

**From:** Karen Kelleher <k.kelleher76@comcast.net>  
**To:** "ezwirko@town.arlington.ma.us" <ezwirko@town.arlington.ma.us>  
**Date:** 09/17/2018 06:59 AM  
**Subject:** FW: Housing Plan Implementation Committee

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Hi Erin. Sorry for the delay in responding. I wanted to review the HPP and take the time to give you thoughtful answers. Resume attached, answers to your questions below. Please let me know if you need anything else.

Thanks,  
Karen

1. I'm not sure yet which strategies should be prioritized. I expect some form of zoning reform to incentivize multifamily development in targeted districts and possibly incentivize smaller multi-unit dwellings in zones where they are not currently permitted. This could also include, and might prioritize, a thoughtful ADU bylaw. Zoning changes could also drive more affordability in market housing by incentivizing smaller homeownership units (i.e., greater FAR permitted for more units). Amending the inclusionary bylaw has some potential but unless we foresee significant new construction, will have limited impact. Supportive housing should certainly be a priority as we consider zoning change and allocate resources. With respect to preserving existing affordable units, I would suggest reviewing whether existing public housing and section 8 developments present opportunities for redevelopment with additional density and mixed-income units.

2. Barriers to residential development include the difficulty of assembling sites large enough to add units at scale, a lack of public understanding of the need to add housing and/or create affordability to serve our existing population, and public concern that development will increase traffic burden and school crowding.

3. My career has been entirely focused on building, preserving and supporting affordable and mixed-income housing here in Massachusetts and nationally. I have worked at HUD, at a state housing finance agency, and at a large, non-profit developer/owner. For the last 5 years, my focus has been on the Commonwealth's affordable housing crisis, as General Counsel and Deputy Director of MassHousing. Because I was subject to the state conflict of interest statute and had direct responsibility for lending and 40B matters, I have deliberately avoided direct involvement in Town boards or organizations that could have matters before MassHousing, to ensure I avoided any conflict of interest. (I was able to approve MassHousing funding for affordable housing at 20-26 Westminster. I note that I was also responsible for reviewing initial 40B eligibility for the development proposed by Oaktree, which is very unpopular locally, but would result in significant housing production were it to proceed.). I now work for a private non-profit, so have very limited potential for conflicts going forward.

4. What types of housing are needed? Clearly we need to work toward adequate SHI eligible housing to serve low-income residents who are cost burdened, and to maintain our ability to shape development ourselves. We undoubtedly need affordable supportive housing for seniors, as well as strategies and supports to help seniors maintain their homes and to stay at home as they age but unleash the equity they have built in their homes and the potential their homes may have to house others.

5. The strong market brings both opportunities and challenges. But high rents and prices are the greatest barrier to preserving affordability. The impact on on restricted units is obvious, but preserving deed-restricted affordable units gets harder upon expiration as well, because high market rents/values incentivize profit-motivated developers to convert to market. I would want to review the financing and use restrictions on existing restricted housing to understand the level of preservation risk. On the flip side, a strong market may present opportunities to leverage more debt for renovation, or to develop mixed-income housing where market units cross-subsidize affordable and mixed income units.

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**From:** Karen Kelleher  
**Sent:** Tuesday, August 28, 2018 6:27:13 PM  
**To:** k.kelleher76@comcast.net  
**Subject:** FW: Housing Plan Implementation Committee

# KAREN E. KELLEHER

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## PROFESSIONAL EXPERIENCE

### LOCAL INITIATIVES SUPPORT CORPORATION (LISC) BOSTON

Boston, MA

#### Executive Director

July 2018 – Present

Leader of the community development financial institution's greater Boston and Massachusetts initiatives to equip communities with the capital, strategy and know-how to become places where people can thrive. Direct investments in affordable housing, economic development, health, education, public safety and employment.

### MASSACHUSETTS HOUSING FINANCE AGENCY (MASSHOUSING)

Boston, MA

#### Deputy Director

January 2016 – March 2018

Chief business officer of quasi-public housing finance agency with \$4 billion of net assets focused on confronting the Commonwealth's housing challenges through creative financing programs. Broad responsibility for business strategy, program development and mission outcomes in both rental and homeownership lending. Worked closely with the Executive Director to set and implement business, policy and operational strategy.

- Closed \$1.5 billion of multifamily lending throughout the Commonwealth over two years, more than any prior year or any other housing finance agency, resulting in record levels of affordable housing preservation. Led customer-focused reorganization and repositioning of rental business.
- Led \$650 million of annual single-family lending to low- and moderate-income homebuyers through statewide local lending partners, including responsibility for business development, secondary marketing, product design, servicing and oversight of the agency's Mortgage Insurance Fund. Led product repositioning and launch of down payment assistance program to assist first time homebuyers in increasingly challenging markets.
- Led design and implementation of \$100 million Workforce Housing Program for new middle-income rental housing affordable to families who can't afford market housing but aren't eligible for affordable housing.
- Implemented preservation strategy for approximately 3,000 units of at-risk affordable housing developed under the Commonwealth's 13A program, including negotiation of tenant protections and affordability preservation.
- Worked closely with Executive Director to set long-term strategy and policy goals, generate revenue to fund mission, provide strategic direction for business, mission, policy, communications and operational leaders.

### General Counsel

2013 – January 2016

Chief legal officer responsible for all legal and regulatory aspects of the Agency's operations, including the finance of both multifamily and single-family housing, as well as all corporate, administrative and policy matters.

- Led highly productive, efficient, customer-focused legal group to close record numbers of complex transactions critical to the Agency's mission and business.
- Creatively interpreted enabling act to meet mission and business needs, including revision of multifamily prepayment policy to unleash portfolio refinancing and affordable housing preservation opportunities.
- Eliminated unnecessary requirements from Agency legal documents and underwriting policies to improve customer experience without compromising risk management.
- Developed creative legal, policy and regulatory solutions and strategies for a wide range of programmatic and transactional business matters, including securing GNMA and Tax Credit Pilot lender approvals necessary to do MAP lending and developing the popular FFB Risk Sharing loan program with HUD and the Federal Financing Bank of the U.S. Treasury.
- Revised and implemented strategic policies and procedures to ensure consistency and risk management while allowing flexibility and optimizing business outcomes.

### THE COMMUNITY BUILDERS, INC.

Boston, MA

#### Senior Vice President and General Counsel

2004-2013

Senior manager and chief legal officer of large nonprofit housing developer, owner and manager specializing in affordable and mixed income urban neighborhood revitalization. Key strategic negotiator and manager of relationships with

business partners, board members, government officials, community partners and media.

- One of five Senior Vice Presidents reporting to CEO and participating in leadership team responsible for all strategy, business and operations for high-impact organization operating in 15 states with 400 employees, a \$40 million budget, 8,000 units under management and approximately 1000 units in development annually.
- Chief legal officer leading 8-person legal team responsible to structure, negotiate and close complex transactions involving all aspects of the development, construction, preservation and finance of affordable housing.
- Oversaw regulatory and policy engagement, including federal and multistate advocacy strategy, supervision of Senior Policy Advisor, writing and editing regular policy update newsletter.
- Drove preparation and implementation of corporate governance and compliance policies and procedures; including leading creation of lender policies and form documents in connection with \$78 million NSP2 loan program, \$25 million New Markets Tax Credit allocation and a Capital Magnet Fund grant.

#### **Associate/Assistant General Counsel**

2000-2004

Managed all aspects of complex affordable housing finance and development transactions, including debt, equity and grant financing; acquisition; title and conveyancing; zoning and permitting; A/E and construction contracts; leasing, management and operations documents. Structured, negotiated and closed complex transactions involving federal and state low income housing tax credits, historic tax credits, tax-exempt bonds, public housing capital and operating subsidy, HOPE VI grant funds, HOME, CDBG and AHP, Section 8 and other state and federal funds.

#### **NIXON PEABODY LLP**

Boston, MA

##### **Syndication and Real Estate Associate**

1997-2000

Advised clients developing, syndicating and financing affordable housing, including structuring, negotiation and drafting of Low Income Housing Tax Credit partnership agreements and collateral documents, due diligence review, and preparation of tax opinions. Advised owners and developers regarding rent and income limits, conditions of federal funding, and other regulatory matters relating to affordable housing finance. Advised and advocated for clients regarding HUD programs and policies, including HOME, CDBG, Section 108 loan guaranties, and Section 8.

#### **U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT**

Washington, DC

##### **Community Planning and Development, Attorney-Advisor**

1994-1997

Program counsel for Community Planning & Development programs, including the CDBG, Section 108, Economic Development Initiative, HOME and HOPE 3 programs. Analyzed and advised program managers regarding complex statutory and regulatory issues relating to community development and housing programs and federal administrative and grant law. Drafted and reviewed regulations, NOFAs and other program issuances.

### **EDUCATION/AFFILIATIONS**

#### **GEORGETOWN UNIVERSITY LAW CENTER, Washington DC**

J.D., 1994

Intern at Washington Legal Clinic for the Homeless (WLCH) and Neighborhood Legal Services.

Co-Chair of Equal Justice Foundation, Student Chair of Home Court basketball game fundraiser for WLCH.

Co-Author of Public Interest at Georgetown, advocacy strategy that led to creation of Office of Public Interest Advising, full funding of summer fellowships, loan forgiveness program and other supports for legal careers in the public interest.

#### **BOSTON COLLEGE, Chestnut Hill, MA**

B.A. *Magna Cum Laude*, 1990

#### **NATIVITY PREPARATORY SCHOOL, Boston, MA**

1990-1991

Full-time volunteer teacher at tuition-free, preparatory middle school for low income boys from Boston neighborhoods. Former board member.

**WASHINGTON LEGAL CLINIC FOR THE HOMELESS, Washington, DC** – Former board member.

#### **PROFESSIONAL AFFILIATIONS**

Member of Urban Land Institute (Public Private Partnerships Product Council), Real Estate Finance Association, Massachusetts Bar, Boston Bar Association (former chair of Affordable Housing Committee), Real Estate Bar Association and ABA Forum on Affordable Housing and Community Development (former chair of Nonprofit Organizations Subcommittee).

Member, Healthy Neighborhoods Equity Fund Investment Committee, \$30 million private equity fund sponsored by

Massachusetts Housing Investment Corporation and the Conservation Law Foundation to invest in projects that deliver financial, community, environmental and health returns.

Town Meeting Member, Town of Arlington, Massachusetts.