



AMHERST MUNICIPAL AFFORDABLE HOUSING TRUST EXECUTIVE SESSION

Thursday, October 15, 2020

9:00 PM

Virtual Zoom Meeting

IN ATTENDANCE

Members: Paul Bockelman, Rob Crowner, Sid Ferreira, Francis Goyes Flor, John Hornik, Tom Kegelman, Carol Lewis, Erica Piedade, Will Van Heuvelen (9)

Absent: None

Staff: David Ziomek, Nate Malloy, Rita Farrell, John Page

Prepared by John Page.

Meeting reconvened in executive session at 9:05PM.

John provided the context for the executive session regarding potential acquisition of property on Belchertown Road. Assistant Town Manager, Dave Ziomek, Building Commissioner Rob Morra, and Senior Planner Nate Malloy have identified three adjacent parcels owned by a former Amherst resident who now lives elsewhere which would be suitable for affordable housing. Two of the parcels have been on the market and the third has just been put up for sale. The property, if combined, totals over 2 acres. John expressed his appreciation staff identifying this and bringing it to his and the Trust's attention.

Paul committed to doing what he can to purchase the property for the purpose of developing affordable housing. He then turned the meeting over to David to present on their Planning staff's findings. David identified the three parcels as 15C-58, 15C-59, 15C-60 and described the physical attributes of the property. He emphasized the collaborative staff effort that went into identifying the property and underscored the importance of purchasing the three parcels together before private investors purchase this desirable property. Two of the lots have houses, he explained. 15C-59 is currently a vacant Lot. The aggregate has potential. These parcels are available for sale as a package or separately. The asking price \$785,000. Combined the parcels are 2.66 acres and zoned neighborhood residential (R-N). Dense affordable housing would require zoning change or 40B process.

Placing the property in context, David explained that developable land right in the East Village Center is exactly what the Town and Trust have been seeking for the development of affordable housing. There is 280ft of frontage on a significant thruway-road. It is walkable and bikeable to a village center, elementary school, to the town center, and on a

bus-route. The land is flat with significant buildable space and nearby dense apartments many of the units around it are rental. Neighboring parcel 15C-22 is preserved conservation land with a trail system and community gardens. The property is close to convenience stores and restaurants.

David noted the need to look at wetlands on the parcel and conduct a 21E hazardous contamination analysis. Currently, there is a 2-unit rental and a single-family home on the lots. There are public utilities on the street. Building Commissioner Rob Morra drafted a conceptual drawing for this property to visualize its possible use which was presented to the Trust members. It included a drawing of two separate apartment buildings with parking for 35-40 units. Such a configuration in this zoning district would require a 40B comprehensive permit or 40R zoning overlay.

Nate presented Google Street View images of the property to give members context. He noted the proximity to services, other apartments and the sidewalks on both sides of Belchertown Road. In closing, David noted that they have begun a conversation with the realtor representing the owner expressed interest and the owner desires to sell these properties as quickly as possible.

John then opened the meeting to comments and questions from the Trust members.

John began by note that 40R Consultants Karen Sonnaborg and David Eisen were not able to meet their goal of identifying properties/parcels in Amherst that were suitable for affordable housing. Similarly, Laura Baker spent two years searching for property to develop affordable housing in Amherst, before closing on the 132 Northampton Road site. He described finding an appropriate site like finding a needle in haystack. John underscored that finding a suitable site is extremely difficult and urged action emphasizing that is an important to create an affordable housing production pipeline.

Will called the opportunity awesome and exciting. He asked if the units were currently occupied and if our purchase would cause displacement. David noted that one of the rental units is occupied and the other is empty. He explained that the Town, if it entered into a purchase and sale agreement would honor the existing lease through June of 2021.

Erica raised concern of overextending or overcommitting funds with the East Street School project incomplete but acknowledged that this site has *more* potential. The location is appropriate and may experience less NIMBY sentiment and opposition than other parts of Town. She described the location as a good fit for affordable housing with the existing Colonial Village and Alpine Commons across the street and walkability to the stores in the East Village Center. Erica also noted that the abutting conservation area and open space would serve to enrich the quality of life of future residents.

Tom strongly urged the Town to get an option that is transferable on the property and work on an aggressive timeline to find a private developer to take ownership on that option. Identifying possible challenges, he noted that the density outlined in the conceptual design would not be buildable as of right in that zoning district, that abutters may have

concerns, and that even a 40B comprehensive permit is not guaranteed. However, considering what is available, he remarked, this property has a lot of potential. Drawing on his experience as a developer he noted that if the lot can sustain 35 units, the project begins to be more attractive to a developer. Financial feasibility is a major concern for projects under 40 units, he added. Like with the East Street School site there is only a small pool of developers that would be interested in developing affordable units on this property. He mentioned possible wetlands mitigation to enable more lot coverage.

Francis asked how soon the Town could conduct a wetlands delineation, hazardous materials analysis, and other due diligence to provide the best information on the parcels' potential. David noted that they could conduct an initial survey before due to the ease of accessibility and simplicity to the site and gather more information after locking in an option or purchase and sale agreement on the property.

Rita asked whether or what combination Community Preservation Act (CPA) or Trust funds would be used to acquire the property and question the necessary steps to acquire this property. John explained that the Trust could commit to using funds it currently has to move forward with a purchase and sale agreement or option.

He further explained that a letter of interest has been sent to realtor and seller. One of the conditions in that letter is that the sale move forward only if the appraised value matches what the Town and/or Trust are willing to pay. John noted that it is certainly possible to put up \$785,000 through contributions of the Town (CPA) and Trust, but in order to purchase the property quickly it would require bonding and thus require the approval of Town Council. As the Executive, the Town Manager would negotiate a final purchase and sale agreement which is signable to the Trust or a private developer. John underscored the importance of acting quickly now to not lose the property.

Possible funding sources John identified were \$350K in Trust Funds reserved for capital, \$300K in CPA dollars earmarked for community housing, \$25-\$40K from the Interfaith Housing Corporation, and the \$800K CPA funding request submitted for FY22 which would not be available until after July 1, 2021. This patchwork of funding sources would likely mean a bridge loan from Town Council would be necessary to move forward.

David outlined the decisions that would impact the Town ability to move forward with acquisition of this property:

- A vote of the Trust to proceed with the land acquisition and allocate funds to this purpose
- A significant allocation awarded by CPAC and approved by the Town Council
- Bonding approval from Town Council while additional funding sources are pending

Rita asked if David envisions the Town taking ownership of the land and doing a disposition following the East Street School process or if the Town/Trust is not going to outright purchase the property upfront. Tom suggested seeking the advice of Wayne

Feiden, Director of Planning & Sustainability for the City of Northampton on possible models that fit within municipal procurement laws.

John posed the question to the Trust is this a good enough proposal to say yes take the next step.

Carol asked for clarity on the Trust's financials before deciding. How much money do we have and how much was used for COVID Emergency Rental Assistance, she asked. Nate clarified that for the Emergency Rental Assistance, the Town was able to use CARES funds directly. He further explained that approximately \$350,000 could be available immediately for this purpose and another approximately \$300,000 could be allocated by CPA from past years reserves and that FY22 CPA funds would be available next July. Carol clarified that the Trust could not even accomplish this without FY22 funding through CPA (\$800K request). John noted that he anticipates this request will be at least partially funded and that the project could be bonded over several years through CPA with Town Council support. Regarding timing, John noted that CPAC is reviewing all proposals before Thanksgiving and hopes to make a recommendation by early December. Paul notes that any Emergency Rental Assistance past December 31, 2020 cannot utilize CARES Act funds.

Tom asked what flexibility the Town has to negotiate and thus compete with private developers who may want these parcels as well. For example, if the seller wants to sell in 60 days but it is taking the Town longer – can the Trust offer compensation. David explained that yes at-risk money to get to closing is possible, but the Town is conservative in using that. He noted that in the motion John drafted he, as Chair, is empowered to take any and all actions as appropriate or necessary to accomplish the transition.

John made the following motion:

MOVE to support the acquisition of the parcels of land located at 72, 76, and 80 Belchertown Road for affordable housing purposes, and to appropriate and commit the sum of \$350,000 in the Affordable Housing Trust Fund to pay a portion of the purchase price of \$785,000, with such parcel to be acquired by the Town or the Trust upon the satisfaction of the condition set forth in the October 10, 2020 letter from the Trust to the owner, provided that, upon the disposition of said parcels for the development of affordable housing, the Trust obtains, in consideration for the use of Trust funds, an affordable housing restriction on said parcels, which may be held in common with the Town, and further to authorize John Hornik, the Trust Chair, to work with the Town Manger and the Town Council to take any and all action as may be necessary or appropriate to accomplish the foregoing transactions.

MOTION: John

SECOND: Erica

VOTE PASSES unanimously, 9-0-0 (*Bockelman – Y, Crowner – Y, Ferreira – Y, Goyes – Y, Hornik – Y, Kegelman – Y, Lewis – Y, Piedade– Y, Van Heuvelen– Y*)

VOTE: To adjourn.

MOTION: John

SECOND: Paul

VOTE PASSES unanimously, 9-0-0 (*Bockelman – Y, Crowner – Y, Ferreira – Y, Goyes – Y, Hornik – Y, Kegelman – Y, Lewis – Y, Piedade– Y, Van Heuvelen– Y*)