

Community Preservation Act Committee Proposal Request Form for FY 2016

CPA Funding Category
Community Housing

Date: December 9, 2014

Submitting Entity: Amherst Community Land Trust (ACLT)

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Overview of Proposal: – Please describe your project and your feasibility analysis

The Amherst Community Land Trust seeks to acquire a 0.74 acre undeveloped lot on North Pleasant Street in north Amherst (parcel 5C-28) in order to make that parcel available for the development of an affordable duplex for two low-income families. ACLT is a nonprofit charitable organization founded to address the shortage of affordable housing in Amherst and to strengthen neighborhoods threatened by high prices and absentee ownership. By acquiring this property, ACLT aims to increase the affordable housing stock in Amherst while promoting home ownership and long-term stewardship of housing resources in town.

The property is currently owned by North Amherst Community Farm (NACF) and located at the southwest corner of that community farm, home to the Simple Gifts Farm CSA. NACF is a local nonprofit devoted to promote and support sustainable agriculture in the heart of North Amherst. NACF is selling this lot to help finance the permanent protection of the abutting farmstead that is critical to the long-term sustainability of their entire farm. NACF has identified affordable housing as the use of the property most beneficial to the wider community and most compatible with the farm. The following attributes make this site suitable and attractive for this purpose:

- Development of this site for affordable housing is land-efficient infill that is consistent with several of the key goals in the town's Comprehensive Plan.
- The parcel is primarily located in an RN zone with 120 feet of frontage; an affordable residential duplex is allowed in this zone by right under Site Plan Review, (due to the passage in fall 2013 Town Meeting of Zoning Article 3.3212 — "Affordable Duplex", which was intended to create opportunity for just this kind of proposal.).
- Water and sewer are available at the site, limiting development costs.
- The location is well served by frequent public transit from several PVRTA bus routes.
- Recreation, shopping, a post office, library and other public amenities are within a short walking distance by sidewalk along North Pleasant Street, ensuring safe pedestrian access.
- Residents of the house will benefit from living next to protected farmland with an active community farm and public access.
- Owner-occupied housing is a good fit in the neighborhood and will be welcomed over the potential alternative of a rental property if the parcel were sold on the open market.
- The community associated with North Amherst Farm can offer volunteer skills to support the development and stewardship of the property.

- Pioneer Valley Habitat for Humanity has already built 8 units of affordable housing in Amherst, with another two units scheduled to begin construction in 2015. It has recently begun a conversation with NACF and ACLT about the North Pleasant Street site. Subject to the parties reaching formal agreement approved by both organizations' Boards of Directors, ACLT anticipates selecting Pioneer Valley Habitat for Humanity as the housing developer for this site.

Describe how your request meets the CPA criteria:

1. Description of funding needed including:

a. Documentation of cost estimates

ACLT is seeking \$114,600 in CPA funds. This is NACF's asking price for the property, based on the appraised value on the Amherst Assessor's property card. All other costs of the acquisition, such as legal and closing costs, will be covered by ACLT from private donations or by the seller.

b. Other sources of funding, e.g., grants, self-funding, fund-raising (to be developed)

As noted above, ACLT will use funds it has raised from private donations to pay legal and closing costs related to this purchase. In addition, since the parcel is currently enrolled in Chapter 61A for taxation purposes (described as pasture land though it is primarily wooded), rollback taxes will have to be paid when the parcel comes out of Chapter status and is converted to use as a residential property. The exact property tax cost will depend on when that happens, but it has been estimated at approximately \$12,000 by the Town Assessor. NACF will contribute this cost out of funds from the sale of the property, thereby eliminating this as an additional project cost.

Bruce Coldham, of Coldman and Hartman architects, has offered pro-bono architectural services for the design of the affordable housing project for a project on this site in the development phase of the project.

c. Timeline on how CPA funds, if awarded, would be spent including over multiple years

Funds, if awarded, would be spent before the end of 2015 to secure the property.

2. Urgency of the Project, if any

The owner needs to sell the property soon, so ACLT has a limited window of opportunity to secure the property. NACF is currently holding a capital campaign to eliminate outstanding debt obligations on the farm property in order to maintain the integrity of the community farm. As part of that effort, NACF hopes to complete this parcel sale in calendar year 2015. Once purchased, ACLT would hold the property available until Habitat is ready to take on the development project, after they have completed a few other projects currently in progress in the region.

3. Estimated timeline from receipt of funds to Project completion

Acquisition of the land is expected to occur on a relatively short timeline once funds are available, with a closing on the purchase happening within a maximum of a few months upon

availability of funds. Note that the current request is to secure land for affordable housing. Because Pioneer Valley Habitat currently has other projects in the building stage, commencement of construction-related activities would not take place immediately following the closing. Development of housing on the site is a future project for which a timeline would need to be developed and funding sought from a variety of sources including state grants, private contributions and potentially CPA funds. ACLT would sign a memorandum of understanding with Pioneer Valley Habitat for Humanity to develop affordable housing on the property before accepting CPA funds.

4. Acquisition or preservation of threatened resources

If not purchased by ACLT, it is not clear what would happen with the property. The lot is currently part of the security held by lenders to NACF, so if ACLT is unable to purchase the property it is possible NACF's creditors would require sale of the property on the open market to repay that mortgage. In such a scenario, the opportunity for affordable housing on this site would be lost. The most likely outcome would be private development of student rental housing. Such a use is not a good fit with the abutting community farm and it would exacerbate existing pressures on a neighborhood that includes many scattered student rental properties, including those just a five minute walk away on Hobart Lane that are so well known to Amherst residents.

The project also offers the indirect benefit of helping North Amherst Community Farm complete their efforts to ensure the long-term sustainability of, and maximize the benefits provided by, their 35-acre farm, which serves as a productive and educational resource for the community. Many local residents, the town and the state have invested resources to conserve the farmland that NACF leases to Simple Gifts Farm, which runs a successful community supported agricultural operation, is active in Amherst winter and summer farmers markets, and has been a leader in launching the All Things Local market. Purchase of this lot by ACLT will help NACF repay the outstanding mortgage on the farmstead where the farmhouse and barns are located, and protect it permanently with the farmland they have already preserved, thereby ensuring the continued viability of the entire property.

5. Population(s) to be served by the Project

Families earning 60% or below of area median income as defined by HUD.

By making the property available to Pioneer Habitat for Humanity, the project will benefit from their experience and track record working with low wage earning families who are ready and committed to move out of rental and into home ownership. By stewarding the property as part of our new community land trust, ACLT will include these homeowners in a community of residents dedicated to preserving neighborhoods and home affordability for future owners as well as current ones.

6. How will the CPA investment in your property, facility or project be maintained over time?

ACLT creates sustainable affordable housing by partnering with low and moderate income households to purchase homes using a shared ownership approach. ACLT maintains ownership of the land under a home, while the homeowner purchases the home (without the cost of the land) and enters into a long-term land lease for a nominal fee. Owners of land trust properties also accept limits to resale prices on their homes. This ownership structure ensures that the subsidy invested in the land remains permanently to benefit all subsequent home owners.

In addition to this standard protection that ACLT will apply to all homes it stewards, the current proposal calls for Pioneer Valley Habitat to develop housing on the property that will be protected in perpetuity for low-income home buyers using a deed restriction. ACLT and Habitat are currently in conversation regarding the technical details of blending and combining these tools to maximum benefits of long-term housing affordability through future resales, and maintenance of the housing on the property.

Habitat for Humanity has a track record of developing and selling permanently affordable owner-occupied homes in Amherst. ACLT's approach to preserving affordability and home ownership is complementary to Habitat's work; in fact, nationally there are a growing number of collaborations between local Habitat chapters and community land trusts specifically because of the good fit between the CLT stewardship approach and Habitat's community-driven development and creative financing of affordability. Between us, the two organizations have the capacity to create and steward affordable housing on this property so that it can serve the community for generations to come.

7. How the Project is prioritized by requesting Town committees or commissions?

An early concept document was presented to Housing and Sheltering Committee by NACF, but no vote was taken at that time. This complete proposal has not yet been presented to or reviewed by relevant committees.

8. Other information regarding the Project deemed necessary for CPAC.

Amherst Community Land Trust and Pioneer Valley Habitat for Humanity are currently in the early stages of developing an agreement under which ACLT would make the property available for the development of a Habitat home, including division of responsibilities, timing of the development of housing, terms and mechanisms of the affordability restrictions and more. The parties believe they have a shared vision for affordable housing on this site, and agree to work in good faith to come to a formal agreement. We will provide updates on this process over the coming months as the CPA committee considers this proposal.

A copy of the property card is attached.

CURRENT OWNER	TOPO.	UTILITIES	STRT./ROAD	LOCATION	CURRENT ASSESSMENT
NORTH AMHERST COMMUNITY FARM PO BOX 9648					Code 7160 Appraised Value 114,600 Assessed Value 100
NORTH AMHERST, MA 01059 Additional Owners:					61A LAND 114,600

RECORD OF OWNERSHIP	BK-VOL/PAGE	SALE DATE	q/u	v/i	SALE PRICE	V.C.	ASSOC PID#
NORTH AMHERST COMMUNITY FARM INC	8788/122	07/10/2006	U	V	22,000	1G	
DZIEKANOWSKI, CHESTER T JR AND EDWIN J	1867/136	12/31/1975	U	V	0	1A	

EXEMPTIONS	Amount	Code	Description	Number	Amount	Comm. Int.
Total:				100	114,600	100

OTHER ASSESSMENTS	
This signature acknowledges a visit by a Data Collector or Assessor	

ASSESSING NEIGHBORHOOD	
NBHD/SUB	NBHD Name
N/A	
NOTES	
Appraised Bldg. Value (Card) 0	
Appraised XF (B) Value (Bldg) 0	
Appraised OB (L) Value (Bldg) 0	
Appraised Land Value (Bldg) 0	
Special Land Value 114,600	
Total Appraised Parcel Value 114,600	
Valuation Method: C	
Exemptions 0	
Adjustment: 0	
Net Total Appraised Parcel Value 114,600	

BUILDING PERMIT RECORD								
Permit ID	Issue Date	Type	Description	Amount	Insp. Date	% Comp.	Date Comp.	Comments

LAND LINE VALUATION SECTION																
B #	Use Description	Zone	D	Front	Depth	Units	Unit Price	I. Factor	Acre Disc	ST. Factor	ST. Idx	Notes- Adj	Special Pricing	S Adj Fact	Adj. Unit Price	Land Value
1	7160 Pasture	RN	119	0.46 AC		1.0000	245,217.00	1.0000	0	1.00	NA		61A :160	1.00	112,800	
1	7160 Pasture	RN		0.28 AC		1.0000	6,600.00	1.0000	0	1.00	NA		61A :160	1.00	1,800	
Total Card Land Units: 0.74 AC Parcel Total Land Area: 0.74 AC Total Land Value: 114,600																

VISION

CONSTRUCTION DETAIL		CONSTRUCTION DETAIL (CONTINUED)	
Element	Cd.	Ch.	Description
Model	00		Vacant
MIXED USE			
Code	7160	Pasture	Percentage 100
COST/MARKET VALUATION			
Adj. Base Rate:		0.00	
Replace Cost		0	
AYB			
Dep Code			
Remodel Rating			
Year Remodeled			
Dep %			
Functional Obslnc			
External Obslnc			
Cost Trend Factor			
Condition			
% Complete			
Overall % Cond			
Apprais Val			
Dep % Ovr		0	
Dep Ovr Comment			
Misc Imp Ovr		0	
Misc Imp Ovr Comment			
Cost to Cure Ovr		0	
Cost to Cure Ovr Comment			

OB-BUILDING & YARD ITEMS(L) / XF-BUILDING EXTRA FEATURES(B)												
Code	Description	Sub	Sub Description	L/B	Units	Unit Price	Yr	Gde	Dp Rt	Cnd	%Cnd	Apr Value

BUILDING SUB-AREA SUMMARY SECTION						
Code	Description	Living Area	Gross Area	Eff. Area	Unit Cost	Undeprac. Value
Ttl. Gross Liv/Lease Area:		0	0	0	0	0

No Photo On Record