

## Small Town Housing Working Group

September 16, 2021, 5:00-6:30 pm, online

Contact: Alyssa Larose, [alarose@frcog.org](mailto:alarose@frcog.org) (413)774-3167 (ext. 127)

Agenda: [STHWG Meeting Agenda 9-16-2021 \(frcog.org\)](https://frcog.org/wp-content/uploads/2021/09/STHWG_Meeting_Agenda_9-16-2021.pdf)

Host Slides: [https://frcog.org/wp-content/uploads/2021/09/STHWG\\_8-25-2021-Meeting-Larose.pdf](https://frcog.org/wp-content/uploads/2021/09/STHWG_8-25-2021-Meeting-Larose.pdf)

Attending: Alyssa Larose (FRCOG), David Greenberg (Colrain and Franklin County Continuing the Political Revolution), Marybeth Chichester (Colrain Planning Board), Susan Worgaftik (Greenfield), Gina Govoni (FCRHRA), Megan McDonough (PVHH), Alana Murphy (DHCD), Jerry Lund (Boards of CHCFC and FRPB, CABs of HCS-MA and HCRC, OTF), Lily Linke (CHAPA), MJ Adams (Greenfield), Andrew Baker (Shelburne), Katy Lacy (MHP), Jen Audley (FRCOG, note taker)

Presenters: Melanie Gaier (FCRHRA), Anna Dolmatch (DHCD)

## Housing News, Announcements, and Community Updates

Alyssa Larose –

Citizen Housing and Planning Association (CHAPA) hosts an Affordable Housing 101 series with sessions offered monthly on the third Tuesday of each month, 6:30-8:00 PM. Next is Sept. 21 <https://www.chapa.org/events/affordable-housing-101-session-1>

Mass Housing's webinar series – "Renew and Repair: Healthy, safe, and affordable homes in Massachusetts" is focused on Gateway Cities, but Alyssa has attended some sessions and found them useful and relevant.

- **Healthy & Affordable Homes** - September 9
- **Underused Lots for Affordable Homes** - September 16
- **Local & Regional Partnerships for Affordable Homes** - September 23
- **Home Repairs, Rehabs & Remodels** - September 30

<https://www.masshousing.com/en/programs-outreach/neighborhood-hub/symposium-2021> -

Rental/mortgage assistance is available through the Franklin County Regional Housing and Redevelopment Authority: <https://fcrhra.org/raft-and-erma-emergency-assistance/>. They are also hiring for several positions!

FRCOG is able to offer a range of technical assistance services to Franklin County municipalities under the "Improving Housing to Improve Health" (IH2) project <https://frcog.org/chip/ih2/>

FRCOG can provide assistance to Franklin County municipalities with:

- Inventorying abandoned properties and utilizing the AGO Neighborhood Renewal Program
- Establishing a Municipal Affordable Housing Trust
- Zoning revisions to support affordable housing
- Adopting CPA; utilizing CPA funds for housing

Please contact Alyssa ([alarose@frcog.org](mailto:alarose@frcog.org) or 413-774-3167 x127) if your community is interested in assistance.

Megan McDonough – Applications are now being accepted for Habitat for Humanity homeownership units in Northampton. <https://www.pvhabitat.org/apply/>. These will be Local Initiative Program units, which we are hearing about later in the agenda.

Susan Worgaftik – Greenfield’s CHAPA Municipal Engagement Initiative launch was held yesterday (9/15/21) and 16 to 17 people attended. The goal is to build an affordable housing advocacy group for Greenfield. Contact Susan if you are interested - [suworg1@gmail.com](mailto:suworg1@gmail.com)

Jen Audley and Lily Linke – Montague will host a similar launch event on Oct 12, from 6:30-8:00 pm. RSVP by emailing Montague Town Planner Walter Ramsey at [planner@montague-ma.gov](mailto:planner@montague-ma.gov)

### **First Time Homebuyer Resources for Franklin County Residents**

Melanie Gaier, Housing Counselor, Franklin County Regional Housing and Redevelopment Authority

*Presentation slides:* <https://frcog.org/wp-content/uploads/2021/09/STHWG-First-Time-Homebuyer-Resources-in-Franklin-County.pdf>

Melanie is currently the only staff person at FCRHRA whose role focuses on homeownership. Offerings for first time homebuyers include:

- First Time Homebuyer course - 5-6 times/year, virtual now
- Framework online course – self-paced way to earn First Time Homebuyers certificate, but doesn’t include local resources
- Homebuyer counseling (Melanie recommends taking a First Time Homebuyer course first)
- Resales of Rural Development Inc. (RDI) homeowner units, when available
- Administration for Leverett’s CPA-funded affordable housing programs

Leverett programs – Both programs are available to households earning up to 100% of the Area Median Income. The buy-down program provides up to \$50,000 towards the purchase of a home. A deed restriction is placed on the home that ensures it will be sold at an affordable price to an income eligible buyer at resale. The current cap on purchase price is \$270,000. Lack of inventory within this price range has kept this program dormant for several years. The other program is down-payment assistance through a 0% interest deferred payment loan that can cover up to 5% of the purchase price, and is due at the time of resale. No deed restriction is required for down-payment assistance, and the cap on purchase price is \$280,000.

Melanie highlighted other affordable homeownership programs in Hampshire and Hampden County communities, administered by Valley CDC and Way Finders (see slides for details).

### **MA DHCD's Local Initiative Program**

Anna Dolmatch, Director, Local Initiative Program, Department of Housing and Community Development

*Presentation slides:* <https://frcog.org/wp-content/uploads/2021/09/STHWG-LAU-Presentation.pdf>

The Local Initiative Program (LIP) falls under Chapter 40B. It's a resource that helps communities retain control over how, when and where they create housing that counts toward their Subsidized Housing Inventory (SHI). It particularly helpful for communities that are below the 10% threshold.

To participate in the program, a municipality needs to have taken "local action" that shows its interest and commitment to creating affordable housing. A wide variety of things can qualify as "local action" – for example, allocating local funds from CPA, CDGB, or a housing trust; inclusionary zoning; granting a special permit requiring affordable units; density bonus; or contribution of Town land for affordable housing.

The municipality can support a project sponsors' application or the municipality can submit the application itself to develop Local Action Units (LAUs). Many different types of projects qualify – large and small, new construction and conversion, homeownership and rental, etc.

Age restriction and local preference for applicants are allowed, within guidelines.

The program includes technical support such as templates for deed restrictions. It does not provide subsidies/funding. The affordability of the units has to come as a result of the local action – not from state or federal contributions.

Megan McDonough – We (Habitat for Humanity) do all of our units through this program. The technical assistance is really valuable, and it's a resource that can help with one-to-six unit projects, that aren't eligible for support that larger projects can access.

Katy Lacy – it's a tremendous tool that many communities utilize, for example, with inclusionary zoning.

The Massachusetts Housing Partnership's guide, which can be found on the MA Housing Toolbox site, is a great resource and overview of Local Action Units:

<https://www.housingtoolbox.org/writable/files/resources/LAU-Guide-2018.pdf>

Links to the Local Initiative Program and the Subsidized Housing Inventory:

<https://www.mass.gov/service-details/local-initiative-program>

<https://www.mass.gov/service-details/subsidized-housing-inventory-shi>

### **Discussion about Regional Municipal Affordable Housing Trusts**

*Slides (starting w/ #7):* [https://frcog.org/wp-content/uploads/2021/09/STHWG\\_8-25-2021-Meeting-Larose.pdf](https://frcog.org/wp-content/uploads/2021/09/STHWG_8-25-2021-Meeting-Larose.pdf)

Alyssa Larose –

FRCOG has been interested in the idea of a regional version of Municipal Affordable Housing Trusts, which was a past STHWG meeting topic, for some time. New proposed legislation that could create another local funding source for housing has caused us to formalize the idea more.

Susan Worgaftik provided a background on the potential new funding source – a proposed housing transfer fee bill (S. 868 and H.1377). This would be a local option bill that would allow communities to assess a fee, like a closing cost, of 0.5-2% on the portion of real estate sales above the median price for that town. The fees collected would go into a trust fund for affordable housing, which could be either a municipal or a regional housing trust.

Alyssa Larose -

The enabling legislation for municipal housing trusts exists – in Franklin County, Leverett and Whately have created housing trusts – but the legislation doesn't allow for multi-town trusts.

Many sources of local revenue can fund a municipal housing trust, including ARPA funds. CPA funds are a common source of funding for towns that have adopted CPA. So far 8 municipalities in Franklin County (including Greenfield) have adopted CPA. Since 2002, 38 units of affordable housing have been created in Franklin County with CPA funding. Only 8% of local + state revenue from Franklin County CPA fees has been spent on housing. This is not meant to be a criticism of these towns, housing is complex, especially in small towns with limited resources.

Alyssa presented a hypothetical model a regional housing trust, made up of CPA towns in Franklin County. The regional model would allow towns to pool local funds, from CPA or other sources, to fund housing programs, such as affordable homebuyer programs, as well as affordable housing development. She asked for input from the group on the model.

Susan Worgaftik - Shared agreements would need to be developed. A regional model could lessen the administrative burden for small towns considerably. The Greenfield Mayor has said that the city would support smaller towns with developing more affordable housing.

Jerry Lund – This could help create more shared responsibility for affordable housing. Burdens of homelessness, rehabs, etc. are all on Greenfield.

MJ Adams - If it could be done anywhere in the State, it would be here, because of an existing strong regional collaborative model demonstrated by FCRHRA & FRCOG.

David Greenberg – Getting West County towns involved in CPA will be tricky.

Alyssa Larose – Other funding sources are possible. Transfer fees, as already noted, may be a possibility. Towns have the option to adopt short-term rental community impact fees, which can go towards affordable housing, but so far only Leverett has done so in our region. Pooling resources is the big benefit here; it doesn't have to be all from CPA.

Susan Worgaftik – The Registrar says 2,000 properties sold in Franklin County last year. Transfer fees could provide a lot more funding for the pool. Transfer fees like this are being collected already on Nantucket/Martha's Vineyard, but are used for conservation.

Andrew Baker – Anticipate there would be push back from realtors on transfer fees, or any additional closing costs.

Jerry Lund - Dubious about Leyden adopting a transfer fee or CPA.