



# Community Housing Fund

Frequently Asked Questions

HALF PERCENT REAL ESTATE TRANSFER FUND

# Timeline

- ▶ June/July Plan Available, Public Comments Welcome
- ▶ July 21 First Public Hearing on the Housing Plan & Adoption of Related Town Code Changes
- ▶ September 15 Second Public Hearing on Housing Plan
- ▶ October Town Board Adopts Housing Plan (conditionally)
- ▶ November 8 Election Day, Referendum Before Voters
- ▶ January 1 Fund Operational (pending approval)

## What is the Community Housing Opportunity Fund (CHF)?

- The CHF, if approved by voters on Election Day, would provide a significant, ongoing source of revenue for East Hampton Town to use to create affordable housing for members of our community faced with a severe housing shortage and rising prices.

## Where will the money come from?

- A new state law allows East End towns to create a Community Housing Fund that would receive the proceeds of a new, half-percent (0.5%) real estate transfer tax, if authorized by local voters.

## Who will pay this tax?

- Only those purchasing real estate – and not first-time home buyers purchasing houses within a maximum purchase price limit, whose incomes are also within maximum state limits. Because the first \$400,000 of the purchase price would be exempted from transfer taxes – including the existing 2-percent Community Preservation Fund tax, which is used solely for land and historic preservation and water quality improvement projects – buyers of homes valued at less than \$1 million will pay less transfer tax than they do currently.

# Demographic and Housing Trends

- ▶ Population grew 1/3 to 28,000 in 2020 census
- ▶ 600 new housing units (60/40 seasonal/year-round)
- ▶ 21,655 housing units total
- ▶ 617 confirmed affordable (< 3%)
- ▶ 25% of all Town Households “severe housing problems”
- ▶ > 33% of mortgage holders pay > 35% of income
- ▶ > 70% of renters pay > 35% of income
- ▶ Median age of 46.8 rising (+5 Suffolk County)
- ▶ Fewer young adults and families as % of population
- ▶ Single parent households dropped 25%

## How will the money be spent?

- The fund will be used to buy land and build houses and apartments for rent and for sale.
- Some will be built by the Town, others will be public/private partnerships.
- Qualifying homebuyers will be able to apply for up to 50% down payment assistance for homes up to roughly \$1 million.

## Who will get a house or apartment?

- Several types of housing could be created to meet various needs of the community.
- Town built housing will be filled by Town residents on the Town's affordable housing list.
- Individuals, couples, two-parent families, single parent families, will all be eligible if they meet income guidelines.

## Who decides and how?

- A committee of community members and experts from housing non-profits, the construction trades, real estate & banking, will be appointed by the Town Board to review applications & make funding recommendations
- Committee members are volunteers and must be Town residents.
- Committee recommendations are strictly advisory with funding decisions requiring a public hearing and approval by the Town Board.
- Applications for down payments assistance will be handled administratively by the Town's Housing Department similar to how they are handled currently.

## How many units will be built? How fast?

- The program may include acquisition of existing housing, partnerships to keep housing affordable, and new construction.
- The number of units created and how quickly will depend on how much money the fund raises and the recommendations of the CHF committee and approval by the Town Board.
- The fund is intended to be flexible to respond to needs as they emerge and to duplicate successes once the program is fully implemented.

## How much will the fund raise?

- The fund is estimated to raise between \$6 million and \$12 million each year, depending on the real estate market

## How do we know the money will be properly spent?

- The Fund would be used solely for housing, according to the law, and its use would be regularly audited. The advisory committee would make recommendations to the Town Board, and public hearings would be held on expenditures.

## What happens next?

- East Hampton Town has prepared a Community Housing Fund Plan, and will adopt changes to Town Code to set up the housing fund, so that the money raised for affordable housing can be utilized shortly after the November vote, provided voters approve the proposition on the ballot.

Questions?



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