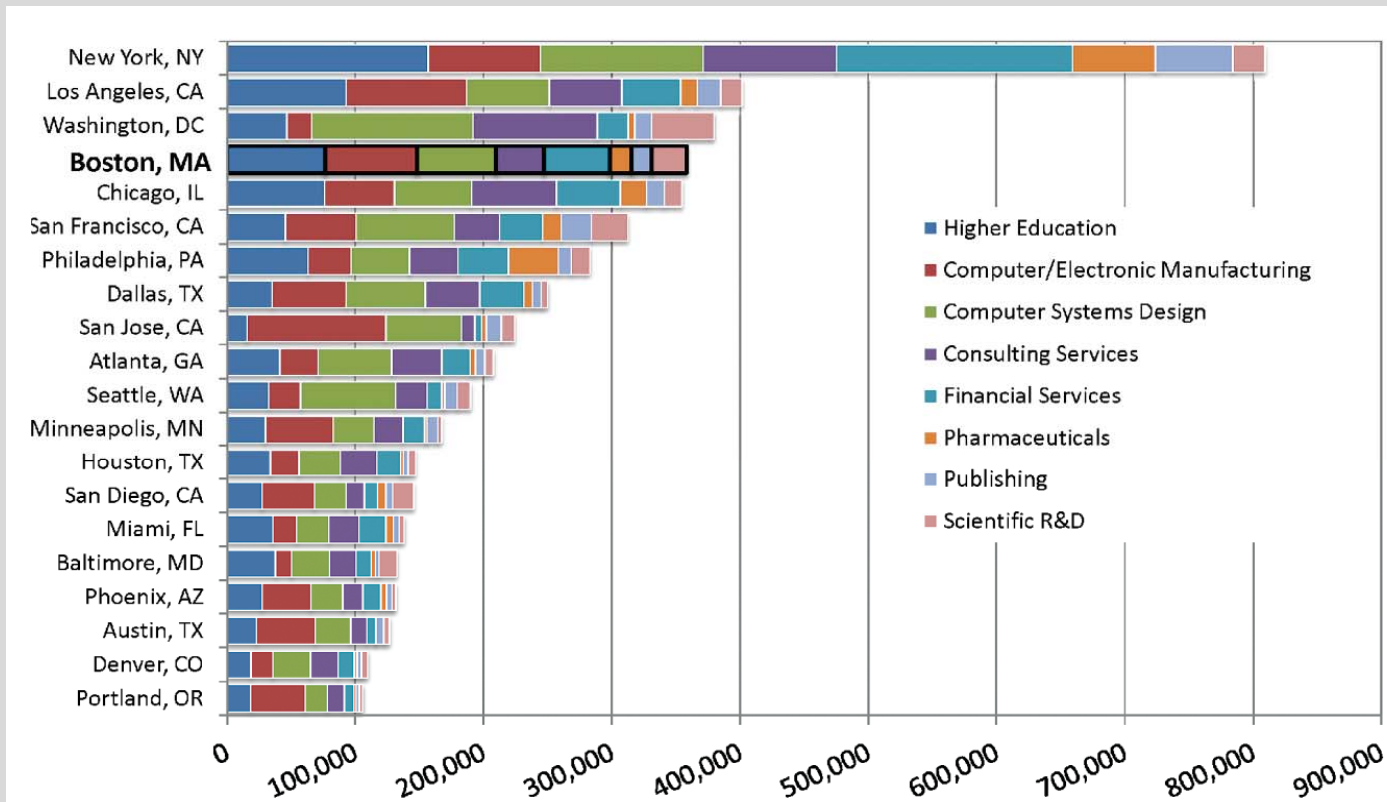
- Greater Boston: 4<sup>th</sup> highest housing costs in the country
- Aging population
- Baby boomers leaving the workforce and not enough options to downsize
- Constraints on housing supply and new housing development in many places- restrictive zoning practices
- Low inventory of multi-family housing



[www.massgrowth.net](http://www.massgrowth.net)

# Our innovation economy is strong and diverse, but not unique.

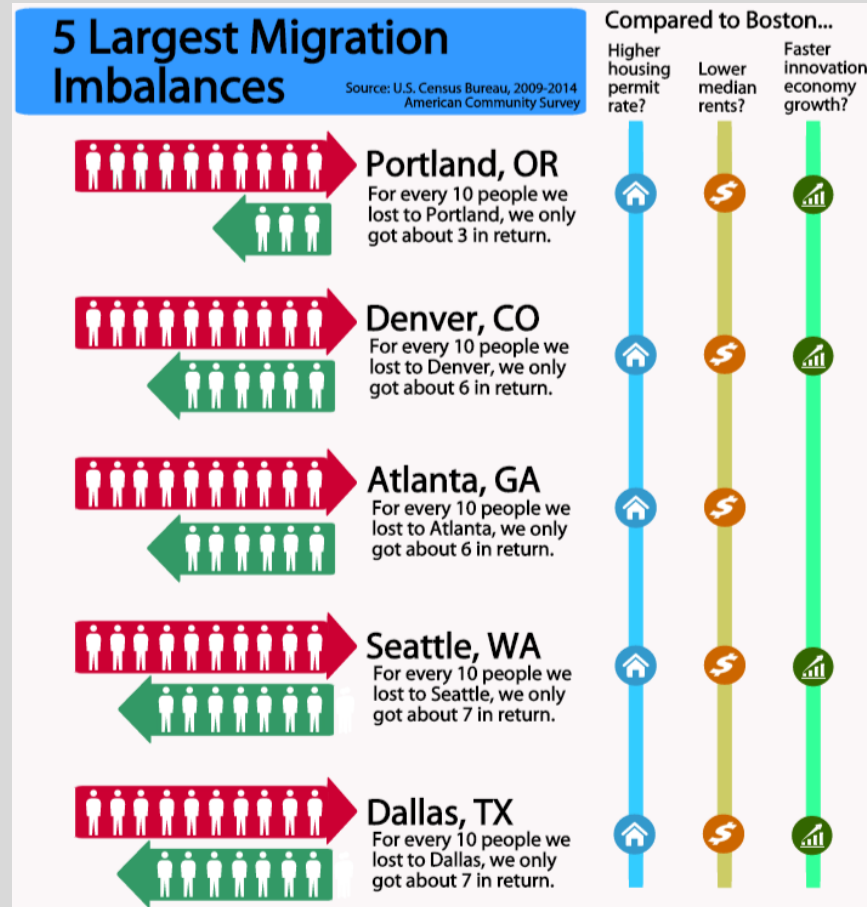
**Top 20 U.S. Metropolitan Regions for Innovation Industry Employment, 2012**



Source: 2012 American Community Survey 1-Year Estimates, Public Use Files  
 Geographic Unit of Analysis: U.S. Census Bureau's Core Based Statistical Area (CBSA). A CBSA is a geographical area defined by an urban center of at least 10,000 people and adjacent areas related to the area by commuting patterns. For Boston, this area includes Essex, Middlesex, Norfolk, Plymouth, and Suffolk counties, as well as the New Hampshire counties of Rockingham and Stafford.

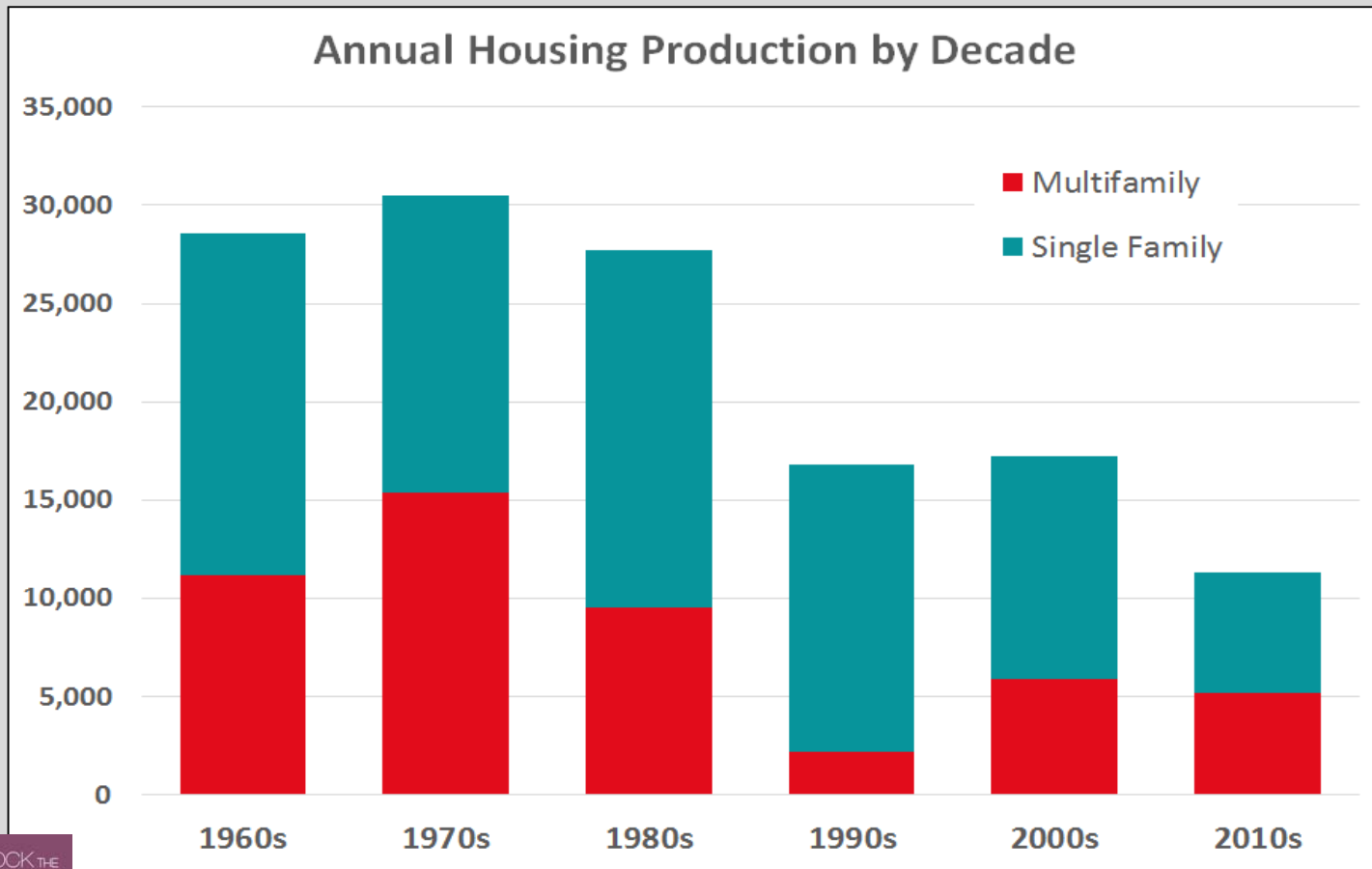
# Other states are doing a better job of attracting and retaining domestic innovation workers.

Net In-Migration of Innovation Workers Relative to Massachusetts:



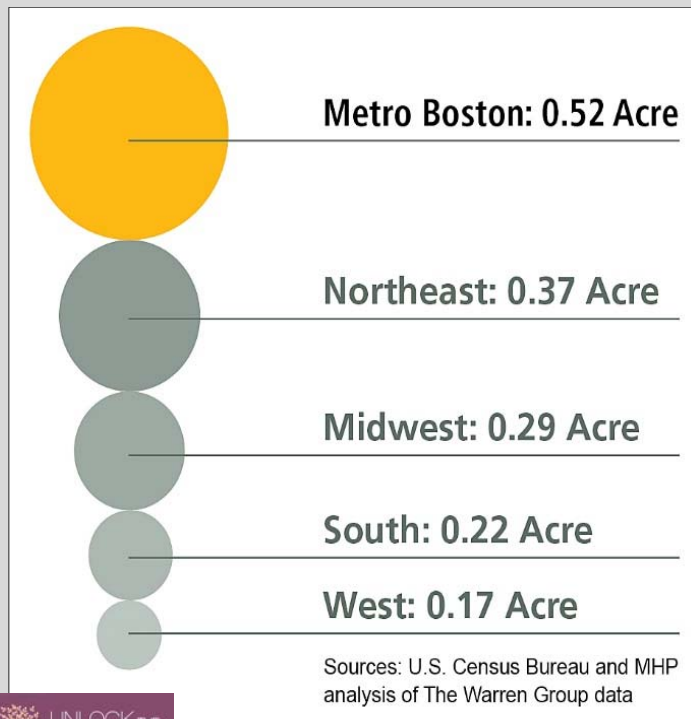


**We are allowing less housing production now than at almost any point in recent history.**



# Zoning rules and local approval process often make it difficult to build the housing we need.

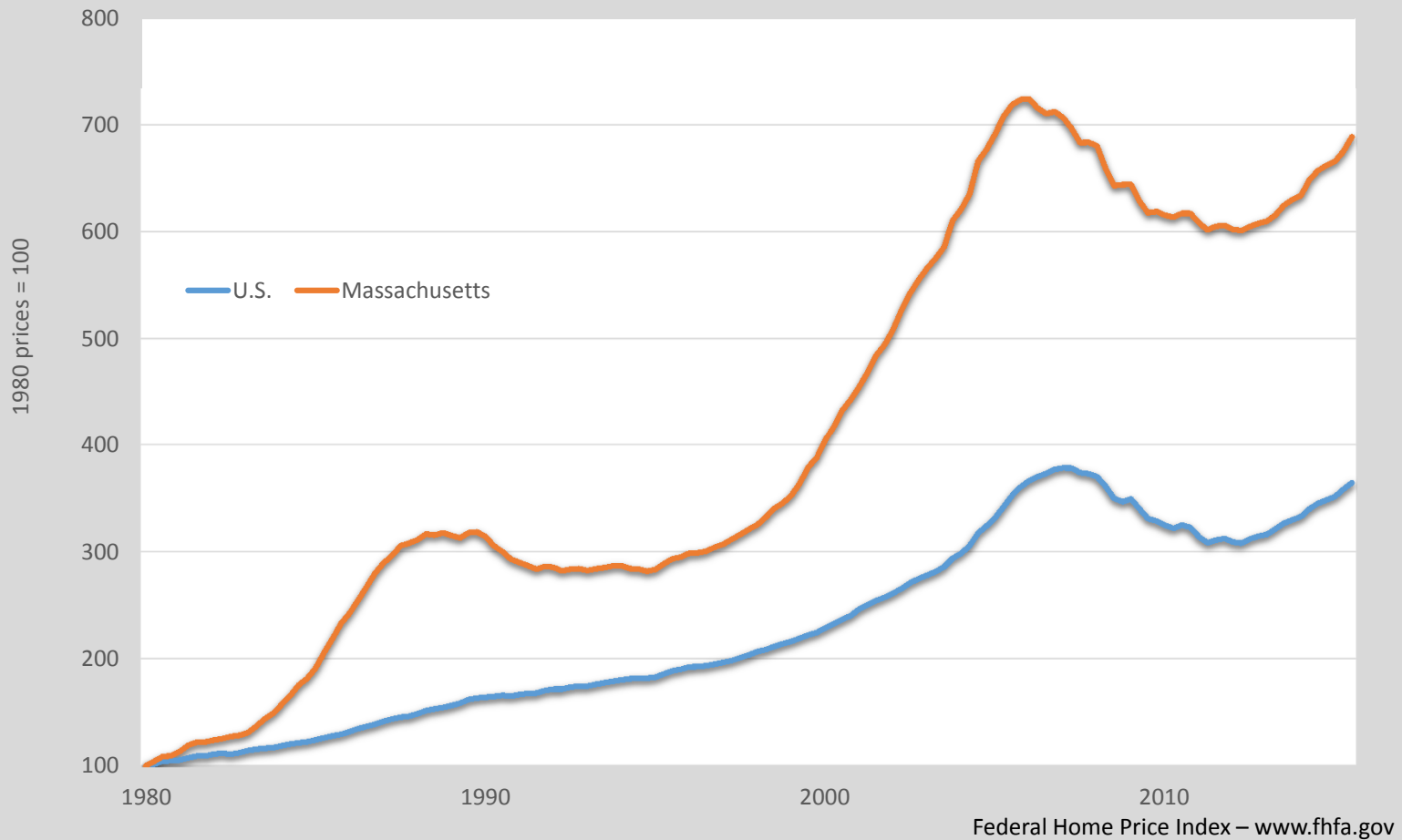
**Greater Boston median lot size:**



**Greater Boston average lot size:**

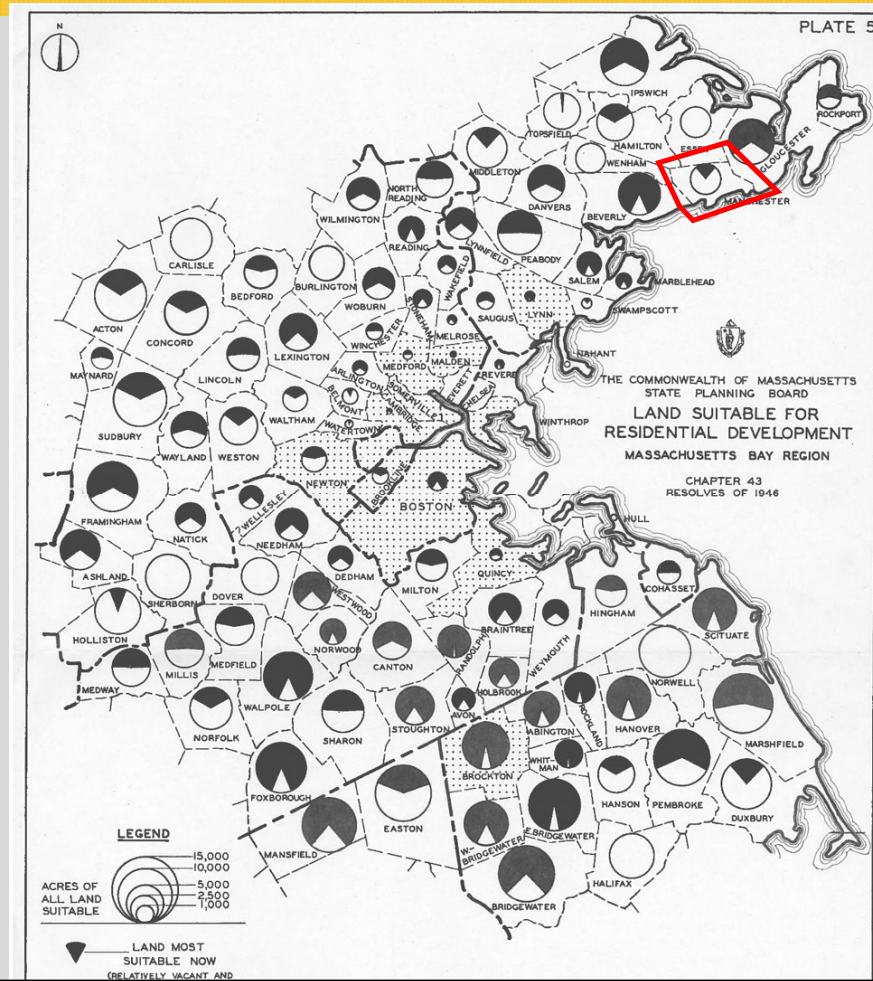


# As a result, our home prices are now among the highest in the U.S.




# We haven't always been this way...

- Regional planning was a vital part of the government of Boston and Greater Boston in the 1930s, 40s, and 50s.
- The State Office of Planning and the Greater Boston Development Committee looked at the region as a whole to determine how best to address housing problems.



# Shifting Demographics and Housing

Menu 

Metro

SUBSCRIBE NOW  Get unlimited access to Globe.com for only 99¢

SU  
Startin

## Baby boomer retirements may slow Mass. economic growth

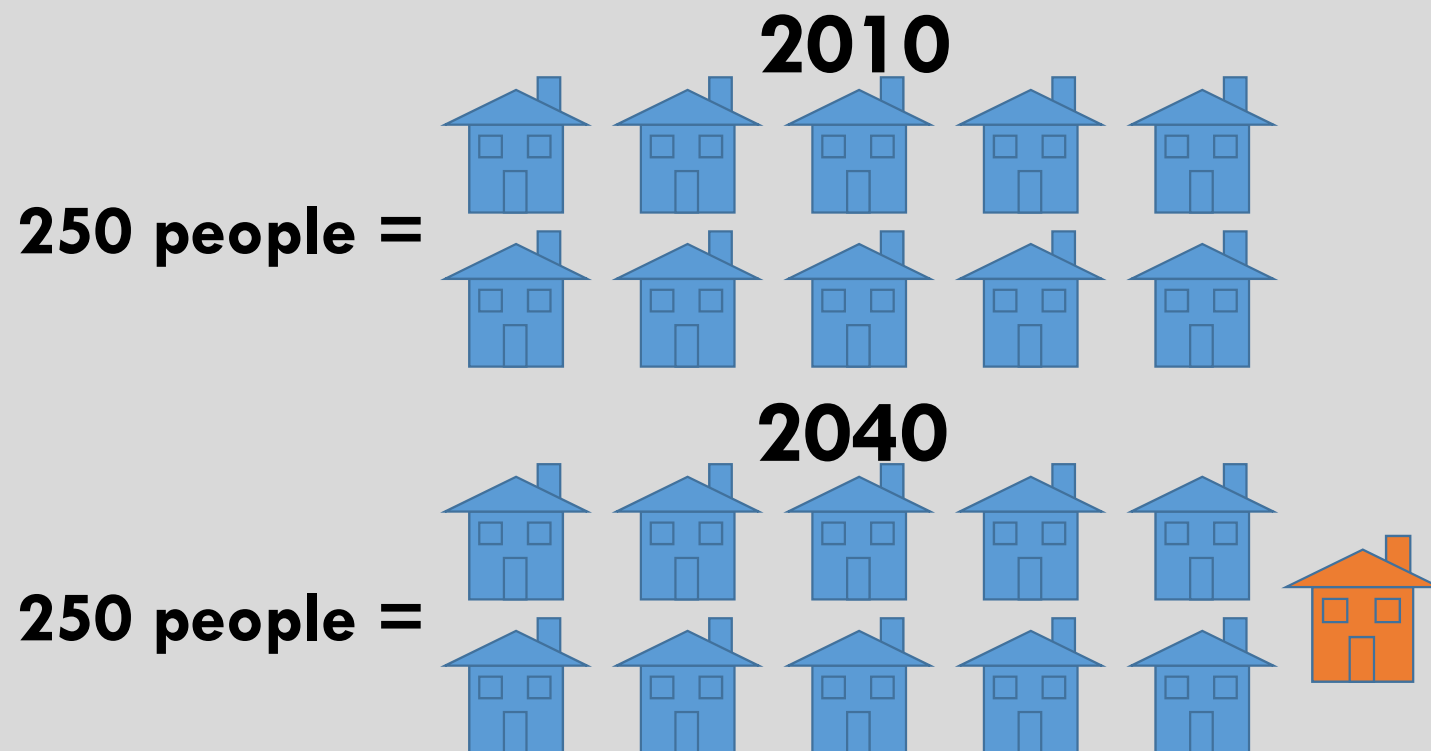
- Baby Boomers comprise 49% of labor force\*
- One million workers born before 1970 will retire by 2030 (39% of labor force)\*
- Many are choosing to age in place, or may be downsizing but want to stay in their community
- Where will the younger replacement workers that we need live?

\*Source: MAPC Population Projections 2014

\*\* Headline from Boston Globe, Feb 17, 2016

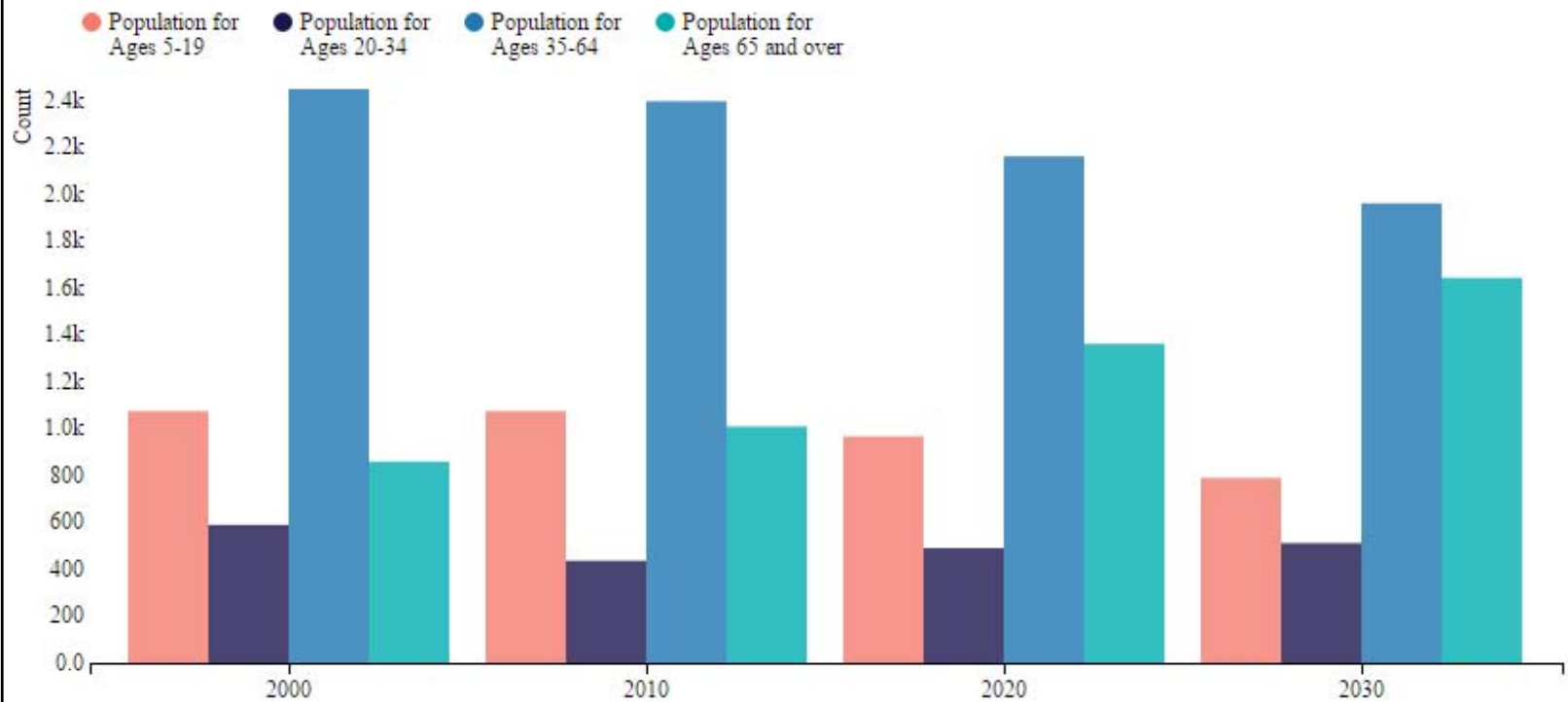
# Household Size is Decreasing

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



# Future Housing Demand in Manchester-by-the-Sea

## MAPC population projections:

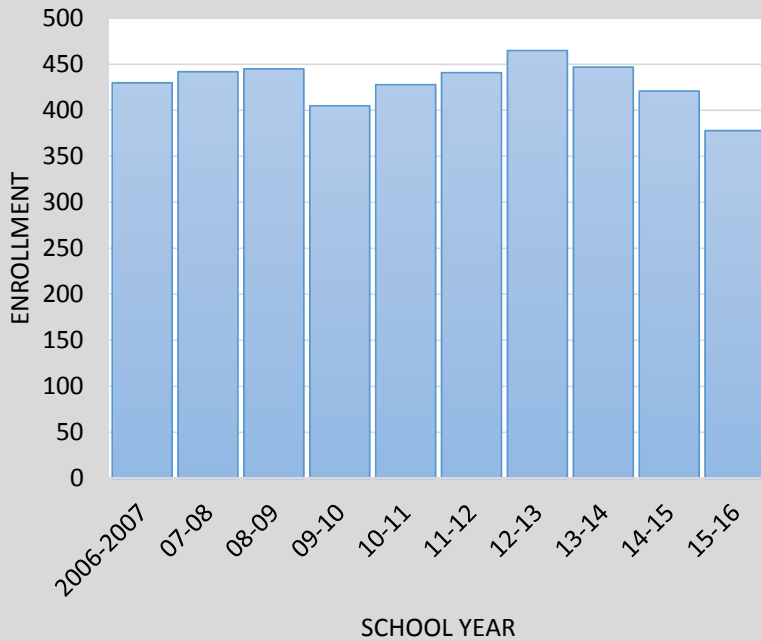


Source: MAPC Population and Housing Projections for Manchester-by-the-Sea 2014

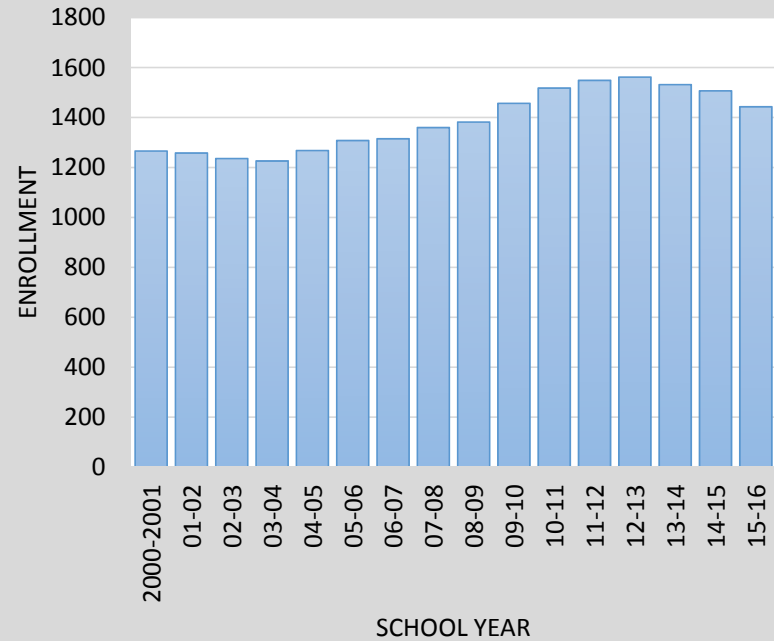
# What about those kids?

## Snapshot of School Enrollment in Manchester-by-the-Sea

Manchester Memorial Elementary



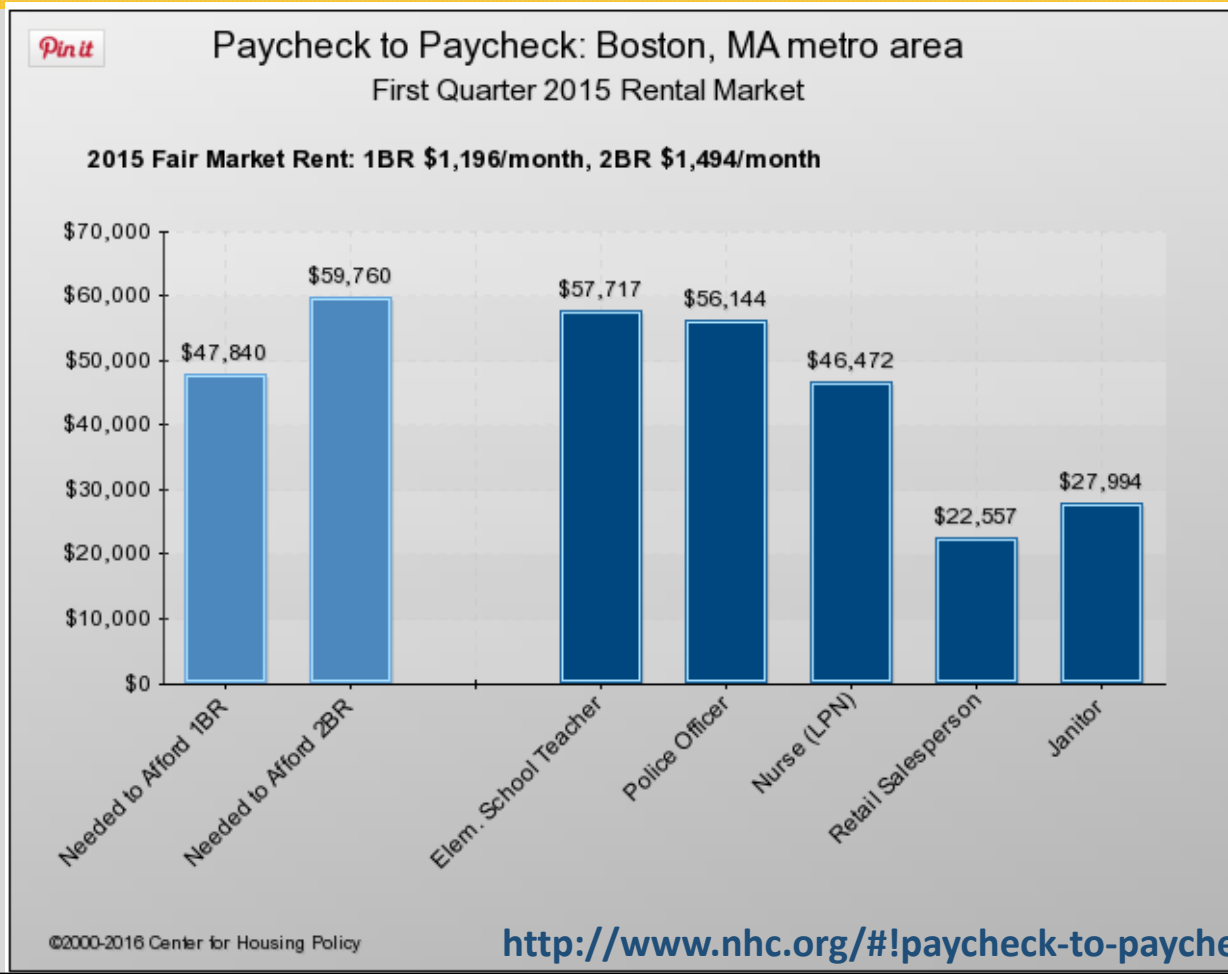
Manchester Essex Regional District



Source: MA Dept of Education school enrollment data by district, all years available.



# What does affordable mean?



# Bringing it back to Trusts

Municipal Affordable Housing Trusts are able to:

- Support local control of housing initiatives
- Keep funds and decisions part of local government
- Have flexible and broad powers to engage in real estate activity
- Accumulate funds from variety of sources and spend with Trust approval
- Make timely decisions and actions related to housing
- Actively address affordable housing needs

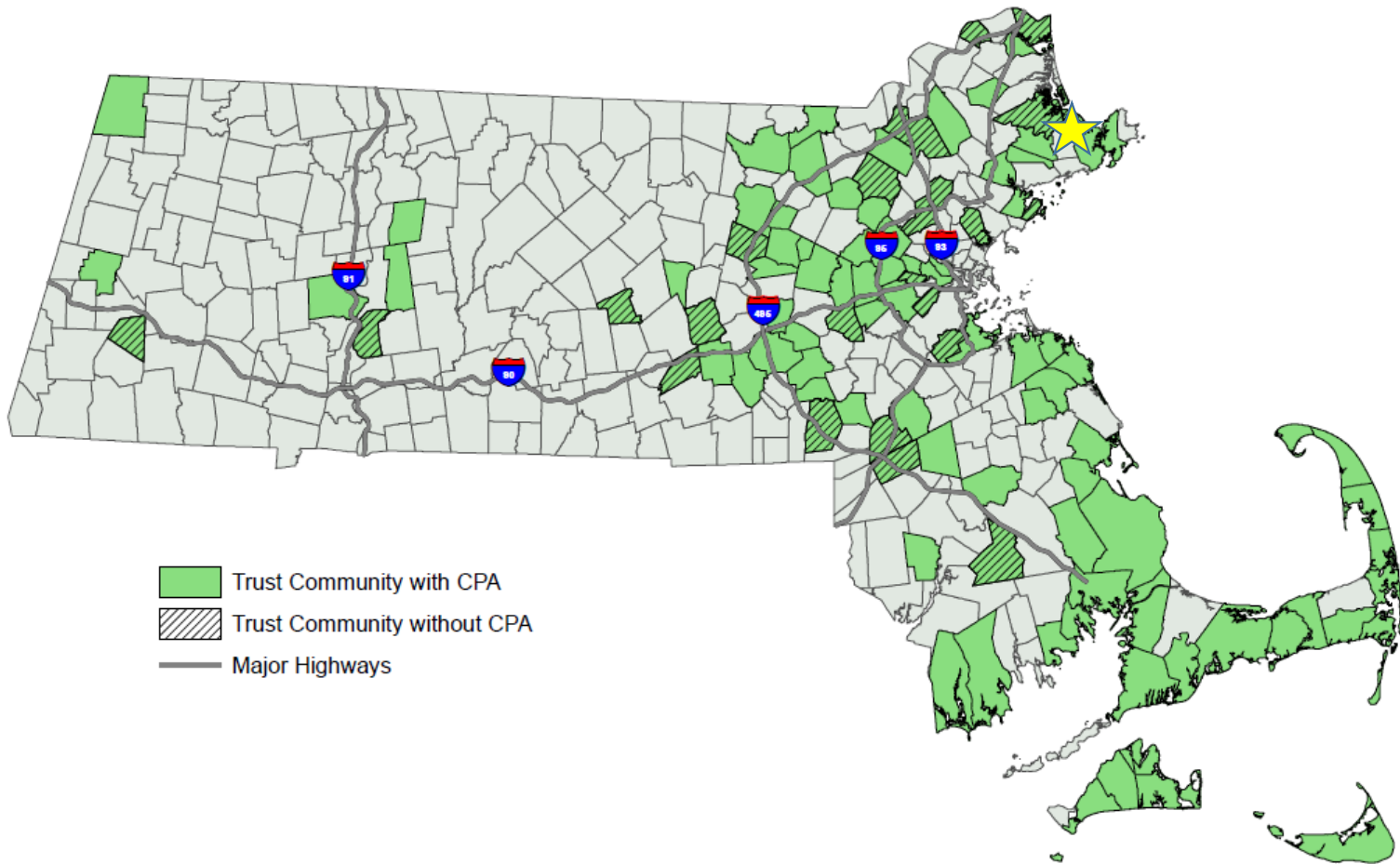


# Massachusetts Municipal Affordable Housing Trusts

- 2000: CPA passed; increased interest in forming trusts
- Before 2005, creating a trust required special legislation
- Steadily rising housing costs and momentum from CPA communities for their housing funds garnered support
- 2003: Ch. 40B Governor's Task Force recommendations to increase ability to produce affordable housing locally
- 2005: MAHTF Law (MGL c. 44 s 55C)



# Trusts across the state:



# What is a MAHT?

- Local legislative body creates trust
- Segregates funds for housing
- Creates a board responsible for funds
- MAHT is a municipal (public) body and subject to the same laws:

**Public procurement,  
designer selection, conflict  
of interest, public  
meeting.....**



# Undertake local affordable housing initiatives

- Establish programs that support low and/or moderate income households to; purchase, rent, remain in a home.
- Support the development of affordable housing units through new construction, or rehabilitation/conversion of existing units
- Create programs to support affordable housing through a consultant or housing coordinator



# Where does Trust funding come from?



- Community Preservation Act (CPA)
- Inclusionary zoning payments
- Private donations
- Interest
- Sale of assets (e.g., tax title land)
- General fund

# Who is on the Board of trustees?

- 5 member minimum (no max)
- Must include the chief executive officer (e.g., one member of board of selectmen)
- Remaining members appointed by board of selectman (or mayor, etc.)
- Can also appoint town administrator
- 2-year term with re-appointments
- Affordable housing / development expertise





# Powers of the Board

**Statute lists the following powers for a Board of Trustees:**

- purchase & hold property
- sell & lease property
- manage & improve property
- construct & abandon property
- make loans/grants
- accept property and money by gifts, grants
- borrow money

# Duties of the Board

The Board has a **fiduciary responsibility** to ensure that trust funds are used in a responsible manner.

## Duties include:

- Set goals, priorities, and a realistic budget
- Initiate, execute, & manage projects/programs
- Manage trust fund revenues and expenditures
- Meet regularly in open meeting, subject to Open Meeting Law & ethics laws



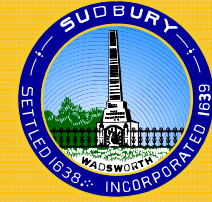
# Example: Town of Sudbury



- Sudbury, population 17,659, faces critical housing needs for many different types of households.
- Sudbury's Housing Trust was established in 2007 and used a planning process to determine their housing needs and goals to be most effective.



# Sudbury's Housing Initiatives



## 40B Buy-Down Units:

- Negotiated three additional units restricted in 40B developments with subsidy from Trust

## Home Preservation Program:

- Write-down cost of mortgage for first-time homebuyers – need appropriate legal documents (recapture / burn off, avoid anti-aid issues)
- Units permanently affordable and count on SHI
- Preserves neighborhood scale



# Where to start?

- Know your community's housing needs- Housing Production Plan
- Community process- Town Meeting vote
- Learn about what other communities have done (check with counsel). Go visit!
- Who will do what? Identify strong volunteers.



# Identifying Opportunities

- **Use the Housing Production Plan as a starting point!**
- **What are your goals?**

Ideas:

- support specific initiatives; production v. preservation
- Homeownership / Rental
- Leverage other funding
- Minimum / maximum per unit
- Current housing production activity in town to target?

# MHP and Trusts

- Kuehn Foundation grant
- Increase our capacity to support Trusts in the work and provide additional resources
- Stay tuned for more info!



# Carsten Snow

Program Manager, Community Assistance  
Massachusetts Housing Partnership

[csnow@mhp.net](mailto:csnow@mhp.net)

617-330-9955 x228

