

**BARNSTABLE AFFORDABLE HOUSING/GROWTH AND DEVELOPMENT TRUST
FUND**

**Rules and Regulations
(Amended December 10, 2021)**

A. Purpose:

The Trustees of the Barnstable Affordable Housing/Growth and Development Trust Fund (Trust Fund) are promulgating these rules and regulations to establish procedures for the operation of the Trust Fund Board and to create criteria and protocols for the distribution and use of Trust Funds.

The Rules and Regulations are intended to be supplementary and, where in conflict, subordinate to the Town Council Order, 2007-158 and Section 241-47.1(u) of the Code of the Town of Barnstable establishing the Trust Fund.

B. Definitions:

AFFORDABLE HOUSING: Decent, safe, sanitary, and appropriate housing that is affordable to a household having an income of not more than the income of 80% of the area median household income (AMI), adjusted for household size. For rental units, the rent (including utilities) shall not exceed 30% of the targeted AMI approved by the Trust for a proposed development. For homeownership units, the mortgage payment for the unit (including condominium fees or homeowners' fees, if applicable, insurance, utilities and real estate taxes) shall not exceed 30% of the targeted AMI approved by Trust for a proposed development.

AFFORDABLE HOUSING/GROWTH AND DEVELOPMENT TRUST FUND: The funding source as established by MGL Ch 44 Section 55 C, with the central purpose of providing for the preservation and creation of affordable housing, for the funding of community housing, as defined in and in accordance with the provisions of chapter 44B and for the promotion of sound and prudent economic development in the Town of Barnstable for the benefit of the residents of the Town of Barnstable including low and moderate-income households.

AREA MEDIAN INCOME (AMI): The area median household income as defined by HUD pursuant to section 3 of the 42 U.S.C. 1437 (the Housing Act of 1937), as amended, adjusted for household size.

BOARD OF TRUSTEES: The Board established pursuant to MGL Ch 44 Section 55 C as adopted on by Town Council and as set forth in the Amended Declaration of Trust.

COMMUNITY HOUSING: Low- and moderate-income housing for individuals and families, including low- or moderate-income senior housing. Housing shall be affordable to a family having an income of not more than 80% (affordable) or not more than 100% (depending in each instant whether low- or moderate-income housing) of the median family income for the AMI, adjusted for family size, the rent for which (including utilities) does not exceed 30% of the AMI targeted by the Trust or the mortgage payment for which (including insurance, condominium association/homeowner association fees, utilities and real estate taxes) does not exceed 30% of the AMI targeted by the Trust.

ELIGIBLE ACTIVITIES: The housing and economic development activities for which the Trust Fund may provide financial support are set forth below in Sections D. Projects funded using Community Preservation Act (CPA) funds must be in compliance with the provisions of chapter 44B of the Massachusetts General Laws.

ELIGIBLE APPLICANT: Individual, public, for profit and non-profit entity that submits an application for funding that proposes a Project for which the Trust Fund may provide financial support as set forth below in Sections D.

EXTREMELY LOW INCOME: Households that have incomes that do not exceed 30 percent of the area median income for the Barnstable-Yarmouth area, as established and defined in the annual schedule published by the U.S. Department of Housing and Urban Development, and adjusted for household size, or such higher income limit as may be established for a local, county, state, or federal housing program.

GRANT AGREEMENT: The document to be executed by all successful applicants which memorializes the terms and conditions of the award of Trust funds.

HOUSEHOLDS: Shall include individuals or families.

HOUSING EXPENSES, HOMEOWNERSHIP: Shall include principal, interest, real estate taxes, insurance, private mortgage insurance (PMI), and any homeowner or condominium fees.

HOUSING EXPENSES, RENTAL: Shall include rent and utilities.

HOUSING GOALS

- Promote an increase in year-round housing supply for income eligible households, particularly low-income households
- Promote an increase in housing diversity and choice.
- Protect and improve existing community housing stock.
- Increase housing affordability.
- Promote the adaptive reuse of existing buildings and structures for housing.

LOW-INCOME HOUSEHOLDS: Households that have incomes that do not exceed 50 percent of the area median income for the Barnstable-Yarmouth area, as established and defined in the annual schedule published by the U.S. Department of Housing and Urban Development, and adjusted for household size, or such higher income limit as may be established for a local, county, state, or federal housing program. When “low-income households” is used herein it includes extremely low-income households.

MODERATE INCOME HOUSEHOLDS, 80%: Households that have incomes between 51% and 80% of the Area Median Income (AMI) for the Barnstable- Yarmouth area, as established and defined in the annual schedule published by the U.S. Department of Housing and Urban Development, and adjusted for household size, or such higher income limit as may be established for a local, county, state, or federal housing program.

MODERATE-INCOME HOUSEHOLDS-100%: Households with incomes between 81% and 100% of the Area Median Income (AMI) for the Barnstable- Yarmouth area, as established and defined in the annual schedule published by the U.S. Department of Housing and Urban Development, and adjusted for household size, or such higher income limit as may be established for a local, county, state, or federal housing program.

PROJECT: A development for which the Board may provide financial support as set forth below in Sections D below and which is the subject of an application to a Board.

SOUND AND PRUDENT ECONOMIC DEVELOPMENT: Economic development which:

- Encourages economic development that diversifies, enhances or increases revenue producing property and respects and strengthens quality of life, community character and environment.
- Retains and strengthens business in the Town of Barnstable particularly those that provide year-round jobs at livable wages for residents at diverse economic levels.
- Provides infrastructure required for designated economic centers.
- Supports the maintenance and development of recreational activities for residents and visitors.
- Encourages growth of existing economic sectors and development of new sectors and enterprises that create stable employment and livable wages for residents at diverse economic levels.

- Education Sector: Continually works to establish the Town of Barnstable as a place where education “happens”. Emphasize educational efforts serving as economic drivers to expand collective intellectual; capital and support emerging workforce.
- Encourages continued development of the creative economy to capture sector dollars and to position the Town as a cultural destination.
- Strengthens and enhance the visitor-based economy with a focus on Hyannis as a year-round destination.

SUBSIDIZED HOUSING INVENTORY (SHI): The list compiled by the Department of Housing and Community Development containing the count of Low or Moderate Income Housing units by city or town.

TRUST ESTATE: Assets held by the Trust.

USE RESTRICTION A restriction that: (1) Runs with the land for a term of perpetuity and is recorded at the appropriate registry of deeds; (2) Restricts occupancy to low- and moderate-income households; (3) Requires that tenants of rental units and owners of homeownership units shall occupy the units as their domiciles and principal residences.;(4) Provides for administration, monitoring, and enforcement of such restriction. (5) Contains terms and conditions for the resale of a homeownership unit, including definition of the maximum permissible resale price, and for the subsequent rental of a rental unit, including definition of the maximum permissible rent. (6) Subjects the units to an Affirmative Fair Housing Marketing and Resident Selection Plan for approval by the Department of Housing and Community Development (DHCD) for Low-Income/Affordable Units and for approval by the Director of Planning and Development, in consultation with the Trust, for Moderate-Rate (100%) units.

C. Board of Trustees:

1. The Board of Trustees shall manage, make recommendations, and from time to time reevaluate (a) the goals for the Trust Fund; (b) the Trust Fund's operating budget and projected expenditures and revenue; (c) the Trust Fund's funding and award policies and priorities; (d) the Trust Fund's program requirements; (e) the Trust Fund's procedures for disbursing Fund resources; (f) the review of applications for Trust Fund awards; (g) the granting of awards; (h) the monitoring of Eligible Activities funded by the Trust Fund; and (i) the evaluation of Trust Fund activities.

2. Officers.

a. Chair. The Town Manager shall preside as Chair at all meetings of the Trust. Except as otherwise authorized by resolution of the Trust, the Chair shall sign all contracts,

deeds, and other instruments made by the Trust. At each meeting the Chair shall submit such recommendations and information as he/she may consider proper concerning the business affairs and policies of the Trust. The Chair shall authorize the Town Treasurer to receive and disburse such monies under the direction of the Trust except as otherwise authorized by resolution of the Trust.

b. Vice-Chair. The Vice Chair shall be elected yearly and shall hold office for one year or until their successors are elected and qualified. The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the of the Chair, and in case of a vacancy in the office of Chair.

3. Meetings.

The Trust shall meet at least monthly at such time and at such place as the Trustees shall determine. Notice of all meetings of the Trust shall be given in accordance with the provisions of the Open Meeting Law, G.L. c. 30A, §§18-25. A quorum at any meeting shall be a majority of the Trustees qualified and present.

D. Eligible Activities and Fund Distribution Procedures

I. Housing Activities

The following housing-related activities are the types of activities for which resources may be received or expended to meet the Trust's housing goals to benefit Low or Moderate-Income household(s):

- A. Types of Projects in which the Trust funds assets shall invest (not in order of priority):
 - 1. Development Activities: Creation of new affordable housing
 - 2. Preservation of existing affordable housing
 - 3. Acquisition of land and or building for the creation of affordable housing
 - 4. Rehabilitation of existing buildings for the conversion to affordable hosing
 - 5. Pre-development activities
 - 6. Direct Assistance activities

- B. Threshold requirements for funding:
 - 1. Housing units created, rehabilitated or preserved with Trust funds shall be restricted in perpetuity by a use restriction with the use restriction surviving in the case of foreclosure.
 - 2. Affordable Housing units shall be eligible for listing in the SHI.
 - 3. Loans made by the Trust shall be secured by a mortgage and promissory note,
 - 4. All successful applicants shall execute a Grant Agreement and if required by the Board a separate monitoring services agreement. The Grant Agreement shall

establish the terms and conditions of the Trust funding and shall include the procedures for the disbursement of Trust funds.

C. Priority will be given to the following projects:

- Affordable rental housing in areas outside of Hyannis
- Rental units that are affordable to households at or below 50% Area Median Income (AMI)
- Projects that propose the creation of affordable and moderate-income housing homeownership units in Hyannis
- Projects that provide housing to vulnerable populations and offer supportive services
- Projects that are on public land
- Projects that leverage funds to the maximum extent
- Projects that convert existing buildings and structures into new affordable/community housing units.

D. Evaluation criteria: Projects will be evaluated with respect to criteria that are consistent with the Town's Local Comprehensive Plan, Housing Production Plan and the Community Preservation yearly plan and additional evaluation criteria established by the Board including but not limited to the criteria established in the Notice for Funding Availability (NOFA).

II. Promotion of Sound and Prudent Economic Development

The following economic development activities are the types of activities for which resources may be received or expended to promote a diverse economy consistent with balanced growth principles for the benefit of the residents of the Town of Barnstable, including its Low- or Moderate-Income household(s):

A. Types of Projects in which the Trust Funds Assets shall invest not in order of priority:

- Projects that retain and strengthen business in the Town of Barnstable particularly those that provide year-round jobs at livable wages for residents at diverse economic levels.
- Projects that provide infrastructure required for designated economic centers.
- Projects that encourage growth of existing economic sectors and development of new sectors and enterprises that create stable employment and livable wages for residents at diverse economic levels.

- Educational projects serving as economic drivers to expand collective intellectual; capital and support emerging workforce.
- Projects that strengthen and enhance the visitor-based economy with a focus on Hyannis as a year-round destination.

B. Threshold requirements for funding:

Due to the current limited funds available in this portion of the funds being held by the Trust, funding will be limited to public projects and projects that promote neighborhood stabilization.

C. Priority for Funding:

- Public projects
- Projects that promote neighborhood stabilization

III, Fund Disbursement.

Each grant agreement shall specify the procedure for the disbursement of Trust funds.

E. Amendments to Rules and Regulations:

The Trust may amend these Rules and Regulations by majority vote at any meeting of the Trustees. All written rules, regulations, procedures and amendments shall be filed in the Office of the Town Clerk.