MHP
From Start to Finish

Susan Connelly
Director of Community Assistance and Strategic Partnerships

Nancy McCafferty
Senior Relationship Manager
Massachusetts Housing Partnership

**MISSION** Use private investment to bring **more affordable housing** to Massachusetts

- Privately-funded public non-profit organization
- Communities, non-profit, for-profit developers

<table>
<thead>
<tr>
<th>Community Assistance</th>
<th>Lending</th>
<th>ONE Mortgage</th>
<th>Center for Housing Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Technical assistance</td>
<td>• Over $1.4B for over 27,000 units</td>
<td>• First time homebuyers</td>
<td>• Collect, analyze &amp; share info for effective policy creation</td>
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<tr>
<td>• 40B program</td>
<td>• Affordable rental</td>
<td>• Fixed-rate, 30-year</td>
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</tr>
</tbody>
</table>
Westport initiated AH on municipal land
Noquochoke Village 15 years ago

Perry Farm -- ~7 acres
Acquired with CPA ($775k)

Quinn parcel – 24 acres
Town owned through tax title
MHP Technical Assistance

Goals and Objectives

Development Plan → Budget & Schedule → Request for Proposals
Existing Conditions

• Parcels and acreage
• Wetlands and river
• Wellhead protection areas
• NHESP habitat
• Vegetation
• Refuse dumping
Brownfield
Identified on the site.
Site Survey & Septic System Sizing

- Percolation ("perc") testing helped determine the most feasible location for a septic system.
Conceptual Site Plans

- Included market feasibility and community input.
- Consultant tested different models – home ownership, rental and a mix of both.
Developed Request for Proposals

Location & Access
- Description of property

Development Guidelines
- Programmatic & use

Developer Selection Process
- Submission requirements

Selection Criteria
- Including land disposition process
Summary of Process

MHP oversaw the third party consultant and remained involved throughout the process.
Westport supported the development

- **Select Board requested MHP TA**
- **Land Acquisition**
  - w/CPA funds in 2006/2007
- **Cash & below market land**
  - Ground lease
- **Rezoning**
  - East end of Rt 117 in 2009
Financing Noquochoke Village
TCB Chosen as Developer

- Growing relationship with TCB
- Sophisticated non-profit
- TCB self-manages sites
- FFB risk share – 40 yr amortization
- Risk share triggers NEPA review
Site Complications

- Nitrogen reducing septic & storm water control systems
- ~23 acres to be preserved as open space
- Indigenous concerns
Silver LEED-certifiable

Key Factors

- Insulation
- Windows
- Heating system

Development complies with Energy Star Qualified Homes v3 standards.
MHP Green & Healthy Housing Programs

Financing to encourage more affordable housing to be green and healthy.

Green Building Certification
- Reduced interest rate, reimbursement for commissioning costs, free energy performance benchmarking

Green Retrofit
- Increased loan proceeds, reimbursement for energy & water audit, reduced interest rates, free energy performance benchmarking

Healthy Housing
- Reduced interest rates, reimbursement for costs of obtaining healthy housing cert
MHP is a Subsidizing Agency under Chapter 40B

One of four Subsidizing Agencies → Project Eligibility Letters ("PELs") → Final approval letters → Regulatory agreement, affordability compliance & limited dividend oversight

MHP provides third-party TA to ZBAs during a 40B process.
Before Issuing a “PEL”

- Proposed project is generally eligible under an MHP housing financing program
- Proposed project location is generally appropriate for residential
- Conceptual project design is appropriate for site
- Financially feasible within housing market
- Pro forma consistent with DHCD guidelines
- Applicant is public agency, non-profit or Limited Dividend Organization
- Applicant has site control
Noquochoke Village remains in MHP’s portfolio
Portfolio Management

Prior to loan closing
• Evaluates management team, credit history and financial capacity, and feasibility of project operations

After loan is closed
• Establishes annual escrow
• Reviews financial performance reports quarterly and annually
• Oversees affordability compliance
• Provides disbursements from reserves for capital needs
• Conducts annual site inspections
Homeownership
The most affordable mortgage in MA for households earning up to 100% of the area median income (AMI).

Down payment as low as 3%
For condo, one- and two-family properties. 5% for three-family properties.

Low, fixed interest rate
Discounted, 30-year, fixed interest rate.

No Private Mortgage Insurance
Save hundreds of dollars every month.

Financial assistance
Additional monthly savings for households earning up to 80% area median income (AMI).
Resources
Housing Toolbox
For Massachusetts Communities

Strategies and best practices for the creation and preservation of affordable housing.

www.housingtoolbox.org

For local boards and committees, planners and municipal staff, and developers
Relevant data for every community in the Commonwealth to help make the case for housing.
Is Westport affordable?

Westport renter households by cost burden

- Severity Cost Burdened: 15%
- Cost Burdened: 31%
- Not Cost Burdened: 4.5%
- Not Computed: 14.3%

Table B25007: Gross rent as a percentage of household income in the past 12 months

Westport owner households by cost burden

- Severity Cost Burdened: 4.5%
- Cost Burdened: 14.3%
- Not Cost Burdened: 0%
- Not Computed: 0%

Table B25007: Mortgage Status by selected monthly owner costs as a percentage of household income in the past 12 months
MHP Online Resources
www.mhp.net
Affordable Housing Trust + CPA Housing Conference
Saturday, March 14 ● FOR MEMBERS AND STAFF

Location  Courtyard by Marriott, Marlborough

Time  8:00-8:30am Registration
      8:30-3:00pm Conference

Affordable Housing Development
• Affordable housing nuts & bolts
• Balancing development pressures
• How communities support affordable housing

Housing Trusts + CPCs working together

$30/person
(includes breakfast and lunch)
Register at MHP.net
June 10-11, 2020
Devens Common Center
Devens, MA

14th annual
Massachusetts Housing Institute
Training for local officials

For more information on registration and agenda, contact Katie Bosse at Kbosse@mhp.net
Questions?

Susan Connelly
Director of Community Assistance and Strategic Partnerships
857-317-8580 ● sconnelly@mhp.net

Nancy McCafferty
Senior Relationship Manager
857-317-8556 ● nmccafferty@mhp.net