

TOWN OF MEDFIELD  
**AFFORDABLE HOUSING  
TRUST ACTION PLAN**

FY2023-2027

*Approved on March 3, 2022*

**PREPARED FOR:**

Medfield Affordable Housing Trust, Medfield, MA

**PREPARED BY:**

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## PURPOSE

The purpose of this Action Plan is to guide initiatives by the Medfield Affordable Housing Trust (MAHT) from Fiscal Year (FY) 2023 through FY2027. This Plan establishes the MAHT goals, priority actions, lays out budget and funding, and describes the MAHT Board of Trustees (MAHT Board) role and operations.

For more detailed information on the Medfield Affordable Housing Trust, refer to Chapter 15 of the Town of Medfield Bylaws, available at: <https://ecode360.com/32374736>.

For more detailed information on the Town's housing strategies, refer to the 2021 Housing Production Plan available at: <https://www.town.medfield.net/471/Affordable-Housing-Trust>

## MAHT GOALS

Medfield voters supported the establishment and capitalization of the MAHT to enable the town to attain Safe Harbor under Chapter 40B by facilitating the creation of units that are eligible for the Subsidized Housing Inventory. The MAHT Board aims to support the development of sufficient affordable housing units annually to maintain the protection of Housing Certification until the town reaches the goal of having at least 10 percent of its units on the SHI, and to continue thereafter to support the creation and preservation of affordable and community housing in accordance with local needs, goals, and the bylaws of the Trust.

More specifically, the MAHT Board aims to:

- Facilitate the creation of at least 29 units to reach the state's 10 percent affordable housing goal.<sup>1</sup>
- Increase the diversity of housing options to serve housing needs of Medfield residents.
- Encourage affordable and mixed-income housing development that is consistent with the Town's goals to preserve historic, natural, and other special features of Medfield, ensure environmental resilience such as state of the art energy systems, and promote fiscal sustainability.

## MAHT PRIORITY ACTIONS

The MAHT was established to support Medfield's efforts in implementing its 2016 Housing Production Plan, which was updated in February 2022. The Priority Actions for the MAHT are based upon the strategies outlined in the HPP as well as specific development opportunities that have emerged since the plan was completed. Below are short-term actions to prioritize in the first year in order to reach the state's 10 percent affordable housing goal, medium-term goals to secure a revenue stream for MAHT and encourage local initiatives, and ongoing strategies that would diversify Medfield's housing stock. More detailed descriptions of each priority action that would be led by the MAHT are provided on the following pages.

### *Short Term – Year 1 (FY 2023)*

1. **Continue** to implement the "Housing Opportunities Incentive Program" to create SHI-eligible rental units through small-scale new development or conversions of existing buildings

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<sup>1</sup> Note that this is an estimate based on the 2020 Census data, not an official DHCD percentage or number of units. The official number of units required to reach 10 percent based on the current DHCD SHI (as of Jan. 2022) is 16 units.

At the time of this writing, the MAHT is already working on an initiative to seek proposals from experienced developers and property owners for the conversion or construction of affordable rental apartment units that can count on the Town's Subsidized Housing Inventory (SHI). The initiative would seek proposals to create small (~ 8 units), affordable rental units or preserve existing such units which are at risk to be converted to market pricing. One such method would be to fund the Program with all or a portion of the proceeds of the \$1 million bond for affordable housing.

**2. Secure modest amount of near term funding e.g. a share of proceeds from the sale of Hinkley South LIP.**

Potential revenue streams for the MAHT include town meeting funding, funding from the sale of Town-owned land for the purpose of affordable housing, and the American Rescue Plan Act (ARPA) which is eligible to be used for affordable housing production, homeownership, and supportive housing.

**3. Support production of new housing at the Housing Authority's surplus property adjacent Tilden Village**

In February 2022, the Medfield Housing Authority received in response to its RFP, a proposal to ground-lease and develop the vacant 2.6 acres of land adjacent to Tilden Village on Pound Street for the creation of at least 35 low and moderate Income elderly (62+) residential occupancy.

**4. Support and promote opportunities to create housing through reuse or redevelopment of town properties e.g. Medfield State Hospital**

The Town keeps an updated list of tax foreclosed properties for consideration for affordable housing development. In addition, the Town is in the process of selecting a developer for Phase I of the town-owned State Hospital site.

**5. Actively promote the Town's effort to establish regional shared housing services that will support the MAHT priority initiatives and expand staffing support**

The Town has been exploring the possibility of participating in the formation of a Shared Housing Services Office (SHSO) with other Three Rivers Interlocal Council (TRIC) and Southwest Advisory Planning Committee (SWAP) communities. By proportionally sharing the costs of housing staff through an SHSO, small and mid-sized TRIC and SWAP communities will be able to access specialized housing expertise and will be better equipped to monitor existing Affordable Housing stock without committing to the set expense of hiring our own housing-focused town staff.

**Medium to Long Term**

**6. Provide funding to facilitate the creation or preservation of affordable housing units, for example:**

- a. Short term financing (grants or loans) for acquisition or predevelopment soft costs.*
- b. Gap financing to match the difference between project costs and funding available from other sources*
- c. Funding for rehabilitation of existing properties in exchange for long-term deed restrictions that will enable the units to be counted toward the SHI.*
- d. Subsidies to deepen the level of affordability for units, so that they can be targeted to households at a lower income level.*
- e. Purchase and resale of existing affordable units to prevent the loss of affordability restrictions.*

7. Support the creation of a local or regional first-time homebuyer program that would help overcome cost barriers for home ownership for low- to moderate-income (LMI) and middle-income households

There are various ways to structure a homebuyer program. One example is a **buy-down program**, which converts existing houses or condos to affordable units and protects the affordability with a deed restriction and allows income-eligible households to purchase a house or condo with local subsidies to write-down the costs of a mortgage so that the household pays typically no more than 30 percent of its annual income for housing costs. The Town could fund this type of program with CPA funds and a regional housing services office, or another qualified entity could administer the program.

8. Advocate to strengthen the existing Inclusionary Zoning bylaw including adopting provisions to allow in-lieu payments that would help capitalize the MAHT

To promote more use of Inclusionary Zoning (IZ) provisions and to provide an additional source of funding for the MAHT, consider amending the IZ provisions to incorporate incentives and some options for compliance, including allowing in-lieu payments (PILU). While there is no standard way to set PILU fees, there are two major approaches: affordability gap, which is based on the difference between price of market rate and affordable units, and production costs, which is based on the cost of development. The consultant advises against an indexed fee (a set fixed fee per unit), which would need to be adjusted annually if used. PILU fees can be earmarked for the Affordable Housing Trust fund, thereby increasing the Trust's revenue for housing initiatives.

9. Renew efforts to foster creation of supportive special needs congregate housing  
MAHT funding and potential site acquisition could support the creation of supportive special needs congregate housing (sometimes called "group homes"). Actively consider possible public/private partnerships to foster creating of such housing in Medfield. Continue to collaborate with local stakeholders to support local efforts.

### **Ongoing**

10. Oversee the implementation of the Housing Production Plan (HPP) and perform annual review of status of HPP goals and strategies

The HPP is intended to provide the Town with multiple avenues for meeting the state's minimum 10 percent goal for affordable housing as well as addressing local needs. The MAHT is the ideal entity for town-designation as the local HPP oversight entity, with assistance from the Town Planner and/or a regional housing services office. The MAHT should track and coordinate progress and report regularly, at least annually, to Board of Selectmen.

11. Facilitate successful applications for Local Initiative Projects (LIP). This action generally requires funds other than town bond proceeds if funding is needed

- a. *Identify and work with prospective developers, Town staff, and Boards to navigate the planning and permitting process.*
- b. *Provide guidance, opportunity for public input, negotiation, and endorsement of plans consistent with HPP and MAHT goals.*

12. **Advance and expand local housing advocacy by considering seeking CHAPA's support through the municipal engagement program**

Seek support from the Citizen Housing and Planning Association (CHAPA) through its Municipal Engagement Initiative (MEI) to expand community education and outreach as well as local housing advocacy. The CHAPA program focuses on bringing together local businesses,

civic groups, houses of worship, and other groups and individuals that are active in their community to build coalitions of support for affordable housing production.

#### **MAHT to Support Initiatives Lead by other Town entities**

As described in more detail in the updated HPP, the MAHT should support a variety of additional housing strategies that would be the primary responsibility of other entities including the Planning Board, Board of Selectmen, the Housing Authority, and the Town Planner.

13. Reconsider adoption of a senior housing zoning bylaw
14. Enhance local coordination with various entities promoting housing and servicing residents in need
15. Secure an ongoing funding stream for the MAHT including considering local adoption of the Community Preservation Act, seeking out ARPA funds, and other potential funding sources

## **FUNDING STRATEGY**

It is important for the MAHT to secure a more sustained income stream for through an annual allocation for administration and operations, Community Preservation Act funding, or other streams as available.

1. To properly fund the MAHT, the Board will request annual replenishment of its operating account in the Town budget of up to \$50,000 per year for the purpose of administration, planning, and technical assistance.
2. The MAHT Board will also request a bond issue in FY 22 or FY23 to capitalize the Trust based on identified bond-eligible expenses that are anticipated through approximately two years following the bond issues based on existing authorization (ATM 2017).

The availability of funding for projects beyond FY23 will depend upon 1) the amount of funding that remains from the initial fund capitalization; 2) whether the Town adopts the CPA and/or amends the Inclusionary Zoning provisions to allow in-lieu payments; and 3) whether Trust receives income from loan repayment, property sales, or other revenue streams.

Note that the bond funding has limited uses. "Plan and advocate" type activities cannot be bond funded. "Develop and manage units" could be eligible for bond funding, however partnering with private parties is cumbersome and not a priority for the MAHT.

## **GUIDELINES FOR MAHT REVIEW AND FUNDING**

The MAHT Board serve two primary functions – 1) it performs preliminary reviews of Comprehensive Permit applications including Local Initiative Program projects and 2) it approves MAHT funds to support local housing initiatives. This chapter describes the guidelines that the MAHT Board uses to successfully and fairly perform both functions.

# SECTION 1: MAHT COMPREHENSIVE PERMIT PROJECT REVIEW

## OVERVIEW

The MAHT Board is available to meet with any developer who is considering or planning a development for which a Comprehensive Permit will be required, to discuss any or all aspects of the proposal which are covered by the guidelines set forth below. In fact, all applicants are urged to initiate such discussion(s) as early in the planning process as possible to ensure a clear understanding of both the town's and the developer's interests at the outset of the design of the project. A Board member may be assigned as a liaison to guide and facilitate communication while the project proceeds through the pre-application phase.

At the earliest time that a proposal is raised for discussion with the MAHT Board it may appear on the MAHT Project Tracking List. (Inclusion on the Tracking List is not an indication that the MAHT endorses a project, but only that it is under discussion.) At the outset, projects are under informal discussion until conferences have been held with Town staff and neighborhood residents to obtain input on the development concept. The MAHT Board may require evidence of prior meetings with neighbors and Town staff before holding a public meeting to formally discuss a project application.

The Board will review the proposal with the applicant, will work with the applicant to refine the proposal, will assist the applicant in presenting the proposal to other boards if so requested, and will submit a written evaluation and recommendation to the Board of Appeals during the Comprehensive Permit process.

## LIP PROJECT PREFERENCES

Through the LIP process, the MAHT Board will work with proponents to facilitate the development of affordable housing projects by supporting Comprehensive Permit applications for developments that are consistent with the Town's affordable housing goals and preferences. The Board of will consider the following criteria in determining whether to support specific development proposals:

- 1. Will the project help to ensure long term affordable housing?**
  - a. The term of affordability should be in perpetuity.
  - b. At least 25 percent of the units in a LIP development must be affordable at 80 percent of AMI (or at least 20 percent if the units are affordable to households at 50 percent of AMI). A higher proportion of units that are affordable by SHI standards is preferable, as is a deeper level of affordability (i.e., 50 percent of AMI, rather than 80 percent of AMI).
  - c. The development of housing with differing levels of affordability is encouraged to provide for greater income diversity, including households earning lower than 80 percent AMI, and units that are affordable to households earning 100 percent AMI.<sup>2</sup>

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<sup>2</sup> Units affordable to middle income households earning between 80 percent and 100 percent AMI meet a community housing need, but will not be counted toward the Town's SHI.

- d. The initial and continuing affordability of the subsidized units should be guaranteed through agreements regarding purchase, rental, and condominium fees, and through resale restrictions. The developer should bear the responsibility to pay for the cost of continued monitoring to ensure that the affordability and marketing requirements are followed for term that was approved.
- e. The quality and type of all construction on the site (buildings, infrastructure, and amenities) should be such as will ensure low operating and maintenance costs over the life of the development.

**2. Does the project help to meet community needs and goals?**

- a. Adaptive reuse, rehabilitation, or preservation of existing structures is preferable to new construction.
- b. MAHT encourages the creation of housing for a range of community needs, including families, seniors, veterans, small households, and people with disabilities.
- c. Reasonable efforts should be made to observe local preference in tenant and buyer selection, to the extent allowed by law. Local preference may be defined to include households in which at least one member currently works or lives in Medfield or attends Medfield Public Schools.
- d. Affordable housing should be located on sites where there is available infrastructure (e.g., sewer lines) to support the proposed density of development, and where residents can access facilities and services with less dependence on auto transportation.
- e. MAHT encourages the development of affordable housing that is compatible with preserving community character environmental resources, historic assets, and sustaining the quality of life.
  - i. Design: Make reasonable efforts to comply with local regulations to the extent that they do not make projects uneconomic. Orient buildings toward the street wherever possible. Pay attention to design elements found in the neighborhood and make use of them where possible to help developments fit with the neighborhood. Locate off-street parking to the side and rear of buildings to ensure that buildings and landscaping define views from the road.

**The Local Initiative Program (LIP)**

LIP is a state program that encourages the creation of affordable housing by providing technical assistance to communities and developers who are working together to create affordable rental opportunities. LIP was established by the Legislature in 1990 in response to a report by a special legislative commission which found that state law defined low and moderate-income housing as "any housing subsidized by the federal or state government under any program to assist the construction of low or moderate-income housing."

This definition had previously been interpreted to mean financial subsidies only. Cities and towns had little incentive to undertake housing initiatives which did not require direct state or federal assistance, but which are otherwise within the intent of M.G.L. Ch. 40B. LIP allows the Department of Housing and Community Development to provide technical assistance that qualifies as a "subsidy." The LIP may also issue a site eligibility letter for a project, a prerequisite for a developer to apply for a Comprehensive Permit.

Unlike conventional housing subsidy programs, in which a state or federal agency must approve every aspect of financing, design and construction, LIP allows most of these decisions to be made by the municipality. LIP regulations and guidelines address those program components that must be reviewed and approved by DHCD. For example, incomes of households served, fair marketing, profit limitation and establishing long-term affordability for the units which are built.

Source: <https://www.mass.gov/service-details/local-initiative-program>

- ii. Preserve historically significant buildings and features.
- iii. Use environmentally responsible design. Proposals that incorporate a comprehensive approach to energy efficiency, carbon emissions reduction, and water use reduction including but not limited to on-site energy generation, full electrification (heating, cooling, hot water, and cooking), high performance building standards (such as Passive House, Net Zero, MassSave Level 2 All-Electric Homes Program and others identified from time to time by the Town's Energy Committee) are strongly encouraged. Incorporate landscaping treatments that blend with surrounding area, use native plants, and retain mature trees where possible. Minimize impervious surfaces. Incorporate public benefits such as pedestrian linkages to adjacent public properties, open space and park improvements, or enhanced infrastructure serving the surrounding area.
- iv. Traffic circulation, parking, and pedestrian movement within the site, and vehicular and pedestrian access to the site should be safe and convenient and should provide for the needs of the handicapped. Reasonable access for school buses and emergency vehicles should be provided.
- f. The quality of construction should be sound and uniform throughout the development, with no apparent distinction either visually or materially between the market-rate and the subsidized units. The subsidized units should be dispersed throughout the development.

**3. Is there capacity to complete the project successfully?**

- a. Due diligence has been undertaken and the project is demonstrated to be financially feasible.
- b. The developer/proponent has the organizational and financial capacity to carry out the project and to complete the LIP process, with or without professional support provided through MAHT funds.
- c. The funding needed to complete the project does not exceed the availability of funding, including funding support which might be sought from MAHT.
- d. The proponent indicates a plan to ensure quality property management after a project is completed, with a preference for professional management of rental properties, or the establishment of condominium or homeownership associations where appropriate.

**LIP APPLICATION PROCEDURES**

The Town of Medfield Affordable Housing Guide (available as a standalone leaflet) provides an explanation of the LIP process for prospective applicants. The Town of Medfield recommends applicants review the 2021 Housing Production Plan to understand the Town's housing needs and action plan.

Prospective applicants must hold a neighborhood meeting to present concept to abutters before formal application or presentation to the MAHT Board.

DHCD and the Board of Selectmen require the following supplemental information:

- 1. Documentation of developer's interest in the site (ownership, option purchase, etc.)
- 2. Description of current site conditions
- 3. Current site plan



4. Sample floor plans of the proposed units, units identified by size, type, and proposed cost
5. A financial pro forma of the project
6. An appraisal of the site

LIP staff reviews the application, conducts a site visit, and evaluates the application. If the project as proposed is approved, DHCD will issue a site eligibility letter so that the developer may apply to the

local Zoning Board of Appeals for a Comprehensive Permit. All units must be certified by DHCD prior to the issuance of a Certificate of Occupancy for any unit within a project containing affordable housing units. DHCD expects to process routine applications within sixty (60) days. DHCD encourages applicants and communities to discuss their projects with LIP staff prior to applying.

*Contact information for DHCD staff: Rieko Hayashi / (t) 617-573-1426/(e) rieko.hayashi@state.ma.us*

**Key Components of DHCD's Review:**

- Site plan, elevations, and floor plans to ensure that design standards with respect to unit size, composition, and locations are met
- The project carries a long-term use restriction (see DHCD's website for Regulatory Agreement
- templates – there are different agreements for Ownership, Rental, & HOME developments)
- Affirmative Fair Marketing and Lottery Plan (see DHCD's website for plan template)

The applicant may need to obtain technical assistance for the development of Regulatory Agreements and Affirmative Fair Marketing and Lottery Plans. If you might need assistance, please alert the Medfield Town Planner.

**Unit Type Minimum Requirements\***

- 1 Bedroom 700 s.f./ 1 bath
  - 2 Bedroom 900 s.f./ 1 bath
  - 3 Bedroom 1,100 s.f./ 1 & 1/2 baths
  - 4 Bedroom 1,400 s.f./ 2 baths
- \*All bedrooms must be at least 100 s.f.

**Key Design Standards:** Units shall contain complete living facilities including a stove, kitchen cabinets, plumbing fixtures, a refrigerator, microwave, and access to laundry facilities. All units must meet sanitary and building codes. DHCD encourages unit designs with master bedrooms and bathrooms on the first floor in age restricted housing. The mix of units offered as affordable housing must be proportionate to the overall development. If 10% of units in a project are 3 BR, 10% of affordable units must be 3 BR. DHCD does not typically accept units that are significantly smaller, are located further from amenities like parking or open space, or units that are segregated to one area of a project.

## SECTION 2: MAHT PROJECT FUNDING REVIEW

### GUIDELINES

The following are minimum thresholds to determine whether projects are eligible for receiving MAHT funds:

1. Applicants may be for-profit or nonprofit affordable housing developers, or public entities such as the Medfield Housing Authority.
2. In accordance with the powers of the Trust, funds may be used to create or preserve affordable and community housing for the benefit of low- and moderate-income households. For example, funds may be used to:
  - a. Assist in development of affordable housing such as site acquisition, site clearance, site improvements, predevelopment costs, or gap funding.
  - b. Subsidize the purchase price and/or rehabilitation of existing homes in exchange for a long-term deed restriction so that they can be placed on the SHI.
  - c. Acquire and/or rehabilitate affordable units at risk of being lost from the SHI.
  - d. Provide professional services such as the preparation and implementation of Fair Housing Marketing and Lottery Plans and monitoring to ensure that affordable housing continues to be eligible for listing on the SHI.
3. In a mixed-income development, MAHT funds are only to be used only in the amounts necessary to support the affordable units.
4. MAHT seeks to maximize efficiency of its funding to create affordable units. Expenditure of MAHT funds is not expected to exceed \$300,000 per project; lower cost per unit is preferable, as are projects that utilize other sources of funding.