



The Affordable Housing Trust

Lincoln is committed to “fostering economic, racial, ethnic, and age diversity among [Lincoln’s] citizenry through its educational, housing and other public policies.”

What is the Affordable Housing Trust?

The Affordable Housing Trust was created in 2005, first by a Town Meeting vote, then by the state legislature. The Municipal Affordable Housing Trust Law (M.G.L. Chapter 44; Section 55C) allows trusts to “provide for the creation and preservation of affordable housing in municipalities for the benefit of low-moderate-income households”. Trusts have broad powers and responsibilities: accept and receive real property; purchase or retain personal or real property; sell, lease or convey real or personal property; execute deeds, assignments, transfer; employ advisors and agents; mortgage money and mortgage and pledge trust assets as collateral; and manage or improve real property.

Revenue received from any source, including municipal appropriations, becomes trust property and the board needs no further authorization from the local legislative body to expend funds for the purpose of creating and preserving affordable housing. Lincoln’s Affordable Housing Trust is able to respond to the real estate market without relying on Annual Town Meeting to approve expenditures. Competing in the local real estate market gives a trust more agility to respond to market conditions.

Community Preservation Funds, even when held by an Affordable Housing Trust, must follow regulations governing Community Preservation Funds. For example, housing trust money can renovate affordable housing; CPC funds can only renovate affordable housing that was created with CPC money. CPC money held within a Trust can be used for housing up to 100% of Area Median Income. Housing units for households above 80% of Area Median Income do not qualify for the Subsidized Housing Inventory.

The Trust is a separate entity of the Town and only the Trustees have control over the money in the Trust. The Trustees at this time are: James Craig (from BOS), Diana Chirita (Housing Commission), Vicki Braithwaite (Lincoln Foundation), Tom Sander (Finance Committee) and two at large Trustees: George Georges, former member of the Housing Commission and a developer, last but not least, BJ Scheff, former Chair and member of the Housing Commission and one of the original Trustees of the Trust.

How is the Affordable Housing Trust Funded?

When the Trust was created in 2005, CPC borrowed money to fund the Trust. At the time, the mid 2000’s, Lincoln Subsidized Housing Inventory was below 10% and needed to create about 60 units of affordable housing. With the infusion of Community Preservation Funds and the inception of the Affordable Housing Trust, Lincoln created 21 units of affordable housing: seven single units at a cost of \$1,315,000 (\$187,857/unit) and 14 units for \$750,000 to preserve the affordability of 3 group homes (14 bedroom units of affordable housing at \$53,571/unit). Thirty-six units were created through zoning amendments. In 2010, Lincoln met its 40B obligation with a Subsidized Housing Inventory of 10.96%.

Since 2010, to preserve Lincoln Woods’ affordability and seven condominiums at Battle Road Farm, Lincoln spent an additional \$580,000 of Community Preservation Funds (preserving 132 units of affordable housing).

The balance of the bond money stayed in the Affordable Housing Trust (about \$400,000). In 2011, the Trust received \$625,000 of proceeds from the Florence Hollingsworth estate. Mrs. Hollingsworth left the money to the Town of Lincoln for the purpose of affordable housing. In 2014, The Commons wanted to increase the amount of housing at The Commons and instead of adding units to the SHI to compensate the Town; a payment of \$500,000 was made to the Trust. The Housing Trust sold Airport Road for \$300,000; however that money was paid to Lincoln Woods to secure a permanent deed restriction on the property. Periodically, the Trust has asked for CPC money to help with the costs of buy-downs at Battle Road Farm and to hold money for the Housing Commission. At the 2018 Town Meeting, the Housing Trust will request the 10% set aside from CPC. If the Trust is awarded this money, the Trust will have about \$1.6 million available.

Planning for the Future

According to the Metropolitan Area Planning Council (MAPC) as the population ages the demand for large single family home ownership will decrease while the demand for condominiums, small houses and rental units will grow. To meet this demand, 48% to 60% of all new housing units in Massachusetts should be multi-family housing such as condominiums and rental housing.

The 2014 Housing Plan has identified a need for Lincoln to expand its affordable housing portfolio to accommodate seniors, handicapped persons, low and moderate-income families, and people with incomes up to 150% of Area Median Income (AMI). Oriole Landing will meet Lincoln's needs by providing housing diversity: one and two bedroom units are suitable for young professionals and seniors and the location provides easy access to the Boston Metropolitan area.

Why is the Trust Subsidizing Oriole Landing?

Affordable housing developments have deed restrictions that are limited in time. In 30 to 50 years when the deed restriction terminates the affordable housing units are lost and removed from the Subsidized Housing Inventory. In recent years, many municipalities, including Lincoln, have made payments to developers to secure permanent deed restrictions. The Trust has voted to support this project by providing a loan of one million dollars to secure an interest in real estate (create affordable housing) by placing a "permanent" deed restriction on the development. The following link to CEDAC will show which developments are at risk for losing their affordability:

<https://cedac.org/wp-content/uploads/2016/06/ExpiringUseInventoryOct2017.pdf>

The million dollars will make the affordability **permanent**. No matter who owns it, what the financing is or even if they go bankrupt. All 60 units will remain affordable forever.

Lincoln's collaboration with CIVICO Development will add 60 units to our Subsidized Housing Inventory at a cost of \$16,666 per unit and provide three to four decades of 40B compliance, giving Lincoln the autonomy to control development and pursue innovative ways to create diverse housing that will meet Lincoln's needs and maintain Lincoln's small town character.