

A hand is shown from the bottom, holding a small, detailed model of a house with a gabled roof and a balcony. The background is a dark, blurred gradient. The text is overlaid on this scene.

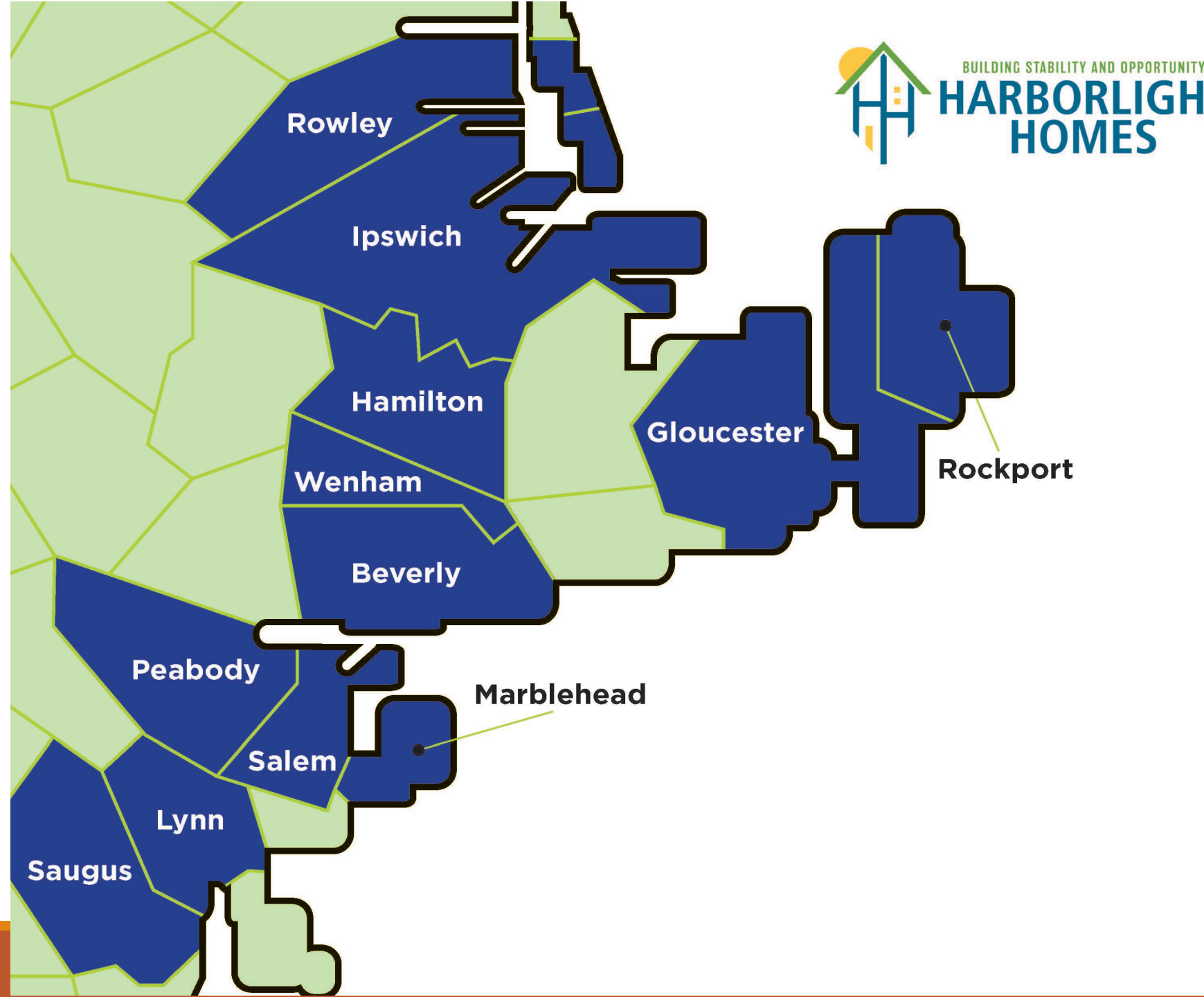
The ABC's of Affordable Housing

Rockport, MA
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What do we mean by
“Affordable Housing?”

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Definitions

AMI (Area Median Income) and HUD Limits



What do we mean by “Affordable Housing?”

Affordable Housing is when housing cost does not exceed 30% of a household’s income.

- This means a household should have money left over for other necessities like food, transportation, and health care after paying for housing costs
- General meets the income figures listed on Slide 7
- Subsidized housing is referred to as Affordable Housing under this definition

**Today’s discussion uses this definition when referring to
affordability and housing**



AMI, or Area Median Income

The estimated median income, adjusted for family size, by metropolitan area (or county, in nonmetropolitan areas).

AMI is updated annually by the US Department of Housing and Urban Development (HUD) and is used as the basis of eligibility for most housing assistance programs.

- These are the “HUD Income Limits” you may see listed on housing applications/lotteries

Rockport is part of the Boston-Cambridge-Quincy metropolitan area



AMI for Rockport

Boston-Cambridge-Quincy, MA-NH HMFA								
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
15% AMI	\$14,725	\$16,825	\$18,925	\$21,025	\$22,725	\$24,400	\$26,075	\$27,775
30% AMI	\$29,450	\$33,650	\$37,850	\$42,050	\$45,450	\$48,800	\$52,150	\$55,550
50% AMI	\$49,100	\$56,100	\$63,100	\$70,100	\$75,750	\$81,350	\$86,950	\$92,550
60% AMI	\$58,920	\$67,320	\$75,720	\$84,120	\$90,900	\$97,620	\$104,340	\$111,060
80% AMI	\$78,300	\$89,500	\$100,700	\$111,850	\$120,800	\$129,750	\$138,700	\$147,650
100% AMI	\$98,200	\$112,200	\$126,200	\$140,200	\$151,500	\$165,700	\$173,900	\$185,100
120% AMI	\$117,840	\$134,640	\$151,440	\$165,240	\$181,800	\$195,240	\$208,680	\$222,120



Housing Related Committees/Boards and Policies

Rockport's Housing Related Boards & Committees

*Rockport's Affordable Housing Trust Fund (RAHTF)

- Adopted April 1, 2017

*Community Preservation Act (CPA) Committee of Rockport

- Adopted April 16, 2002



Rockport's Affordable Housing Trust Fund (RAHTF)

M.G.L. Chapter 44, Section 55C

Rockport's AHTF will support the creation or preservation of housing that does not exceed 110% of AMI (state stature).

RAHTF can collect funds for affordable housing, segregate them out of the general municipal budget into a trust fund, and use the funds for local initiatives to create and preserve affordable housing.

- Has powers as described in M.G.L. [Section 55C](#)
- Some actions require pre-approval by the Board of Selectmen
- Any borrowing by the Trust shall be pre-approved by a two-thirds vote at town meeting

It will function as a branch of municipal government

- Will meet at least quarterly
- Will appoint a Board of Trustees composed of 9 members, all of whom must be Rockport residents



How Can an AHT be Funded?

The sources of funding vary among housing trusts and can include:

- *Community Preservation Act (CPA) funds
- Inclusionary zoning payments
- Negotiated developer fees
- The municipality's general fund
- Tax title sales
- Payments from special bylaws/ordinances
- Cell tower lease payments
- Private donations

*Use of CPA rules & Restrictions remain in place even after transfer and must be tracked separately



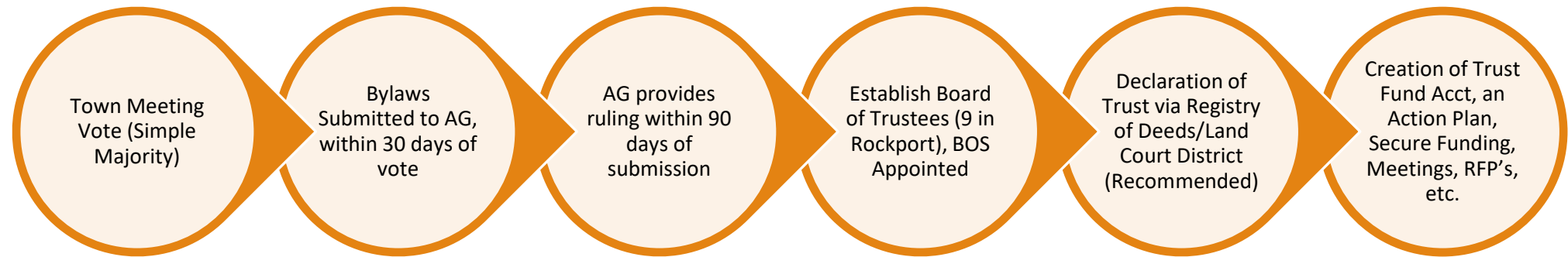
What Can an AHT Do and Who is Eligible for Funds?

An AHTF can:

- Be used for permanent or transitional housing for homeless families and individuals
- Be used for the modernization, rehabilitation and repair of public housing.
- Provide financial support for the construction of affordable homes by private developers (non-profit or for-profit), community action organizations, governmental subdivisions, housing authorities
- Rehabilitate existing homes to convert to affordable housing
- Increase affordability in new housing development projects
- Develop surplus municipal land or buildings
- Preserve properties faced with expiring affordability restrictions
- Support rent assistance for low- and moderate-income households.



Adoption of an AHTF- Rockport (Town)



Community Preservation Act (CPA) Committee of Rockport

M.G.L. Chapter 44B

CPA helps communities preserve open space and historic sites, create affordable housing, and develop outdoor recreational facilities

Guidelines are established by the Community Preservation Coalition (CPC) through state level legislation

Rockport's CPA funds come through:

1. The implementation of a local CPA property tax surcharge of 3%. Rockport has adopted the \$100k exemption for homeowners, meaning the first \$100k in residential property value is exempt from the 3% surcharge
2. Through the receipt of annual matching of funds, from a statewide CPA Trust Fund created by the Act

The CPA surcharge does not raise the tax rate for the adopting community; it assesses a surcharge on property tax bills after they have been calculated based on the community's current tax rate



CPA Surcharge Example

Assessed value: \$300,000

Less residential exemption \$100,000

CPA taxable value: \$200,000

x Tax Rate: 10.00

Net Tax: \$2,000.00

x 3%: .03

Annual CPA Surcharge \$ 60.00



CPA Continued

What can CPA fund?

- Can fund projects up to 100% AMI
 - 80% AMI or below required for SHI eligibility
- Can fund projects developed by for-profit & non-profit organizations
- Can fund a variety of housing types

	Open Space	Historic	Recreation	Housing
Acquire	Yes	Yes	Yes	Yes
Create	Yes	No	Yes	Yes
Preserve	Yes	Yes	Yes	Yes
Support	No	No	No	Yes
Rehabilitate and/or Restore	No (unless acquired or created with CPA \$\$)	Yes	Yes	No (unless acquired or created with CPA \$\$)

Proposed Housing Friendly Policies in Rockport

MBTA Multi-Family Districts

TOD/TOVD



MBTA Districts

Section 3A of the Zoning Act

New Massachusetts legislation requires all MBTA Communities to designate districts zoned for multi-family development by right, without age restrictions and suitable for families with children, within ½ mile of station (if applicable)

- Minimum gross density of 15 units per acre
- Rockport has a *Commuter Rail Designation*, and is required to zone for 657 housing units
- Rockport has achieved Interim Compliance
 - District Compliance Application due January 31, 2024

Offers opportunities for Rockport to require affordable development within designated areas

Failing to meet compliance puts an MBTA community like Rockport at risk of losing eligibility for various types of state funding

- MassWorks program, Housing Choice Initiative, or Local Capital Projects Fund



Transit Oriented Development (TOD)

A Smart Growth/Smart Energy Tool of the Commonwealth

TOD creates mixed-use, higher density communities that encourage people to live, work and shop near transit and decrease dependence on driving.

Occurs within ¼ mile, or a 5-7 minute walk, of a transit station

Typically characterized by:

- A mix of uses
- Moderate to high density
- Pedestrian orientation/connectivity
- Transportation choices
- Reduced parking
- High quality design

The Executive Office of Transportation & Public Works and The Department of Housing and Community Development offer grants to municipalities pursuing TOD



Transit Oriented Village Overlay District (TOVD)

Rockport's TOVOD is made-up of approximately 12.3 acres and could potentially have up to 160 multi-family units

This overlay is proposed as a tool to achieve compliance in Rockport's MBTA Action Plan

- Adjacent to the MBTA commuter rail station
- A petition opposing the district was filed with the AG on September 1
- The town is still awaiting the AG's approval for the new district



Other Housing Related Policies

Inclusionary Zoning

- Requires a percent of units in new housing developments to be set aside for households who earn less than the area median income. Municipalities can choose the percentage and level of affordability required; they can also provide “opt out” options for developers

Incentive Zoning

- Voluntary approach that either waives certain regulatory requirements or provides additional density (the incentives) for developers in exchange for providing affordable housing.
- The voluntary zoning bylaws may contain incentives for developers such as density bonuses, expedited permitting, or cost offsets such as tax breaks, parking space reductions, and fee reductions.



Other Housing Related Policies

Overlay Districts (*such as Rockport's TOVD*)

- Zoning that "lies" on top of the existing zoning to provide communities with an opportunity to meet the unique needs of geographic areas that may either require higher levels of protection or that may not be reaching their fullest development potential

40R- *Proposed as potential MBTA Compliance piece for Rockport*

- Encourages communities to create dense residential or mixed-use smart growth zoning districts, including a high percentage of affordable housing units, to be located near transit stations, existing city and town centers, and in other highly suitable locations



Other Housing Related Options

Land Banks

- Public entities, usually public nonprofit or governmental, specializing in the conversion of vacant, abandoned and foreclosed properties into productive use
- Follow state legislation, allowing them to remove legal and financial barriers that may be common for private buyers (such as delinquent property taxes)

Community Land Trusts

- Traditionally private nonprofits that hold land in trust to provide affordable housing and other community assets in perpetuity.
- Often ensure homes on the land held in the trust remain affordable permanently through lasting affordability controls and shared equity homeownership models



Chapter 40B

Chapter 40B

M.G.L. Chapter 40B

State statute which enables local Zoning Boards of Appeals (ZBA) to approve affordable housing developments under flexible rules if at least 20-25% of the units have long-term affordability restrictions

Has supported almost all affordable housing construction in Massachusetts outside of the Commonwealth's largest cities. Approximately 70,000 total units have been produced under Chapter 40B, of which over 35,000 units are restricted to households making less than 80% of the area median income (AMI).

Chapter 40B does **not** allow developers to override state and federal statutes and regulations, including state and federal environmental protections.



40B Continued

Allows eligible affordable housing developments to receive a **comprehensive permit**, even when projects require waivers of local zoning.

- In cities and towns that achieve certain affordable housing production goals (>10%), the ZBA may reject 40B proposals without facing an appeal from the developer, giving those communities great discretion over 40B development (“friendly 40B”)
- Municipalities that have not achieved minimum affordable housing production (<10%) thresholds have a more limited ability to reject 40B proposals.

Safe Harbor Status: Municipalities that have planned for housing growth through an approved Housing Production Plan may achieve temporary safe harbor status under Chapter 40B with affordable housing growth of 0.5 percent per year.

- Chapter 40B regulations also extend safe harbor status to towns below the 10 percent housing affordability threshold that meet minimum annual housing growth targets.



Subsidized Housing Inventory (SHI)

The SHI is used to measure a community's stock of low-or moderate-income housing for the purposes of Chapter 40B

- Must be 80% AMI or below to qualify as affordable
- Data on vacant “seasonal, occasional, or recreational use” units used by DHCD to determine Census “year-round housing units” for the SHI not included

While housing developed under Chapter 40B is eligible for inclusion on the inventory, many other types of housing also qualify to count toward a community's affordable housing stock.



Rockport's SHI

As of December 21, 2020 Rockport has 3,460 Housing Units (2010), with 135 (2010) SHI registered units, or 3.9%

- As of April 27, 2022, the Census Bureau has provided a release schedule for future data sets that will include this data in May of 2023
- Granite Street Crossing will increase Rockport's SHI percentage once registered and approved by the state.
 - Rockport's Planning Board reports that Rockport's SHI would increase from 3.9% to 4.7% if all units are approved.



Q & A

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