

ANDOVER'S HOUSING TRUST FUND

- ▶ Approved at Town Meeting in 2005
 - ▶ Over 100 communities have a Housing Trust Fund
 - ▶ It is important to have an operating Housing Trust Fund to help Andover preserve and maintain its existing affordable housing stock. The HTF:
 - ▶ Provides a place to put housing funds received by the Town of Andover
 - ▶ Helps to preserve existing affordable units
 - ▶ Potential to rehabilitate existing housing units
 - ▶ May create affordable housing
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How does the Trust operate?

There is a volunteer Board of Trustees. Trustees include: The Town Manager, as well as residents from the Town of Andover, Linda O'Connell, Carolyn Finlay, Chuck Wolfe, Susan Sheppard and David Currie.

What are the operating costs the Trust Fund?

The Trustees are volunteers. Town staff acts as technical assistance to the Trust. There are no additional costs of operating the Trust.



Update on the Housing Trust Fund

- ▶ The Board of Trustees meets 2 to 4 times a year.
 - ▶ There is a set of bylaws and a Declaration of Trust
 - ▶ The Housing Trust Fund account has \$107,866 as a result of one foreclosure and two market rate resales (units were in need of repairs).
 - ▶ Funds were dispersed from the account only once for a consultant to create a First Time Home Buyer program in 2010.
 - ▶ The Board discusses and facilitates federal and state grant opportunities, such as North Shore HOME Consortium grants.
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Protection offered by the Housing Trust Fund

- ▶ Helps to preserve the equity of the unit and the town's interest in the unit.

Existing Affordable Unit



FORECLOSURE Bank sells unit at market price when the Town cannot purchase the unit.

FOR SALE and an income-eligible buyer is not found (as in the case at Brookside Estates). Unit is then sold at market price.

No Housing Trust Fund,
Equity is lost

Market Price = \$200,000
Affordable Price = \$168,000
Difference = \$32,000

Housing Trust Fund,
Equity is retained because
the difference is
deposited into the HTF
for a future project.

Overview of What the Trust can do:

The Board of Trustees may do the following:	With <u>approval</u> from the Board of Selectmen:	With the <u>approval</u> of the Board of Selectmen <i>and</i> Town Meeting (2/3):
<p>to employ advisors and agents, such as consultants, accountants, appraisers and lawyers as the trustees deem necessary</p>	<p>to accept and receive property (real or personal) by gift, grant, devise, or transfer from any person, firm, corporation or other public or private entity including without limitation, grants of funds or other property tendered to the trust in connection with provisions of any zoning or other by-law</p>	<p>to sell, lease, exchange, transfer or convey real property and to abandon any property which the trustees determine not to be worth retaining</p>
<p>to pay reasonable compensation and expenses to all advisors and agents</p>	<p>to purchase and retain real or personal property</p>	<p>to incur debt, to borrow money on such terms and conditions as the trustees deem advisable, and to mortgage and pledge trust assets as collateral</p>
	<p>to disburse trust funds for the purpose of making loans or grants in furtherance of the creation or preservation of affordable housing in Andover</p>	

In sum, the Housing Trust Fund is one tool to help Andover

- ▶ Maintain at least the 10% affordable housing inventory in order to be selective in approving future 40B proposals
 - ▶ **Preserve existing affordable units**
 - ▶ Create grants for first time home buyers or other affordable housing opportunities
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