

Affordable Housing – How Many SHI units are in the pipeline?

During the Forum on May 7, 2024 (1:40:00), a question was posed by a caller, “*How do you feel about the Town buying up available land for use either to create our own affordable housing or to sell to developers with deed restrictions?*”

Tim Hickey answered the question: “*this weekend the people spoke, and we secured, I believe, 252 units to come down the pipeline*”.

Kevin Grunwald answered the question: “*if we had 252 units coming down the pike, I would be up here celebrating right now. But I am not sure where those 252 units are coming from.*”

What is an SHI unit?

SHI stands for Subsidized Housing Inventory (SHI). For a unit to be SHI-qualified, it must meet the following criteria:

- Must be subsidized by an eligible state or federal program or approved by a subsidizing state agency
- At least 25% of the units must be affordable to those earning at or below 80% AMI (Area Median Income) or 20% must be affordable to those earning 50% AMI
- Subject to long term deed restriction limiting occupancy to income eligible households
- Subject to an Affirmative Fair Housing Marketing Plan.

Truro currently has 25 units that are SHI-qualified.

What are the units in the pipeline?

As of today, Truro has the following units in existence or in the pipeline:

	Units
Current SHI Units	25
PIPELINE:	
Cloverleaf	43
Walsh Phase I	80
Walsh Phase II	80
Small Lots (estimate)	12
Sub Total	240
Truro Motor Inn (estimate)	34
Total	274

Note: Truro Motor Inn has not been acquired. The Town Voters approved an eminent domain acquisition of the property. How it is developed is also not determined. It is my hope that we use it for Seasonal Housing where local business can “reserve” a unit for an extended period for their employees. The cost/rent charged to the employer would be break-even for the town. The rent will be enough to cover upkeep of the property and to repay a 30-year bond for the money used to renovate the current building.

How Many Units are Needed?

There are two answers to this question: 1) the State and 2) our Housing Production Plan.

The State would like all Cities/Towns to have 10% of their year-round housing units to be SHI units. Truro currently has 1,333 year-round units (according to the Subsidized Housing Inventory June 29, 2023). So, we need 134 units to meet the State requirements.

Town of Truro Housing Needs Assessment and Production Plan was prepared for the Truro Housing Authority and written by JM Goldson LLC. It was approved by the Select Board in 2023. On page 11 you will find:

	2023 to 2028						2023 to 2036				
	Total	Less than 50% AMI	50% to 80% AMI	Over 80% up to 120% AMI	Total		Less than 50% AMI	50% to 80% AMI	Over 80% up to 120% AMI		
Rental	74	21	36	17		175	50	85	40		
Homeownership	36	0	23	13		85	0	55	30		
Total	110					260					

The Housing Production Plan (HPP) identifies the housing needs of a community and the strategies it will use to make progress in facilitating the development of affordable housing. According to the State website, “*The term of an HPP shall be five (5) years from the date of its approval by the Department. All HPPs shall be updated and renewed within five (5) years of the date of its approval by the Department, through the full 90-day review process set forth above, or as the Department may otherwise require.*” Why is Truro’s Housing Production Plan a 13-year plan? Of what value is a 13-year plan when the state mandates a 5-year plan cycle?

Looking at the 5-year plan numbers, the 74 rental units can be easily attainable using Cloverleaf and the current SHI units. The 36 Ownership units is a concern. Again, the Housing Authority is silent on this. In my opinion, we should switch from Homeownership units to Rental units. 40b developers prefer rental units and they give the town added flexibility to eliminate the rental-dessert that Truro faces.

The Plan from 2028 to 2036 is also attainable using the Walsh development, Truro Moto Inn and 12 Small Lots. But it is NOT within our 5-year goal and should not be our primary focus.

As I see it, the Town has a 5-year goal that is documented in the HPP plan and referenced by the Walsh Committee Recommendations and the Local Comprehensive Plan. The number we committed to build is 110.

We do not need to spend more money to add to the pipeline. No one lives in the pipeline. Spend the money on delivering the Affordable Housing Units. It has been 10 years since the last significant delivery. For the next 5 years, our primary goal should be to complete Cloverleaf, the 2 Workforce Housing units on S. Highland Rd, and any construction on small buildable lots. Further planning for Walsh should also be started, but phase I should be limited to 40 units instead of 80 units.

What happens if we deliver on our HPP 5-year plan?

If we develop 110 units by 2028, we will have 135 units (110 + 25). We will have over 10% SHI and achieved safe harbor. We also will have 110 new units for Truro Residents to use.

Is it a valid strategy for the Town to buy more land for Affordable Housing?

The caller asked a key question, “*is there a cost with the Town buying up land for affordable housing?*”

Mr. Hickey stated, “*I don't think we should buy any other land. I don't think that's a good idea at this point.*”

Mr. Grunwald stated, “*I will say that we have minimal areas available for development in this town right now, we are about 70% national seashore and maybe 10% that is land protected from development either through Conservation Trust or other mechanisms ... I heard Emily Beebe say at a meeting, given the lack of land I think if there's an opportunity for us to acquire in a responsible way, in an affordable way we should.*” In my opinion, if we adopt this strategy the Town could create shortages leading to higher prices, and the private sector will not be able to compete.

— Michael Forgione