

Town Control over an Affordable Housing Trust

The following scope of activities of the Lexington Affordable Housing Trust are listed with the degree of community process/control over each project or activity:

Requires Town Meeting approval:

The Brookhaven mitigation payments are a potential source of funding for the Trust. If this approach is pursued in the near future, the following would be one warrant article with two parts to help to pre-fund the Affordable Housing Trust, for which Select Board members expressed general support.

- First, to direct that the accumulated Brookhaven Affordable Housing Mitigation payments¹ currently deposited into the Affordable Housing Capital Stabilization Fund be distributed to the Affordable Housing Trust
- Second, to direct that future Brookhaven Affordable Housing Mitigation payments be distributed to the Affordable Housing Trust instead of the Affordable Housing Capital Stabilization fund.

Requires annual Community Preservation Committee and Town Meeting approval:

- Annual request for CPA funds for “pre-funding” and for project funding.

Requires one-time Select Board Action, and possibly Town Meeting action

Direct that the flow of funds received, including as a result of any special legislation, be deposited into the Lexington Affordable Housing Trust, similar to:

- Bill H.3891 (An Act to Establish a Surcharge on Specific Commercial Development Activities for the Purpose of Funding the Creation of Community Housing) is set up to do this once approved
- Bill H.4314 (An Act authorizing a Development Surcharge for Community Housing) in the town of Lexington. The surcharge is applied to new over 2,100 square foot single family homes and 4,200 square foot 2-family homes where a prior home was demolished.

Requires Select Board approval

- Any real estate acquisition above a specified spending threshold.
- *Theoretical:* The Select Board votes to issue an RFP to enter a land development agreement above a specified dollar threshold to develop affordable housing on a piece of Town-owned land for a 99-year lease. (The Affordable Housing Trust may contribute funds to increase the number of affordable units, but is not the developer or the lessee).

Requires a vote of the Affordable Housing Trust (which includes a member of the Select Board) and administered by the Town Finance Department

- *Theoretical:* The Trust acquires or receives a property, places a permanent affordability (deed) restriction on the property, and sells or rents it to an income eligible occupant.

¹ Payments to Town per the 2017 Memorandum of Agreement between the Town and Brookhaven totaling over \$2M over 15 years.

- *Theoretical:* LexHAB has an opportunity to acquire a home, the Trust contributes cash to the transaction to help with the acquisition, on the condition that a permanent affordability (deed) restriction is placed on the property.
- *Theoretical:* A developer has a pending Special Permit Residential Development application under review by the Planning Board which includes two moderate income units. The Trust negotiates to “buy down” or further subsidize some of the market value that the developer expects to gain, adding a third unit (whether moderate or low-income or extremely low income), and this third unit is deed-restricted in perpetuity.