



**Barnstable Affordable Housing Growth &
Development Trust
Request to the Town Council
for Community Housing Funds
August 19, 2021**

Barnstable Affordable Housing Growth & Development Trust Fund

- Following a unanimous positive recommendation from the Community Preservation Committee, the Trust is seeking the Town Council's support for the transfer of an additional \$2.5 million dollars of Community Preservation funds to the Trust for the preservation, creation, acquisition and support of community housing.
- The lack of affordable housing in Barnstable for households at 100% or below of the Area Median Income (AMI) has been severely exacerbated by the pandemic. In order to respond to the heightened and ongoing housing affordability and availability crisis, the Trust is seeking additional CPA funds to be able to continue to focus on the most effective ways to increase Barnstable's affordable housing stock, consistent with the Town's housing plans.

Community Preservation Fund

The Community Preservation Act specifically allows CPA funds to be transferred to a Municipal Affordable Housing Trust (MGL CH. 44B §5(f)):

“A city or town may appropriate money in any year from the Community Preservation Fund to an affordable housing trust fund.”

Barnstable Affordable Housing Growth & Development Trust Fund

The Affordable Housing Growth & Development Trust Fund (“The Trust”) was established in 2007 by Town Council Order 2007-158 and Section 241-47.1(t) of the Code of the Town of Barnstable to administer the provisions of Section 55C of Chapter 44 of the General Laws.

Barnstable Affordable Housing Growth & Development Trust Fund

Trust Members are appointed by the Town Manager and ratified by the Town Council. By statute, the Town Manager or his/her designee must be a member of the Trust Board.

Current Members:

- Town Manager Mark Ells
- Assistant Town Manager Andy Clyburn
- Finance Director Mark Milne
- Affordable Housing representative Laura Shufelt
- Economic Development representative Wendy Northcross

Barnstable Affordable Housing Growth & Development Trust Fund

As stated in the First Amended Declaration of Trust, the purpose of the Trust is “...to provide for the preservation and creation of affordable housing in the Town of Barnstable for the benefit of those low- and moderate-income households and for the funding of community housing, as defined in and in accordance with the provisions of G.L. chapter 44B..”

Community Preservation Fund

Following a positive recommendation from the CPC, on January 23, 2020, the Town Council voted unanimously to appropriate \$2.5 million dollars of Community Preservation funds to the Trust to increase the number and availability of community housing units within the Town of Barnstable. The Trust issued a Notice of Funding Availability (NOFA), establishing funding priorities and evaluation criteria for the award of CPA funds.

Barnstable Affordable Housing Growth & Development Trust Fund

FUNDING PRIORITIES

- **Predevelopment Activities**
- **Development Activities**
- **Affordable Homeownership Preservation**

Barnstable Affordable Housing Growth & Development Trust Fund

NOFA EVALUATION CRITERIA FOR DEVELOPMENT ACTIVITIES

- Whether acquisition costs are at or below appraised value
- Number of units to be reserved as affordable, the level of affordability and the percentage of the total number of units created that are affordable
- Amount of other funds to leverage Trust investment
- Strength of overall concept
- Whether the development costs are reasonable and consistent for a project of its size
- Number and percentage of units which are accessible to individuals with disabilities
- Strength of development team
- Evidence of readiness to proceed

Barnstable Affordable Housing Growth & Development Trust Fund

CPA FUNDED PROJECTS

At the beginning of the pandemic, the Trust awarded a grant to the Housing Assistance Corporation in the amount of \$300,000 for temporary emergency rental assistance. Under the terms of the Trust's Grant Agreement, CPA funds could only be used after county, state, federal and private funds were expended for eligible Barnstable residents. As per the terms of the Grant Agreement, HAC is returning \$295,170 to the Trust.



Barnstable Affordable Housing Growth & Development Trust Fund

CPA FUNDED PROJECTS

Approval of loan to the Cape and islands Veterans Outreach Center, Inc. for \$90,000 in to support the creation of 5 single room occupancy (SRO) units for homeless veterans to be located at 1341 route 134, Dennis, MA.



Barnstable Affordable Housing Growth & Development Trust Fund

- **CPA FUNDED PROJECTS**



Award of \$1.4 million dollars to Standard Holdings, LLC from CPA Funds held by the Trust to create ten (10) affordable rental units, which units will be affordable in perpetuity to households earning 50% or below the area median income (AMI).

Barnstable Affordable Housing Growth & Development Trust Fund

Total Community Preservation Funds committed and/or expended once the undisbursed Temporary Emergency Rental Assistance grant funds are returned from the Housing Assistance Corporation: \$1,494,830.

Remaining uncommitted CPA Funds:
\$1,013,998.45

Barnstable Affordable Housing Growth & Development Trust Fund Action Plan for 2022-2023

POTENTIAL USES OF ADDITIONAL CPA FUNDS

DEVELOPMENT ACTIVITIES. The Trust proposes to continue to make funds available to support gap funding, where there is a shortfall of private and public funding to support the development of affordable/community housing rental or homeownership units. Development activities include land acquisition, new construction, redevelopment of existing structures or buildings, the conversion of market units to affordable housing units and may include mixed-use development opportunities



Barnstable Affordable Housing Growth & Development Trust Fund Action Plan for 2022-2023

POTENTIAL USES OF ADDITIONAL CPA FUNDS



PREDEVELOPMENT ACTIVITIES: Funds will be available for pre-development work to determine the viability of residential development on a particular site, whether the site is vacant or developed. Funds will be made available for costs related to architect and engineering fees, financial feasibility analyses, appraisals, 21E reports, and other costs associated with examining the feasibility of community housing developments.

Barnstable Affordable Housing Growth & Development Trust Fund Action Plan 2022-2023

POTENTIAL USES OF ADDITIONAL CPA FUNDS

SEEKING PARTNERSHIPS TO LEVERAGE COMMUNITY PRESERVATION ACT FUNDS FOR A FIRST TIME HOMEBUYERS' PROGRAM.

Because of the large gap between the average sales price of a single-family home in Barnstable and what is affordable to a household earning 100% or below of the Area Median Income (AMI), the Trust is exploring programs with banking partners to significantly reduce the mortgage rate for first-time homebuyers when used in conjunction with CPA funds, thereby helping to bridge the affordability gap.



Barnstable Affordable Housing Growth & Development Trust Fund Action Plan 2022-2023

POTENTIAL USES OF ADDITIONAL CPA FUNDS.

POTENTIAL USE OF TOWN-OWNED PARCELS FOR THE DEVELOPMENT OF AFFORDABLE HOUSING. The Trust is proposing to continue to work with the Asset Management Division to help identify parcels that may be candidates for the development of affordable housing to see how Trust funds can be utilized to make these parcels “shovel ready” for development.

Community Preservation Fund

FY2022 Set-asides

Historic.....	\$ 522,873
Open space/Recreation...	\$ 522,873
Housing.....	\$ 522,873
Budget Reserve.....	\$1,872,562

Balance Available for Appropriation as of 8/19/21

Historic.....	\$ 690,445
Open space/Recreation...	\$1,067,500
Housing.....	\$1,061,332
Budget reserve.....	\$1,872,562
Undesignated.....	\$5,355,487

Affordable Housing Trust Fund Estimated Budget

Housing strategies	FY22	FY23
Revenue	\$3,416,059.55	\$2,011,229.55
Returned Grant Funds from HAC	\$295,170	
Pre-development assistance	[\$100,000]	[\$125,000]
Development Activity Assistance	[\$1,300,000]	[\$1,100,000]
First Time Homebuyers Interest Rate Reduction and Down payment Assistance	[\$250,000]	[\$300,000]
Trust Administration	[\$50,000]	[\$75,000]
Reserve	\$2,011,229.55	\$411,229.55

Community Preservation Fund

PROPOSED FUND ALLOCATION

Item No. 2022-011

Based on the current fund balances by program area, the Trust requests **\$1,061,332** from the Housing reserve and **\$1,438,668** from the FY22 budget reserve.

TOWN COUNCIL ORDER 2022-011

2022-011 APPROPRIATION AND TRANSFER ORDER IN THE AMOUNT OF \$2.5 MILLION IN COMMUNITY PRESERVATION FUNDS TO INCREASE THE NUMBER AND AVAILABILITY OF COMMUNITY HOUSING UNITS IN THE TOWN OF BARNSTABLE

ORDERED: That, pursuant to the provisions of the Community Preservation Act, G. L. c 44B, the amount of One Million Sixty One Thousand Three Hundred and Thirty Two Dollars (\$1,061,332) be appropriated and transferred from the amount set-aside for Community Housing Funds within the Community Preservation Fund and the amount of One Million Four Hundred Thirty Eight Thousand Six Hundred and Sixty Eight Dollars (\$1,438,668) be appropriated and transferred from the budget reserve in the Community Preservation Fund to the Affordable Housing/Growth & Development Trust Fund, and that the Affordable Housing/Growth & Development Trust Fund Board is authorized to contract for and expend the total appropriation of Two Million Five Hundred Thousand Dollars (\$2,500,000) to increase the number and availability of community housing units within the Town of Barnstable by both funding and initiating projects and programs for that purpose, subject to oversight by the Community Preservation Committee.

SPONSOR: Mark S. Ells, Town Manager, upon recommendation of the Community Preservation Committee

Questions?