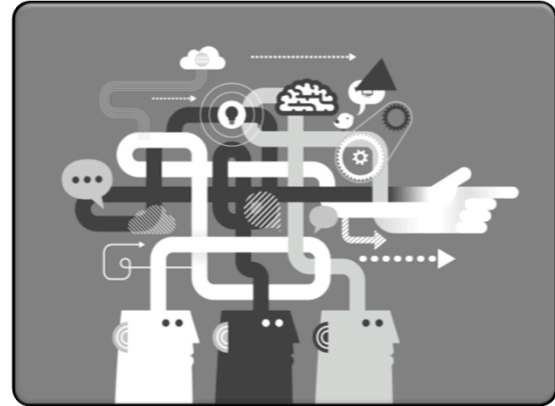


# Trusts in Action

MHP TRAINING FOR MUNICIPAL HOUSING TRUSTS  
SEPTEMBER 16, 2016

Presented by:

Jennifer M. Goldson, AICP, JM GOLDSON community preservation + planning



How do Trust's work? There are different approaches.

- ▶ A funder
- ▶ An initiator
- ▶ Or a hybrid of these

# Trust as funder

## What is a "funder"?

Kind of like a banker.



## For example. . . A funder could

- ▶ Buy down units in a 40B ownership project
- ▶ Put out an RFP or an application and accept proposals from private developers
- ▶ Loan – MassDocs
- ▶ Establish funding thresholds
- ▶ Establish underwriting criteria

## Funding thresholds

- ▶ Consistent with community development and preservation goals
- ▶ Term of affordability
- ▶ Maximize leveraging of trust funds
- ▶ Regeneration of trust funds

## Underwriting criteria

Ensure Board appropriately fulfills its fiduciary responsibility as trustees of the trust.

- ▶ Maximum award amounts
- ▶ Approval of permits
- ▶ Award terms
- ▶ Maximum developer and contractor profits and overhead

## Example – Town of Westford



TOWN OF WESTFORD  
AFFORDABLE HOUSING TRUST FUND  
APPLICATION FOR TRUST FUNDS

**PRE-APPLICATION**

Before completing this application, you may submit a one-page summary of your project at any time to the Board of Trustees of the Town of Westford Affordable Housing Trust Fund (Board of Trustees) to determine eligibility for trust funds and discuss funding priorities. The Board of Trustees will invite you to a meeting to review your pre-application project summary. You may submit your pre-application by email or hard copy to Board of Trustees (see contact information below).

**FULL-APPLICATION**

Complete applications must be received in accordance with the schedule described on page 2 for consideration with in the fall or spring funding rounds.

**Time Sensitive Projects:** If the project is time-sensitive the Board of Trustees may accept applications off-cycle on an as-need basis at the Board of Trustees' discretion.

## Trust as Initiator

### What does it mean for a Trust to be an Initiator?



- ▶ Actively initiate programs or projects
- ▶ Originate initiative ideas
- ▶ Take steps through direct actions to help ideas take shape

## What types of initiatives could a Trust initiate?

- ▶ Rental or homebuyer program
- ▶ Development project
- ▶ Predevelopment activities
- ▶ Deepen affordability or increase # of affordable units in privately-initiated development
- ▶ Monitoring and resales

## Why would a Trust want to be an initiator?

- ▶ More control over use of funds
- ▶ Target funds to support identified housing needs
- ▶ Requests for funding are lacking or irregular



Has your Trusts initiated projects/  
programs?



## First Step: Know Housing Needs

- ▶ Projects and programs should address identified housing needs.
- ▶ Must first know your housing needs.
- ▶ Fund a housing plan or housing needs assessment if your community doesn't have a current one.

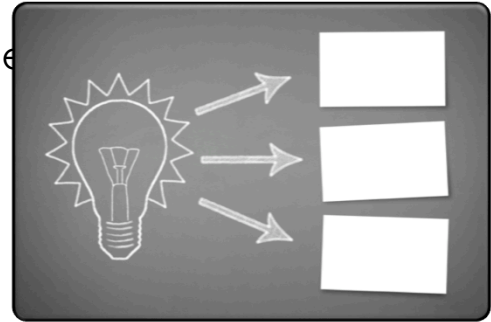
TOWN OF BARNSTABLE, MASSACHUSETTS

HOUSING NEEDS ASSESSMENT



# Second Step: Generate ideas

- ▶ Draw on existing plans to generate ideas for initiatives
- ▶ Prioritize possible initiatives
  - ▶ Best serve local needs?
  - ▶ Feasible?
  - ▶ Capacity?
  - ▶ Opportunity?
- ▶ Engage community in idea generation and prioritization
- ▶ Create an action plan



Easton Affordable Housing Trust

## Action Plan FY2016-2020

12/03/14

Prepared for: Easton Affordable Housing Trust, Board of Trustees, Town of Easton, MA  
 Prepared by: JM Giddens community preservation • planning

Easton Affordable Housing Trust Action Plan FY16-FY20

### Table of Contents

|  |    |
|--|----|
| EXECUTIVE SUMMARY                      | 4  |
| INTRODUCTION                           | 6  |
| EASTON'S AFFORDABLE HOUSING NEEDS      | 12 |
| COMMUNITY PRIORITIES FOR THE TRUST     | 17 |
| FIVE-YEAR GOALS                        | 20 |
| PRIORITY INITIATIVES                   | 22 |
| 5-YEAR BUDGET                          | 30 |
| APPENDIX A: FREQUENTLY ASKED QUESTIONS | 31 |
| APPENDIX B: COMMUNITY WORKSHOP RESULTS | 35 |
| APPENDIX C: HOUSING RESOURCES          | 39 |

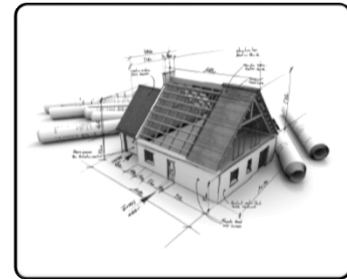
### 5-Year Budget

|  | FY16             | FY17             | FY18             | FY19             | FY20             | 5-Year Total       | Target # Units/Households  |
|--|------------------|------------------|------------------|------------------|------------------|--------------------|--|
| <b>Revenue</b>   |                  |                  |                  |                  |                  |                    |  |
| CPA Funds Carry Forward from FY15 (Allocated equally over 5 years)                 | \$208,196        | \$208,196        | \$208,196        | \$208,196        | \$208,196        | \$1,040,980        |  |
| Other Funds Carry Forward from FY15 (Allocated equally over 5 years)               | \$11,434         | \$11,434         | \$11,434         | \$11,434         | \$11,434         | \$57,171           |  |
| CPA Appropriation  | \$150,000        | \$150,000        | \$150,000        | \$150,000        | \$150,000        | \$750,000          |  |
| Other Funding (Inclusionary payments)*   | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$90,000           |  |
| <b>Subtotal (Revenue)</b>  | <b>\$387,631</b> | <b>\$387,631</b> | <b>\$387,631</b> | <b>\$387,631</b> | <b>\$387,631</b> | <b>\$1,938,123</b> |  |
| <b>Expenses</b>  |                  |                  |                  |                  |                  |                    |  |
| Community Planner (Initiative 1)   | \$35,000         | \$36,400         | \$37,856         | \$39,370         | \$40,945         | \$189,571          |  |
| Administrative (including costs for Initiative 3)                                  | \$2,000          | \$2,000          | \$2,000          | \$2,000          | \$2,000          | \$10,000           |  |
| Unit Production - Housing Authority (Initiative 6)                                 | \$150,000        | \$0              | \$150,000        | \$0              | \$150,000        | \$450,000          | 3 Target # of affordable units with average per unit cost of \$150,000.  |
| Unit Production - Private Development (Initiatives 4 and 5)                        | \$268,665        | \$322,335        | \$265,952        | \$319,513        | \$269,017        | \$1,439,482        | 10 Target # of affordable units with average per unit cost of \$150,000. |
| Homebuyer Program (Initiative 7)   | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$375,000          | 5 Target # of affordable units with average unit cost of \$75,000        |
| Small Repairs Grant Program (Initiative 8)   | \$29,434         | \$29,434         | \$29,434         | \$29,434         | \$29,434         | \$147,171          | 33 Target # Households with average grant cost of \$4,500.               |
| Reserve for Unanticipated Opportunities (3% of Total Revenue after fixed expenses) | \$27,532         | \$22,462         | \$27,989         | \$22,313         | \$27,234         | \$128,529          |  |



## What could the Trust do to initiate a development project?

- ▶ Request transfer of town property
- ▶ Acquire private property
- ▶ Conduct feasibility studies (e.g., soil analysis, surveys, environmental assessments, yield analysis)
- ▶ Request rezoning
- ▶ Issue RFP to seek developer



**Reminder: CPA funds in a Trust are exempt from 30B for property acquisitions.**

## What could the Trust do to initiate a program?



- ▶ Direct Trust staff or contract with a consultant to:
  - ▶ design program
  - ▶ create & execute affirmative marketing plan
  - ▶ administer the program including income verifications and tenant/homebuyer selection
- ▶ Fund program and administrative costs

## Examples of Trusts as initiators

- ▶ Bourne
- ▶ Chatham
- ▶ Eastham
- ▶ Lincoln
- ▶ Newburyport
- ▶ Norfolk
- ▶ Plymouth
- ▶ Sudbury
- ▶ Weston

Must a Trust be either an initiator or a funder?

No, in fact, many Trusts do both – they initiate some programs/projects and they solicit requests as well.



Questions?

**NO MATTER WHAT  
PEOPLE TELL YOU,  
WORDS AND IDEAS  
CAN CHANGE  
THE WORLD.**

Robin Williams

## Contact info

**Jennifer M. Goldson, AICP**

JM Goldson community preservation + planning

Boston, MA

voice/text: 617-872-0958

[jennifer@imgoldson.com](mailto:jennifer@imgoldson.com)

*Interested in tips about CPA, affordable housing, housing trusts, planning, and community engagement?*

Subscribe to our blog: [www.imgoldson.com](http://www.imgoldson.com)

Come say "hi" on Facebook: [www.facebook.com/imgoldson](http://www.facebook.com/imgoldson)

Follow us on Twitter: @JMGoldson