

**PROJECT SUBMISSION FORM**

Submitter: Beth Rust  
Group or Committee Affiliation (if any):  
Submitter's address and phone number:  
 278 Old Sudbury Rd  
 443-2209 x1429

Submission Date: 9/25/06  
 Community Housing Committee  
Purpose (please select all that apply):  
 Open Space  
**XX** **Community Housing**  
 Historic  
 Recreation

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Project Name: Housing allocation to Municipal Housing Trust

Project Description:

This proposal requests the FY08 10% CPA housing allocation to be appropriated to the Sudbury Municipal Housing Trust. It is anticipated that a similar request will be made each year.

Costs: FY08 \$ 200,000

Fiscal Year	Total Project Cost	CPC Funds Requested	Other Funding Sources (amount and source)
2007			
2008	\$ 200,000	\$ 200,000	
2009	\$ 200,000	\$ 200,000	
2010	\$ 200,000	\$ 200,000	
2011	\$ 200,000	\$ 200,000	
Total			

How does this project meet the General Criteria and Category Specific Criteria for CPC projects (see attached)?

***The money would be used exclusively for affordable housing targeting the 70% to 100% area median income.***

Does this project fall within the jurisdiction or interest of other Town Boards, Committees or Departments? If so, please list the boards, committees or departments, whether applications and/or presentations have been made, and what input or recommendations have been given.

***These funds would be expended under the jurisdiction of the Sudbury Housing Trust which has Board of Selectmen and Community Housing Committee membership and reporting relationships.***

## Project Detail

This request continues the approved strategy of the Sudbury Housing Trust approved at FY07 Town Meeting, and directly meets the CPC project criteria for Community Housing.

At the FY07 Town Meeting, the Sudbury Housing Trust was approved. This funding request was anticipated in the article that introduced the Trust, *“The Trust would be able to accept the 10% minimum allocation of CPA funds each year (if the CPC recommended and Town Meeting voted such appropriation), and then could use those funds to create and preserve affordable housing with no further town meeting vote.”* (The article in its entirety is attached.)

This request is to accept the 10% minimum allocation of FY08 CPA funds (estimated to be \$200,000) into the Sudbury Housing Trust, which will be incorporated prior to the 2007 Town meeting. The Sudbury Housing Trust will use this funding towards affordable housing initiatives in accordance with the Trust provisions and in conformance with the 2005 Community Housing Plan. The Trust will be set up to retain as much control by the Town, while allowing the Trust to operate independently.

The purpose of the Trust is to provide for the creation and preservation of affordable housing in the Town of Sudbury for the benefit of low and moderate income households. This objective and goal is strengthened by the provisions of the Community Preservation Act which requires investment in Community Housing towards low and moderate income household. The intent of the Trust is to work with all community housing groups in Sudbury to implement the 2005 Community Housing Plan.

The Sudbury Housing Trust draft charter proposes Board of Selectmen review and approval for key elements of the charter to ensure Sudbury has appropriate control, including Trustee membership, approval of the yearly budget and any borrowing of money, or any real estate transaction. Note that borrowing over the extent of the Trust assets would require a two-thirds majority vote from Town Meeting. The Town Treasurer-Collector will be the custodian of the Trust's funds, maintaining separate accounts and records. 40B Monitoring Agent responsibilities will be included in powers of the Trust, and leave it open to provide services for other towns besides Sudbury. Funds will be received directly into Trust with notification to the Board of Selectmen upon receipt and the Trust will have additional powers including the authority to hold title to property, compensate advisors and staff, and transact real estate.

There are a number of active initiatives for the Sudbury Municipal Housing Trust, such as developing scattered site affordable housing on small parcels, buying down market-rate homes to affordable requirements, and performing Lottery and Monitoring Agent functions. These all give preference to Sudbury residents, defined in the broadest sense. Additionally all projects ensure long-term affordability, through restricted deed riders. The Trust will work towards increasing affordable housing in Sudbury, and this funding would support those initiatives.

The Sudbury Municipal Housing Trust will be initially funded by the Lottery and Monitoring Agent fees for the 40B developments (Snowberry Lane, Villages at Old County Rd), which have been individually negotiated with the Developer, and may be up to 3% of the total Sales Prices for the affordable units.

This request does *not* include transferring existing CPC Housing appropriations. These are the Buy-down project (\$500k in FY05, with \$100k planned to be spent in May 2007) and the Sudbury Housing Authority project (\$360k in FY06, with \$180k planned to be spent in May 2007). These projects will continue as planned with the Trust supporting these efforts through planning, administration and funding as approved by the Trust.

## Sudbury Town Meeting Warrant, April 2006

### **ARTICLE 33. ACCEPT M.G.L. c. 44, s.55C - SUDBURY AFFORDABLE HOUSING TRUST**

To see if the Town will vote to accept Massachusetts General Law Chapter 44, Section 55C, establishing a municipal affordable housing trust fund, or act on anything relative thereto.

Submitted by the Board of Selectmen. (Majority vote required)

**BOARD OF SELECTMEN REPORT:** In January 2005, the state legislature passed legislation allowing the creation of municipal housing trusts, which are a vehicle for cities and towns to better plan for, fund and develop affordable housing to benefit low and moderate income households. This new mechanism addresses the statewide issue of housing production, but more importantly, gives cities and towns greater control and flexibility in creating housing that is right for each community. The legislation requires a majority vote of the Annual Town Meeting to accept the statute, and the appointment of a Board of Trustees. The Chief Executive Officer of the Town must be a Trustee, along with at least four other members. The Board is a governmental body and operates under many of the same laws as other Town boards and committees, including Open Meeting Law requirements, public records law and procurement. The powers and duties of the Board allow them to buy and sell real estate, borrow and lend money, develop property, hold affordable housing restrictions on property and accept contributions and gifts of cash and property. In addition, the Trust can develop programs such as for first-time homebuyers, housing rehabilitation, or emergency repair programs. The Trust would be able to accept the 10% minimum allocation of CPA funds each year (if the CPC recommended and Town Meeting voted such appropriation), and then could use those funds to create and preserve affordable housing with no further town meeting vote. The Trust could also accept other contributions for affordable housing, such as the Frost Farm revenue fund, HOME funds, or other money collected if or when the Town passes an Inclusionary Zoning Bylaw.

The duties envisioned for a local municipal housing trust are:

- ⌚ Implementation of the 2005 Housing Plan, i.e., creating affordable housing in Sudbury.
  
- ⌚ The Trust would become the local monitoring agent for affordable housing that is built in Sudbury. Local monitoring will ensure that affordable units created in Sudbury remain affordable. It has been found that such housing restrictions that are not regularly monitored tend to lapse and can potentially allow affordable housing to become market rate units. As our inventory of 40B units increases, monitoring the resale of these units will be important.
  
- ⌚ The Trust would also monitor the expiring use of the Longfellow Glen units. The HUD mortgage is due in 2014, and the the affordable restrictions will be in jeopardy. The Trust could formulate a plan to keep those rental units in the Town's subsidized housing inventory.
  
- ⌚ The Trust can actively look for parcels to purchase for development of affordable housing.

The Trust will focus solely on affordable housing development and preservation. It will not be a policy maker, but will implement the recommendations in the Housing Plan. Ideas will continue to be generated by the Community Housing Committee, the Board of Selectmen, the Sudbury Housing Authority, the Planning Board and other housing advocacy groups.

The Board of Selectmen and the Planning Board support the creation of this trust fund. It will give greater local control over the development of affordable housing in Sudbury and is a pro-active step in progress toward the goals of creating diverse housing for people of all income levels.

**FINANCE COMMITTEE REPORT:** The Finance Committee will report at Town Meeting.