

October 14, 2022

Affordable Housing Trust Fund
CPC Co-Chair Questions and Applicant Responses

02 Affordable Housing Trust Fund

FY23 Application

Narrative

1. Per question #3's answer on the Narrative - "How did you determine the amount being requested from CPC": Please elaborate on the specific projects in development for 2023 which need funding as there were no actual programs, planned acquisitions or plans to develop housing or supportive housing mentioned, however they are #1& 2 in priority initiatives in the attached Plan.

What we're proposing in this application is a partnership between the CPC and the Trust in which the Trust would manage the CPC's housing reserve allocation, plus any additional funds the CPC wants to put towards affordable housing development. However, this would not preclude the CPC from funding other housing related projects out of the general reserve. The intention is to consolidate development funds to streamline approvals processes, which would reduce overhead costs for non-profit developers and make projects more financially feasible.

The Affordable Housing Trust Fund, in its first-ever Action Plan, decided that it will function as a funding entity as opposed to an active initiator of projects. Therefore, it does not directly manage development projects. At this time, its only program is to provide financing for affordable housing projects, similar to the way the CPC funds but does not directly manage projects relating to open space, historical preservation, and community housing.

The only exception to that rule is that the Trust has decided it will pay for planning studies that support the development of affordable housing. One example of such a study that was identified in the Plan was a linkage fee nexus study. This analysis would quantify the relationship between new commercial development and increased housing costs, which could then be translated into a fee on commercial development that would go directly to the Trust. Linkage fees would ultimately need to be passed by the City Council, but this study is a crucial first step in enacting such a policy.

Two potential applicants for development funding in the next year include ACDC, regarding planned renovations of the former Salvation Army building at 213 Main Street, and the Malden Neighborhood Hub project which is working to acquire, rehabilitate, and sell vacant properties as new units of affordable housing. Neither of these projects have come before the Trust for funding yet, but we expect that they will need additional City funds at some point. How much they might request from the Trust is unclear at this time.

2. Please provide a FY 2023 budget plan (as on pg.16 of the action plan) along with a “Business Plan”

Please [see attached budget](#). The Trust’s priorities for FY23 include allocating \$50,000 for the linkage fee nexus study and making \$1.2 million available for affordable housing development and rehabilitation projects.

3. Please provide the Trust’s Policies and Procedures

The Affordable Housing Trust Fund does not currently have a written set of policies and procedures. Kristina Tseng, the first dedicated staff person for the Trust, has just recently been hired, and this is one of a number of important items on her to-do list. We will provide them to the CPC when they have been approved by the Trust. It is intended that the policies and procedures and program guidelines will be aligned with the other affordable housing programs managed by OSPCD, creating one streamlined process.

4. Please provide a sample application for any programs planned.

[Please see attached application](#).

5. Please provide information regarding how these potential programs will be promoted throughout the city.

The Trust does not currently manage programs that directly serve residents; its primary audience is affordable housing developers and property owners. The Trust will require approved development projects to have a marketing and tenant selection plan, and the City will advertise on its website and social media platforms when applications for affordable units are available. The Trust’s policies and procedures will detail the outreach strategies that should be included in the marketing plan to make sure Malden residents are aware of these opportunities. We believe coordinating with the CPC to advertise these opportunities would be mutually beneficial and look forward to working with the committee to develop strategies for doing so.