



Shelly Goehring
Program Manager



Affordable Housing, Disparate Impact and Building Local Capacity

Massachusetts Housing Partnership

MISSION

Use private investment to bring **more affordable housing** to Massachusetts

- Privately-funded public non-profit organization
- Work with communities, non-profit, for-profit developers

Lending

- Over \$1B for over 22,000 units
- Affordable rental

ONE Mortgage

- First time homebuyers
- Fixed-rate, one-time subsidy

Community Assistance

- Technical assistance
- 40B program

MHP's Community Assistance

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

- Direct technical assistance to municipalities, housing authorities and non-profits
- Grant programs to support trainings, 3rd party technical assistance & non-profit collaboration
- Workshops & trainings
- 40B technical assistance grants
- Publications
- Special initiatives & policy



Welcome! Let's get acquainted.

Where are you from?

- a. Massachusetts
- b. A different New England state
- c. Mid-Atlantic (including NY and NJ)
- d. Pacific Northwest
- e. Great Lakes region
- f. Another part of the USA

What entity are you representing?

- A. Local board or committee
- B. Municipal government (including local HA)
- C. State government
- D. Federal government
- E. Regional entity (e.g., planning)
- F. Non-profit organization
- G. Fair housing, civil rights or social justice entity
- H. For-profit firm
- I. Other

Does your community allow multi-family housing *as of right*?

- A. Yes
- B. No
- C. I'm not sure.
- D. What does that mean?

**Do you know people who belittle
affordable housing or public housing?**

A. Yes

B. No

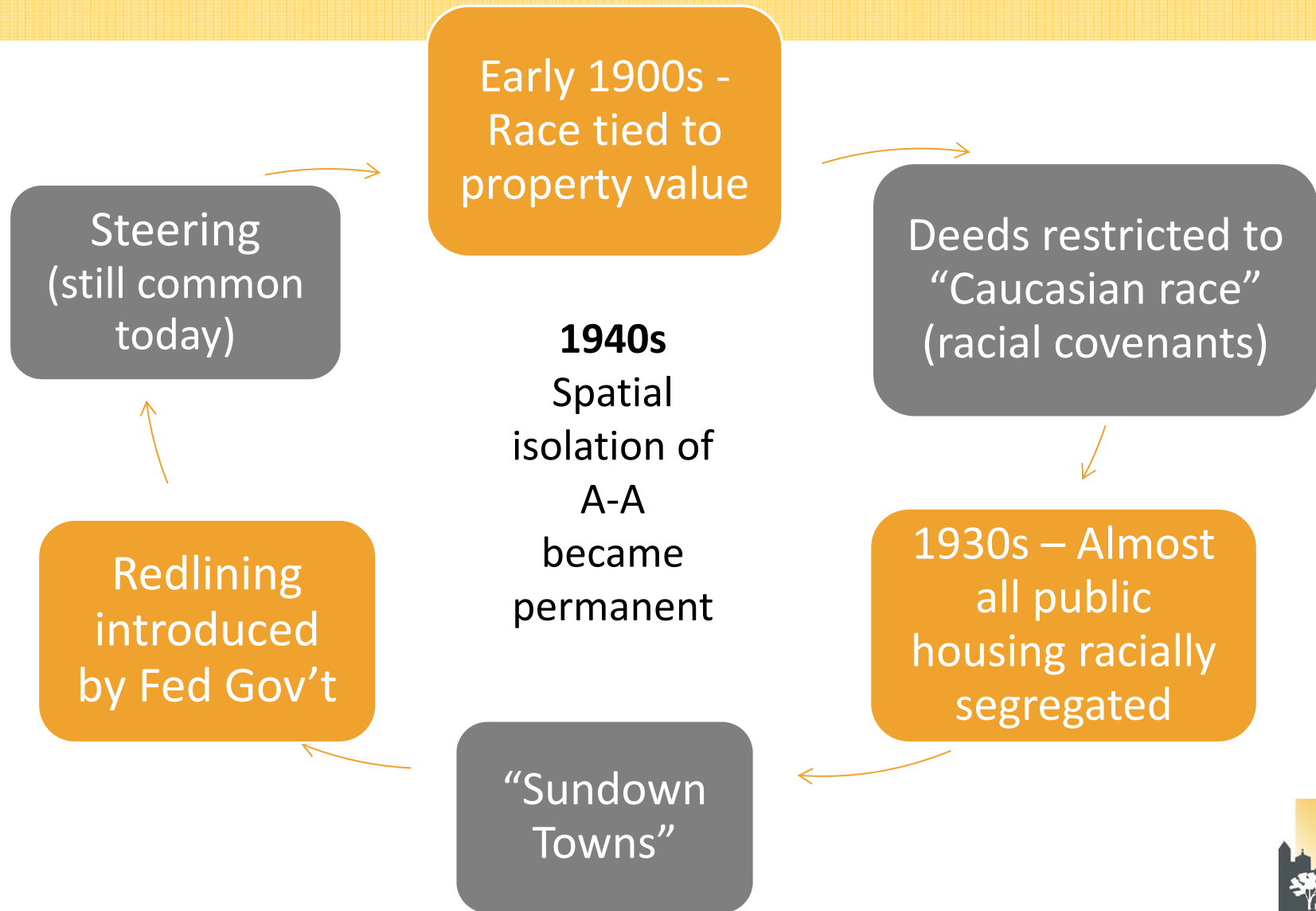


Agenda

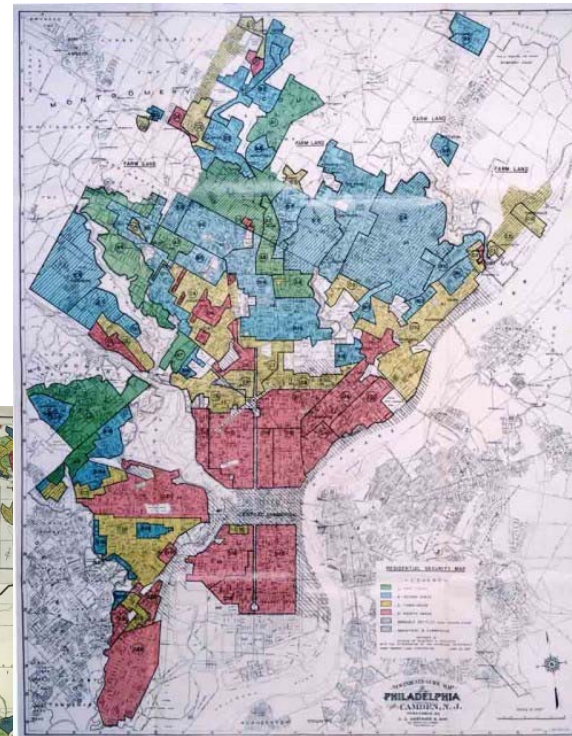
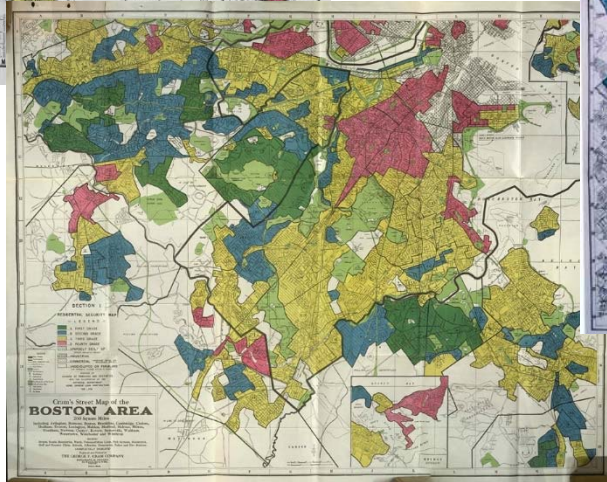
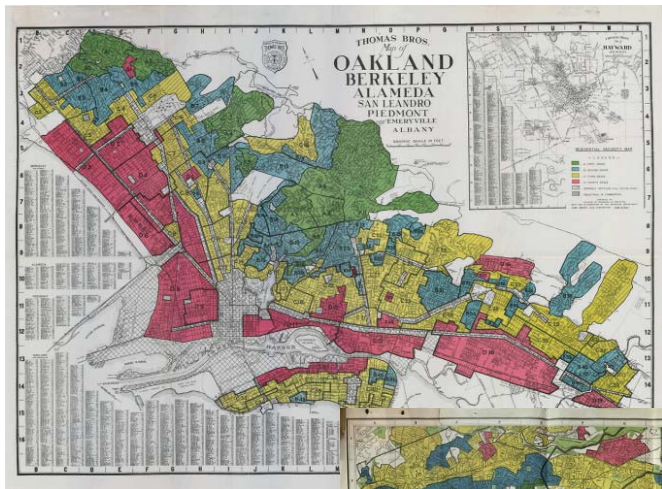
- (un)Fair Housing – some historical context
- MA – yesterday and today
- How we help build local capacity to support housing
- Unique housing tools in MA
- **Case study** – using CPA to preserve housing in Amherst
- **Case study** – using Chapter 40B for new construction in Easthampton
- Q&A



(un)Fair Housing race



Federal Government institutionalized racism and segregation -- REDLINING



Home Owners'
Loan Corporation



FHA Underwriting Manual 1936

Rating of Location: Protection from Adverse Influences

233. The Valuator should investigate areas surrounding the location to determine whether or not incompatible racial and

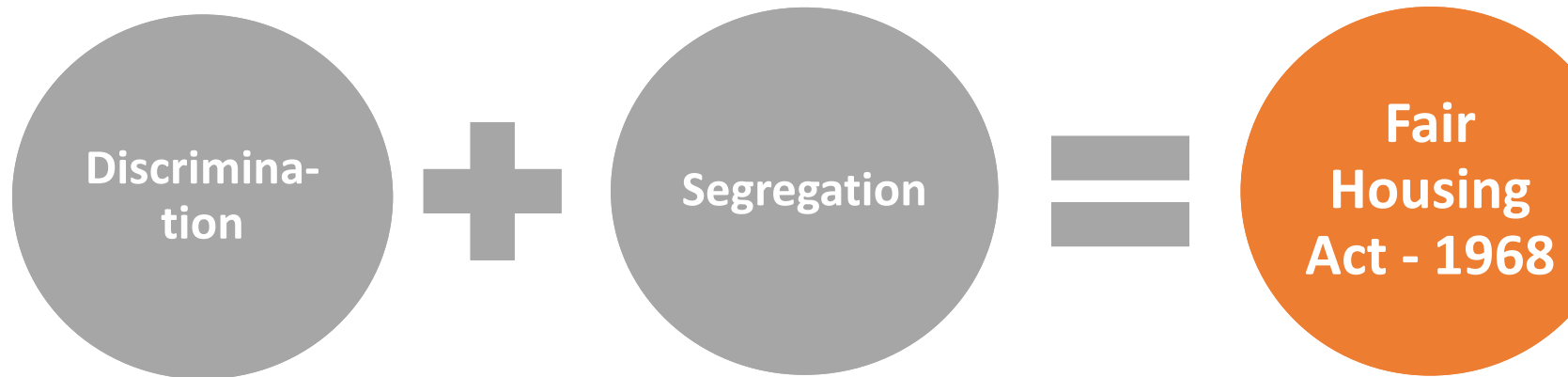
Part II
233-235

UNDERWRITING MANUAL

social groups are present, to the end that an intelligent prediction may be made regarding the possibility or probability of the location being invaded by such groups. If a neighborhood is to retain stability it is necessary that properties shall continue to be occupied by the same social and racial classes. A change in social or racial occupancy generally leads to instability and a reduction in values. The protection offered against adverse changes should be found adequate before a high rating is given to this feature. Once the character of a neighborhood has been established it is usually impossible to induce a higher social class than those already in the neighborhood to purchase and occupy properties in its various locations.



(un)Fair Housing



Key Fair Housing Laws

Protected Classes

Federal (Fair Housing Act)

- Race
- Color
- National Origin
- Religion
- Sex
- Familial Status
- Disability

State (M.G.L. c. 151B)

All federal bases plus:

- Ancestry
- Age
- Marital Status
- Source of Income/Public Assistance
- Sexual Orientation
- Gender Identity
- Veteran History/ Military Status
- Genetic Information



Route 128 and Interstate 495

Route 128



1927-1950s

Circumferential
highway

Relocation vs
reconstruction

I-495



1957

Auxiliary route of I-95
Outer beltway

Facilitated suburban development and “white-flight”
from Boston

By 1970 in Massachusetts

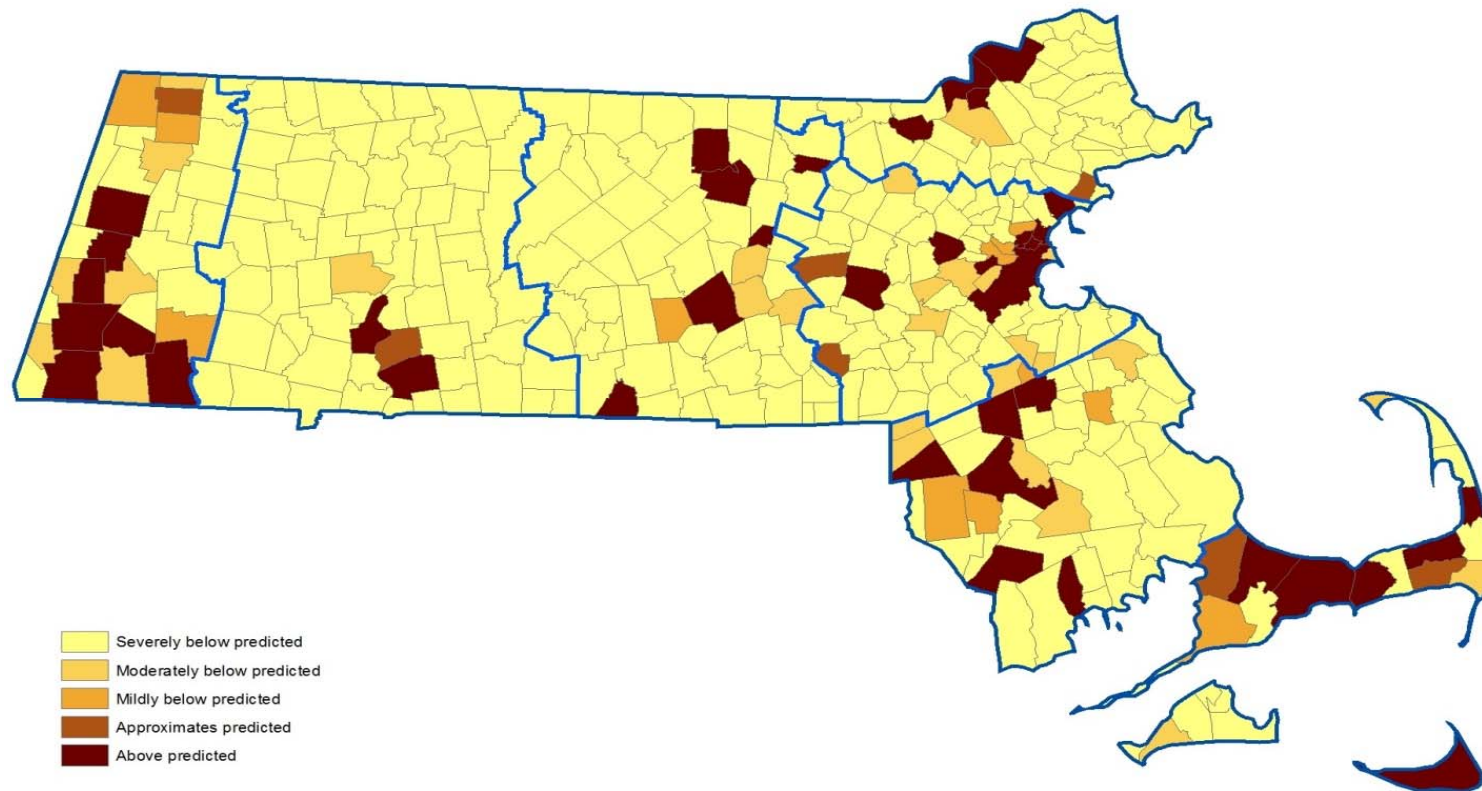


Towns and cities outside of Boston
(except Cambridge)
were **98% white.**

Actual v. Predicted Share of Population Latino

2010 Census; 2005 – 2009 CHAS tabulations

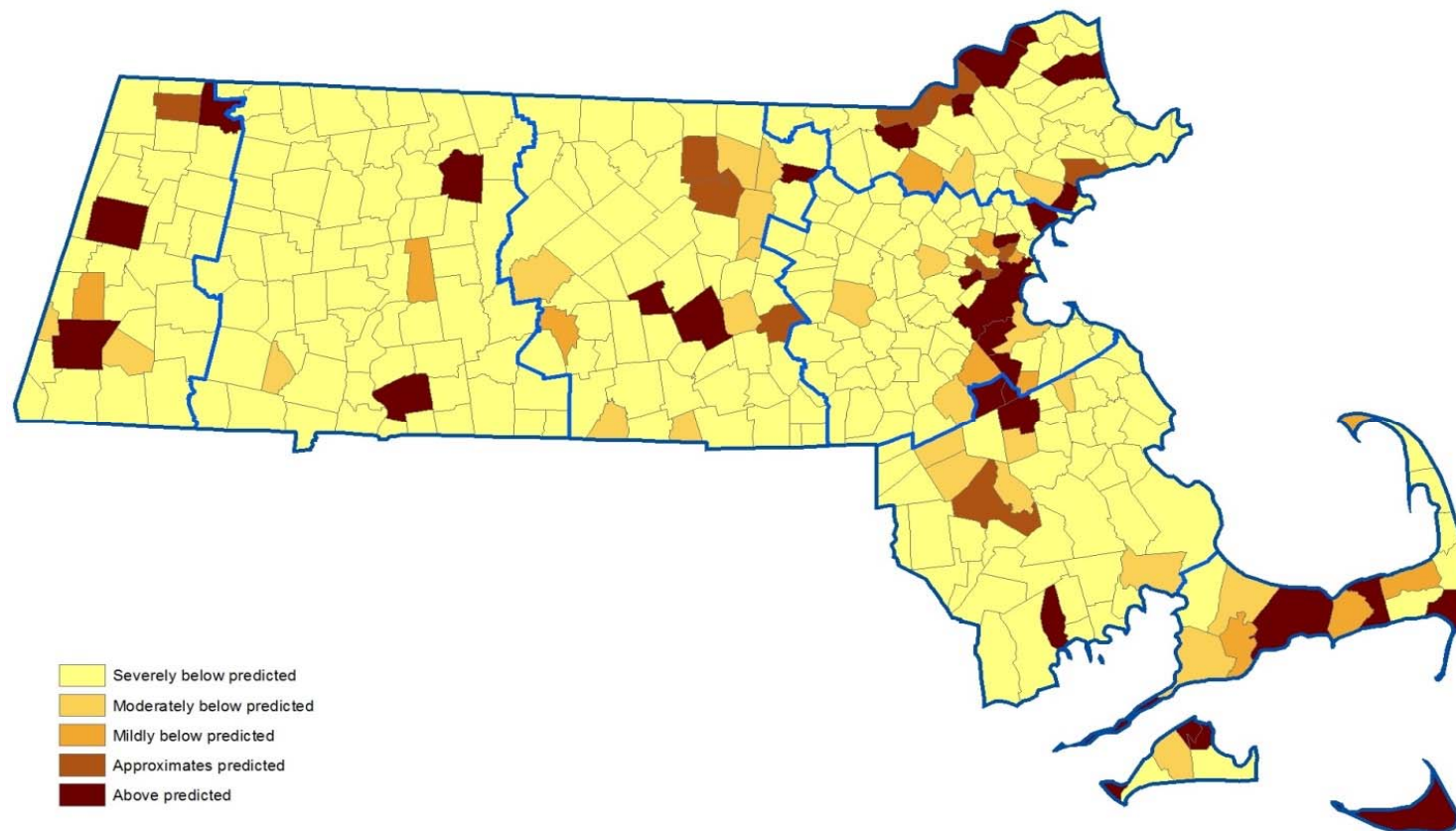
University of Michigan (2013) – Springfield metro most segregated in nation among whites and Latinos. Includes Hampshire, Hampden and Franklin counties.



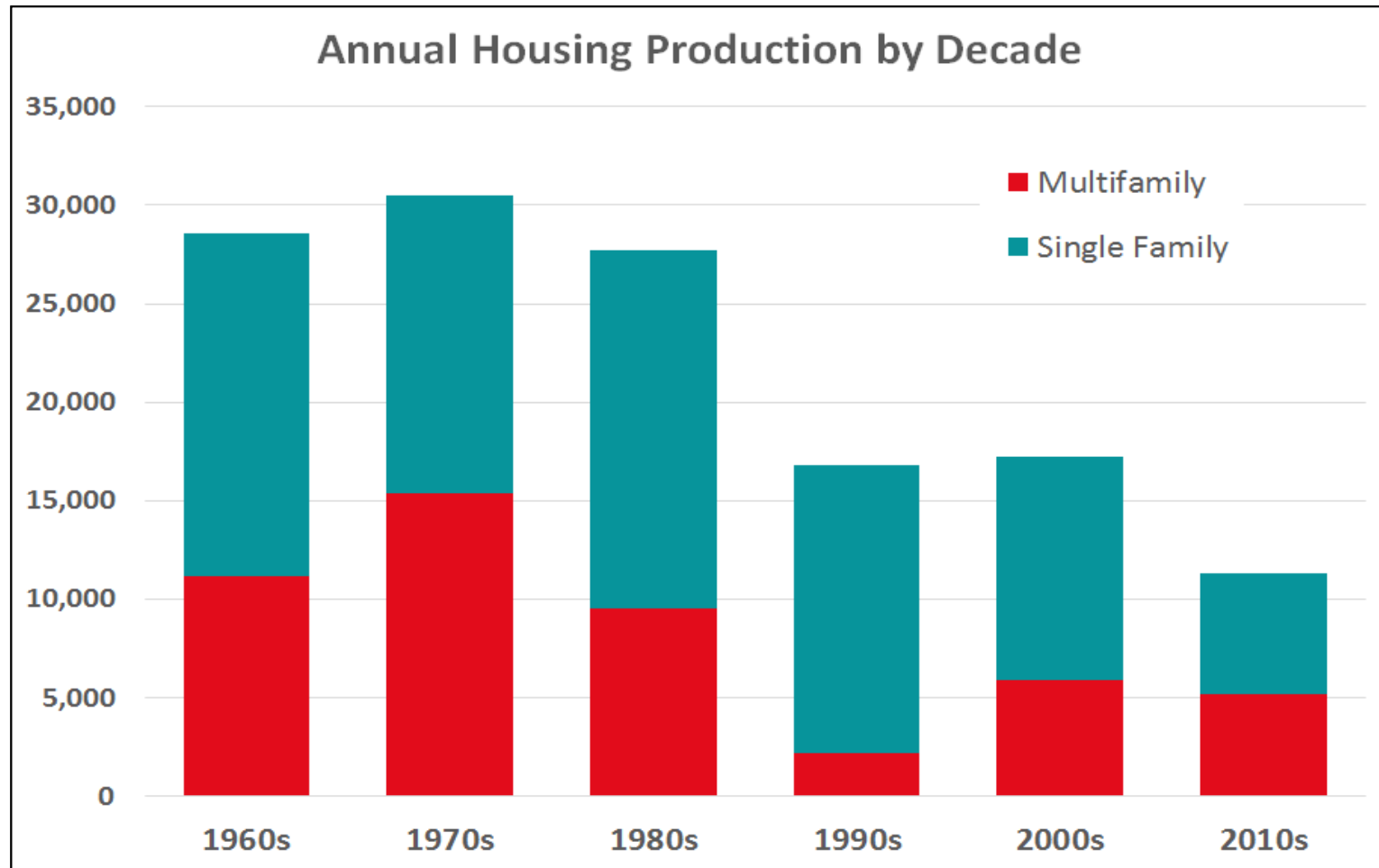
Actual v. Predicted Share of Population African American

2010 Census; 2005 – 2009 CHAS tabulations

Springfield metro area ranked 22nd on index of white-black segregation.

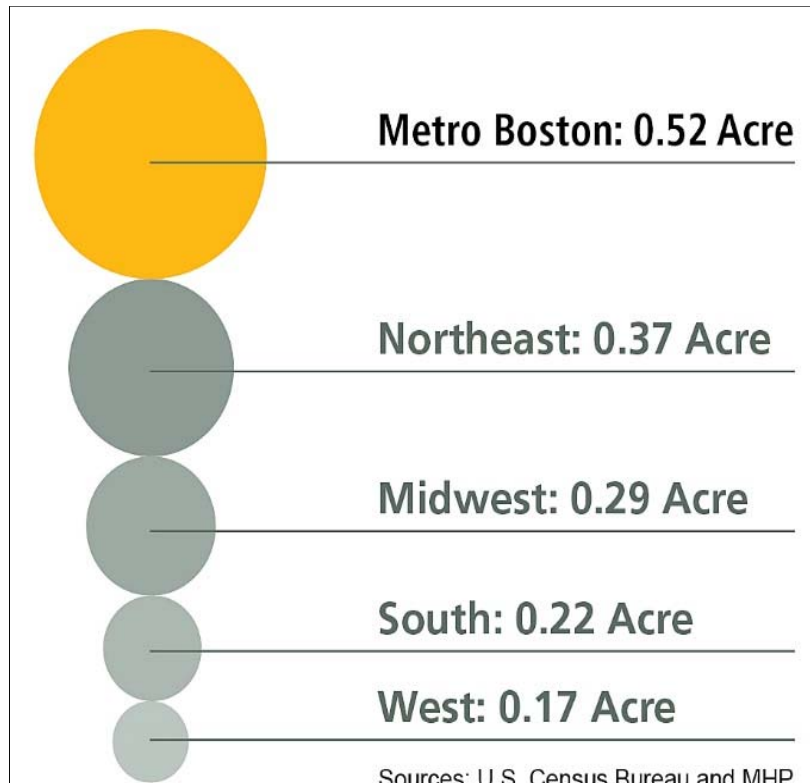


Less housing production now than at almost any point in recent history.



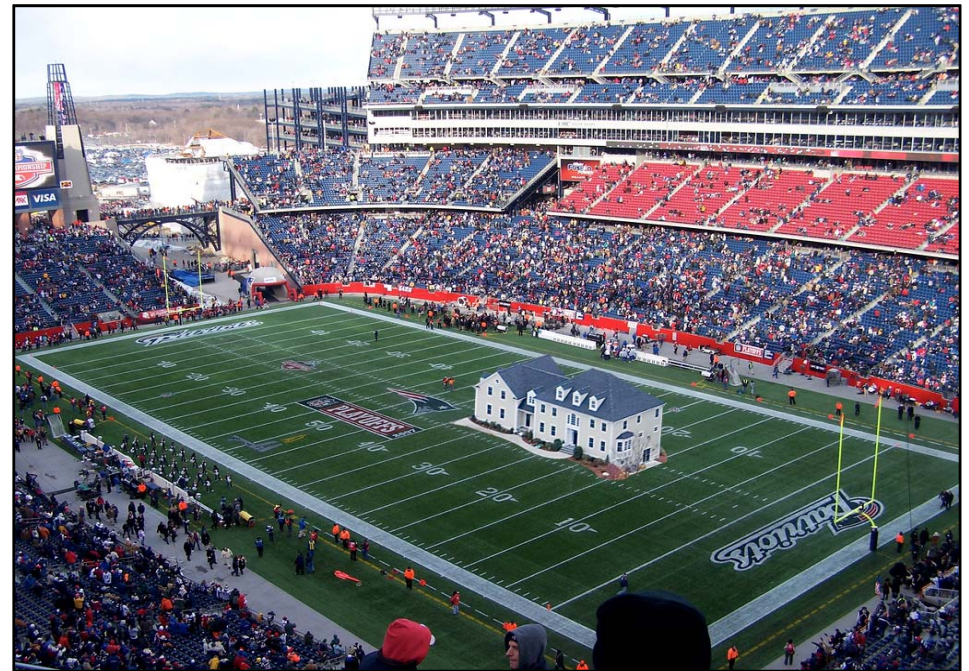
Large lot zoning drives up costs.

Greater Boston
median lot size:



Sources: U.S. Census Bureau and MHP analysis of The Warren Group data

Greater Boston
average lot size:



The State of the MA Housing Market

Massachusetts has a total of 2.55 million households

Massachusetts has 1.57 million owners that make up 62% of all households.

Owners have a median household income of \$94,000

Massachusetts has 0.98 million renters that make up 38% of all households.

Renters have a median household income of \$38,000



1.3% ownership vacancy rate

Both markets have extremely low vacancy rates.

4.0% rental vacancy rate

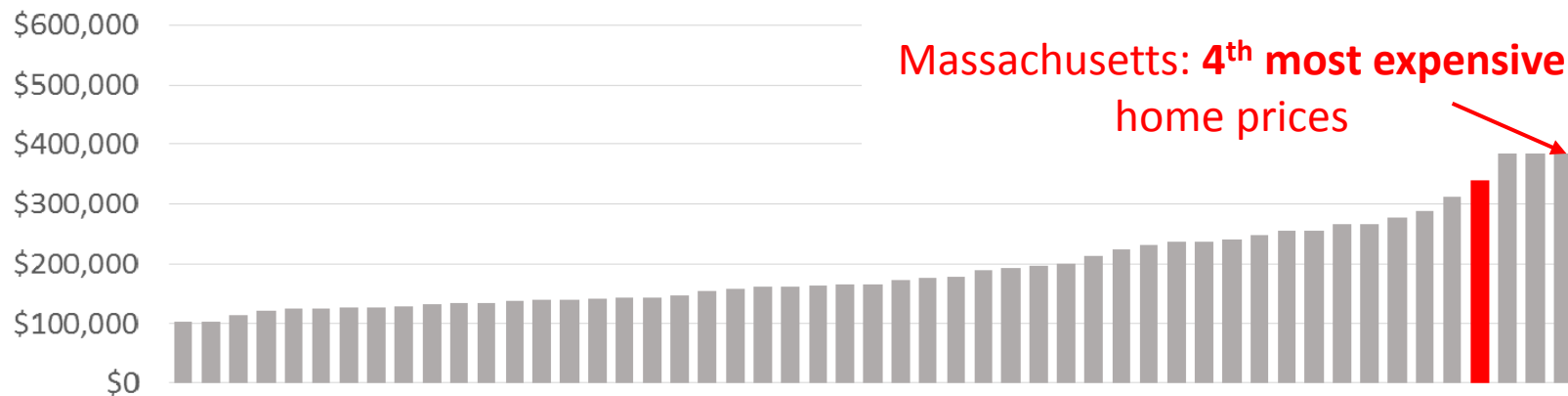
These low rates put upward pressure on housing costs.

Source: 2014 1-Year ACS Estimates

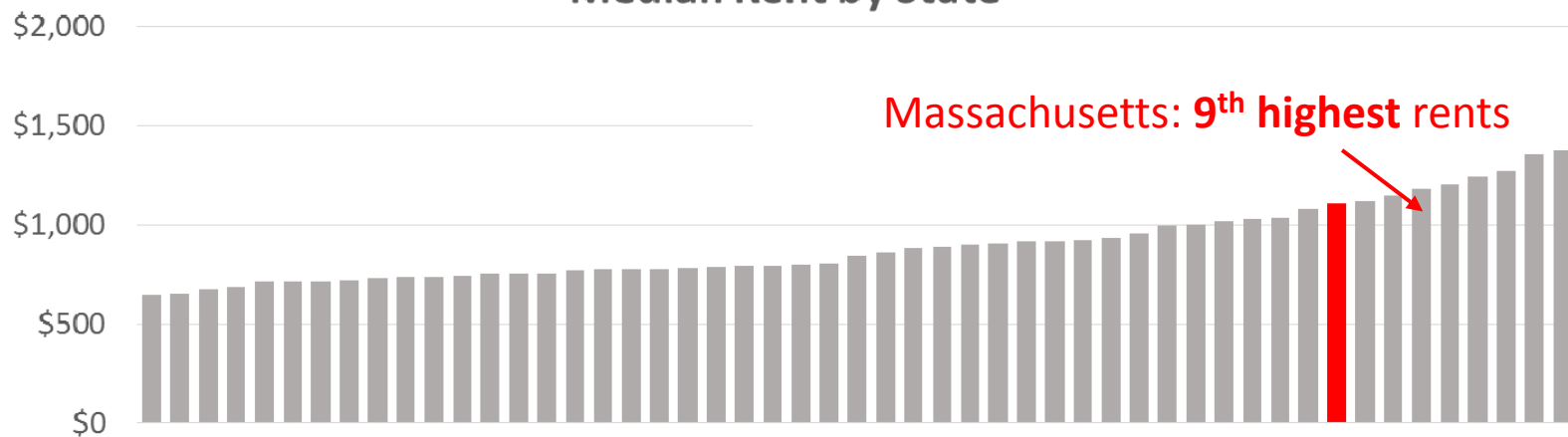


Housing Costs Among Highest in Nation

Median Home Price by State



Median Rent by State



MHP Services

Community Assistance Team



Trainings

Sampling



Housing Institute

Intensive two-day workshop, discussions & problem solving around affordable housing development

Affirmative Fair Housing Marketing w/MassHousing

Legal foundation of fair housing and elements of acceptable AFHM and Resident Selection Plan

Lotteries for affordable housing units w/MassHousing

Step by step guide to the lottery process

Chapter 40B for municipal officials & board members

An overview of the 40B statute and review of the roles and responsibilities of ZBA and other municipal boards



Technical Support

Predevelopment

RFPs

Zoning

HAs

Small grants

Engage consultants

Staff time



Affordable Housing Trust Support

Trainings

- Regional
- Community-based

Resources

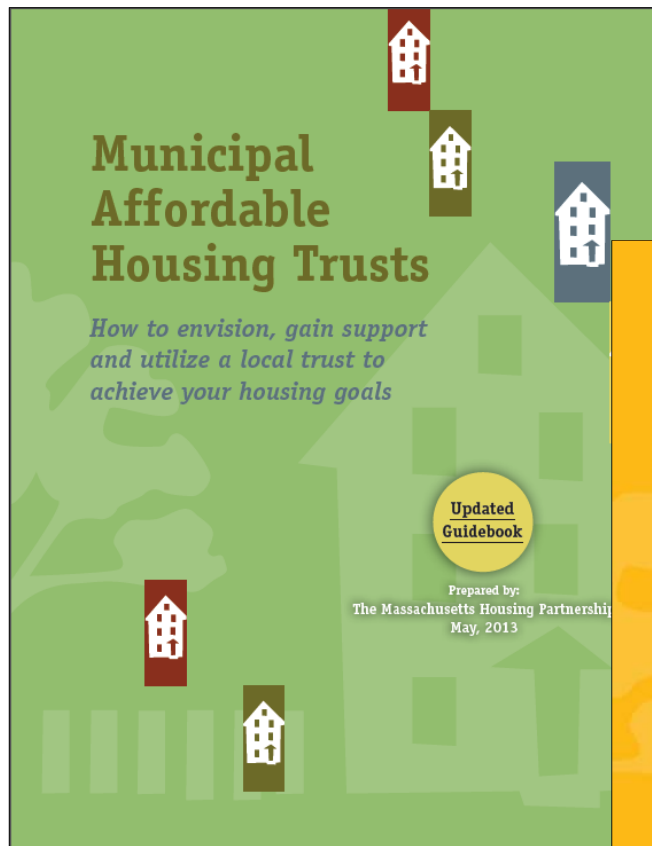
- Reporting form
- Topical one-pagers

TA

- Phone & email



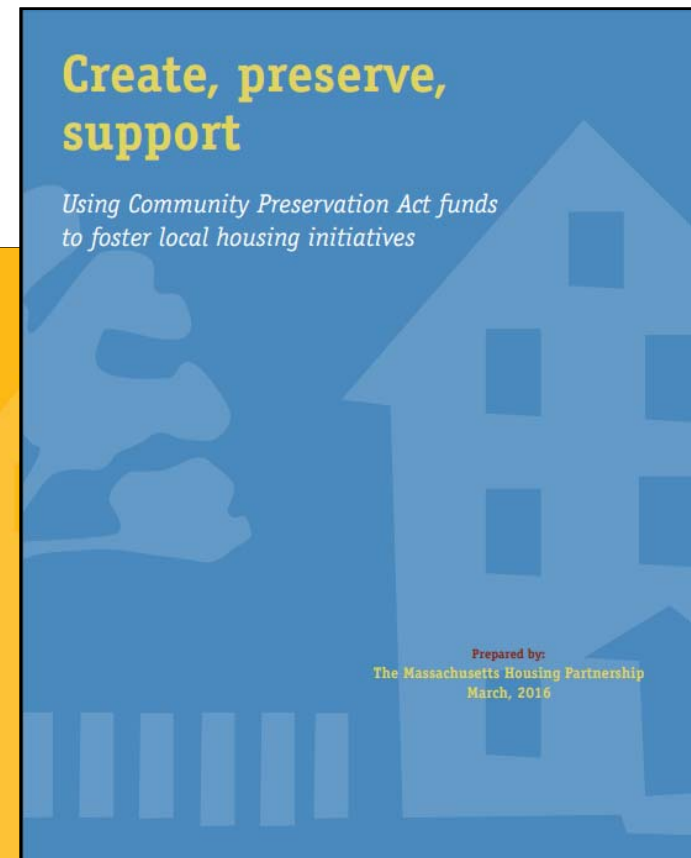
Publications and Materials



Municipal Affordable Housing Trust Operations Manual

How to effectively operate your local trust

Prepared by:
The Massachusetts Housing Partnership
November 2015



Partnerships

- **State departments**
(e.g., DHCD)
- **Quasi-state agencies**
(e.g., MassHousing, MassDevelopment)
- **Non-profit organizations**
(e.g., CHAPA, MACDC, CPC, CDCs)
- **Consultants and for-profit developers**
- **Regional planning agencies**
- **Municipalities**
- **Community Preservation Committees**
- **Affordable Housing Trusts**
- **Affordable Housing Partnerships and Committees**
- **Housing Authorities**



Contact Information

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Case Study

Using CPA to preserve affordable housing

Rita Farrell

Senior Advisor

MHP



Amherst

Rolling Green affordable units preserved



- 204 unit multi-family development
- Refinanced in 1998 under MA housing's 80/20 prepayment program (15 year restrictions)
- **41 affordable units/Section 8 vouchers**

Problem



- Affordability restrictions set to expire Jan. 2013
- First mortgage paid off April 2012
- Second mortgage paid off Sept. 2013
- Owner would not commit to retaining affordability

Town of Amherst committed to preserving affordability.
Designated \$25,000 to explore options.

Partnerships were critical.



Town of Amherst

- Provided leadership
- Contributed \$1.25 million CPA funds (bonded)



Massachusetts Housing Partnership

- Architectural contract to evaluate rehab needs
- Worked with Town to identify potential buyer
- Preliminary budget for application to CPC for town funds



Beacon Communities

- Negotiated with owner for purchase of property
- Secured financing, including 4% credits
- Committed to retaining 41 units affordable in perpetuity



Additional Partners



MA Department of Housing & Community Development (DHCD)

- Provided tax credits



US Department of Housing & Urban Development (HUD)

- Provided mortgage insurance



Amherst Housing Authority

- Provided some mobile Section 8 vouchers

Key to Preservation



- Town's willingness to seek new owners
- Contribution of \$25,000 to research options and \$1.25 million in CPA to insure permanent affordability
- MHP's early technical assistance
- Amherst Housing Authority's Section 8 advocacy with previous and new owners
- Beacon's willingness to work with Town and negotiate purchase from Equity Residential