

COMMUNITY HOUSING PLAN

ARPA Community Proposal

Essex County Community Organization, Lynn United for Change, Neighbor to Neighbor



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Introduction

Lynn is now at a crossroads, with the combined impacts of the COVID-19 pandemic and a housing crisis displacing a growing number of households from the city, forcing residents to endure substandard and overcrowded conditions, irreversibly damaging our social fabric, threatening to increase residential segregation, creating health problems, disrupting learning in our public schools, and reinforcing structural racism and other inequities.

As [the Housing Lynn Plan of 2021](#) makes clear, the cost of housing is increasing rapidly and Lynn's majority working class and low-income population is being harmed by housing costs – including both rents and home prices – that are out of control. Residents of many backgrounds – from teachers in the Lynn Public Schools to working class immigrant households – are in danger of being priced out.

The COVID-19 pandemic has exacerbated the housing crisis, particularly for our city's most vulnerable populations. Low-income workers who lost their jobs have [struggled to pay their rent and faced eviction](#), with a [disproportionate impact](#) on communities of color statewide and [in Lynn](#). The pandemic has reinforced, with devastating clarity, that [housing is fundamental to health as well as economic, social, and communal well being](#).

According to the 2021 report "Housing Lynn: A Plan for Inclusive Growth," nearly half of Lynn's residents are at risk of being priced out of the city, with 42% of households housing cost burdened, meaning that they spend over 30% of their income on housing. And while Lynn has roughly 4,435 affordable housing units, "an estimated 19,840 households qualify as low income," with "30% of all households defined as extremely low income." The report illustrates a clear demand for access to deeply affordable housing that far outweighs the available supply. A continued failure to meet this demand will result in increased displacement of Lynn residents, more overcrowding in existing units, and deepening inequality in our community.

Without immediate investment in affordable housing and displacement prevention, segregation will increase [while low- and moderate-income households struggle with rising rents](#). Without dramatic action, there will be continued displacement – including of longtime residents – and we will lose historic, diverse working class neighborhoods the same way other cities have.

We have a unique opportunity to confront this crisis head-on by channeling Lynn's ARPA funds into housing solutions that meet emergency needs to prevent displacement now, while creating the quality, affordable homes we need in the long term to stabilize our neighborhoods, preserve our diverse and unique community, promote equity, and ensure a healthy and vibrant future.

It is a legal requirement that ARPA funds be spent equitably with a focus on the marginalized populations most harmed by the pandemic. That can't be done without the kind of primary focus on housing embodied by this plan: the rapid rise in housing costs is the most pressing issue facing our city's most vulnerable residents, and housing stability is foundational to addressing virtually every other problem we are grappling with as we struggle to recover from the pandemic.

including disparities in educational outcomes and poor mental and physical health. Recent guidance from the [Treasury Department strongly encourages use of these funds to support creation, preservation, and stabilization of affordable housing](#).

This Plan's three components, detailed on the following pages, were created with leadership from people impacted by the housing crisis and in consultation with local experts including developers, advocates, and public sector housing officials; the authors communicated with LHAND ahead of time to confirm there was no conflict with other major housing proposals.

Two of the components of the Plan – the Neighborhood Health Housing Repair Program and the Lynn Housing Recovery Voucher Program – are related to existing programs administered by LHAND and we propose that agency could also administer these initiatives. The other component of the Plan – the Housing Stabilization for Equitable Recovery Program – takes advantage of the unique opportunity presented by ARPA funding to strengthen Lynn's response to the housing crisis at this critical moment while complementing existing programs and aiding overall pandemic recovery. We present two options for an implementation structure for this part of the proposal and we believe either would work well.

Finally, it is important to note that the Community Housing Plan is in line with the goals of the "[Housing Lynn](#)" housing production plan adopted by the City Council – in fact, the intent of Housing Lynn is that its key goals be implemented through more detailed proposals like this.

1. Housing Stabilization for Equitable Recovery – \$15 million

Goals

The Housing Stabilization for Equitable Recovery program will preserve and create stable, affordable homes for Lynn’s low-income, working class majority. It will prevent displacement during this crucial pandemic recovery time period while creating a foundation for housing stability that will last long into the future. Critically, the program will center the needs of the people most impacted by housing instability and the COVID-19 pandemic.

Support from this program will enable our city to move quickly at this critical “tipping point” moment and set us on the course for an equitable recovery. Leveraging ARPA funds strategically, the program will move quickly to acquire and preserve affordability of existing “naturally occurring affordable housing” that is in danger of being converted to high-priced housing that is inaccessible to most city residents. This process is already underway; in a growing number of cases out-of-town investors and corporate landlords are acquiring properties, drastically raising rents, and displacing existing tenants. This harms individual Lynn residents and families while also destabilizing entire neighborhoods and community institutions such as public school classrooms.

The program will also move to secure land to prevent displacement, avert re-segregation, and ensure new development includes housing for a range of income levels and does not exclude Lynn’s working class, lower-income majority. Finally, the program will support new development projects that meet the urgent need of Lynn residents for quality affordable homes.

The program will move proactively to identify opportunities to preserve and create affordable housing, and will play a critical role in facilitating affordable housing projects that would otherwise be impossible due to lack of funds or insufficiently rapid access to financing. The resulting housing will have a direct impact for many households and it will also help set the tone for other development in Lynn with quality, stability, affordability, and inclusive community process as the new standard.

[Guidance from the Federal government](#) makes clear that this is an [allowable and advantageous](#) use of Lynn’s ARPA funds. “Treasury continues to strongly encourage state and local governments to dedicate a portion of the historic funding available through President Biden’s American Rescue Plan toward building and rehabilitating affordable housing in their communities,” [notes](#) Deputy Secretary of the Treasury Wally Adeyemo. Further, the flexibility embodied in this program will enable it to support a range of activities including acquisition, conversion, and preservation of existing affordable housing as well as pre-development activities and construction of new housing. This flexibility will ensure easy compliance with the requirement to “obligate” ARPA funds by December 31, 2024 and “expend” the funds by December 31, 2026.

Criteria for use of funds

Funds expended by this program must meet all of the following criteria:

- Support creation or preservation of deeply affordable housing units (e.g. housing for households with incomes at the 30% AMI and 50% AMI levels) or support mixed-income projects with a majority of units reserved for households at the 30% AMI, 50% AMI, and 60% AMI levels;
- Support projects that provide long term or permanent affordability;
- Support projects that give preference to current or recently-displaced Lynn residents to the maximum extent allowed by law;
- Support projects that ensure housing units are accessible regardless of immigration status, to the maximum extent allowed by law and applicable regulations;
- Support projects that include housing for families;
- Support projects undertaken with respect for fair labor practices;
- And leverage additional funding sources (e.g. Low Income Housing Tax Credits) to the greatest extent possible.

Program activities

Specific activities of this program are described below. (Note: the total expenditures in the examples listed below exceed the amount requested for this program. The specific spending mix will be determined by the entity chosen to receive the funds, and/or specified in requirements provided by the City of Lynn at the time ARPA funds are allocated.)

- **Stabilize housing for working class / low-income Lynn residents through acquisition, conversion, & repair/renovation of existing privately owned housing**
 - Acquisition activities are likely to focus on "Naturally Occurring Affordable Housing," with units acquired at scale from property owners with medium to large portfolios in Lynn as well as through smaller purchases.
 - Properties that are acquired will be repaired and converted to deed-restricted, permanently affordable housing with a majority of units targeted at households at the 30% and 50% AMI levels.
 - \$5 million of the funds would enable the purchase and quality rehabilitation of approximately 30 to 50 naturally occurring affordable units for long term use. Examples include:
 - 45 Exchange Street
 - 11 Spring Street
 - recently sold: 561 Boston Street

- **Creation of new affordable housing**

This activity will lead to creation of deed-restricted affordable housing – primarily rental units, with the option to support alternative models such as limited equity cooperatives when viable. Specific steps may include:

- Development and pre-development activities for entirely new construction
 - For example, an investment of \$3 million could deepen the affordability and expand the opportunities for the planned redevelopment of the old Marshall Middle School site, yielding permanently affordable units and neighborhood amenities.
 - An investment of \$5 million into the redevelopment of the School Street lot would expand the opportunity for a larger-scale, inclusive project with a more significant number of deeply affordable units and additional community benefits.
- Pre-development activities for acquisition and renovation of existing properties
- Purchasing land and property for future development or redevelopment
 - For example, an investment of \$10 million to acquire sites for long term development would lead to the creation of up to 400 units of stable, permanently affordable housing (using the benchmark of a roughly \$25,000 per unit land cost).
 - Example sites include 509 Eastern Ave and 140 Union Street.

- **Preservation of affordability in "expiring use" properties**

- For example, 556-562 Chestnut Street is currently on the [CEDAC inventory of expiring use properties](#) and listed as “at risk” of losing 8 affordable units by 2024.
- Willow Apartments is currently on the CEDAC inventory of expiring use properties, listed as having 43 Section 8 PBA units with an expiration date of 11/30/2025 for the Section 8 contract.
- Recent losses, of the type that could be prevented through the proposed program, include King’s Lynne (which is now losing affordable units through attrition following expiration of restrictions associated with its 13A mortgage) and Harbor Loft Apartments (where low-income residents are currently facing displacement due to rent increases in units that are now “market” rather than income-restricted/affordable).

Structure

Use of funds

- The vast majority of the funds will be expended on the program activities described above, carried out through nonprofit developers, CDCs, and the local housing authority.
- A limited amount of the allocated funds may be used to temporarily supplement the staff capacity of the entity receiving the funds. Personnel would focus on: facilitating identification and selection of appropriate projects; ensuring an appropriate reporting structure is put in place quickly; and guaranteeing compliance with all ARPA deadlines.

Custody of funds

- Funding for this program could either be allocated to the City's Affordable Housing Trust Fund or allocated directly to local Community Development Corporations (CDCs). In either case, the funds would be earmarked for projects that meet the above criteria.
- If funds are allocated to the Trust Fund, added staff capacity provided by the ARPA funds would accelerate the process of engaging the Trust Fund's board to enact rules and procedures. Actual development activities would be carried out by interested local affordable housing developers (e.g. local CDCs, nonprofit developers, LHAND) selected for specific projects and/or selected to oversee particular segments of the program activities.

Timeline

ARPA funds must be obligated by December 31, 2024 and fully expended by December 31, 2026. US Department of the Treasury guidance states that ARPA State and Local Recovery Funds can be used for a range of affordable housing purposes including "pre-development" activities. Through in-depth conversations with local CDC's and affordable housing experts, we have confirmed that the requested funds could easily be used for the proposed uses within this timeframe.

Community engagement

A community advisory committee is proposed to ensure a high level of engagement with key stakeholders and a sustained focus on the needs of the vulnerable populations most harmed by the COVID-19 pandemic and housing crisis. This committee would meet annually or biannually to offer general guidance on community housing needs and priorities to the entity chosen to retain control of the funds.

This committee would not be involved in day-to-day management of projects or control allocation of the funds. However, members of this committee would receive information on projects and fund activities periodically throughout the year and could serve as a resource for the board and staff of the entity chosen to hold and administer the funds.

The committee would include representatives of grassroots community based organizations including Essex County Community Organization, Lynn United for Change, Neighbor to Neighbor, Massachusetts Senior Action Council, and My Brother's Table.

2. Neighborhood Health Housing Repair Program – \$1 Million

Goals

The Neighborhood Health Housing Repair Program will address several urgent, interrelated issues: the need to address substandard and dangerous conditions that are common in Lynn's rental housing and cause or exacerbate health problems; the inability of many cost-burdened property owners to afford critical repairs; and the need to preserve private, non-subsidized housing that serves working class and lower income tenants (sometimes referred to as "naturally occurring affordable housing").

Structure

The program will be administered by Lynn Housing and Neighborhood Development (LHAND), with the ongoing participation – to the maximum feasible extent – of residents who have experienced housing insecurity and of community organizations representing low-income residents in program design and outreach plans.

Activities

This program will provide funds to owner-occupant and small-scale landlords to assist in remediating and preventing health and safety hazards and substandard living conditions in buildings with working class or lower-income tenants.

The Program will make grants and forgivable or low-interest loans to address ongoing or potential health and safety hazards and noncompliance with the state sanitary code.

The program will require or incentivize recipients to maintain or increase the proportion of units rented to working class or low-income tenants, and will include provisions to prevent displacement of existing residents.

For larger awards, participating landlords will also grant a "right of first refusal" to the Lynn Affordable Housing Trust Fund. This will ensure that when the property is eventually sold, there will be an opportunity for not-for-profit developers, Lynn Housing, and CDCs to buy the property and convert it to permanently affordable housing.

Priority for repair funds will given to: owner-occupants; Lynn residents; homeowners who are cost-burdened by mortgage and utility costs; property owners with household income at or below 60% of the Area Median Income (AMI); applicants applying for assistance with properties in which a large proportion of low income and "extremely low income" tenants reside.

3. Lynn Housing Recovery Voucher Program – \$2 million

Goals

The Lynn Housing Recovery Voucher Program will provide mobile housing vouchers for Lynn households at risk of displacement, with a focus on those unable to access other types of assistance and those at extreme/imminent risk of displacement and consequent negative impacts on health and financial well-being. The program will provide a bridge to stabilize the most vulnerable households through the pandemic recovery period; during this time they can be connected with existing and emerging long term stabilization solutions.

Structure

The program will be administered by Lynn Housing and Neighborhood Development (LHAND), with the ongoing participation – to the maximum feasible extent – of residents who have experienced housing insecurity and of community organizations representing low-income residents in program design and outreach plans.

Activities

This program will provide mobile vouchers – similar to Section 8 or MRVP vouchers – to be used by current Lynn residents to stabilize their housing within the city of Lynn.

The vouchers shall be available to current low-income Lynn residents. Priority categories shall include: households with extremely low income; households facing imminent displacement; households with children who are Lynn Public School students; households that are wholly or partially excluded from Section 8, Federally supported housing, MRVP, or state supported housing; and households at risk of particularly negative impacts on physical and/or mental health if displaced.

The vouchers shall provide flexibility so that participants will not be excluded from newly constructed buildings in downtown and waterfront districts, provided that the vouchers are used in the most affordable appropriate apartment within a given development.