




















# Affordable Housing Organizations, Laws and Definitions

## HOUSING-RELATED ORGANIZATIONS, COMMITTEES and PROGRAMS

-  Direct Services to people seeking housing assistance
-  Funding source for development of affordable housing
-  On-line information source for researchers and municipal governments
-  On-line information source for people seeking housing assistance


### State and Regional Level


- **Community Economic Development Assistance Corporation (CEDAC)** <https://cedac.org>  
CEDAC is a public-private community development finance institution that provides early stage financial resources and ongoing financial and technical expertise to community-based and other non-profit organizations engaged in the development of affordable housing in Massachusetts, as well as other types of economic development initiatives.
- **Citizen's Housing and Planning Association (CHAPA)** <http://www.Chapa.org> CHAPA is the non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts. CHAPA works with partner organizations to encourage the production and preservation of housing that is affordable to people of low and moderate incomes and to foster diverse and sustainable communities through planning and community development. CHAPA sets standards and provides a seal of approval for qualifying homebuyer education and counselling services in Massachusetts. They provide a registry of accessible and affordable housing and list many of the affordable housing lotteries throughout the State.  (MassAccess <https://www.massaccesshousingregistry.org/> )  
CHAPA engages in advocacy to influence public policy regarding housing affordability on a State and Federal level and serves as a training and networking group to increase information-sharing among diverse groups of organizations and professionals in the affordable housing and community development field. They also provide monitoring services to certain 40B projects.
- **Massachusetts Affordable Housing Alliance (MAHA)**   <https://mahahome.org> is a grassroots non-profit housing organization that offers services for first time homebuyers such as home buying workshops, credit counseling and budget counseling. They also provide foreclosure prevention and refinancing counseling to existing homeowners, and engage in political organizing around issues that affect people of low income and people of color. MAHA members were instrumental in creating the ONE mortgage program that is run by the Massachusetts Housing Partnership
  -  **STASH program:** MAHA offers a matched-savings program for first-time homebuyers with incomes below the Area Median Income in conjunction with their Homebuying 101 class. <https://mahahome.org/STASH>

-  **CRA Ratings:** MAHA publishes an annual report on how well lenders and regulators are meeting their obligations under the Community Reinvestment Act. <https://mahahome.org/CRA-Ratings>
- **The Massachusetts Department of Housing and Community Development (DHCD)** <https://www.mass.gov/orgs/housing-and-community-development> is the state agency responsible for promulgating affordable housing regulations and administering programs and funding targeted at income-eligible households. The DHCD oversees the application of the Chapter 40B law.
  -   The DHCD website provides a guide to obtaining a wide array of housing assistance including resources for victims of domestic violence, homelessness prevention, and homeownership opportunities, a guide to applying for Public Housing, and links to local service providers, <https://www.mass.gov/guides/a-guide-to-obtaining-housing-assistance>
- **MassDevelopment** is a quasi-governmental agency that provides project development expertise, technical services, and low-cost and creative funding options for economic development projects in Massachusetts among which are projects that include affordable housing. MassDevelopment also administers the Brownfields Redevelopment Fund to provide grants to prepare compromised sites for redevelopment.
-   **MassHousing** is an independent, quasi-public agency charged with providing financing for affordable housing in Massachusetts. The Agency raises capital by selling bonds and lends the proceeds to low- and moderate-income homebuyers and homeowners and to developers who build or preserve affordable and/or mixed-income rental housing. MassHousing does not use taxpayer dollars to sustain its operations, although it administers some publicly funded programs on behalf of the Commonwealth. [www.masshousing.com](http://www.masshousing.com)
-   **The Massachusetts Housing Partnership (MHP)**, [www.mhp.net](http://www.mhp.net) is a self-supporting statewide public non-profit that works in concert with the State's Department of Housing and Community Development and other quasi-public affordable housing organizations to promote the development of affordable housing. The MHP also provides useful housing data and provides assistance to individual low and moderate first-time homebuyers.
  - **Loans and Technical Assistance** The MHP facilitates and offers long term loans in partnership with the banking industry and capital funding sources. They also provide technical assistance to promote the creation of affordable and mixed-use housing projects. MHP programs incentivize Green and Healthy building design, encourage community revitalization and support non-profit housing efforts.
  -  **DataTown** provides useful consolidated data by town from a variety of sources. <https://mhpcenterforhousingdata.shinyapps.io/DataTown/#>
  -  A **Housing Toolbox** helps local communities to assess needs and administer Fair Housing Law. [www.housingtoolbox.org](http://www.housingtoolbox.org)
  -  **Guidebook to Municipal Affordable Housing Trusts** [https://www.mhp.net/writable/resources/documents/municipal\\_affordable\\_housing\\_trust\\_guidebook.pdf](https://www.mhp.net/writable/resources/documents/municipal_affordable_housing_trust_guidebook.pdf)
  -  The **ONE Mortgage** program provides useful calculators, offers homebuyer classes, financial assistance, and pre-qualification for private mortgages with low

down-payments, low fixed interest rates and no requirement for private mortgage insurance for first-time home buyers. <https://www.mhp.net/one-mortgage>

- **Massachusetts Rental Voucher Program (MRVP)** <https://www.mass.gov/service-details/massachusetts-rental-voucher-program-mrvp>

Similarly to the Federally run Housing Choice (Section 8) voucher program, this state program subsidizes the difference between a housing unit's allowable rent and about 35% of the tenant's income. There are two types of vouchers. The Mobile voucher is assigned to the participant while Project Based vouchers are assigned to a specific housing unit or development and don't benefit a tenant who moves from that unit. Eligible applicants must have household incomes that don't exceed 80% of the AMI. (See AMI)  Metro Housing Boston and the Lexington Housing Authority administer MRVP vouchers for Lexington.


-  **Metro Housing Boston** is a non-profit agency that provides affordable housing services to 30 Greater Boston communities including Lexington. Metro Housing Boston is the Regional Administrative Agency for Lexington for access to two State housing assistance programs: RAFT: Residential Assistance for Families In Transition, and ERMA: Emergency Rent and Mortgage Assistance. <https://www.metrohousingboston.org/what-we-do/rental-relief-and-eviction-prevention-2/>

The agency administers a number of rental assistance programs under contract with various government agencies, provides Fair Housing training and technical assistance to tenants and property owners and to other housing organizations. Metro Housing Boston provides housing inspections of subsidized apartments and provides support to owners and tenants of units rented under the Housing Choice Section 8 voucher program. They also engage in public policy advocacy.

Metro Housing Boston maintains an online listing of available affordable housing <https://www.metrohousingboston.org/apartment-listings/> and a resource line for tenants in need of assistance: 617-425-6700

- **Metropolitan Area Planning Council (MAPC)** is a regional planning agency serving the 101 cities and towns of Metropolitan Boston with a mission to promote Smart Growth and Regional Collaboration. Among other activities, the MAPC undertakes research, writing and analysis of regional trends and needs in such areas as housing, transportation, education and employment. They provide information and best-practices to MAPC member cities and towns and lobby for legislation in the interest of their membership.

### **Lexington and Local Level**


-  **LexHAB**, which stands for Lexington's Housing Assistance Board, is a nonprofit housing corporation established in 1983. Board members are appointed by the Select Board. LexHAB's mission is to create and manage affordable rental housing to serve low to moderate income people. They also administer the resale of condominium units in the Muzzey building which are all deed restricted and may be resold only to purchasers whose incomes qualify under certain affordable housing criteria.

The construction of LexHab housing is funded by LexHAB and by Community Preservation Act Funds approved by Town Meeting. Operating expenses are covered entirely through tenant

rents. Tenant rents are determined by an income-based calculation depending on the SHI status of the unit they occupy.

- **LexHab-Owned Housing:**

LexHAB owns and manages 78 rental units of affordable housing ranging from single and multi-family homes on scattered sites to LexHAB-owned individual condominium units.

-  **The Lexington Housing Authority** was established by the Board of Selectmen in 1964. The authority administers both state and federal public housing programs in Lexington. The housing authority is governed by a five-member Board of Commissioners; four commissioners are elected and one commissioner is appointed by the Governor. The housing authority manages approximately 340 units of state and federal public housing in Lexington.

- **State-Owned Public Housing managed by the Lexington Housing Authority:**

There are two state public housing ‘villages’ in Lexington: Greeley Village and Vynebrook Village. In 2016, the authority added four new energy-efficient fully handicapped accessible units to their portfolio at Greeley Village. Tenants generally pay rents based on about 30% of their net income in a calculation that considers utility payments.

- **Federally-Owned Public Housing managed by the Lexington Housing Authority:**

In addition to managing Countryside Village, the federal public housing development in Lexington, the authority manages 17 ‘scattered sites’ of federal public housing for low-income families. Most tenants generally pay rent based on about 30% of their adjusted income in a calculation that considers utility payments.

- **Other property managed by the Lexington Housing Authority:**

Recently the housing authority acquired 5 very low-income ownership units at the Pine Grove/Judges Way development. The acquisition of these units was part of a collaboration between the town of Lexington and MassHousing to preserve the affordability deed restrictions on the units in the complex.

- **Federal and State Housing Vouchers managed by the Lexington Housing Authority:**

The authority is responsible for the management of approximately 68 federal portable housing vouchers from the HUD Housing Choice program (commonly known as “Section 8 vouchers”) and several project-based state portable housing vouchers ( MRVP also known as Massachusetts Rental Voucher Program). For further questions, please contact Melinda Walker, LHA and HPB member)

On average, households with Section 8 vouchers will pay somewhere between 30% and 40% of its income on rent. (See HUD)

- **The Lexington Housing Partnership Board** <http://www.lexingtonhousingpartnership.org/> is a Select Board-appointed official Lexington committee first established in 2003. The Charge of the Lexington Housing Partnership is to promote and support affordable housing activities and recommend appropriate actions. The Partnership brings together committees, groups and housing advocates to create a unified and focused approach to achieve affordable housing goals in Lexington. The Housing Partnership is an advocacy organization. They do not own or manage any public housing. (For further questions, please contact Jeri Foutter, Housing Partnership Board Chair)

-  **The Regional Housing Services Office** <https://www.rhsohousing.org>

The Regional Housing Services Office (RHSO) is a professional service provider supported by an intermunicipal agreement among the communities of Acton, Bedford, Concord, Lexington, Lincoln, Maynard, Sudbury, Wayland and Weston. The office helps Town staff to administer and monitor Lexington's more than 1,300 Affordable Housing units created under the 40b public housing law.

In addition, the RHSO provides information and assistance to residents seeking housing help such as eviction prevention, fuel assistance, and access to waiting lists for subsidized housing.


- **Community Development Corporations**

Community development corporations (CDCs) are 501(c)(3) non-profit organizations that are created to support and revitalize their communities, especially those that are impoverished or struggling. CDCs often deal with the development of affordable housing. They can also be involved in a wide range of community services that meet local needs such as education, job training, healthcare, commercial development, and other social programs.


While CDCs may work closely with a representative from the local government, they are not a government entity. As non-profits, CDCs are tax-exempt and may receive funding from private and public sources.

CDCs run the gamut from large, well-established organizations like New Community Corporation in Newark, NJ (which owns and manages 2,000 units of housing and employs more than 500 people) to community groups that meet in a church basement. Large or small, CDCs have in common an involvement in development work. They generally have a staff and some degree of incorporation.

CDCs are self-identified. There is no specific tax ID or certification that distinguishes a CDC from other non-profits.

-  There are thousands of CDC's in the U.S., and at least 95 CDC's in Massachusetts. For Community Development Corporation information in Massachusetts, go to the Massachusetts Association of Community Development Corporations: <https://www.macdc.org/>

## **Federal Level**

- **HUD** The federal government's Department of Housing and Urban Development. HUD is a cabinet-level government agency headed by a Cabinet Secretary appointed by the president and approved by majority vote of the Senate. HUD oversees various federal housing programs in the name of promoting fair and equal housing:
  -  **The Federal Housing Administration (FHA).** The FHA is primarily known for its mortgage insurance program which enables homebuyers to [get an FHA home loan](#) when they might not qualify for a conventional mortgage because of a low credit score, low down payment or history of bankruptcy or foreclosure.
  - **The Fair Housing Act.** HUD oversees the Fair Housing Act, passed in 1968, which governs most of the housing market and prohibits discrimination based on race, color, national origin, religion, sex, familial status or handicap when housing is rented or sold or when a homebuyer applies for a mortgage.
  - **Community Development Block Grant Program** provides grants to neighborhoods that agree to use the funds in ways that will primarily benefit low- and moderate-income residents, that will prevent or eliminate slums or blight, or that will address urgent community problems, such as natural disaster recovery that threaten residents' health and welfare.

- **\$** **HOME Program** The HOME Investment Partnerships Program is the largest Federal block grant to State and local communities to use, often in partnership with local nonprofit groups, to fund the construction, purchase, and/or rehabilitation of affordable housing units, or direct rental assistance to low-income households.
  - **The Housing Choice Voucher Program (Section 8)** helps very low-income families, the elderly and the disabled pay for rental housing that meets or exceeds minimum health and safety standards. Rentals do not have to be located in subsidized housing projects, and may be in privately held properties. Local public housing agencies are responsible for distributing the vouchers. While Section 8 vouchers are administered by local Housing Authorities, they may be used outside the issuing Housing Authority's jurisdiction.
- \$** **The Low Income Housing Tax Credit** is a HUD program that issues billions of dollars in Federal tax credits to be distributed by state housing agencies to developers of affordable rental housing through a competitive process. The developers generally sell the tax credits to private investors to raise funding for affordable housing projects. The developed housing must meet one of three criteria:
- 20% of units occupied by tenants with incomes of 50% of Area Median Income (AMI) or less
  - 40% at 60% of AMI or less
  - All units occupied by tenant with incomes less than 80% of AMI of whom 40% must have incomes at 60% AMI or less. (See page 7 for AMI definition)
- **HUD User.** [www.hubuser.gov](http://www.hubuser.gov) HUD's one-stop resource for housing and community development research

## AFFORDABLE HOUSING LAWS

### Chapter 40B – the Comprehensive Permit Law

Massachusetts General Law Chapter 40B was enacted in 1969 to address the shortage of affordable housing statewide by eliminating barriers created by local zoning and approval processes. Under 40B, 10% of the community's housing must be affordable under the State's definition of Affordable Housing and registered as such on the Town's Subsidized Housing Inventory (SHI).

If a community has yet to obtain the mandated 10%, *Ch. 40B* requires their Board of Appeals to approve a 40b project as long as it meets certain criteria. To be approved, 25% of the units in the proposed building must be committed to rents that are affordable by households earning 80% or less of the Area Median Income (AMI- see page 7), or, alternatively, 20% of the units must be affordable by households earning 50% or less of the AMI . An affordable rent is considered to be 30% or less of a tenant's income.

- **SHI** – The **Subsidized Housing Inventory (SHI)** is the official count of a community's stock of low-or moderate-income housing for the purposes of accountability under MGL *Chapter 40B*. While housing developed under *Chapter 40B* is eligible for inclusion on the SHI, other types of housing, such as some units owned by LexHAB may also qualify to count toward a community's affordable housing stock. The SHI for a municipality receives credit for all of the units in an approved 40b development, including the market rate units.

### **Chapter 40R**

Chapter 40R seeks to substantially increase the supply of housing in Massachusetts and decrease its cost by increasing the amount of land zoned for dense housing.

The Smart Growth Zoning Overlay District Act, Chapter 149 of the Acts of 2004, codified as M.G.L. chapter 40R encourages communities to create dense residential or mixed-use smart growth zoning districts, including a high percentage of affordable housing units, to be located near transit stations, in areas of concentrated development such as existing city and town centers, and in other highly suitable locations.

Projects must be developable under the community's smart growth zoning adopted under Chapter 40R, either as-of-right or through a limited plan review process akin to site plan review.

Upon state review and approval of a local overlay district, communities become eligible for Chapter 40R payments, as well as other financial incentives.

### **Chapter 40S**

Chapter 40S directs additional state funding to cities and towns that establish a 40R district to cover the net costs of educating any school-age children who move into the 40R district as adjusted by factors such as increases in property and excise tax resulting from the new construction and increases in State education funding that have occurred due to the additional students.

### **The Community Reinvestment Act (CRA)**

**The Community Reinvestment Act (CRA)** is a federal law enacted in 1977 to encourage depository institutions to meet the credit needs of low- and moderate-income neighborhoods. The CRA requires federal regulators to assess how well each bank fulfills its obligations to these communities.

The depository institutions may support affordable housing (including multifamily rental housing) for low- and moderate-income individuals; community services targeted to low- and moderate-income individuals; activities that promote economic development by financing small businesses or small farms (gross annual revenues of \$1 million or less); and activities that revitalize or stabilize low- and moderate-income geographies. Qualifying activities may include, among other things, support for organizations that help finance small businesses and support for financial intermediaries (such as community development corporations) that lend or facilitate lending to low- and moderate-income areas.

[https://www.federalreserve.gov/consumerscommunities/cra\\_about.htm](https://www.federalreserve.gov/consumerscommunities/cra_about.htm)

## **AFFORDABILITY DEFINITIONS**

### **Affordable Housing**

Housing targeted to and affordable by households that meet specific income eligibility levels, typically households earning below 80% of the area's median income (or AMI). "Affordable housing" does not refer to the design, type, or method of construction of a housing unit or development, but to the cost of the housing to the consumer. Housing is generally considered affordable if the household pays less than 30 percent of its monthly income to secure the housing.

### **Area Median Income (AMI)**

*HUD* annually calculates the Area Median Income for each metropolitan area and non-metropolitan county in the US. Income limits for eligibility for most housing programs are based on a percentage of that area's AMI, (30% AMI, 50% AMI, 80% AMI and 100% AMI), with adjustments for household size. To qualify for Affordable Housing regulated by the State's 40B law, for example, a tenant's income must be

at or below 80% of the region's AMI for that applicant's household size.

The AMI region that includes Lexington is the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area, which includes all of Suffolk County, all of Essex County, all of Middlesex County, all of Norfolk County, parts of Plymouth County, and the towns of Seabrook and South Hampton in New Hampshire.

FY2020 Income Limits for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area:

Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
<b>Very Low Income 50%</b>	\$44,800	\$51,200	\$57,600	\$63,950	\$69,100	\$74,200
<b>Low Income 80%</b>	\$67,400	\$77,000	\$86,650	\$96,250	\$103,950	\$111,650
<b>Area Median Income 100%</b>	\$83,300	\$95,200	\$107,100	\$119,000	\$128,520	\$138,040

### **Local Preference**

Local Preference is the granting of an advantage to applicants in affordable housing lotteries who are currently local residents, municipal/school employees, have a local job or have a child who is enrolled in the local public school.

Up to 70% of a development's Affordable Housing units may be set aside for Local Preference tenants. The Local Preference requirement applies to 40B projects and certain other subsidized housing.

### **Municipal Affordable Housing Trusts**

Enabled by the Municipal Affordable Housing Trust Fund Law (MGL c.44 s.55C), affordable housing trusts allow 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. Housing Trusts are commonly funded by CPA revenue in addition to a broad array of other sources ranging from private donations to various designated municipal fees, the general fund and other sources. The trusts are overseen by a Board of Trustees headed by a municipal official who appoints the remaining trustee. More information here:

[https://www.mhp.net/writable/resources/documents/municipal\\_affordable\\_housing\\_trust\\_guidebook.pdf](https://www.mhp.net/writable/resources/documents/municipal_affordable_housing_trust_guidebook.pdf)

## **THE LEXINGTON HOUSING PRODUCTION PLAN**

In 2014, the Metropolitan Area Planning Council, with input from the Lexington Housing Partnership, the Lexington Planning Department, and other regional housing organizations produced a Lexington Housing Production Plan with extensive information on all aspects of housing in Lexington, including a primer on the Chapter 40B law, local demographics, housing characteristics, market conditions, housing affordability and constraints on development.

The Plan includes an important Housing Needs and Demand Assessment along with Goals and Strategies for Affordable Housing Production.

[https://www.lexingtonma.gov/sites/g/files/vyhlf3351/f/pages/2013\\_03-10\\_lexington\\_hpp\\_final\\_draft\\_10-16-15.pdf](https://www.lexingtonma.gov/sites/g/files/vyhlf3351/f/pages/2013_03-10_lexington_hpp_final_draft_10-16-15.pdf)



This information was researched and compiled by Vicki Blier for the Fair Housing Subgroup of the Human Rights Committee. Please note that there are many organizations that are involved in the broad field of affordable housing. I have probably missed some of them, and the distinctions between what the various organizations engage in, offer, or are known best for can be difficult to perceive through research. I invite the readers of this document to help me to improve this compendium with their knowledgeable input.

**Please send your comments, additions and corrections to [HousingGlossary@gmail.com](mailto:HousingGlossary@gmail.com)**