

Town of



AMHERST

Massachusetts

TOWN HALL
4 Boltwood Avenue
Amherst, MA 01002-2351

AMHERST MUNICIPAL
AFFORDABLE HOUSING TRUST
(413) 259-3040
(413) 259-2410 [Fax]

TO: Community Preservation Act Committee
FROM: John Hornik, Chair, Amherst Municipal Affordable Housing Trust
RE: CPA Application for a subsidized Home Ownership Program from Valley Community Development Corporation
DATE: December 7, 2018

The Amherst Municipal Affordable Housing Trust has reviewed the application for CPA funding to support a “First Time Homebuyer Program/Mortgage Subsidy Assistance Program” from Valley Community Development Corporation. In addition, we received an extensive presentation about the program from Ms. Donna Cabana, the program director and had the opportunity to raise questions about it.

We are writing in support of this application for a number of reasons, as follows:

1. We believe that subsidizing home ownership should be a component of the Town’s affordable housing program.
2. Valley Community Development has operated a successful homeownership program over the past two years with CPA funding. They were able to assist four low-income families in purchasing homes in Amherst, a difficult task in the current housing market.
3. Valley was also able to provide technical assistance to 34 total households, including seven, who purchased homes in other towns in Hampshire County. This is through a process of workshops and individual financial counseling, available to all who apply for the program.
4. Crucial to the success of the program, Valley has developed a keen understanding of the housing market in Amherst and has made extensive outreach efforts to realtors in order to gain their cooperation.
5. The cost of the mortgage subsidy program to CPA—estimated at \$50,000 per unit—is very reasonable for a homeownership program. The additional costs (about \$37,000 for the 18-month period of operation) of providing services to multiple households and administering the program are also very reasonable, given the numbers of households served. We note that CPA funded a similar, but much more expensive, homebuyer program under the auspices of the Amherst Community Land Trust in the past year.

6. The project targets moderate income households (less than 100% AMI), as well as low-income households (less than 80% AMI). Although we generally acknowledge the need among this population, there are almost no other mechanisms to address it.

The Amherst Municipal Affordable Housing Trust voted 7-0 (one member absent) to recommend approval of this application for CPA funding for the reasons stated above at its meeting on December 6, 2018.

Thank you for your consideration.