



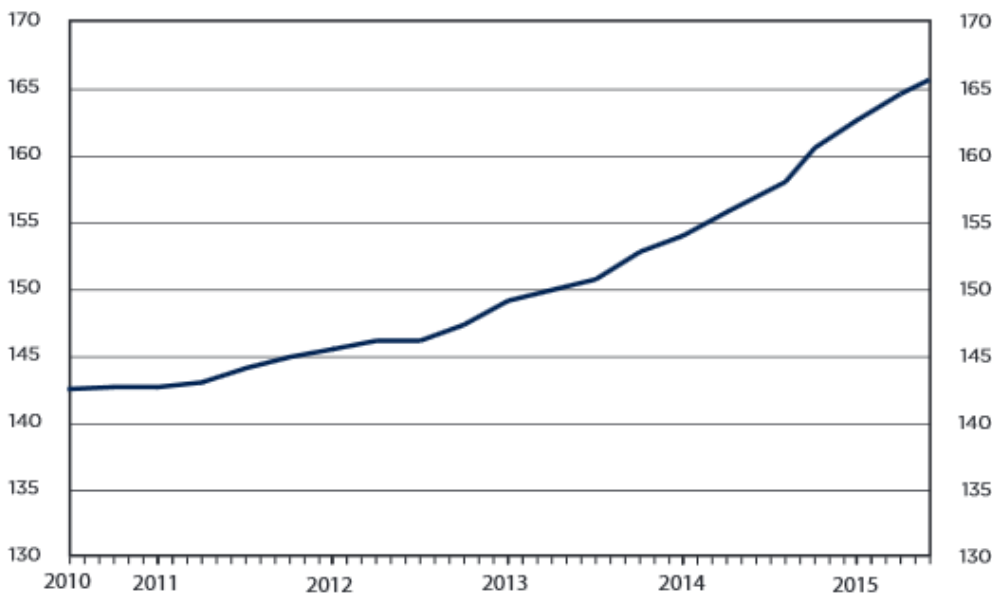
Pioneer Valley Habitat for Humanity (PVHH) Response January 15, 2016 to Questions generated at CPA committee meetings 17 December 2015 and 6 January 2016, with additional questions submitted by committee members.

1. Can the amount be reduced since they are using the same architectural plan as the units on Hawthorne?

We have requested \$100,000 for the North Pleasant St project, rather than the \$80,000 requested for Hawthorne Farm because of anticipated increases in construction costs over time. The trend in the last five years has been that the cost of labor and materials is increasing even for Habitat. Regulatory changes in the mortgage industry have also increased our soft costs for closing (attorneys, appraisals, etc). The graph below indicates overall industry trends match the increases that Habitat has seen locally. The \$80,000 for Hawthorne was initially requested two years ago in 2013-2014.

If possible, the full allocation of \$100,000 will provide the greatest possible leverage for us to ensure the project's viability and to keep it on schedule. We would need to secure additional funding elsewhere to meet any gap between the amount we are requesting and the allocation approved by the CPA committee. The need to solicit these additional funds would likely mean it would take longer for us to begin construction.

NATIONAL CONSTRUCTION COST INDEX



The National Construction Cost Index shows the changing cost of construction between July 2010 and July 2015, relative to a base of 100 in April 2001. Index recalibrated as of April 2011.

- **Rider Levett Bucknall**, <http://rlb.com/wp-content/uploads/2015/10/rlb-usa-report-third-quarter-2015.pdf>



2. Will solar panels and other energy efficient features, such as a low energy water heater, be used?

We believe that the long-term affordability of our homes can be safeguarded by an investment in energy efficient construction features. We have made a commitment to pursuing ENERGY STAR certification for all our houses and choosing the most cost effective energy efficient features possible to reach this goal, such as:

- Building small, simple homes without basements or garages
- Well-insulated walls – 2x6 framing filled with cellulose + 2” of rigid foam insulation
- Air tight construction with controlled ventilation – we focus on eliminating drafts and leaks and provide whole house mechanical ventilation for fresh air
- Efficient heating – Ductless mini-splits heat pumps
- Efficient water heating – well-insulated electric tank or on-demand gas
- ENERGY STAR appliances
- LED or CFL lighting

We do not currently have solar photovoltaic panels included in our project budget but are exploring the possibility of a donation from Pioneer Valley Photovoltaics (PV²). PV Squared has generously donated solar panels for past Pioneer Valley Habitat for Humanity projects. These discussions are preliminary, and additional solar site assessment and financial review by the PV Squared board of directors would be needed before a donation could be confirmed.

We have also been contacted by Spartan Solar about the possibility of a donation of a solar hot water system and by Greater Good Energy solutions about the possibility of a donation of solar hot air wall panels. If solar electric panels are not an option and there is adequate solar exposure we may pursue one of these alternative ways to harvest the energy of the sun.

Building simple, durable and volunteer friendly homes is a core part of our strategy for keeping costs down during construction. We strive to balance the goals of long-term affordability through energy efficiency and durability with the short-term goal of providing a low-cost home to someone today. Our current plan for a small duplex represents many years of experience in balancing these objectives. In addition, we are committed to keeping abreast of developments in energy-efficient systems and construction, and to incorporating these into our projects whenever feasible.

3. This site has a lot of trees, is solar an option?

Pioneer Valley Photovoltaics has reviewed an aerial google earth image of the site and has not ruled out solar, but a more detailed assessment of solar access after initial site clearing is done would be needed.

4. How would the potential funding sources listed impact the budget?

We do not anticipate any significant changes to our budget based on the availability of funds from any of the funding sources listed. The amount of donated in-kind services does vary from house to



house and may reduce cash costs if large in kind donations of materials or skilled labor are received. Amherst CPA funding would have the biggest impact on the timeline for the project of any funding source.

5. Are there other sources of funding not in the budget?

The summary budget presented in attachment A did not provide a detailed list of sources of funding because we do not yet have funding commitments from other funders for construction at this site. However, the preliminary budget shows the viability of the project given estimated construction costs and affordability calculations for someone making between 40-60% of the Area Median Income.

Sources of cash for construction for this project would come from:

- Individual community donations
- Corporate and bank sponsors
- Grants (past grantors include the Federal Home Loan Bank of Boston, Xeric Foundation, The Community Foundation of Western MA, Lowes, Bike & Build, and more)
- In kind donations of labor and materials
- Mortgage payments from current Habitat homeowners
- Long term loan from Common Capital (a local community development financial institution that has provided us with a loan for working capital)

The town of Amherst through the CPAC program would be a major project sponsor. This leadership by the town would assist us in seeking support from other funders and helps us prioritize building in Amherst over other areas. The clear commitment of the town to providing opportunities for home ownership make it a leader in the region for affordable housing development of which Pioneer Valley Habitat for Humanity is proud to be a part.