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TOWN OF WENHAM

Wenham Affordable Housing Trust Action Plan

FY2019-2023

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TABLE OF CONTENTS

ACKNOWLEDGEMENTS	4
EXECUTIVE SUMMARY	5
PURPOSE AND BACKGROUND	5
PLANNING PROCESS	5
WAHT PURPOSE & MISSION	5
FIVE-YEAR GOALS	6
PRIORITY INITIATIVES	6
REPORT ORGANIZATION	6
CHAPTER 1: MISSION, GOALS, AND PRIORITIES	7
MISSION	7
GOALS	7
PRIORITY INITIATIVES	8
CHAPTER 2: OPERATING AND FUNDING	13
OPERATING APPROACH	13
OPERATING STRATEGIES	14
FUNDING SOURCES	15
FIVE-YEAR BUDGET	16
CHAPTER 3: BACKGROUND	17
WENHAM AFFORDABLE HOUSING TRUST	17
AFFORDABLE HOUSING IN MASSACHUSETTS	18
UNDERSTANDING WENHAM'S HOUSING NEEDS	20
ELIGIBLE USES OF TRUST FUNDS & LEGAL CONSIDERATIONS	21
FRAMEWORK FOR BOARD OPERATING APPROACH	22
CHAPTER 4: COMMUNITY PRIORITIES FOR THE TRUST	23
STAKEHOLDER INTERVIEWS	23
COMMUNITY WORKSHOP	23
APPENDIX A: DECLARATION OF TRUST	25
APPENDIX B: PROJECT SCHEDULE	32

APPENDIX C: SUMMARY OF STAKEHOLDER INTERVIEWS	33
MAIN CONCLUSIONS	33
DETAILED SUMMARY	34
APPENDIX D: SUMMARY OF COMMUNITY WORKSHOP	36
SUMMARY	36
WORKSHOP DESIGN	36
DISCUSSION RESULTS	36
APPENDIX E: MODELS FOR CPA ALLOCATIONS TO MAHTS	40
COMMUNITY PRESERVATION ACT AND THE TRUST	40
APPENDIX F: WENHAM SUBSIDIZED HOUSING INVENTORY	41

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The **Wenham Affordable Housing Trust (WAHT)** Board of Trustees led the production of the Wenham Affordable Housing Trust Action Plan.

WAHT BOARD OF TRUSTEES

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Karen Sunnarborg Consulting, *Town of Wenham Housing Production Plan*, 2017.

The Ciccolo Group, *Town of Wenham Open Space and Recreation Plan* (ongoing)

WENHAM AFFORDABLE HOUSING TRUST ACTION PLAN

Executive Summary

Purpose and Background

Through this planning effort, the Wenham Affordable Housing Trust's Board of Trustees (Board) developed a clear understanding of its five-year goals, priority initiatives, and how the trust will operate. The overall intention of this Plan is to lay out the results of this process. Specifically, the purpose of this plan is threefold:

- Enhance the Board's transparency and strengthen communication with the Wenham community and town officials.
- Establish a deliberate focus to the work of the Board and the use of Trust resources, including Trust funds and property.
- Ensure that the Trust resources are used to further town goals and objectives to address local housing needs and reinforce other interrelated community goals.

Planning Process

The Board led the creation of this Plan with the assistance of planning consultant Jennifer Goldson of JM Goldson community preservation + planning. The process spanned nine months from August 2017 to May 2018 and included a community tour, six Board meetings with the consultant, focus groups and interviews of various community stakeholders, a community workshop, and presentation to the Board of Selectmen.

A detailed project schedule is provided in the appendices.

WAHT Purpose & Mission

Based on a recommendation of the 2008 Wenham Housing Action Plan, the Town Meeting approved the creation of the **Wenham Affordable Housing Trust (WAHT)**, per MA General Laws Chapter 44 Section 55C (MGL c.44 s.55C), in May 2009.

The purpose of the Trust, as stated in the town's General Bylaws, is to provide for the creation and preservation of affordable housing in the Town of Wenham for the benefit of low- and moderate-income households. (See Chapter 3 for definitions and more information about affordable housing in Massachusetts).

The Board is responsible for overseeing the Trust funds and for making allocation recommendations to the Board of Selectmen. The Board's mission, as established through this plan is to guide the allocation of Trust funds to most effectively address Wenham's housing needs, including, but not limited to, achieving and maintaining compliance with Chapter 40B, through initiatives that foster appropriately scaled, located, and designed affordable/mixed-income housing.

August-Sept	Community tour & meeting with Trust
October	Focus groups & telephone interviews
Nov-Dec	Prepare community outreach
January	Community workshop
February	Review workshop results
March	Prepare and review draft action plan
April-May	Revise plan based on Trust review
June	Present final plan at BOS meeting

Five-Year Goals

The Board's goals for fiscal years 2019-2023 reflect community priorities gleaned from this planning process. The goals describe the Board's desired outcomes for the use of Trust resources, including the Board's time and effort. The goals provide a framework to focus the Board's actions in the coming years.



GOAL 1: Advance public awareness of housing needs and community benefits

GOAL 2: Prioritize allocation of trust funds to help achieve the Chapter 40B 10 percent goal for affordable housing

GOAL 3: Support initiatives to help address local housing needs

GOAL 4: Advocate for town policy and regulations to promote creation of affordable housing

Priority Initiatives

The Board's priority initiatives intend to advance the four goals described above. The initiatives include actively-promoting the construction of new affordable housing units that are well-designed and context sensitive as well as converting existing market-rate homes to affordable homes. Through these initiatives, the Board aims to create 26 affordable units in the coming five years that will count on the State's Subsidized Housing Inventory to comply with MGL Chapter 40B.

For these efforts to be successful, the following it will be critical:

- Strengthen community support for affordable housing
- Increase Trust revenue including allocation of CPA funds and solicitation of private donations
- Adopt local housing policies and regulatory incentives to promote the creation of more diverse housing types
- Expand the Board's capacity by engaging professional planning/development assistance



Report Organization

This Action Plan has four chapters and a series of appendices. The chapters consist of the following:

- Chapter 1 describes the Board's mission, five-year goals, and priority initiatives with a general schedule for short term, intermediate term, ongoing, and long term (after reaching 10 percent under Chapter 40B).
- Chapter 2 focuses on how the Board of Trustees plans to accomplish the goals and priorities laid out in this plan and includes a description of the operating approach, strategies, potential funding sources, and a five-year budget identifying intended sources and uses of Trust funds for fiscal years 2019-2023.
- Chapter 3 provides background information to support the plan including information about the Wenham Affordable Housing Trust, affordable housing in Massachusetts, Wenham's affordable housing needs, eligible uses of Trust funds and legal considerations, and Trust operating frameworks.
- Chapter 4 briefly describes the main conclusions of the public engagement process, which consisted of stakeholder interviews and a community workshop.

In addition, the appendices provide a variety of supporting documentation including the Declaration of Trust, Wenham's Subsidized Housing Inventory, the detailed project schedule, and a summary of the community workshop.

Chapter 1: Mission, Goals, and Priorities

This chapter focuses on what the Board hopes to accomplish – its mission, goals, and priority initiatives – over the next five years.

Mission

The Wenham Board of Trustee's mission is to guide the allocation of Trust funds to most effectively address Wenham's housing needs, including, but not limited to, achieving and maintaining compliance with Chapter 40B, through initiatives that foster appropriately scaled, located, and designed affordable/mixed-income housing.

Goals

The Board's five-year goals respond strategically to Wenham's housing needs, the direction provided through community engagement, and considerations of feasibility.

GOAL 1: ADVANCE PUBLIC AWARENESS OF HOUSING NEEDS AND COMMUNITY BENEFITS

The Board will work to promote public awareness of affordable housing issues through community outreach and education about local and regional housing needs. Negative attitudes about new housing development are harmful to the community and creates barriers to meeting local housing needs. A public awareness campaign focusing on the positive impact that affordable housing has on individuals, families, and the community and how affordable housing can support other community goals can help to garner community support for local affordable housing policies and initiatives.

Housing goals & strategies to address local needs should be customized for your community.



- Approach
- Amount
- Scale/Size
- Design & Type

GOAL 2: PRIORITIZE ALLOCATION OF TRUST FUNDS TO HELP WENHAM ACHIEVE THE CHAPTER 40B 10 PERCENT GOAL FOR AFFORDABLE HOUSING

The Board will prioritize recommending funding allocations for initiatives that will help Wenham comply with Chapter 40B. Wenham is close to meeting the state's 10 percent affordable housing goal per Chapter 40B. At the time of this writing, Wenham has 118 units¹ listed on the state's 40B **Subsidized Housing Inventory (SHI)**, which is 8.4% of total year-round housing units.² The Town would need to produce 22 SHI-eligible units to reach 10 percent.



26 UNITS IN FIVE YEARS

Note that the town's base year-round units will be updated based on the 2020 US Decennial Census and the town will likely require additional SHI units at that time to comply with Chapter 40B. Therefore, the Board aims to recommend allocation to Trust funds to produce 26 units over the next five-years.

¹ This is four less than the number of units on the SHI per the 2017 Housing Production Plan because of the loss of four group home units/beds.

² Source: Massachusetts Department of Housing and Community Development, *Chapter 40B Subsidized Housing Inventory*, September 14, 2017.

GOAL 3: SUPPORT INITIATIVES TO HELP ADDRESS LOCAL HOUSING NEEDS

The Board will also support initiatives that help address local housing needs, including initiatives that do not produce SHI-eligible units. Wenham's housing needs go beyond the minimum housing needed to meet the state's Chapter 40B goal. As documented in the 2017 Housing Needs Assessment, Wenham needs rental housing including for local workers, first time homebuyer options, accessible units, and units with supportive services for seniors and individuals with disabilities. About ¼ of all households are earning at or below 80 percent of the **area median income (AMI)** and could potentially qualify for affordable housing. Although median household income is among the highest in the state, there is a very vulnerable population living in Wenham with limited financial means, including about 188 households with income less than \$25,000. The Trust will continue to be an important resource to help address these local needs even after the town complies with the minimum requirements of Chapter 40B.

GOAL 4: ADVOCATE FOR TOWN POLICY AND REGULATIONS TO PROMOTE CREATION OF AFFORDABLE HOUSING

The Board will study best practices and advocate for improvements to town policies and regulations to help address local housing needs. The Wenham Zoning Bylaws have some provisions to encourage the creation of affordable housing in Wenham. The bylaw permits, by special permit, affordable accessory apartments (Section 4.3.3), a senior housing overlay district with an affordability requirement (Section 12.3), and flexible development regulations (Section 11.1) that requires affordable housing as a condition of the special permit. Wenham's zoning provisions should be evaluated for their effectiveness to produce affordable housing that meets local housing needs and, through a study of best practices, determine if there are ways that the Zoning Bylaws could be strengthened.

Priority Initiatives

The following initiatives, described below, detail how the Trust funds will be used to address the Trust's five-year goals. The initiatives, listed in brief below and in more detail to follow, are categorized by recommended year(s) of implementation as well as ongoing initiatives.

Short Term (Years FY19-20)

1. *ACTIVELY PROMOTE THE CONSTRUCTION OF APPROPRIATELY-SCALED AND LOCATED SHI-ELIGIBLE AFFORDABLE HOUSING ON TAX TITLE/SURPLUS TOWN PROPERTY*
2. *FOSTER THE CONVERSION OF EXISTING HOUSES TO AFFORDABLE UNITS*

Intermediate Term (Years FY21-23)

3. *ACTIVELY PROMOTE THE CONSTRUCTION OF APPROPRIATELY-SCALED AND LOCATED SHI-ELIGIBLE AFFORDABLE HOUSING ON PRIVATELY-OWNED PROPERTY*

Ongoing

4. *BUY-DOWN ADDITIONAL MARKET-RATE UNITS TO CREATE AFFORDABLE UNITS IN NEW DEVELOPMENTS*
5. *IMPLEMENT A LOCAL PUBLIC AWARENESS CAMPAIGN TO BUILD AND MAINTAIN SUPPORT FOR AFFORDABLE HOUSING INITIATIVES*
6. *PROMOTE PROGRESSIVE ZONING BYLAWS THAT OFFER ATTRACTIVE INCENTIVES TO CREATE AFFORDABLE HOUSING*
7. *FOSTER STRONG COMMUNICATION AND INTEGRATED EFFORTS AMONG THE VARIOUS HOUSING ENTITIES ACTIVE IN THE TOWN AND REGION*
8. *INVENTORY AND MAINTAIN RELEVANT DOCUMENTS ON ALL AFFORDABLE UNITS IN WENHAM TO ENSURE EFFECTIVE MONITORING*

Long-Term

9. *REFOCUS PRIORITIES FOR TRUST ALLOCATIONS AFTER THE TOWN ACHIEVES COMPLIANCE WITH CHAPTER 40B*

SHORT TERM (YEARS FY19-20)

1. Actively promote the construction of appropriately-scaled and located SHI-eligible affordable housing on tax title/surplus town property

Many communities in the state have utilized CPA (and Trust funds) to foster small-scale and mid-scale developments and adaptive use of existing buildings. This includes construction of single and duplexes by non-profit organizations such as Habitat for Humanity. Over 60 projects have been funded across the state to support affordable homes developed by Habitat for Humanity and other projects have funded adaptive use of existing buildings such as surplus libraries, schools, or old mill buildings. Such smaller developments are often more feasible to create homeownership units than rental due to the nature of the available funding programs and property management needs for rental projects.

The Town has developed an inventory of surplus and tax-foreclosed properties, some of which appear to have potential for small-scale development. These properties can be transferred to the Trust to create affordable housing and may be ideal properties to foster construction of small-scale single or duplex houses by a non-profit development organization.

ACTIONS

- Appoint a member of the Board of Trustees to act as liaison to the assessor to catalogue, prioritize, and target possible tax title properties to request transfer to trust. Maintain an inventory of active prospects at all times.
- Advocate for adoption of a municipal property disposition policy with explicit priority for transfer of appropriate town-owned properties, including tax-foreclosed properties, to the Trust for the creation of affordable housing through the Chapter 30B process.³
- Establish funding thresholds and underwriting criteria to ensure that the Trust's limited resources are utilized in the most effective manner possible and to enhance transparency of Trust allocations. (See description in the Operating and Funding chapter.)
- Secure transfer of one or more town-owned/tax-foreclosed properties to the trust for creation of affordable housing.
- Foster development of small-scale affordable housing on transferred town-owned/tax-title property by funding predevelopment activities and issuing and Request for Proposals to seek a developer.

2. Foster the conversion of existing houses to affordable units

Investigate creation of a program to convert existing houses to affordable units. Such a program could be structured as a first-time homebuyer program that would assist with the purchase of a house, including, in some instances property rehabilitation needs. Housing assistance programs require marketing, administration, and oversight, which could be performed by qualified town staff, a local housing authority, or a qualified organization. First time homebuyer assistance programs and purchase/rehab programs can convert existing homes to permanently restricted affordable units and tend to be structured in one of the following ways:

- Subsidy Model: This type of program provides a subsidy to qualified households to write-down a mortgage to an affordable level. In return, a permanent deed restriction would be required to ensure the unit remains affordable upon resale.
- Purchase/Rehab Model: This type of program involves purchasing housing units and reselling the units to qualified households as affordable deed-restricted units that count on the SHI. Buy-down programs will often require some rehabilitation costs to bring units up to code.
- Hybrid Model: This type of program involves issuing a Request for Proposals seeking properties to offer for sale to qualifying first time homebuyers. The property owner would be assigned to an interested and eligible purchaser and the Trust writes-down the cost of the mortgage in exchange for a permanent deed restriction. The Sudbury Affordable Housing Trust implemented a program using this model.

³ A town's designated tax title custodian is frequently the town's Treasurer. MGL Chapter 30B does not apply to land acquired through tax foreclosure and is usually sold at auction under the provisions of MGL Chapter 60, however, a municipality may designate another community agency, such as a Municipal Affordable Housing Trust, to dispose of property through a negotiated sale or Request for Proposals per Chapter 30B. (Source: Citizens' Housing and Planning Association, *Back on the Roll in Massachusetts: A Report to Return Tax Title Properties to Production Use*.)

In all models, the program would be broadly marketed in the region for qualifying first-time homebuyers with incomes at or below 80 percent AMI and limited assets as specified in the program guidelines to apply. The Trust, through a qualified lottery agent, would verify program eligibility of each applicant and hold a lottery to establish an ordered wait list for participation in the program.

To evaluate the feasibility of such a program in Wenham, the consultant reviewed recent sales data for single-family houses and condominiums. Per Multiple Listing Service (MLS) data, there were 50 single-family houses and five condominiums sold between March 29, 2017 and March 6, 2018 in Wenham.⁴ The median sales price for all units was \$530,000. Single-family median sales price was \$532,500 and condominium median sales price was \$482,000. Accounting for Wenham's 2017 property tax rate, current mortgage rates, 5 percent down payment, and HUD income limits, a three-person household with income at 80 percent of the area median income (AMI) could afford a purchase price of about \$210,000 for a single-family house and \$195,000 for a condominium (assuming monthly condo fee of \$122). Therefore, the subsidy level required to write-down the mortgage of single-family house at the town's median in this period would be \$322,500 and for a condominium would be \$287,000.

Given the high cost of real estate in Wenham, a homebuyer program would likely set a lower sales price cap than the median sales price. For example, were a program to set a sale price cap at \$400,000 then the maximum program subsidy would be \$190,000 for a single-family and \$205,000 for a condominium. In the period analyzed, there were five single-family houses and one condominium that sold for \$400,000 or less – all had either one or two bedrooms. It is interesting to note that while in this period 67 percent of all sales prices were less than listing price, about 15 percent sold at listing price, and 18 percent sold above listing price. The median difference between sales price and listing price for a single family in the period was \$13,500 below listing price. The median difference between sales price and listing price for a condominium in the period was \$10,000 below listing price.

ACTIONS

- Determine program model: subsidy, purchase/rehab, or hybrid model. If purchase/rehab model, allocate CPA funds (either previously allocated to the Trust or seek new allocation) to take advantage of CPA's explicit exemption from MGL c. 30B s.16 procurement requirement for property acquisition.
- Design program requirements and procedures and complete an Affirmative Fair Marketing and Lottery Plan. Complete a Local Action Unit application (so that the units created through the program will be eligible for inclusion on the SHI).⁵
- In compliance with MGL c. 30B procurement requirements, seek the services of a local real estate broker to aid in the search for properties below determined program cap for purchase/rehab model or issue an RFP to solicit interest from sellers/property owners to participate in the program for the hybrid model.
- Contract with a qualified lottery agent and execute the Affirmative Fair Marketing and Lottery Plan to create an ordered wait list of qualified first-time homebuyers.
 - Implement program, in accordance with program model selected.

INTERMEDIATE TERM (YEARS FY21-23)

3. Actively promote the construction of appropriately-scaled and located SHI-eligible affordable housing on privately-owned property

Local housing needs include the need for affordable rental units. To help respond to this need, the Board intends to investigate and pursue possibilities to foster development of rental housing on privately-owned property. The Board could consider working with property owners and soliciting interest from private developers. The Board could acquire private property or could foster opportunities for private transactions, including funding predevelopment work and offering construction subsidies.

⁴ Realtor Tracey Hutchinson provided data. JM Goldson calculations.

⁵ More information on the state's Local Action Unit program: <https://www.mass.gov/service-details/local-initiative-program>

The key to this approach to foster development of private property is to promote development that is well-designed, appropriately-scaled, and in a sensible location. For example, the Board should be mindful of the Town's open space priorities, as will be established through the upcoming Open Space and Recreation Plan.

ACTIONS

- Establish funding thresholds and underwriting criteria to ensure that the Trust's limited resources are utilized in the most effective manner possible and to enhance transparency of Trust allocations. (See description in the Operating and Funding chapter.)
- Engage development consultant to identify private properties with potential for affordable/mixed-income housing development, including properties that could combine open space conservation and housing development as a conservation subdivision. Approach property owners to discuss possibilities for development and/or property bequest.

ONGOING

4. Buy-down additional market-rate units to create affordable units in new developments

The Town is striving to reach the state's minimum 10 percent affordable housing goal per MGL c.40B and is subject to comprehensive permit applications. Subsidizing agencies, with respect to the Comprehensive Permit Regulations (760 CMR 56.00), require that at least 20-25 percent of units in eligible projects be affordable to low- or moderate-income households. The Town's Flexible Development zoning provisions require a minimum of 10-15 percent of a development be affordable to low- or moderate-income households. The Trust intends to explore possibilities to negotiate the inclusion of additional affordable units in such development proposals, above the minimum requirements of the subsidizing agency or the town bylaws, as warranted and as opportunities arise.

Working closely with the Town Administrator and Planning Board, the Board is interested in participating in negotiations to buy-down market-rate units to create more affordable units. This initiative would be ongoing as opportunities arise.

The Board can negotiate additional affordable units in both homeownership and rental developments. In homeownership projects, the per unit subsidy would likely be based on the delta between the market rate price and the affordable sales price of the unit and would likely result in a permanently-protected affordable unit with the state's Universal Deed Rider. In a rental development, the per unit subsidy level would be negotiated with a specific term (such as 30 years) to factor in operating costs and with an estimation of Consumer Price Index (CPI) increases.

For example, the Wellesley Housing Development Corporation (which is similar in many respects to an MAHT) recently worked with the Town and private developer to buy down two units at 978 Worcester Street. This project is proposed under Wellesley's inclusionary Zoning Bylaw, which only requires that 15 percent of units be affordable. Because the units proposed at this project were rental units, the project would need to have at least 25 percent of the units as affordable so that all the units in the development count on the SHI. With the negotiated buy-down of two additional units, the town will be able to include all units on the SHI.

ACTIONS

- Board to request role in Town's preliminary discussions with developers who are intending to request Comprehensive Permits or approval through the Flexible Development zoning provisions.

5. Implement a local public awareness campaign to build and maintain support for affordable housing initiatives

Such a campaign would clearly articulate the Wenham's housing needs to Wenham community members including town officials and residents. The Board of Trustees will also actively raise public awareness about any local housing initiatives. Creating an informed public will help build support for the other strategies laid out in this plan.

ACTIONS

- Create infographics describing housing needs and benefits to the community
- Distribute relevant information via the town's website, local news outlets, and by working with community partners
- Hold a regular housing forum to discuss progress towards housing goals and celebrate successes

- Consider creating an affordable housing online toolkit to promote understanding of the benefits of affordable housing to communities, including items like fact sheets, presentations, and downloadable exercises for interested groups
- Encourage Board of Trustee member's participation in relevant housing events, conferences, and training such as the YIMBY Town 2018 conference in Boston⁶
- Mobilize a network of Wenham community members to advocate for affordable housing initiatives

6. Promote progressive zoning bylaws that offer attractive incentives to create affordable housing

The Board of Trustees will work closely with town officials to advocate for local policies and regulations, including zoning regulations, that further promote creation of affordable housing in the community—especially efforts to address the Wenham's priority housing needs.

ACTIONS

- Seek town funding allocation for a review of the zoning bylaw and other relevant local bylaws/regulations to evaluate barriers to affordable/mixed-income housing development, identify best practices for comparable communities, and recommend zoning or other regulatory amendments to foster development that will help address local housing needs

7. Foster strong communication and integrated efforts among the various housing entities active in the town and region

Wenham has a variety of local and regional entities working to address affordable housing needs and support households in need including the Wenham Housing Authority, Wenham Council on Aging, North Shore HOME Consortium, Gloucester/Haverhill/Salem/Essex County Continuum of Care, Harborlight Community Partners, North Shore Community Development Corporation, YMCA of North Shore, and Habitat for Humanity of the Cape Ann, among others. The Board of Trustees will be a point of contact to provide overall coordination, foster strong communication, and encourage integrated efforts among the various housing entities.

ACTIONS

- Attend at least one meeting annually of relevant entities and foster communication through regular point of contact.
- Convene a regular affordable housing round-table and take a lead role in communications.

8. Inventory and maintain relevant documents on all affordable units in Wenham to ensure effective monitoring

Wenham's SHI includes 17 units that are in private developments. The Trust can serve an important function for the town by monitoring those units to ensure that the restrictions are properly adhered to and that income-qualified households are selected upon unit turn over.

ACTIONS

- Establish an inventory of affordable units with supporting documentation including the deed riders and/or regulatory agreements setting out the terms of affordability and procedures when units turn over.
- Determine official monitoring agent and stay in regular contact to ensure collaboration between the town/Trust and monitoring agent.

LONG-TERM

9. Refocus priorities for Trust allocations after the town achieves compliance with Chapter 40B

In the upcoming years, Wenham will likely achieve compliance with the state's Chapter 40B ten-percent goal. After that time, the Board will continue to utilize Trust funds to meet Wenham's housing needs and may consider reprioritizing initiatives and the Trust's focus. The Board would likely initiate an strategic planning process to update this Plan to guide its actions in light of changing circumstances.

⁶ <https://yimby.town/>

Chapter 2: Operating and Funding

This chapter focuses on how the Board of Trustees plans to accomplish the goals and priorities laid out in this plan and includes a description of the operating approach, strategies, potential funding sources, and a five-year budget.

Operating Approach

The Board will operate as an active initiator (rather than as a more passive funder). This is an active role that will create maximum flexibility over use of trust funds and optimize opportunities to utilize town-owned property to foster development of affordable housing and establish a housing assistance program in addition to undertaking an educational and advocacy role.

ESTABLISH FUNDING THRESHOLDS AND UNDERWRITING CRITERIA.

To lay a foundation for the Board to utilize Trust funds wisely, the Board should adopt funding thresholds and underwriting criteria to ensure that its limited resources are utilized in the most effective and most transparent manner possible.

The purpose of funding thresholds is to guide the allocation of Trust funding to development projects. The Board would utilize these funding thresholds to determine level of funding allocated to foster development on town-surplus/tax foreclosed properties, buy-down units in market-rate developments, or to foster development on private property.

Examples of funding criteria for consideration:

- Consistency with Wenham's community development and preservation goals as established through the Town's most recent Master Plan/Comprehensive Plan, Open Space and Recreation Plan, Community Preservation Plan, or other relevant planning documents
- Consistency with fair housing to affirmatively encourage equity, promote housing choice, enhance mobility, and promote greater opportunity.
- Term of affordability for as long as possible under the law and realities of funding
- Targeted affordability to most critical housing needs – namely, rental housing including for local workers, first-time homebuyer options, handicap accessible units including for older adults, developments with integrated support services.
- Financial feasibility.
- Maximum leveraging of Trust Funds.
- Regeneration of Trust Funds to help to regenerate Trust funds. (Such mechanisms to consider include short-term loans, longer-term gap financing loans, and shared-equity agreements.)

The Trustees should adopt underwriting criteria for trust-funded development initiatives to ensure the Board appropriately fulfills its fiduciary responsibility as trustees of the trust. Standard underwriting criteria include:

- maximum Trust award amounts per project
- maximum per unit cost (further leveraging of funds)
- approval of permits and any other government approvals
- award terms
- maximum developer and contractor profits and overhead, etc.

Operating Strategies

The most effective housing trusts operate with transparency, strong communication, clear and strategic priorities, and professional capacity. Well considered operating strategies can help the Trustees be more productive, efficient, and successful in achieving its mission, and can help ensure that the Trustees comply with relative laws and regulations.

ONBOARDING NEW MEMBERS

For the long-term success of the trust, it is vital to provide new member with the information and resources they need to quickly and fully understand their role and responsibilities. Create a binder of important documents for all Trustees. The binder should include this plan; the state's trust statute; town trust bylaw; Declaration of Trust; the Massachusetts Housing Partnership's (MHP) Operations Manual for Municipal Affordable Housing Trusts; the state's Open Meeting law, Procurement law, and Conflict of Interest law; and pertinent documents regarding past trust-fund revenue and expenditures. In addition, new members could be sent to one of MHP's Trust Trainings and/or the Massachusetts Housing Institute.

SUBCOMMITTEES OR WORKING GROUPS

To undertake the initiatives laid out in this plan and to ensure maximum operating efficiency and effectiveness, the Board of Trustees should establish subcommittees or working groups to meet one or more times between trust meetings and to undertake discrete tasks related to the subcommittee's purpose.

All trustees, except the chair, should be expected to actively participate in one subcommittee and report back to the full board at its regular monthly meeting. Board meetings should include standard agenda topics for reporting on subcommittee work.

It is important to properly notice meetings that are subject to the MA Open Meeting Law. The town attorney/counsel's advice should be sought if requirements for subcommittees or working group meetings need additional clarity.

STRATEGIC MANAGEMENT

The Board of Trustee's regular meetings will naturally be mostly focused on immediate responsibilities and achieving next steps on current initiatives. Strategic planning and management requires dedicated time where achievement of longer-term goals and objectives can receive regular attention. Toward this aim, the Board of Trustee's should hold at least one annual strategic planning meeting, where the agenda is devoted to evaluating progress toward meeting Trust goals and developing implementation plans to stay on track.

EXPAND PROFESSIONAL PLANNING RESOURCES

In addition to continuing the existing clerical support, secure funding for part-time professional planning/development services, likely consulting services, to provide additional help targeted to coordinate and implement the Trustees' initiatives and provide day-to-day momentum between Trustee meetings and professional guidance. Procurement of such consulting services would require compliance with the procurement procedures of MGL c.30B, likely through a Request for Proposals.

ANNUAL AUDIT

As required by the housing trust statute (MGL c.44 §55C (h)), the books and records of the trust shall be audited annually by an independent auditor in accordance with accepted accounting practices. The Trust funds may be allocated to pay for the annual audit.

Funding Sources

The Board intends to increase Trust revenue by applying for Community Preservation Act (CPA) funds for fiscal years 2020-2023, continuing to collect rental income for the condominium on Friend Court, and soliciting private donations for fiscal years 2022-2023.

CPA

Wenham adopted CPA in 2005 with a 3 percent surcharge on local property taxes with two exemptions: 1) for the first \$100,000 of taxable value of residential real estate and 2) low-income households. The estimated FY2019 total annual CPA revenue is \$315,000 (not including a distribution from the state's Community Preservation Trust Fund). Communities are required to spend or set aside 10 percent of total revenue for each of the three eligible CPA spending areas: 1) Community Housing, 2) Historic Preservation and 3) Open Space/Recreation. If these funds are not spent, they accumulate in the respective reserve. As of January 18, 2018, the CPA's Community Housing Reserve had a balance \$287,000 with an additional estimated revenue of \$31,500 for FY2019. The Board intends to apply for CPA funds to supplement Trust revenue, as detailed in the five-year budget.

Private Donations

Under the housing trust statute (MGL c. 44 s.55C), a MAHT has the authority to accept private donations as Trust revenue. The Board can actively solicit these donations, which can be monetary contributions or donations of real property, including through bequeathments. The Board intends to actively solicit and broadcast the desire to accept donations through press releases, public events, on the Trust's website, and/or other media.

Note that such private donations may qualify for income tax deductions as a charitable contribution in that the WHAT is an entity of the Town of Wenham, which is a political subdivision of the Commonwealth of Massachusetts and, therefore qualifies as an organization to receive deductible contributions.⁷

⁷ Source: U.S. Department of the Treasury Internal Revenue Service, *Publication 526 Charitable Contributions*, March 12, 2018.

Five-Year Budget

The budget presented here is intended for planning purposes only as it is based on rough estimates of projected expenses associated with priority initiatives and professional support and potential sources needed to support these expenses. The budget will require annual amendment to reflect actual costs of initiatives and revenues.

Note: Community Preservation Act (CPA) funds are included as a source of funding for the trust, however it is important to remember that all of Wenham's CPA appropriations must be recommended by the Community Preservation Committee and approved by Town Meeting.

	FY19	FY20	FY21	FY22	FY23	5-Year Total	Target # of Affordable (SHI) Units	Notes
Sources								
Funds carry forward from prior year	\$853,462	\$714,077	\$528,797	\$267,165	\$103,917			
CPA Appropriation	\$0	\$50,000	\$100,000	\$150,000	\$250,000	\$550,000		
Rental Income	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$40,000		
Private Donations	\$0	\$0	\$0	\$50,000	\$50,000	\$100,000		
Interest (1%)	\$8,615	\$7,721	\$6,368	\$4,752	\$4,119	\$31,574		
<i>Total (Revenue)</i>	<i>\$870,077</i>	<i>\$779,797</i>	<i>\$643,165</i>	<i>\$479,917</i>	<i>\$416,036</i>	<i>\$1,575,036</i>		
Uses								
Staffing/Consultants/Admin	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000	na	Clerical staff; planning/development consultant(s); general admin
1. New Construction on Town Surplus/Tax Title Property	\$50,000	\$50,000	\$0	\$0	\$0	\$0	4	Assumes predevelopment funds in FY19 and Construction subsidy in FY20
2. Conversion of Existing Homes/Homebuyer Program	\$5,000	\$100,000	\$100,000	\$100,000	\$100,000	\$405,000	2	Assumes About \$200K/unit to convert one unit every other year FY20-FY23; with planning/program development funds in FY19
3. Construction on Privately-Owned Property	\$0	\$0	\$200,000	\$200,000	\$200,000	\$600,000	15	Assumes one project subsidy of \$600K for per unit cost of \$40K.
4. Buy-down market-rate units in new development	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	5	Assumes one project subsidy of \$250K for per unit cost of \$50K.
5. Public Awareness Campaign	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000	na	Assumes graphic design, webdesign, printing, distribution, event, and like costs.
6. Zoning Incentives/Study	\$25,000	\$25,000	\$0	\$0	\$0	\$50,000	na	Assumes zoning study funded in FY19 and Housing Production Plan in FY20
<i>Total (Expenses)</i>	<i>\$156,000</i>	<i>\$251,000</i>	<i>\$376,000</i>	<i>\$376,000</i>	<i>\$376,000</i>	<i>\$1,435,000</i>	26	
<i>Sources-Uses</i>	<i>\$714,077</i>	<i>\$528,797</i>	<i>\$267,165</i>	<i>\$103,917</i>	<i>\$40,036</i>			

Chapter 3: Background

This chapter provides background information to support the plan including information about the Wenham Affordable Housing Trust, affordable housing in Massachusetts, Wenham's affordable housing needs, eligible uses of Trust funds and legal considerations, and Trust operating frameworks.

Wenham Affordable Housing Trust

Based on a recommendation of the 2008 Wenham Housing Action Plan, the Town Meeting approved the creation of the **Wenham Affordable Housing Trust (WAHT)**, per MA General Laws Chapter 44 Section 55C (MGL c.44 s.55C), in May 2009. The purpose of the Trust, as stated in the town's General Bylaws, is to provide for the creation and preservation of affordable housing in the Town of Wenham for the benefit of low- and moderate-income households.

BOARD OF TRUSTEES

The **Board of Trustees' (Board)** primary purpose is to recommend the use of WAHT funds to the Board of Selectmen. All Trustees must be current residents of Wenham and are appointed by the Board of Selectmen for a two-year term for no more than five consecutive terms. At least one of the Trustees shall be a member of the Board of Selectmen.

The powers and authority of the Board are set forth in accordance with MGL c.44 s.55C with the exception that it has no ability to borrow money, or mortgage or pledge Trust assets, purchase, sell, lease, exchange, transfer, or convey any interest in real property without prior approval of the Wenham Board of Selectmen per the local bylaws. A Board majority may exercise the powers of the Board. The Town Treasurer/Collector is the custodian of the Trust funds.

REVENUE AND EXPENDITURES

As of January 2018, the WAHT fund balance was about \$870,000. The Trust's funding sources included negotiated payments from three residential development projects, Windover Development, The Boulders, and the Maples (116-120 Main Street). In addition, the Town has allocated just over \$333,000 of Community Preservation Act funds to the Trust fund with three transfers to the Trust fund (\$243,000 in 2009, \$42,162 in 2011, and \$48,000 in 2013).

WAHT Revenue & Expenditures FY10-FY18 (*FY18 as of May 2018)

Year	Revenue				Expenditures	Balance	Brady Funds	YE Running Balance
	CPA	Other	Earnings	Total				
FY10		\$911,293	\$18,828	\$930,120	\$516,537	\$413,583		
FY11	\$43,000	\$191,730	\$1,124	\$235,855	\$23,827	\$625,611		
FY12	\$40,000		\$249	\$40,249	\$4,047	\$661,813	\$212,334	\$874,147
FY13			\$191	\$191	\$5,946	\$656,058	\$213,758	\$869,816
FY14			\$3,945	\$3,945	\$40,092	\$619,911	\$214,682	\$834,593
FY15		\$19,673	\$5,657	\$25,330	\$0	\$645,241	\$216,359	\$861,600
FY16			\$6,874	\$6,874	\$0	\$652,115	\$218,277	\$870,392
FY17			\$6,211	\$6,211	\$4,000	\$654,326	\$220,202	\$874,528
FY18			\$9,828	\$9,828	\$31,953	\$632,201	\$221,261	\$853,462
Total	\$83,000	\$1,122,697	\$52,906	\$1,258,603	\$626,402	\$632,201		

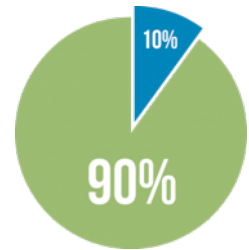
Affordable Housing in Massachusetts

Affordable housing in Massachusetts is housing that is restricted to individuals and families with qualifying incomes and asset levels and receives some manner of assistance to bring down the cost of owning or renting the unit, usually in the form of a public subsidy or from zoning relief. Affordable housing can be public or private.

WHAT IS CHAPTER 40B?

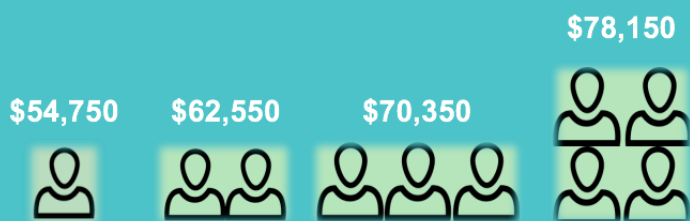
Massachusetts General Laws (MGL) Chapter 40B §§20-23 (Chapter 40B), known as the Comprehensive Permit Law, is a state statute that promotes development of affordable homes by allowing developers to apply for Comprehensive Permits for projects with at least 20% -25% affordable units. Through these permits, developers can request waivers from local zoning requirements and have a streamlined permitting process. Those municipalities with less than 10% affordable housing stock have less flexibility in denying Comprehensive Permits.

Chapter 40B was enacted in 1969 to help expand the number of communities and neighborhoods where households with low and moderate incomes could afford a safe and affordable home.⁸ Chapter 40B enables The **Massachusetts Department of Housing and Community Development (DHCD)** to maintain a **Subsidized Housing Inventory (SHI)** that lists all affordable housing units that are reserved for households with incomes at or below 80 percent of the **area median income (AMI)**, under long-term legally binding agreements, and are subject to affirmative marketing requirements.



What incomes are at or below 80% AMI?

FY2017 HUD Income Limits for the Boston-Cambridge-Quincy Metro Area



Subsidized Housing Inventory (SHI)

List of affordable homes that count towards 40B 10% goal. Eligible units are:

- Subsidized by state/federal program or are created through local action
- Affordable to households with low/moderate income
- Affirmatively and fairly-marketed
- Subject to an affordability restriction

WENHAM'S STATUS IN MEETING THE STATE'S 40B GOAL

Wenham is very close to meeting the State's 10 percent goal per Chapter 40B with 118 units⁹ listed on the state's 40B Subsidized Housing Inventory (SHI), which is 8.2 percent of total year-round housing units.¹⁰ The Town would need to produce 22 SHI-eligible units to reach 10 percent.

Note that the town's base year-round units will be updated based on the 2020 US Decennial Census and the town may require additional SHI units at that time to comply with Chapter 40B. However, according to the Town Planner, there will be an estimated 72 housing units added between 2010-2020, nine of which would be affordable, which is 12.5 percent of new units.

⁸ Citizens Housing and Planning Association, *Chapter 40B The State's Affordable Housing Law*, January 2014.

⁹ This is four less than the number of units on the SHI per the 2017 Housing Production Plan because of the loss of four group home units/beds.

¹⁰ Source: Massachusetts Department of Housing and Community Development, *Chapter 40B Subsidized Housing Inventory*, September 14, 2017.

Wenham & Nearby Community's Chapter 40B SHI %

Source: MA Department of Housing and Community Development, Chapter 40B Subsidized Housing Inventory as of September 14, 2017.



Understanding Wenham's Housing Needs

The Town of Wenham commissioned a housing needs assessment, which was completed in 2017, to assist the town in understanding current and future housing needs. The study, which was overseen by the WAHT, provides information on current community housing issues by documenting the range of local needs, existing market conditions, and affordability gaps.

Some of the study's key findings are as follows:

- Wenham is losing younger residents and gaining older ones.
- About a quarter of all households are earning at or below 80 percent of the area median income (AMI) and could potentially qualify for affordable housing.
- Although median household income is among the highest in the state, there is a very vulnerable population living in Wenham with limited financial means, including about 188 households with income less than \$25,000.
- Wenham has a high affordability gap of \$328,000 –the difference between the maximum purchase price that a household of three earning 80 percent AMI could afford (about \$237,000) and the median sales price of a single-family house in Wenham (\$565,000).¹¹
- Housing growth has largely been owner-occupied housing stock.
- Rental units, as a percentage of total units, decreased from 20 percent of total units in 1980 to 15 percent in 2014.
- There is a very limited amount of multi-family housing – only 10.5 percent of total housing units are in structures with three or more units compared with about 31 percent in the county and state.

The Wenham Housing Needs Assessment, completed in 2017¹², concluded that the town needs:

- *rental housing including for local workers*
- *first-time homebuyer options*
- *handicap accessible units including for older adults*
- *support services integrated into new development*

Diversity of Housing Choice

About 86% of housing structures in Wenham are single detached units. More choice regarding housing types can create more affordable options for those who are unable to afford a single-family house.

Other Housing Types

Town Houses - a single family house of two or sometimes three stories that is connected to a similar house by a common sidewall.

Multi-Family Reuse - converting an existing building to multi-family (3+) dwelling units

Mixed-Use - commercial on the ground floor with residential units above, "top of shop"

Accessory Dwelling: A second small dwelling unit on the same property or within a single-family house, such as an apartment in a carriage house, a basement apartment, or tiny house in the backyard.

Cluster Housing: A grouping of residences (such as cottage-style single family, town houses, duplexes, small multi-family) on a site with land preserved for open space, recreational, or agricultural use.

Households that spend more than 30 percent of their income on housing are defined as being cost burdened

32%

of owner households are cost burdened

37%

of renter households are cost burdened

In 2014, **one third** of all Wenham households were living in housing that was unaffordable.

Cost burdens are spread along a wide range of incomes, and in Wenham 213 households earning more than 80% of the Area Median Income were cost burdened in 2014.

¹¹ Note that the median sales price of a single-family house in Wenham has increased since the time of the study to \$630,000 for calendar year 2017 per The Warren Group.

¹² Source: Source: Karen Sunnarborg Consulting, *Town of Wenham Housing Production Plan*, 2017.

Eligible Uses of Trust Funds & Legal Considerations

A MAHT allows municipalities to 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. Uses of Trust funds must comply with the statutory purpose of the Trust per MGL c.44 s.55C – the creation and preservation of affordable housing for the benefit of low- and moderate-income households. The following briefly summarizes eligible activities for creation and preservation – for a more detailed description and examples, please refer to the Massachusetts Housing Partnership’s *Municipal Affordable Housing Trust Operations Manual* (MHP Manual).¹³

CREATION

Activities to create, or produce, affordable housing include the following:

- Construct new affordable housing units
- Rehabilitate existing buildings to convert to affordable housing (could include conversion of surplus town buildings, such as surplus schools or libraries, or privately-owned buildings, such as former churches)
- Purchase of existing market rate residential units, rehabilitation if necessary for health and safety purposes, and resell as affordable housing
- Establish homebuyer assistance program to convert market rate units to affordable units

PRESERVATION

Preservation of affordable units refers to initiatives to perpetuate existing affordable units in light of restrictions that would otherwise expire. Preservation is sometimes also described as physically preserving the condition of existing affordable units, however it is unclear if this is the intent of the statute.

Note that CPA funds cannot be used for rehabilitation until the property was previously acquired or created using CPA funds.

LOW- AND MODERATE-INCOME

Since the Trust statute doesn’t offer a definition of the term “low- and moderate-income” the MHP Manual advises Boards to use their judgment and consult other definitions commonly used in state and federal programs. It may be wise to consult with municipal counsel if the Board chooses to a definition that is not commonly used in state and federal program.

The Community Preservation Act (CPA), for example, sets an income threshold of 100 percent AMI and the MA Affordable Housing Trust Fund can be used to benefit households with incomes up to 110 percent AMI.

SUPPORT

The 2017 amendment to MGL c.44 s.55C clarified that any eligible use of CPA funds for affordable housing, including activities covered under “support,” is also an eligible use of Municipal Affordable Housing Trust (MAHT) funds. The trust funds can also be used to support the work of the Trustees with professional staff/consultants, legal assistance, clerical support, and the like.

USE OF CPA FUNDS

The 2017 amendment to MGL c.44 s.55C also clarified that restrictions on the use of CPA funds remain in force even after CPA funds are transferred to a MAHT and requires the use of those funds by the Trust be included in the CPA reporting to the Department of Revenue. The Trust, when utilizing CPA funds, can benefit from the CPA statute’s MGL c.30B s.16 exemption for acquisition of property. Note that disposition of property has no such exemption.

The Trust’s use of CPA funds must be tracked and accounted for separately to demonstrate compliance with the CPA restrictions.

¹³ Massachusetts Housing Partnership, *Municipal Affordable Housing Trust Operations Manual: How to effectively operate your local trust*, November 2015.

Framework for Board Operating Approach

MAHTs can operate as an active initiator, a more-passive funder, or a combination of both.

- As an initiator, a Board would allocate Trust funds or property to foster specific projects or programs, such as affordable housing development or a program that offers direct housing assistance. This is an active role and is typical for Trust in smaller communities.
- As a funder, a Board could operate as a funding source – calling for and reviewing applications or proposals from private or public entities to create or preserve affordable housing. This is a more passive role and is more typical in larger communities with a higher level of development activity.

A Board does not have to choose one approach over another, but could also operate as a mixture of both initiator and funder.

Chapter 4: Community Priorities for the Trust

To engage the community in shaping the Board's priorities for use of the WAHT fund, the planning consultant conducted interviews of key town officials and stakeholders. In addition, the Board sponsored a community workshop, which was facilitated by the planning consultant. This chapter briefly describes the main conclusions and the appendices include a more detailed summary of results of the stakeholder interviews and community workshop.

Stakeholder Interviews

JM Goldson interviewed 26 stakeholders in the community in October 2017 including town officials, town employees, residents, and others familiar with the community. The following is a general summary of feedback from these interviews, as related to affordable housing issues and the WAHT.

MAIN CONCLUSIONS

- Wenham is a small town with a year-round population of about 3,555 people (2010-2014 ACS). Community members value the bucolic feeling and rural features of the community and desire to preserve these community attributes.
- The community is close to meeting the state's 10-percent goal per MGL c. 40B with 8.4 percent of its total year-round housing stock counted on the state's Subsidized Housing Inventory (SHI) (as of September 14, 2017). The Town needs 22 units added to the SHI to meet the state's 10-percent goal.
- A recent affordable housing development proposal (Maple Woods) triggered significant tension in the community that is yet unresolved. The development is the subject of two pending lawsuits.
- Trust members recognize the importance of their role to oversee the trust funds and want to ensure that they utilize the funds in a way that is most responsive to the community needs and desires.
- The interview subjects have a diversity of perspectives about housing needs and the Trust's ideal role.

Community Workshop

In a community workshop that took place in the First Church in Wenham on Saturday, January 20 from 9:30 am to 12:00 pm, the Wenham Affordable Housing Trust solicited feedback from 42 participants to incorporate into the Trust's Action Plan.

MAIN CONCLUSIONS

- Participants were generally supportive of meeting the 10 percent affordable housing goal as a priority.
- Many participant's felt that increasing the community's diversity, allowing seniors to age in place, and welcoming new residents and families to Wenham are important reasons to create new affordable housing.
- Participants preferred smaller, more spread-out affordable units, rather than large concentrated developments, and the rehabilitation of existing homes to convert to affordable housing was favored by many participants.
- The use of Community Preservation Act (CPA) funds, negotiated developer's fees, cell tower lease payments, and private donations are sources of funding that residents felt the Trust should utilize most.



WAHT Community Meeting

January 20, 2018

HOUSING VISION

Participants were asked to share the qualities they love about Wenham and to assess how the community can best address housing needs while preserving these qualities. The qualities most identified as important aspects of Wenham included:

- the great school system
- the availability of open space and natural areas
- the strong sense of community felt by its residents
- the safety and walkability
- the access to great public services

Participants identified the following reasons for the creation of affordable housing in Wenham:

- increasing diversity
- allowing for seniors to age in the community
- making it possible for first responders and teachers to live in Wenham
- allowing young families the opportunity to move to Wenham

Participants suggested the following housing options to encourage in Wenham:

- rehabilitation of existing homes
- clustered housing that is mixed in age range or just for senior living
- town houses for ownership
- multi-family housing available for rental
- in-law/accessory apartments

EVALUATION OF PAST AND PRESENT HOUSING INITIATIVES

When discussing housing approaches that have worked well in the town, participants primarily mentioned Enon Village and Parsons Hill. Housing approaches that participants felt did not work well in Wenham included the Maple Street Project and Friend Court due to complications getting started. When asked about what the Trust can learn going forward, participants suggested:

- more thoughtfulness in their approach with the community to gather input more regularly
- proactivity meeting the 10 percent and maintaining the creation of affordable housing after meeting the 10 percent
- focusing on smaller projects and zoning changes rather than large complexes
- involving developers in the decisions
- increasing diversity and promoting inclusiveness in the town

TRUST'S INITIATIVES IN THE COMING YEARS

Participants were asked what they hoped the community could accomplish through the Trust. The primary ideas that participants had on what the community had should accomplish through the Trust were:

- increasing rental housing in town
- aiming above the 10 percent goal of affordable housing to be ahead in the future
- increasing diversity
- rehabbing existing homes

TRUST FUNDING

Participants were asked to consider this list of sources and discuss what sources of funding should be targeted for future Trust funds. Participants generally agreed that the most appropriate sources of funds for the Housing Trust were:

- CPA funds
- negotiated developer's fees
- cell tower lease payments
- private donations

Appendix A: Declaration of Trust

DECLARATION OF TRUST TOWN OF WENHAM AFFORDABLE HOUSING TRUST

THIS DECLARATION OF TRUST is hereby made as of this 12th day of May, 2009, by the Town of Wenham acting by and through its Board of Selectmen, as approved by vote of the Annual Town Meeting of May 2, 2009, pursuant to the provisions of M.G.L. c. 44, Section 55C.

ARTICLE I: NAME OF THE TRUST

The trust shall be called the "Town of Wenham Affordable Housing Trust Fund."

ARTICLE II: PURPOSE OF TRUST

The purpose of the Trust shall be to provide for the preservation and creation of affordable housing in the Town of Wenham for the benefit of low and moderate income households.

ARTICLE III: APPOINTMENT AND TENURE OF TRUSTEES

There shall be a Board of Trustees consisting of not less than five and not more than seven Trustees appointed by the Board of Selectmen. At least one of the Trustees shall be a member of the Board of Selectmen.

The Trustees shall be appointed for a two (2) year term, such term to end on July 1st of the expiration year or until such time as a successor is appointed, should said appointment be delayed. Two of the initial Trustee appointments shall be for a term of one (1) year, and may be re-appointed at the discretion of the Board of Selectmen. Trustees may be appointed for no more than five (5) consecutive terms.

In the event of a vacancy in the position of Trustee, the appointment shall be made in the same manner as the original appointment.

All Trustees must be current residents of Wenham. Any Trustee who ceases to be a resident of the Town of Wenham shall promptly provide a written notification of the change in residence to the Trust and to the Town Clerk. The Trustee shall promptly cease to be a member of the Trust and action shall be taken immediately to begin replacement proceedings.

Any Trustee may resign by written instrument signed and acknowledged by such Trustee and duly filed with the Town Clerk. If a Trustee shall die, resign, or for any other reason cease to be a Trustee hereunder before his/her term of office expires, a successor shall be appointed by the Board of Selectmen to fill such vacancy provided that in each case the appointment and acceptance by the Trustee so appointed is received in writing and filed with the Town Clerk. No such appointment shall be required so long as there are five (5) Trustees in office. Upon the appointment of any succeeding Trustee and the filing of such appointment the title to the Trust estate shall thereupon and without the necessity of any conveyance be vested in such succeeding Trustee jointly with the remaining Trustees.

ARTICLE IV: POWERS OF TRUSTEES

The Trustees shall have the following powers which shall be carried out in accordance with and in furtherance of the provisions of M.G.L. Chapter 44, s 55C (Municipal Affordable Housing Trust Fund) as outlined below except that it shall have no ability to borrow money, or mortgage or pledge Trust assets, purchase, sell, lease, exchange, transfer or convey any interest in real property without prior approval of the Wenham Board of Selectmen:

- 1) with Board of Selectmen approval upon recommendation of the Trustees , to sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertaking relative to Trust property as the Trustees deem advisable notwithstanding the length of any such lease or contract;
- 2) with Board of Selectmen approval upon recommendation of the Trustees, to borrow money up to the extent of the Trust's assets on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral; and subject to 2/3 vote at any Annual or Special Town Meeting for greater than the extent of the Trust's assets.
- 3) with Board of Selectmen approval upon recommendation of the Trustees , to purchase and retain real or personal property, including without restriction investments which follow MGL Ch 44 Sect 55B. The law states, monies shall be invested in such a manner to require the payment of interest on the money at the highest possible rate reasonably available, taking account of safety, liquidity and yield;
- 4) with Board of Selectmen approval upon recommendation of the Trustees, to participate or join or form a partnership, corporation or any other legally organized entity to accomplish the purposes of this Trust and to participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation, and any other corporation, person or entity;
- 5) with Board of Selectmen approval upon recommendation of the Trustees, to deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the Trustees may deem proper and to pay, out of Trust property, such portion of expenses and compensation of such committee as the Trustees may deem necessary and appropriate;
- 6) with Board of Selectmen approval upon recommendation of the Trustees, to accept and receive real property, personal property or money, by gift, grant, contributions, devise, or transfer from any person, firm, corporation or other public entity or organization or tendered to the Trust in connection with provisions of any ordinance or by-law or any General Law or Special Act of the Commonwealth or any other source including money from M.G.L Chapter 44B (Community Preservation);

- 7) with Board of Selectmen approval upon recommendation of the Trustees, to execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the Trustees engage for the accomplishment of the purposes of the Trust;
- 8) with Board of Selectmen approval upon recommendation of the Trustees, to construct, manage or improve real property; and to abandon any property which the Trustees determine not to be worth retaining;
- 9) to become the lottery and monitoring agent for affordable housing and accept compensation for those services into the Fund,
- 10) to monitor the expiring use of any affordable housing in Wenham;
- 11) to compensate Town employees for services provided as authorized by the Board of Selectmen, including but not limited to dedicated staff to Trustees, engineering support for project specific activities, and other Town services, as requested by the Trustees to the Town Administrator;
- 12) with Board of Selectmen approval upon recommendation of the Trustees, to contract for advisors and agents, including but not limited to accountants, appraisers and lawyers as the Trustees deem necessary;
- 13) with Board of Selectmen approval upon recommendation of the Trustees to pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the Trustees deem advisable;
- 14) to apportion receipts and charges between incomes and principal as the Trustees deem advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;
- 15) to carry property for accounting purposes other than acquisition date values;
- 16) with Board of Selectmen approval upon recommendation of the Trustees, to make distributions or divisions of principal in kind;
- 17) with Board of Selectmen approval upon recommendation of the Trustees, to extend the time for payment of any obligation to the Trust;
- 18) with Board of Selectmen approval upon recommendation of the Trustees, to establish a plan, guidelines, criteria and/or qualifications for recipients and expenditures in accordance with Trust's stated purposes;
- 19) with Board of Selectmen approval upon recommendation of the Trustees, to compromise, defend, enforce, release, settle or otherwise adjust claims in favor or against the Trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the Trustees may deem appropriate;

With Board of Selectmen approval upon recommendation of the Trustees, the Trustees shall have full power and authority, at any time and from time to time and without the necessity of applying to any court for leave to do so, to expend the 100% of the Trust

funds, both principal and interest, to the extent that all funds hereunder may be expended if the Trustees deem such expenditure appropriate. All expenditures shall be made in conformance with the terms of this Trust and M.G.L. Chapter 44, s 55C.

ARTICLE V MEETINGS OF THE TRUSTEES

The Trust shall meet at least quarterly at such time and such place as the Trustees shall determine. Special meetings may be called by the Chairperson or by any two (2) Trustees. Notice of any meeting of the Trust shall be filed with the Town Clerk and posted in accordance with the Open Meeting Law, M.G.L. Chapter 39, s 23A, 23B and 23C.

A quorum of the Board of Trustees shall be the majority of the number of authorized Trustees.

The Trustees shall annually elect one (1) Trustee to serve as Chairperson. The Chairperson may establish sub-committees and/or ad hoc task related committees to carry out the purposes of the Trust. Chairpersons of the sub-committees may be selected by the members of the sub-committees.

If any Trustee is absent from five (5) consecutive regularly scheduled meetings of the Trust, except in the case of illness, his position shall be deemed vacant and shall be filled with a new appointment as set forth above.

ARTICLE VI ACTS OF TRUSTEES

A majority of Trustees may exercise any or all of the powers of the Trustees hereunder and may execute on behalf of the Trustees any and all instruments with the same effect as though executed by all the Trustees. No Trustee shall be required to give bond. No license of court shall be required to confirm the validity of any transaction entered into by the Trustees with respect to the Trust Estate.

ARTICLE VII LIABILITY

Neither the Trustees nor any agent or officer of the Trust shall have the authority to bind the Town, except in the manner specifically authorized herein. The Trust is a public employer and the Trustees are public employees for the purposes of M.G.L. Chapter 268A. The Trust shall be deemed a municipal agency and the Trustees special municipal employees for the purposes of M.G.L. Chapter 268A.

ARTICLE VIII TREASURER/COLLECTOR AS CUSTODIAN

The Town of Wenham Treasurer/Collector shall be the custodian of the Trust's funds and shall maintain separate accounts and records for said funds.

He or she shall invest the funds in the manner authorized by M.G.L. Chapter 44, s 55 (Public Funds on Deposit; Limitations; Investments,) s 55A, (Liability of Depositor for Losses Due to Bankruptcy), s 55B (Investment of Public Funds).

Any income or proceeds received from the investment of funds shall be credited to and become part of the Trust.

Expenditures by the Trust shall be processed through the warrant but shall be controlled by the provisions of M.G.L. Chapter 44, s.55C. The yearly approved budget, and any approved budget revisions will be recorded by the Town Treasurer/Collector.

As custodian, the Treasurer/Collector shall issue checks as directed by the Trustees.

In accordance with M.G.L. Chapter 44, s.55C (Municipal Affordable Housing Trust Fund), the books and records of the Trust shall be audited annually by an independent auditor in accordance with accepted accounting practices. The Trust shall be audited as part of the Town audit.

ARTICLE IX DURATION OF THE TRUST

This Trust shall continue so long as authorized under the Laws of the Commonwealth of Massachusetts. Notwithstanding the foregoing, The trust may be terminated by a majority vote of the Town Meeting in accordance with M.G.L. Chapter 4, s 4B, provided that an instrument of termination together with a certified copy of the Town Meeting vote are duly recorded with the Southern Essex District Registry of Deeds and the Land Court. Upon termination of the Trust, subject to the payment of or making provisions for the payment of all obligations and liabilities of the Trust and the Trustees, the net assets of the Trust shall be transferred to the Town and held by the Board of Selectmen for affordable housing purposes. In making any such distribution, the Trustees may, subject to the approval of the Board of Selectmen, sell all or any portion of the Trust property and distribute the net proceeds thereof or they may distribute any of the assets in kind. The powers of the Trustees shall continue until the affairs of the Trust are concluded.

ARTICLE X CONSTRUCTION OF TERMS

In the construction hereof, whether or not so expressed, words used in the singular or in the plural respectively include both the plural and singular, words denoting males include females and words denoting persons include individuals, firms, associations, companies, trusts and corporations unless a contrary intention is to be inferred from or required by the subject matter or context. All the powers and provisions of the Trust herein contained shall take effect and be construed according to the laws of the Commonwealth of Massachusetts.

Reference to the Trustee shall mean the Trustee or Trustees for the time being hereunder.

ARTICLE XI RECORDING

This Declaration of Trust shall be recorded with the Southern Essex District Registry of Deeds and the Land Court.

ARTICLE XII AMENDMENTS

The Declaration of Trust may be amended from time to time except as to those provisions specifically required under M.G.L. Chapter 44, s 5C, by an instrument in writing signed by all of the Trustees and approved at a meeting called for that purpose, and approved by the Board of Selectmen provided that in each case, a certificate of amendment has been recorded with the Southern Essex District Registry of Deeds and the Land Court.


ARTICLE XIII RECORD TO BE CONCLUSIVE, CERTIFICATE AS TO FACTS

Every contract, deed, mortgage, lease and other instrument executed by a majority of the Trustees as appears from instruments or certificates recorded with the Registry of Deeds and Land Registration Office to be Trustees hereunder shall be conclusive evidence in favor of any person relying thereon or claiming thereunder, that at the time of the delivery thereof this Trust was in full force and effect and that the execution and delivery of such instrument was duly authorized by the Trustees except that instruments of amendment pursuant to Article XII and an instrument of termination pursuant to Article IX hereof shall be conclusive only if it appears that the delegations, amendments or termination have been executed by all of the Trustees. Any person dealing with the Trust property or the Trustees may always rely on a certificate signed by any person appearing from instruments or certificates so recorded to be Trustee hereunder as to the identity of the then current Trustees or as to the existence or non-existence of any fact or facts which constitute conditions precedent to acts by the Trustees or in any other manner germane to the affairs of the Trust.

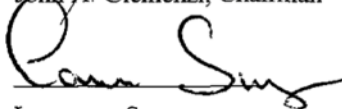
ARTICLE XIV TITLES

The titles to the various Articles herein are for convenience only and are not to be considered part of said Articles nor shall they affect the meaning or the language of any such article.

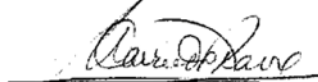
IN WITNESS WHEREOF the said Selectmen have hereunto set their hands and seals on the day and year first hereinabove set forth.



John A. Clemenzi, Chairman



Lawrence Swartz



Harriet P. Davis

COMMONWEALTH OF MASSACHUSETTS

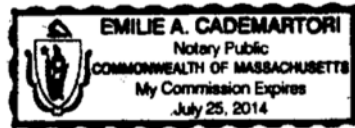
ESSEX, SS.

May 27, 2009

On this 27 day of May, 2009, before me, the undersigned notary public, personally appeared the above-named John Clemenzi, proved to me through satisfactory evidence of identification, which was personal knowledge, to be the

person whose name is signed on the preceding document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Emilie A. Cademartori
_____, Notary Public
My commission expires July 25, 2014



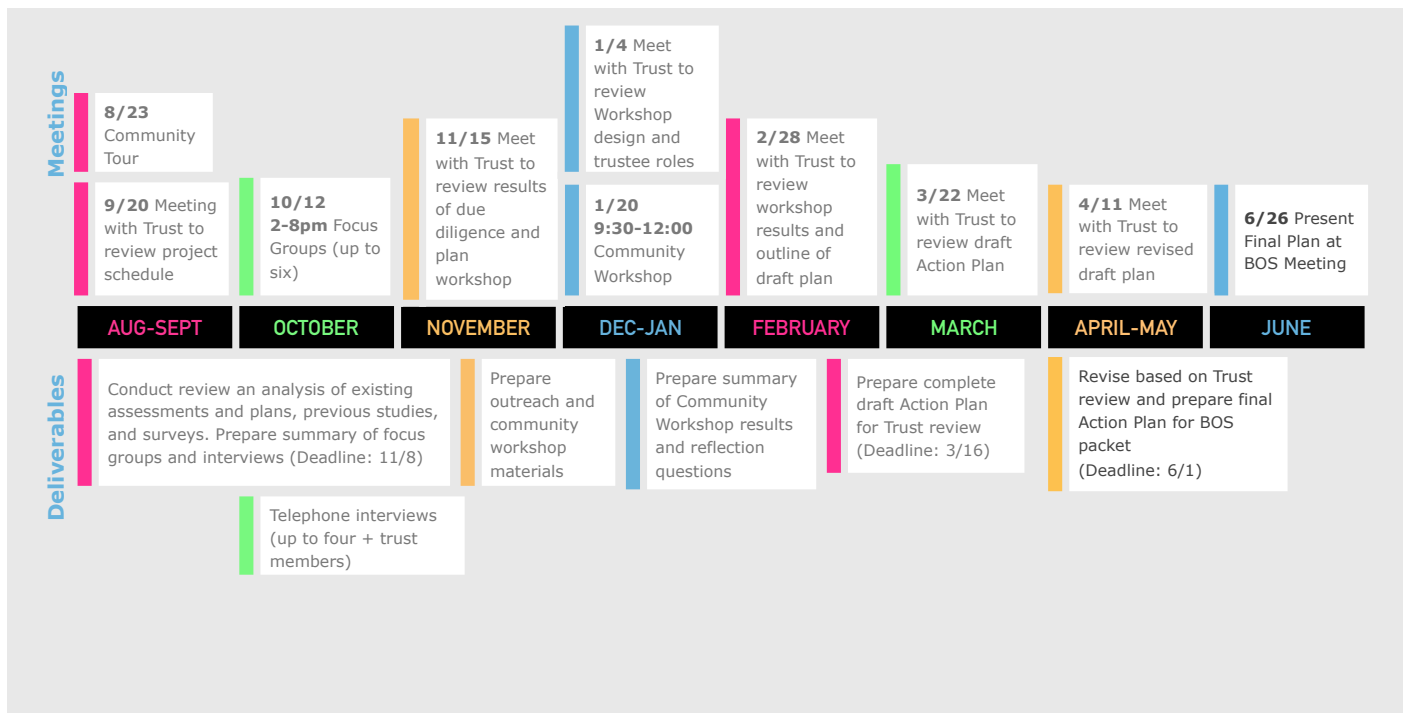
Appendix B: Project Schedule

WENHAM AFFORDABLE HOUSING TRUST ACTION PLAN

Project Schedule

Prepared by JM Goldson

8/23/17, revised 6/25/18



Appendix C: Summary of Stakeholder Interviews

JM Goldson interviewed several stakeholders in the community in October 2017 including town officials, town employees, residents, and others familiar with the community. The following is a general summary of feedback from these interviews, as related to affordable housing issues and the Wenham Affordable Housing Trust.

Main Conclusions

- Wenham is a small town with a year-round population of about 3,555 people (2010-2014 ACS). Community members value the bucolic feeling and rural features of the community and desire to preserve these community attributes.
- The community is close to meeting the state's 10-percent goal per MGL c. 40B with 8.4 percent of its total year-round housing stock counted on the state's Subsidized Housing Inventory (SHI) (as of September 14, 2017). The Town needs 22 units added to the SHI to meet the state's 10-percent goal.
- A recent affordable housing development proposal (Maple Woods) triggered significant tension in the community that is yet unresolved. The developer, Harborlight Community Partners, proposed to construct sixty, age-restricted supportive rental units at 62 Maple Street in West Wenham. Town decision makers at the time generally viewed this project as a benefit for the town by providing senior housing and meeting the state's 10-percent goal to an extent that Wenham would remain compliant well past the 2020 census (when year-round units are expected to increase, thereby increasing the number of affordable units needed). However, neighborhood residents and other community members were extremely concerned about negative externalities of the project and opposed the development. The development is the subject of two pending lawsuits.
- Political representatives turned-over on the Board of Selectmen and subsequently the membership of other boards and commissions also turned-over including the Trust and Community Preservation Committee. Interview subjects interpret the turn-over in Wenham's political leadership as related to negative community sentiment about the Maple Woods project and feelings that town officials should have been more transparent and less supportive of the project.
- Trust members recognize the importance of their role to oversee the trust funds and want to ensure that they utilize the funds in a way that is most responsive to the community needs and desires. They intend for this planning process to garner a significant level of community agreement to guide the use of the funds.
- The interview subjects have a diversity of perspectives about housing needs and the Trust's ideal role:
 - Some subjects are focused on complying with the state's 10-percent goal and feel that when the town has met this primary goal then there will be no need or benefit for the Town to continue utilizing town resources to addressing housing needs.
 - Other subjects also want to comply with the state's 10-percent goal but want to continue to address local housing needs and see a role for the Trust even after meeting the state's goal. They see the need for creating more housing options to support housing needs of people in all life stages including for seniors to downsize, divorced parents who want to stay in the community, and local workers.
 - Interview subjects had mixed feelings about the best type of initiatives for the Trust to undertake. Primarily, the discussions focused on whether the trust should be an investor in development projects (as it was considering for the Maple Woods project) or go back to reusing and converting existing single/two-family homes to affordable units (as it had done with two units in its early years).
 - On one hand, investing in development projects could have the best return on investment, both investment of trust funds per unit as well as time, energy, and effort, and is likely to make substantial progress towards the state's 10-percent goal.
 - On the other hand, utilizing existing buildings to convert to permanently affordable units would likely produce minimal, if any, community controversy, but would have a higher cost per unit, both of trust funds and expenditure time, energy, and effort, and would be unlikely to meet the state's 10-percent goal for many years.

- Many interview subjects advised that the Trust should foster and promote open community dialogue and education about community housing needs. Although these types of efforts would not directly create affordable housing, subjects felt it would provide an essential foundation for the community and could help ameliorate community hostility regarding housing issues and development.

Detailed Summary

The following summary is organized around the interview questions and provides a synopsis of the general discussion themes and perspectives.

1. The Housing Needs Assessment concluded that the town needs 1) rental housing including for local workers; 2) first-time homebuyer options; 3) handicap accessible units; and 4) support services integrated into new development. Do you agree with these findings? In your experience, what types of housing does Wenham need the most? What is in demand that the market is not responding to?

The town's housing needs were the subject of some debate among interview subjects. Some believe the findings represent what they perceive as needs in the community – particularly for rental housing and smaller units that could allow seniors to downsize to maintenance-free units and remain in the community as they age. As the town's population is anticipated to decline with more seniors and less families, greater housing choice is viewed by some as a way to sustain and increase the town's vitality. While others felt that the town would be better preserved as it is now with mostly single-family, ownership homes geared toward families with means and that other nearby communities already provide enough housing choice for older adults and for households that cannot afford the cost homeownership in Wenham.

2. What affordable housing approaches have worked well in Wenham? What have not worked well?

Many interview subjects felt that the Wenham Housing Authority's Enon Village (84 units, built in 1975) is a good example of affordable housing that has worked well in the community because it is in a good location with no abutters and good access to the commuter rail and retail. Some subjects mentioned that they liked the design of Enon Village because it consists of multiple low-rise buildings. Enon Village, with approximately 25.6 acres of land has a density of just over three-units per acre.

Some interview subjects felt that the Trust's efforts to rehab and convert two existing units to be affordable was successful, despite the per unit costs and level of volunteer effort, because it worked with the existing housing stock rather than new construction.

Some interview subjects identified the WISSH rehabilitation program as a success as well – this program was funded with the Brady funds (negotiated developer payments for The Maples development).

Parson's Hill, a housing development on former Gordon College land, was discussed as a successful project. The mixed-income project created twelve affordable ownership units in duplexes designed to appear as single-family houses. The property was close to Beverly and connected to Beverly's water and sewer systems.

In addition, Wenham's Inclusionary Zoning bylaw is successful at integrating affordable units into market-rate developments and hasn't generated controversy among the community.

3. What do you hope the community can accomplish through your housing trust? What types of activities should the trust fund?

- a. Financial support for the construction of affordable homes by private developers (for-profit or non-profit)*
- b. Rehabilitate existing homes to convert to affordable housing*
- c. Increase affordability in new housing development projects*
- d. Develop surplus municipal land or buildings (such as tax title land)*
- e. Preserve properties faced with expiring affordability restrictions (Parsons Hill – 12 ownership units expires in 2044)*
- f. Create programs to assist income-qualifying homebuyers or renters*
- g. Educate and advocate to further affordable housing initiatives in the community*

Some interview subjects felt that the Trust funds should be used to support the Maple Woods project if it prevails in court and that the Trust should be dissolved once it has funded this project since the town will have achieved the state's 10-percent goal. Most interview subjects did not feel this way, however.

Other interview subjects suggested that rehabilitating existing homes to create affordable housing (b) and creating programs to assist homebuyers (f) (not renters) would be the most palatable way for the Trust to create affordable units that are in keeping with the existing development pattern of the community and would cause the least amount of negative community sentiment. These subjects recognized the expense of such an initiative on a per unit basis, but many felt it would still be worthwhile.

Some subjects discussed the benefits of supporting construction of homes by private developers (a) but were concerned that no matter where such a proposal is located or what the design that the community would not embrace it. The Trust funds require Board of Selectmen approval in Wenham and it will be important to find projects that are not politically controversial. However, some wondered if the Trust were to acquire developable land (d) and work with the Housing Authority to develop as affordable housing whether community members may view this as a less controversial approach given the positive feelings about Enon Village. A property that was mentioned multiple times as having potential for development (recognizing unresolved access issues) was Boulder Lane.

Many interview subjects felt that ensuring the units at Parsons Hill remain affordable is important, however this issue is down the road and does not need to be dealt with immediately.

Many subjects also felt that education and advocacy (g) was very important and should be a focus of the Trust's efforts despite not resulting directly in creating affordable units. Some mentioned that this initiative should include advocating for more progressive zoning.

Some noted that the current tax title lands would not provide much, if any, development opportunity given environmental constraints.

4. What barriers/challenges would the trust need to overcome to be successful? How could these challenges/barriers be overcome?

There was general agreement on the Trust's challenges. Its funding is limited, especially given the lack of CPA funding in recent years. The political atmosphere in the community has been very difficult and there has been pronounced hostility regarding affordable housing and development triggered by the Maple Woods project. Public perception and the local politics around affordable housing are the biggest hurdles for the Trust and are tied to lack of regular CPA revenue.

Appendix D: Summary of Community Workshop



Summary

In a community workshop that took place in the First Church in Wenham on Saturday, January 20 from 9:30 am to 12:00 pm, the Wenham Affordable Housing Trust solicited feedback from 42 participants to incorporate into the Trust's Action Plan. The workshop included a pancake breakfast, and consultants and trust members were assisted by volunteers from the high school. The results summarized here are from group discussions, where five tables were given different discussion topics, and each participant could move from table-to-table to give input on each topic.

MAIN CONCLUSIONS

- Participants were generally supportive of meeting the 10 percent affordable housing goal as a priority.
- Many participants felt that increasing the community's diversity, allowing seniors to age in place, and welcoming new residents and families to Wenham are important reasons to create new affordable housing.
- Participants preferred smaller, more spread-out affordable units, rather than large concentrated developments, and the rehabilitation of existing homes to convert to affordable housing was favored by many participants.
- The use of Community Preservation Act (CPA) funds, negotiated developer's fees, cell tower lease payments, and private donations are sources of funding that residents felt the Trust should utilize most.
- The participants care deeply about the strong sense of community that a small town like Wenham can offer and want to increase diversity of its residents and make the town more welcoming while maintaining the small-town characteristics that make Wenham desirable.

Workshop Design

Upon registration, participants of the workshop were instructed to place a pin on a map of Wenham to mark where they live in town. Josh Anderson, chair of the Board of Trustees, opened the event and welcomed participants. The consultant, Jennifer Goldson, gave a presentation describing what an affordable housing trust is and what it can do, defining affordable housing, and describing Wenham's affordable housing stock and pending projects.

Participants were seated at five tables, with eight participants, one or two Trust members to facilitate, and one scribe to record the discussion. Discussion topics included housing needs, housing vision, evaluation of past and pending housing initiatives, Trust's initiatives in the coming years, and Trust funding. Participants began with the topic at the table at where they were originally seated, and after fifteen minutes of discussion everyone, aside from the facilitators and scribes, rose and found a new table to join. Each discussion lasted fifteen minutes, and everyone had the opportunity to visit every topic.

Following the discussion exercise, facilitators gave a brief report-out describing the trends they heard in their discussion groups. The notes from each discussion were recorded by the scribes and summarized below.

Discussion Results

HOUSING NEEDS

The Housing Needs Assessment concluded that the town needs rental housing, including for local workers, first-time homebuyer options, handicap accessible units, and support services integrated into new development. Participants were

asked what types of housing Wenham needs the most, and how important they believed meeting the state's affordable housing goal of 10 percent is.

Types of housing that participants felt Wenham most needed included:

- housing for seniors
- more rental housing options
- housing that increases diversity of age and income

There was general agreement in the groups that creating more housing for seniors who want to age in the community, including rental housing and housing in mixed-age communities, should be a priority for the town. Rental housing would be an asset to seniors, but also would help provide young families and people of diverse backgrounds an opportunity to move into Wenham.

Participants generally agreed that meeting the state's 10 percent goal is a very important priority to keep in mind when creating new housing in Wenham. While maintaining the character of the town, development of affordable units should be prioritized to prevent against large-scale, urban development.

HOUSING VISION

The Trust Action Plan project is occurring simultaneous to the creation of the Open Space and Recreation Plan, which provides the community with an important opportunity to think about goals and priorities for open space/recreation and affordable housing. Participants were asked to share the qualities they love about Wenham and to assess how the community can best address housing needs while preserving these qualities.

The qualities most identified as important aspects of Wenham included:

- the great school system
- the availability of open space and natural areas
- the strong sense of community felt by its residents
- the safety and walkability
- the access to great public services

Many of these qualities were reiterated as participants brainstormed what the future of housing in Wenham could look like.

Significant reasons provided for the creation of affordable housing were:

- increasing diversity
- allowing for seniors to age in the community
- making it possible for first responders and teachers to live in Wenham
- allowing young families the opportunity to move to Wenham affordably

Many participants suggested the rehabilitation of existing homes to be the best way to create new affordable units, but others suggested that rehabilitation is a lengthy, often expensive process that may be better in theory.

Other housing options suggested were:

- clustered housing that is mixed in age range or just for senior living
- town houses for ownership
- multi-family housing available for rental
- in-law/accessory apartments

Ideas for ways to meet the 10 percent goal while preserving the qualities residents love about Wenham were to:

- require that 20 percent of all new development be affordable units to get ahead in the number of units before 2020
- have transparency in the development of new units so that the town can assure that there would be minimal negative impacts

- resist concentrating all affordable units and instead spread them across the town in different neighborhoods

EVALUATION OF PAST AND PRESENT HOUSING INITIATIVES

Existing affordable housing stock in Wenham includes Enon Village, Parsons Hill, Middlewood Estate, group homes, and two Trust-funded units. One past initiative to provide direct support for low-income households was the WISSH home rehab program. Pending housing developments with affordable units include Wenham Pines, Maple Woods, and Spring Hill. Participants were asked what housing approaches have worked well in Wenham, as well as what approaches did not work well, and what we can learn going forward.

When discussing housing approaches that have worked well in the town, participants primarily mentioned Enon Village and Parsons Hill. In Enon Village, it was noted that the maintenance, location, and overall sense of community is very good. Participants described Parsons Hill as being a great way to incorporate affordable housing in a market-rate development because the affordable homes are integrated into the neighborhood.

Housing approaches that participants felt did not work well in Wenham included the Maple Street Project, due to its lack of transparency and the scale of the project and Friend Court due to complications getting started. Participants mentioned that problems with previous projects in Wenham have been the failure to increase diversity in the town and the tendency towards a large project like Maple Street rather than smaller projects.

When asked about what the Trust can learn going forward, participants suggested:

- more thoughtfulness in their approach with the community to gather input more regularly
- proactivity meeting the 10 percent and maintaining the creation of affordable housing after meeting the 10 percent
- focusing on smaller projects and zoning changes rather than large complexes
- involving developers in the decisions
- increasing diversity and promoting inclusiveness in the town

TRUST'S INITIATIVES IN THE COMING YEARS

Eligible activities that the Trust can focus on include the construction of affordable homes by private developers, the rehabilitation of existing homes to convert to affordable housing, increasing affordability in new housing developments, development of surplus municipal land or buildings, preserving properties faced with expiring affordability restrictions, creating programs to assist low- and moderate-income homebuyers, and education and advocacy to further affordable housing initiatives. With these activities in mind, participants were asked what they hoped the community could accomplish through the Trust.

The primary ideas that participants had on what the community had should accomplish through the Trust were:

- increasing rental housing in town
- aiming above the 10 percent goal of affordable housing to be ahead in the future
- increasing diversity
- rehabbing existing homes

Rental housing was discussed as being more attainable for new families and a necessity for seniors wanting to stay in town affordably. As participants said when discussing housing vision, aiming higher than the 10 percent goal will help the town in the future by preparing it for the 2020 census data and the numbers that will inevitably change.

Participants believe that the Trust should focus on increased diversity of background, income, age, and ethnicity of residents when moving forward with the creation of affordable housing.

The discussion often focused on rehabilitation projects as being a good priority for the Trust to focus on, however there were some mentions of larger developments, which could meet the goal faster and easier. This, though, would not align with what most participants considered the goals of the community. Lastly, it was suggested that working with a developer could be the best way to either create new housing in the town or rehab existing housing.

TRUST FUNDING

Sources of funds for Housing Trusts include CPA funds, inclusionary zoning payments, negotiated developer's fees, the municipality's general fund, proceeds from tax title sales, payments from special bylaws or ordinances, cell tower lease payments on town-owned land, resale of affordable units as market rate, and private donations. Participants were asked to consider this list of sources and discuss what sources of funding should be targeted for future Trust funds.

Participants generally agreed that the most appropriate sources of funds for the Housing Trust were:

- CPA funds
- negotiated developer's fees
- cell tower lease payments
- private donations

CPA funds were brought up most often due to the ease of use. Participants agreed that cell tower lease payments could bring in funds, though it was mentioned that these funds might be better suited for the general fund rather than the Trust fund. Private donations were less controversial – because it would be a voluntary action, participants noted that it would be a more widely approved method of raising money for the Trust.

Appendix E: Models for CPA Allocations to MAHTs

Community Preservation Act and the Trust

Based on the consultant's observations, there are three primary models for Community Preservation Act (CPA) allocations to Municipal Affordable Housing Trusts (MAHTs) in Massachusetts.

MODEL #1. TRUST AS HOUSING ARM OF THE CPC

- CPA funds allocated for housing are included in annual budget to a MAHT. No annual application is necessary. The Community Preservation Committee (CPC) and Trust Board membership may overlap, which can increase regular communication and collaboration. This model has an expectation of standard designated percentage allocation of CPA funds to the Trust fund annually, which would consist of all intended CPA housing funds. Housing applicants would apply solely to the Trust.

MODEL #2. HYBRID – STANDARD PERCENTAGE ALLOCATION AND ABILITY FOR ADDITIONAL ALLOCATIONS

The MAHT budgeted to receive a standard percent and applies for additional funding on as-need basis based on anticipated project or programs. CPC and Trust Board membership may or may not overlap in this model. Somerville is an example of this model where there CPC and Trust Board membership does not overlap but the Trust receives a percentage (roughly 45 percent) of CPA funds and the Board may request additional allocations, as needed.

MODEL #3. TRUST AS APPLICANT

The Board submits requests to the CPC for CPA funds based on specific projects or programs on an annual Trust fund budget that includes general anticipated Trust-funded initiatives. This model is most typical in smaller communities where housing activity is low. Developers can apply separately to the CPC and the Board for local housing funds (with possibly little or no coordination between the CPC and Board in reviewing the separate applications). In this model, the Board cannot rely on CPA funds as a consistent revenue stream for the MAHT, which creates uncertainty year-to-year.

Appendix F: Wenham Subsidized Housing Inventory

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CH40B SUBSIDIZED HOUSING INVENTORY

Wenham

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Built w/ Comp. Permit?	Subsidizing Agency
3332	n/a	Larch Lane	Rental	84	Perp	No	DHCD
3333	n/a	Larch Lane	Rental	8	Perp	No	DHCD
3738	Parsons Hill	Parson Hill Rd, Onion River Rd, Dexter Lane, Stowckwell Lane, Princemere Lane, Lafayette Lane	Ownership	12	2044	No	DHCD
3739	DMH Group Home	Confidential	Rental	0	N/A	No	DMH
4505	DDS Group Homes	Confidential	Rental	7	N/A	No	DDS
9715	Middlewood Estates	70 Burley Street	Ownership	5	Perp	YES	MassHousing
9716	Pleasant Street	Pleasant Street	Ownership	1	Perp	NO	DHCD
9717	Friend Court	Friend Court	Ownership	1	Perp	NO	DHCD
Wenham Totals				118	Census 2010 Year Round Housing Units		1,404
					Percent Subsidized		8.40%

3/12/2018

Wenham
Page 1 of 1

This data is derived from information provided to the Department of Housing and Community Development (DHCD) by individual communities and is subject to change as new information is obtained and use restrictions expire.

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