

## **Report to Town Meeting, May, 2021**

### **Swampscott Affordable Housing Trust**

The Swampscott Affordable Housing Trust Fund and its Board of Trustees was created in 2017 through the Town's General By-Laws “in order to encourage, facilitate, and support the creation of affordable rental and homeownership opportunities in Swampscott. Affordability is defined by standards set by the Massachusetts Department of Housing and Community Development.” At the time, Swampscott had 3.7% of its housing units listed on the state’s subsidized housing inventory, predominately comprised of Housing Authority-owned units. With the completion of the Machon School, we will have 4.2%.

The AHT’s first meeting was on October 24, 2017. The Board, by its charter, is comprised of five members of the community plus one member of the Select Board. We meet monthly (with very few exceptions since October 2017) in a posted open meeting. The current members of the Board are a compilation of individuals who have roots in and professional ties to the affordable housing and community development world. Thus, we bring our professional lives and our passion for this work to our roles on this volunteer committee.

Our initial tasks were to solidify our understanding of our own purpose and to get our arms around the housing realities in Swampscott. Only then could we figure out how to achieve the purpose the by-laws created. We were lucky to have resources – written and in person – from the Massachusetts Housing Partnership Fund Board (MHP). MHP has as one of its core missions the assistance of municipalities in the creation and support of AHTs and other housing committees and initiatives. We noted that MHP’s AHT handbook had some excellent suggestions on possible funding sources for AHTs. In the case of Swampscott, we learned that our funding would have to come without Community Preservation Act revenue (a very common and commonly used source) as Swampscott declined to adopt the CPA in the early 2000s. However, Swampscott’s comprehensive master planning, even after shooting down CPA, does include as a model the CPA being adopted. It may be time for Swampscott to revisit adopting the CPA, especially as new master planning is in the works.

Per the charter, Affordable Housing Trust funds are used to support the development of affordable housing in Swampscott at the discretion of the Board of Trustees with the approval of the Select Board. Funds for the AHT may be increased through payments in lieu of affordable units made by developers pursuant to the Town's inclusionary zoning by-law, donations and contributions from other sources.

Swampscott’s inclusionary zoning by-law is a tool that takes a small step towards affordable housing creation or funding. The by-law was initially passed prior to the formation of the AHT using basic statutory language that was promulgated for municipalities to easily adopt.

Shortly after the AHT began meeting, two separate developers approached the Town with projects that triggered the inclusionary zoning by-law, and so the AHT got to work to determine whether the recommendation to the planning board would be to press the developers to create units in their respective developments, elsewhere in Swampscott, or to make a payment in lieu of the units. In

the professional judgment of the AHT, and upon learning of the general business abilities of the developers, the payment in lieu was the best option. Shortly thereafter, the AHT worked with MHP and the Town to promote an amendment to the by law to better define the calculation of a payment in lieu so to capture the true cost of creating an affordable housing unit in Swampscott. The AHT has not been notified of any other projects triggering inclusionary zoning since that amendment was passed in 2019. To be clear, the AHT did not create a way for developers to “get out of” building affordable housing. The amendment and increased payment in lieu fees is a move intended to make it harder for developers to avoid participating in the creating of the units if they are able, or at least to make a payment that tracks closer to what a different developer might incur to so develop and create a true subsidy source for the AHT.

### **Funds; Uses**

Currently, the AHT has about \$160,000 in hand related to developer payments and expects an additional \$425,000 more. The Greenwood Avenue payment was calculated without the benefit of any statutory formula and the other payment were calculated with the original formula. If the project at Elm Place receives an award of other subsidy and low income housing tax credits by the Commonwealth, and provided the Town is able to approve a comprehensive permit for that project, the AHT intends to financially assist with the creation of the affordable units in that project.

### **What can the AHT do with funds?**

The AHT is empowered to subsidize affordable housing developments (multifamily rental and homeownership) by private developers, assist with housing rehabilitation, and in most cases often combining and leveraging other public sources. Not all of these uses can create new units that can be counted on the subsidized housing inventory (“SHI”). Given the scarcity of our resources and the low SHI count in Swampscott, we have resolved to prioritize an efficient use of the funds to create multiple units.

### **What would we do with a predictably renewable source?**

An ongoing discussion at meetings, sometimes inspired by questions from the public about what we can and cannot do, is the desirability of a more fluid and predictable funding source. In addition to leveraging larger subsidy amounts to create many units at a time, it would be ideal to have additional resources to assist lower income residents with certain home repairs or other methods to increase housing stability, even if such efforts would not increase the SHI.

### **How can the AHT “encourage, facilitate and support” the creation of affordable rental and homeownership units, and in particular ones that can be listed on the SHI?**

The AHT is not a developer. However, given our task to help the Town increase the SHI, we want to engage with developers who are willing and able to take on affordable housing development projects. Whether a project is presented to the Town through MGL Ch. 40B, or as a project that triggers inclusionary zoning, or simply a project that seeks to reuse existing property for a multifamily housing use, the AHT can help provide guidance and information about funding sources, including the AHT. In connection with this, the Hadley School Reuse Committee contains

a representative from the AHT. A planning and economic development committee looking at accessory dwelling units sought the input from the AHT. The AHT expects to be deeply involved with the upcoming housing production plan process as well.

The AHT will also engage with and support the efforts of the Housing Authority as it navigates the existing property and the challenges that maintaining quality housing present. Currently, we enjoy the efforts of the Housing Authority Board with a liaison who attends most AHT meetings.

### **Public Education and Information**

Affordable housing development and finance is a complicated process that involves many levels of town and state engagement. The AHT is working on a multi-faceted public education program to bring some of the most frequently confusing and interesting aspects of this work to people who have been questioning. We hope to participate in the first of many such programs prior to the summer.

Some of the topics we intend to tackle will be:

- The Commonwealth's multi-family rental award process for funding projects with the use of subsidy and low income housing tax credits
- The 40B process (and its distinction from the state's subsidy application process)
- The Community Preservation Act
- Best practices in small town comprehensive planning and development aimed at housing equity
- Zoning and planning implications of housing, the new Housing Choice legislation
- The social justice realities of housing

We thank our neighbors for the heightened interest in our work and in becoming informed. We continue to encourage respectful and open dialogue with the AHT and with one another. While discussions of this nature often begin with adversity and negativity, education and listening will surely serve to close the gap between us. The AHT looks forward to being part of solutions.