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.
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
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?

Contact info

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