

Community Preservation Act Committee Proposal Request Form for FY 2015

Date: December 11, 2013

Submitting Entity: Coalition of Amherst
Neighborhoods

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CPA funding category

Check all that apply

- Community Housing
- Open Space
- Historic Preservation
- Recreation

Overview of Proposal

This is a request for initial, startup or seed money to support an Amherst Community Land Trust (ACLT). This ACLT will promote stabilization of year-round family neighborhoods, restore and help redevelop residential communities that have are threatened by the student rental market, and increase the affordability of home ownership in such communities.

We believe that it is important to couple neighborhood stabilization with housing affordability, based on our experience of increasing home-owner vulnerability to student rental housing in year-around neighborhoods. Amherst will not be able to have the one without the other. It is also a feature of an ACLT that affordable housing and trust decisions are made by an Amherst-wide representative group of citizens, in keeping with the ACLT's charitable trust mission and requirements of funders. A third feature is that we are focused on the affordability of current housing rather than building or developing new housing.

These features will differentiate the ACLT proposal from other proposals, such as an Affordable Housing Trust Fund (AHTF) or Municipal Affordable Housing Trust (MAHT). We also are confident that these entities can serve complementary roles toward a common goal of providing affordable housing, as they

have proven to do elsewhere, as in Boston, Burlington VT, Yellow Springs OH, and Seattle. The ACLT will be a community-based organization dedicated to holding or stewarding land and housing to preserve neighborhoods, develop and restore community, and foster affordability. In these roles, the ACLT will complement the work of municipal bodies such as AHTF (which I believe will be a fund for financing or developing affordable housing) or MAHT (which I believe will be a municipal entity directed toward building or developing affordable housing as distinct from neighborhood stabilization or community development).

1. Description of funding needed including:

a. Documentation of cost estimates

Documentation of costs depends on whether CPAC is willing to consider a seed grant or actual startup money, based on current neighborhood home sales. One “anchor” home on the vulnerable eastern end of McClellan St is going for \$364,000. – having already reduced its price by \$100,000 because it is surrounded by student rentals. Our cost estimates reflect an initial home purchase prices or ACLT ownership shares. As noted, currently available target purchase located on the vulnerable eastern end of McClellan Street is \$364,000., plus closing costs; a share of the property would be less.

b. Other sources of funding:

We are preparing a proposal for CDBG and will conduct fund-raising with philanthropic organizations, employers of work-force employees whose housing needs will be served by this project, private fund-raising, and funds from municipal and University sources. We also anticipate close collaboration with other existing or newly funded groups to whose mission the work of the ACLT will prove complementary.

c. Timeline on how CPA funds, if awarded, would be spent and (d) Expectation for spending over multiple yrs:

We plan to move toward neighborhood stabilization one house at a time, purchasing and/or marketing each new house once a previous house "in hand" is sold to a qualified buyer at "affordable" rates and with deed restrictions. Our timeline for house-by-house turnover

will be approximately six months and our plan is to buy or facilitate marketing, restrict and re-sell two houses per year. Since ACLT is to be a permanent charitable trust, there is no end-date for this project.

2. Urgency of the Project:

Since the year 2000 there has been a dramatic downward shift in the percentage of owner occupied homes in the residential neighborhood on the southern periphery of UMass, going from approximately 84% owner occupied (excluding Phillips street, a long-term student "ghetto") to ~61% owner occupied dwellings in 2012. Owner occupied dwellings are being converted to non-owner occupied rentals at an alarming rate throughout Amherst, with Town Planner Jonathan Tucker estimating a conversion rate of approximately 1 per month in 2012. Based on behavior and quality-of-life issues associated with non-owner occupied student rentals, the periphery neighborhoods as well as many other neighborhoods throughout Amherst are approaching a "tipping" point where families no longer find these neighborhoods suitable or desirable or affordable. It is not too late for an ACLT to collaborate with other like-minded initiatives to stabilize and restore Amherst's neighborhoods as desirable and affordable environments for year-round residents. This trend away from home-ownership and into investment rentals is amply documented in the current draft of the Housing Market Study (November 2013).

3. Estimated timeline from receipt of funds to Project completion:

This Project will be ongoing. See explanation in response to 1(c) above.

4. Acquisition or preservation of threatened resources:

The Amherst Community Land Trust will be a private charitable entity based on these principles:

1. Sustaining residential year-around family neighborhoods and communities, with special attention to vulnerable neighborhoods throughout Amherst;

2. Using of a charitable land trust entity to raise, manage and expend funds dedicated to neighborhood sustainability, community restoration and redevelopment, and housing affordability, these funds to be sought through public grants and private fund-raising;
3. Using a range of approaches, such as purchase and re-sale, and/or working with sellers to market their houses with ACLT restrictions to qualified buyers, and/or identifying qualified buyers in the Amherst, University or other local work-force, and helping them purchase houses in vulnerable family year-around neighborhoods that are being threatened with purchase by developers for student rental use;
4. Working with home owners in vulnerable neighborhoods to anticipate future home sales using the ACLT and/or to create deed restrictions and/or partial ownership to provide ACLT protection going forward;
5. Collaborating and working with other groups and agencies, including the Town of Amherst and UMA, to make current neighborhood housing more affordable -- by affordable meaning (1) "income based" by federal HUD guidelines and (2) "workforce housing" (for example, clerical workers, teachers, staff or police in Amherst or at UMA) who cannot afford Amherst home ownership at current market rates.

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

Two populations will qualify for ACLT action: Those qualifying by federal guidelines for subsidized housing, and those whose “work-place” role in Town (such as teachers, police, clerical staff, employees in town businesses) or at the University (new faculty, graduate students, staff, security, maintenance) results in their living at income levels that have been priced out by the rapidly growing student rental market. Both populations are considered to qualify for affordable housing from the perspective of the ACLT-- by affordable meaning (1) "income based" by federal HUD guidelines and (2) "workforce housing" for those who cannot afford Amherst home ownership at current market rates.

6. How the Project is prioritized by requesting Town committees or commissions:

For the Coalition of Amherst Neighborhoods (a citizen group), this is a top priority. According to the Housing & Sheltering Committee, issues of affordable housing (although with different entities working toward that goal) constitute a top priority. Issues of affordable housing emerged as a high priority at a recent CDBG committee hearing. Provisions for affordable housing are being generated by various measures endorsed by the Planning Board, which agrees that affordable housing is a high priority. The recent (draft) Housing Market Study of the Housing & Sheltering Committee links the student rental market directly to the crisis of affordable housing. The threatened loss of Echo Village and Rolling Green, for section 8 recipients, is another dimension of this crisis. Recent waivers and proposals for numerous units of student housing (Olympia Place, Kendrick Place, Trolley Barn, the Retreat in Cushman, expansion of Presidential apartments) – although they may remove the student pressure on affordable housing -- in themselves do nothing to address the provision of actual affordable housing to those who need it, or the preservation of communities in which such housing would be located.

7. Other information regarding the Project deemed necessary for CPAC:

We look forward to the guidance and advice of the CPA committee as we work to strengthen this proposal. We took to heart Peter Jessop's comments at the December 3, 2013 public meeting of the Amherst Housing Authority, in which he emphasized the iterative process by which the CPA committee will help applicants develop a suitable proposal. Although we had thought to come before you next year with a more mature proposal for FY 2016, we prefer to work with you now to strengthen the current proposal.

We believe an ACLT offers a valuable approach to a pressing Amherst problem, and at the least, we are asking for a seed grant to help us develop this model in the coming year, during which we will be formalizing the ACLT, seeking other funders, and networking with neighbors throughout Amherst to create a geographically as well as demographically inclusive citizen steering committee for the ACLT with a town-wide perspective.