ORIGINAL

Cover Sheet – Non-Social Service Activity

AGENCY NAME: Valley Community Development Corporation ("Valley")

AGENCY ADDRESS: 30 Market Street, Northampton, MA 01060

AGENCY PHONE #: 413-586-5855 CONTACT PERSON: Laura Baker, Real Estate Project Mngr.

CONTACT PERSON EMAIL: lb@valleycdc.com

CDBG FUNDING REQUEST: $200,000

1. Project Name: **Amherst Supportive Housing Studio Apartments**

2. Project Description (1-2 sentences) The Project is the development of an estimated 28 small studio apartments (aka enhanced Single Room Occupancy or SRO housing) that have supportive services for tenants, all of whom will be low income. CDBG funds are requested to pay for soft costs associated with the renovation of an existing house and the energy efficiency enhancements of a new construction addition.

3. Project Location (Street address): 132 Northampton Road (aka Route 9)

4. Budget Request: $200,000

5. Type of Activity (check one):
   - € Rehabilitation
   - € Acquisition
   - € Demolition/clearance
   - € Infrastructure
   - € Public Facility
   - € Architectural Barrier Removal
   - **X** Other – please explain: Soft Costs for affordable housing

6. National Objective:
   Total number of beneficiaries (individuals served): estimated 28 individual beneficiaries

   Total Low/Mod beneficiaries (individuals served): 100% of total beneficiaries (28 persons)

Project Name: Amherst Supportive Housing Studio Apartments

Project Location: 132 Northampton Road

Census Block Group: 8205.00 (Tract) 250158205005

National Objective Description

This Activity will meet the National Objective of low and moderate income benefit through Low Mod Housing Benefit. All units in the proposed property will be occupied by LMI tenants (<80% AMI), with some units reserved for 30% and 50% AMI tenants.

Tenants will be screened for income eligibility prior to occupancy of the housing (within 6 months of move-in date) using third party documentation following HUD Section 8 standards. Tenants will complete an annual re-certification of income using the same standards.

Demonstrate Consistency with Sustainable Development Principles

This Project is consistent with most of the Commonwealth's Sustainable Development Principles, including:

Concentrate Development—the proposed site is within a densely settled area of town served by public infrastructure and will create housing at a higher density than surrounding residential uses: 28 units on .88 acres.

Make Efficient Decisions—this project will utilize the 40B Comprehensive Permit process, which is designed to promote timely coordination between local boards, so that permits can be efficiently processed.

Protect Land and Ecosystems—through re-use of an existing building, dense development, and reduced parking requirements, the development will conserve land. The proposed site is an already-developed property with no wetlands or protected species habitats.

Use Natural Resources Wisely—through dense development, location on existing public water / sewer, and energy efficient construction using "green" materials, this project will conserve natural resources.

Expand Housing Opportunities—this project will create new housing units that increase the number of affordable housing units in Amherst. It will also create a type of housing (affordable studio apartments with supportive services) that does not currently exist in Town.

Provide Transportation Choice—the site is less than ½ mile from Town Center and just over ½ mile from a major shopping center. It is also within ½ mile of several public bus routes and near the bike trail.

Promote Clean Energy—emphasis will be placed during renovation and new construction on creating an energy efficient building envelope, using highly efficient mechanical systems, lighting, and appliances. The site is suitable for PV solar panels which will be included in the development (budget permitting).

Plan Regionally—this initiative is part of a larger regional effort (overseen by the Three County Continuum of Care) to address the needs of individuals who are currently homeless or at risk of becoming homeless.

Demonstrate Consistency with Target Area requirements: The site at 132 Northampton Road is directly across the street from the Town Center Target Area. By being within walking distance (less than ½ mile) from Town Center, this project is consistent with the Town's goal of focusing new development in close proximity to Town Center where there is access to services, amenities, public utilities, and public transit.

Demonstrate Consistency with Community Development Strategy: This project is consistent with the Town's CDS which states: "The focus of many in the community is the extreme need for housing for

the non-student population, in particular, low- and moderate-income households and permanent supportive housing, including enhanced single room occupancy (ESRO) units, for extremely low-income (ELI) people and those transitioning out of homelessness." In its CDS list of Priority Projects, #1 is: "Create affordable and fair housing options (rental and ownership) for the chronically homeless and extremely low income, low- and moderate-income families, individuals, seniors and the disabled that includes the purchase, renovation or construction of housing and associated infrastructure."

A. Agency Information

Overview: Valley is a non-profit (501(c)(3)) development corporation founded in 1988. Our mission is "....to empower low and moderate income people and underserved populations to manage and improve the quality of their lives. We accomplish this through the development of affordable housing, providing economic opportunities, and encouraging community leadership."

Valley's primary service area is the Towns of Amherst and Hadley, and the Cities of Easthampton and Northampton, though we serve all of Hampshire County for small business and homeownership counseling and education services. Since 1990, Valley has developed 224 units of affordable housing, including 53 SRO / enhanced SRO units. Of the SRO units that Valley owns, 23 are reserved for formerly homeless individuals; 4 specifically for DMH clients. Valley has experience developing affordable housing in the Town of Amherst, in collaboration with Way Finders (Olympia Oaks) and the Amherst Housing Authority (Valley Main Street Apartments). Valley has a high level of familiarity with the need for SRO housing in Amherst, having produced the 2009 plan Feasibility Plan for Homeless Individuals for the Town. The agency has 20+ years of experience using CDBG funds.

Goals: Valley's long term goals, as described in its 2020 Strategic Plan, are that by 2020 Valley will be a vibrant, highly recognized and visible CDC effectively carrying out its mission and meeting community needs. It will have an expanded geographic base which includes Franklin County and additional communities beyond its original four target cities and towns (Northampton, Easthampton, Amherst and Hadley) in Hampshire County. Valley will have expanded existing initiatives and developed new programs, including the development of additional affordable housing units within its larger geographic area. It will have 150 new housing units, either developed or in the pipeline and will be recognized as the primary developer of affordable housing in its geographic area (NOTE: As of December 2018, Valley already has 210+ units in pipeline). Constituents and key stakeholders are fully engaged in helping to advocate for affordable housing and providing direction to Valley's programs. Valley will have increased its annual operating budget to $750,000, increased staff capacity, increased number of individual and business donors, and will be located in larger, more accessible office space. Finally, Valley will have an active and inclusive board of directors that reflects the diversity of the communities it serves. All board members are actively engaged in fund development, political advocacy, and community engagement.

Valley's short term goals will build upon its existing efforts to develop affordable housing for individuals and families residing in its existing target communities of Northampton, Amherst, Easthampton and Hadley and the new target areas of Franklin County and additional communities in Hampshire County.

Rental housing is prioritized with increased efforts to engage tenants. Priority is focused on affordable rental housing that serves very low and extremely low income households, and when possible, integrated into mixed income development that are preferably medium or large scale projects (larger than 15 units). These medium or large scale projects will have priority over smaller scale projects. Rehabilitation of existing buildings and redevelopment of existing parcels is also prioritized.

B. Project Budget Information

Please see attached budget, signed by preparer, Laura Baker, Real Estate Project Manager for Valley. Inflation factor has not been included as the construction budget is based upon conservative square foot costs and will be refined as the design moves forward, with opportunities to value engineer the construction scope if costs threaten to exceed budget.

- *Explain the process used to review the accuracy of the cost estimate*
  The development budget relies upon Valley's 25+ years of experience building affordable housing. Certain costs (i.e. acquisition) are known and fixed at this time. Other non-construction (aka "soft" costs) are estimated based on current industry standards.

  The current construction cost estimate is based on a square foot average cost for new construction and an estimated cost for rehabilitation given an inspection of the structural condition of the existing house by the architect and a structural engineer.

  The square foot cost for new construction was based on a comparison to five other affordable housing projects in the immediate area that were either recently completed, are under construction, or have detailed construction budgets.

  Valley expects to commission professional 3rd party construction cost estimates at the design development and 100% plan stages.

- *Explain the qualifications of person who prepared the cost estimate.*
  Laura Baker has over 25 years in the community development field, including more than 10 years planning and developing affordable housing. She has prepared budgets for half a dozen previous affordable housing developments.

- *Submit a detailed line item budget including a trade item breakdown and soft costs. Provide an explanation of sources and uses for all funding.*
  See attached Development Budget.

- *Submit an operating and maintenance plan including funds required and source of funding.*
  See attached 5-year Operating Budget. This budget shows annual sources of revenue and expenditures and includes budget lines for maintenance and repair expenses. The operating budget also shows annual deposits to a replacement reserve—to be used for larger capital repairs. Valley expects to contract with Housing Management Resources (HMR), an established professional property management company that has over 8,000 units in management. HMR currently manages all of Valley's properties in Northampton and Valley Main Street in Amherst.

- *If applicable, describe and document the availability and source of matching or other funds needed to complete the project. In-kind services are accepted only as directly related to the project.*
  Please see Development Budget that shows all anticipated sources of funds. The only funds committed to date are the Kuehn Foundation Grant. A prior Amherst CDBG grant paid for pre-development activities and is not included in this development budget. The $500,000 request to Amherst CPA was submitted 12.14.18 and is pending. The anticipated schedule for applying for other major sources is included in the Project Timeline below.

C. Project Description

Project Summary: Following an exhaustive two-year site search, Valley Community Development Corporation ("Valley") is under contract to purchase a single family home in January 2019 that is located on a .88-acre parcel. Valley plans to renovate the existing house and construct an addition to accommodate approximately 28 small studio apartments (also known as Single Room Occupancy (SRO) units). Each unit will be about 240 sf each and will include a kitchenette and bathroom (sometimes referred to as "enhanced" SRO units). The building will include common areas and a provider office. Valley will ensure provision of on-going resident service coordination coupled with community-based services (referred to as "supportive housing"). This project is the outcome of a FY 17 CDBG planning grant to identify a suitable site for SRO housing and conduct site feasibility analysis.
The property will house lower income single adults including persons coming out of homelessness; clients of DMH (Department of Mental Health); low wage earners; retirees; and persons with disabilities. The property is not intended to serve full-time students.

The proposed site is well situated for homeless and low-income tenants who typically lack cars, as it is .4 miles from Amherst Town Center and from the nearest bus stop. It is also .6 miles from a large shopping area and from additional bus stops. It is walking distance to multiple service providers located in the Town Center including: Craig's Doors Resource Center, Amherst Community Connections, and the Musante Community Health Center (offering free health care and dental services to low income persons). It is located on a major route that has sidewalks within a mixed neighborhood that includes institutional, multi-family rental, and single-family properties. The site is bounded on two sides by athletic fields for Amherst College. The fields are occasionally very active (during a big home game for example) but most of the time are quiet and peaceful.

The existing building on the proposed site is a vacant single-family home (converted carriage house) in sound structural condition. The house is not a historic structure nor is it within a historic district. It is situated well back from the main road and so is somewhat buffered from the traffic noise. Valley plans to renovate this house into 4 studio units and / or re-use the house as common space and to construct a 2 to 3-story addition. Level, cleared land is available for the addition. The site is served by Town water and sewer. There are no wetlands on the site.

To date, surveys of the site have been prepared; environmental and soil testing is complete; and several conceptual site plans have been explored. The project architect, Kathy Ford, lived for many years in Amherst and is familiar with architectural styles in town. Ms. Ford has served on the Planning Board, Design Review Board, CPA Committee, and Leisure Services Commission.

Valley's design team is committed to a building that is compatible within its context. Detailed design review will take place during project permitting, through the Zoning Board of Appeals.

Prioritization by Community: The need for this project has been repeatedly articulated and prioritized by the community at the local level. Examples include:

- ✓ The Town has set the need for housing for homeless and very low income individuals as the Town's Priority #1 within the FY 17 Community Development Strategy.
- ✓ The Town's 2013 Housing Production Plan[1] states that "Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services. Providing stable and affordable opportunities for those transitioning out of shelters or special programs remains a high priority." (p 13)
- ✓ In July 2016, a community forum to address concerns about homelessness in Amherst drew a crowd of over 100 participants. The need for permanent supportive housing was identified at this event.
- ✓ In October 2017, a community forum addressed the housing problem in Amherst with a special focus on studio/ESRO housing for very low income/and/or homeless individuals. The

[1] Amherst Housing Production Plan, Karen Sunnarborg Consulting & Abacus Architects + Planners, March 2013

need for permanent supportive housing was again identified.

- ✓ The AMAHT Strategic Plan's goals include actively fostering development including supportive housing and SRO/Enhanced SRO housing and supporting homelessness prevention.

Number of Persons to be Served: Valley expects to serve approximately 28 adults when the development is complete. It is a goal of this development to provide housing for highly vulnerable populations. It is also a goal to foster a positive, diverse social environment. Therefore, the development will incorporate a mix of resident types (for example, employed residents as well as unemployed; younger and older residents; men and women; extremely low income and moderate income). The following population mix is planned:

10 units for 30% AMI homeless persons (MRVP-Massachusetts Rental Voucher Program)
2 units for clients of the Dept of Mental Health - 30% AMI tenants (MRVP)
8 units for 50% AMI persons (self-pay)
8 units for 80% AMI persons (self-pay)

Current income limits for the Amherst area for a single-person household are:

30% AMI (Area Median Income)	$16,950
50% AMI	$28,250
80% AMI	$45,200

The development will include at least 2 fully handicapped accessible units and priority for these units will be for those with mobility impairments. At least 1 unit will be equipped for a tenant with sensory impairments.

CDBG-eligible and non-eligible activities: CDBG funds will be used to pay for a percentage (approximately 25%) of total project soft costs. This is an eligible CDBG expense because the renovation of the existing house is CDBG eligible, as is the inclusion of high energy efficiency standards throughout the property (renovation and new construction). Activities that are not CDBG eligible (for example, new construction) will be paid for by other sources. The proposed CDBG request of $200,000 represents 4% of the total development budget.

D. Project Need

There is currently no comparable type of housing in Amherst. There is a profound need for small, affordable units to serve homeless and ELI (extremely low income) persons. The only homeless shelter in Town, Craig's Doors, is a seasonal shelter located less than a mile from the project site. When the shelter closes for the season each spring, many of the shelter guests have no place to live and are found sleeping on the streets, in ATMs, in the parking garage, or in tents behind public and private buildings.

The need for affordable housing for ELI and homeless individuals is documented in the Town's 2013 Housing Production Plan. Unmet housing needs are identified as follows: 1,970 units for ELI households, 505 for VLI households, and 575 for LMI households, as well as 15 for persons who are homeless. The Plan sets the production goal to address these needs at 200 affordable rental units over the coming 5 years (for ELI, VLI, and homeless).

Data provided by Craig's Doors documents the characteristics and needs of homeless individuals. During three shelter seasons (2011-12, 2012-13, 2013-14) the shelter provided beds for between 143 and 161 individuals each season totaling 2,800 - 4,100 bed-nights. Of shelter guests, 48% had a history of mental illness, 45% had a history of substance abuse, and 41% were physically

disabled.[2]

This past season (2017-2018), Craig's Doors shelter served 172 unique guests (131 men and 41 women) who stayed an average of 10-30 nights. There was an increase from the prior year in the number of nights when people were turned away from the shelter due to lack of space. Guests served self-reported the following: 26% had a chronic health problem; 63% had a mental health problem; 22% had a physical disability; 31% reported substance use; 38% reported alcohol use; 35% reported a history of domestic violence; 26% reported a dual diagnosis; 11% had a developmental disability.[3]

This project is important because it will provide a permanent solution to a pressing housing problem in Amherst. It will address housing needs for the most vulnerable and lowest income residents. It will allow currently homeless individuals to enter stable housing and improve their chances of addressing other major life issues such as substance abuse, mental illness, health problems, and disabilities. It will provide on-going supports after tenants move in to help tenants retain their housing and prevent future incidents of homelessness. Without appropriate supportive, low-cost housing, chronically homeless individuals will have shortened life-spans and a higher social cost in terms of other public services (hospitalization, emergency response, and police services).

E. Community Involvement and Support

Community involvement in planning: This project is a result of community identification of housing needs, as referenced above. There have been and continue to be multiple stake-holders in Amherst interested in the development of SRO housing with supportive services. These include a variety of public and private groups working on issues of affordable housing and / or homelessness within Amherst, such as the (former) Amherst Housing & Sheltering Committee, the Amherst Municipal Affordable Housing Trust, Amherst Community Connections, Craig's Doors, the Amherst Health and Community Services Director, Amherst Planning Department staff, Elliot Homeless Services, the Department of Mental Health, Amherst Police Department, and the Amherst Housing Authority.

Over 100 community members, including homeless individuals, participated in a July 2016 Community Forum on Homelessness. Community members met again to focus on the topic of SRO Housing at a subsequent Community Housing Form in October 2017.

Valley staff member Laura Baker has conducted outreach to various local groups and stake-holders including attending meetings with staff and Board members from Craig's Doors, discussions with the Executive Director of Amherst Community Connections, attendance at meetings of the Amherst Housing Trust and the Homelessness Systems & Providers. In October 2016, Laura Baker and Joanne Campbell from Valley met with Town Planning Department staff and others to tour potential sites for supportive housing and discuss local needs.

Maintain involvement during implementation: Valley has initiated outreach to immediate abutters of the proposed site and will continue to work with abutters and neighbors to provide information and input into project design; answer questions; and address concerns.

Valley staff will keep stakeholders informed during the implementation of this activity and will seek collaborations, as appropriate. Most notably, the proposed project will rely upon partnerships between Valley as housing developer and existing service provider(s) for persons transitioning from homelessness. These partnerships will be documented within a Supportive Services Plan and will include Memorandums of Understanding (MOUs) with service providers for provision of supportive services to project occupants who will be transitioning from homelessness to permanent housing.

F. Project Feasibility

[2] Present, Past, and Future of the Amherst Seasonal Homeless Shelter, a Preliminary Report of the Amherst Housing & Sheltering Committee, December 2014

[3] Data from Craig's Doors Staff (Jade Lovett)

Why is this project feasible? This project is feasible for the following reasons:

Site Feasibility—site is served by public water and sewer; has no wetlands; does not involve historic property or an historic district; land area is suitable for intended development; location is on a main route, walking distance to Town Center, shopping, and bus stops. Valley has site control.

Financial Feasibility—Valley has experience developing similar properties and has verified financial viability through the preparation of development and operating pro formas.

Why project can proceed at award and be accomplished within the grant period.

Soft costs related to project development are already underway. If CDBG funds are allocated, as requested, for $200,000 in soft costs, these expenses will be incurred within the grant period 7.1.19 – 12.31.20). As the Project Timeline below shows, this project will be moving into the construction phase by the time the CDBG grant period concludes and the preparation of construction plans (single largest soft cost budget item) will be complete.

Project Demand: As discussed above, the Amherst seasonal homeless shelter served 172 distinct homeless individuals last year. This is the most direct evidence of the level of demand for affordable, supportive SRO housing in Amherst.

According to its 2016 Annual Report, the Amherst Housing Authority reports that as of March 31, 2016 there were a total of 2,457 waiting list applicants for its affordable rental units. Of these, 381 were applicants for elderly/disabled housing and 1,874 applied for family housing. Of the total, 1,199 applicants are seeking a one-bedroom apartment.[4] The Housing Authority also cites over 800 applicants on a centralized Section 8 waiting list that have a local preference for Amherst.

At two private affordable housing rental developments in town (Olympia Oaks and Butternut Farms) there are 229 applicants on waiting lists for one-bedroom apartments.[5]

Way Finders, Inc. maintains a regional waiting list for its Section 8 mobile voucher program. As of December 2016 there were over 28,000 applicants on this list, with applicants from 2004 receiving current vouchers (a 14 year wait). In nearby Northampton, Valley's current Wait List for similar SRO properties is more than 90 applicants.

Status of project design:

- ✓ Conceptual site plan "fit test" has been prepared by the project architect.
- ✓ Project architect has taken field measurements for "as built" plans.
- ✓ Initial assessment completed by Structural Engineer.
- ✓ Site feasibility work completed includes: Phase I and Limited sub-surface testing; Boundary and Topographic Survey; Soils Testing for infiltration; sewer line investigation / video.
- ✓ Preliminary storm-water drainage analysis and concept plans prepared by civil engineer.

Status of Site control: Valley has site control through an executed Purchase & Sales Agreement and expects to acquire the site in January 2019. An appraisal prepared in August 2018 confirmed that the sales price is slightly below market value.

Status of environmental review and timeliness for completion:

- ✓ As above, Phase I Environmental Site Assessment and limited sub-surface testing are complete; there are no Reportable Environmental Conditions (i.e. clean site). Report is available upon request.

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[4] The Housing Authority does not have SRO units, or efficiencies, so one-bedroom units are the closest comparable.

[5] There are no SRO units, or efficiencies, in these two developments, so one-bedroom units are the closest comparable.

- ✓ House is not individually historic nor in a historic district. Due to the age of the house (1920's?), Valley expects to review plans (when developed) with the local and State historical commissions. State review will take 30 days.
- ✓ Absence of wetlands on site was verified with the Town's Conservation Agent.
- ✓ Valley will perform Hazardous Materials Testing (i.e. lead paint, asbestos) as soon as Valley acquires the property. Budget includes some funds dedicated to removal of hazardous materials, should any be identified. Due to the planned extensive renovations of the house, removal of hazardous materials will not create any meaningful changes to the project scope or timeline.
- ✓ Valley will work with Amherst Planning Department to complete any HUD-required environmental review.

Procurement Process: Valley expects to issue an RFP for the largest cost item in this project—construction. Other professionals will be hired based on relevant experience and / or based on phone or e-mail quotations of price (this was done for the survey work and for the environmental site assessment).

Roles and responsibilities of all personnel, internal controls: As is typical in affordable housing pre-development and development, there will be a "development team" in place to carry out the work. The project manager for this team will be Laura Baker, the full-time Real Estate Project Manager for Valley. Ms. Baker has over 20 years of experience in community development and affordable housing development. Her role will be to coordinate the development team members, to ensure that the project meets its objectives and stays on schedule, to ensure delivery of all work products, to manage the project budget, to apply for financing, to conduct the permit review and oversee any necessary permitting. Ms. Baker will serve as primary liaison with the Town and will be responsible for submittal of CDBG quarterly and final reports.

Ms. Baker will receive supervision and support from Joanne Campbell, who has been Valley's Executive Director for 19 years, prior to which she worked in affordable housing development.

Other team members are highly qualified and experienced in their fields including: Attorney David Bloomberg (Real Estate Law); Kathy Ford (Architect); Berkshire Design Group (Civil Engineer & Landscape Architect); O'Reilly, Talbot, & Okun (Environmental Site Assessment and Hazardous Materials Assessment); Heritage Surveys (boundary and topographical surveys).

Internal controls at Valley include: Laura Baker will review and approve all requests for payment from 3rd parties; checks will be prepared and signed by the CFO Dick Ochs. For checks of $5,000 or more, two signatures are required. Signatories include the CFO, Joanne Campbell, ED, and Richard Abbott, Treasurer. Ms. Baker will track budget expenditures and reconcile these monthly with Mr. Ochs. Ms. Baker will prepare, and Mr. Ochs approve, invoices to the Town of Amherst. Valley's finances are subject to a 3rd party audit each year.

Agency Expertise: Valley has ample expertise to undertake this project. Since 1990, the agency has planned and developed 224 units of affordable housing, with project sizes ranges from 4 units to 55 units. Valley's portfolio includes four SRO buildings located in Florence and Northampton containing 53 rental units, of which 23 are reserved for formerly homeless individuals and include supportive services. Valley has been a recipient of CDBG funds for over 20 years from multiple municipalities and has successfully administered these grants in compliance and on schedule, including a current CDBG planning grant for SRO housing. Valley produced a study in 2009 on the housing needs of homeless individuals in Amherst and is well acquainted with these needs and with the housing stock in town.

Project Milestones and Timeline:

Task	Timeline / Completion Date
Outreach to abutters, neighbors, community	12.10.18 – 8.15.19
Apply for Amherst CPA Funds	12.14.18
Prepare "As Built" Architectural Drawings	12.31.18
Apply for Amherst CDBG Funds	12.28.18
Acquire Site	1.31.19
Develop Conceptual Site and Architectural Plans	2.15.19
Submit Project Eligibility Letter (PEL) Application to DHCD	3.15.19
DHCD Site Visit	4.15.19
Obtain PEL	5.30.19
75% Site Plans & Design Development Architectural Plans Complete; prepare 3rd party cost estimate	5.30.19
Apply for Comprehensive Permit	6.5.19
Comprehensive Permit Hearings	7.5.19 – 9.15.19
Apply for Federal Home Loan Bank Funds	9.1.19
Zoning (Comp Permit) Permit Decision	10.15.19
DHCD One Stop Application	11.15.19
Federal Home Loan Bank Award Decision	12.15.19
DHCD One Stop Decision	5.1.20
100% Plans Complete; prepare 3rd party cost estimate	6.30.20
Procure General Contractor	8.15.20
Financing Closing with Funders	10.1.20
Construction Start	10.2.20
Construction Complete Certificate of Occupancy Issued	10.1.21
Lease Up Units	10.1.21 – 12.31.21
Sustained Occupancy	3.31.22

H. Project Impact

This Project will directly benefit an estimated 28 homeless and low income persons who will occupy the housing. Creation of these units meets 14% of the 200 units identified in the Town's Housing Production Plan (HPP) for ELI / VLI households; 67% of the unmet need for homeless housing (10 or 15 units); and 12% of the production goal for housing for people with disabilities (3 of 25 units).

As highlighted above, this project will concentrate development directly adjacent to the **Town Center Target Area** and meets the Town goal of locating development walking distance to services, amenities, and public transit. Benefits for housed individuals include improved personal safety and security, ability to pursue employment and financial credit due to having a permanent address, improved health due to living in conditioned space and having food storage and preparation facilities, and increased access to needed services as delivered under a Supportive Services Plan.

As chronically homeless individuals are stabilized in supportive affordable housing, a number of indirect benefits (outcomes) are achieved: shelter beds are freed up for individuals with temporary shelter needs; social service and public safety resources are conserved (estimates range from a savings of $20,000 to $40,000 annually per person in reduced shelter, hospitalization, and police resources); and public areas feel safer for the general public.

Project outcome measures are: sustained occupancy with vacancy rate of less than 5%; case management for all residents transitioning from homelessness; on-going service provision; formerly homeless individuals remain housed for at least one year; positive cash flow; effective asset management and adequate capital reserves.

DEVELOPMENT BUDGET: Amherst Supportive Housing Studio Apartments - 28 units
12/27/2018

	STATUS OF SOURCE	TOTAL DEV BUDGET	12 MONTH BUDGET CDBG FUNDS ONLY
Sources			
Keuhn Grant	*Committed*	$11,500	
Amherst CPA / Trust	*Application Submitted*	$500,000	
Amherst CDBG	*Application Submitted*	$200,000	$200,000
Federal Home Loan Bank of Boston - AHP	*Pending*	$500,000	
Housing Innovations Fund	*Pending (DHCD One Stop)*	$1,000,000	
Housing Trust Fund	*Pending (DHCD One Stop)*	$500,000	
Facilities Consolidation Fund (2 units)	*Pending (DHCD One Stop)*	$171,901	
MA Affordable Housing Trust Fund	*Pending (DHCD One Stop)*	$1,000,000	
Housing Stabilization Fund	*Pending (DHCD One Stop)*	$930,000	
Total Sources		**$4,813,401**	**$200,000**
Uses			
Acquisition		**$407,500**	
Renovate existing house (4 units)		$348,800	
New Construction		$1,997,000	
Demolition & Hazardous Materials Removal		$75,000	
Site Work		$125,000	
PV Solar		$85,000	
Total Construction		**$2,630,800**	
Construction contingency - 10%		$263,080	
Total Hard Costs		**$2,893,880**	
Soft Costs			
Architectural & Engineering		$263,080	$172,000
Energy Consultant / HERS rating		$28,000	$28,000
Legal		$65,000	
Surveys and Permits; Permitting Fees		$25,000	
Clerk of the Works		$30,000	
Environmental Engineer		$15,000	
Title and Recording		$12,000	
Accounting and Cost Certification		$5,800	
Marketing and Rent Up		$5,000	
Real Estate Taxes		$26,350	
Insurance		$32,000	
Appraisal		$5,000	
Market Study		$6,500	
Financing Fees		$9,385	
Construction Monitoring Fee		$20,000	
Construction Testing		$17,000	
Acquisition Loan Interest		$55,000	
Pre-Development Loan Interest		$45,000	
Other Carrying Costs		$15,191	
Utilities & Utility Connections		$25,000	
Sub-total		$705,306	$200,000
Soft Cost Contingency - 10%		$70,531	
Total Soft Costs		**$775,837**	**$200,000**
		of TDC	
Capitalized Operating Reserve		**$186,000**	
Developer OH		**$275,000**	
Deveoper Fee		**$275,000**	
Total Development Cost		**$4,813,217**	**$200,000**
Per Unit TDC		$171,901	
Sources Less Uses		$184	$0

Prepared by: Laura Baker, Real Estate Project Manager — 12/27/18 Date

OPERATING BUDGET: Amherst Supportive Housing Studio Apartments

revised 12.27.18

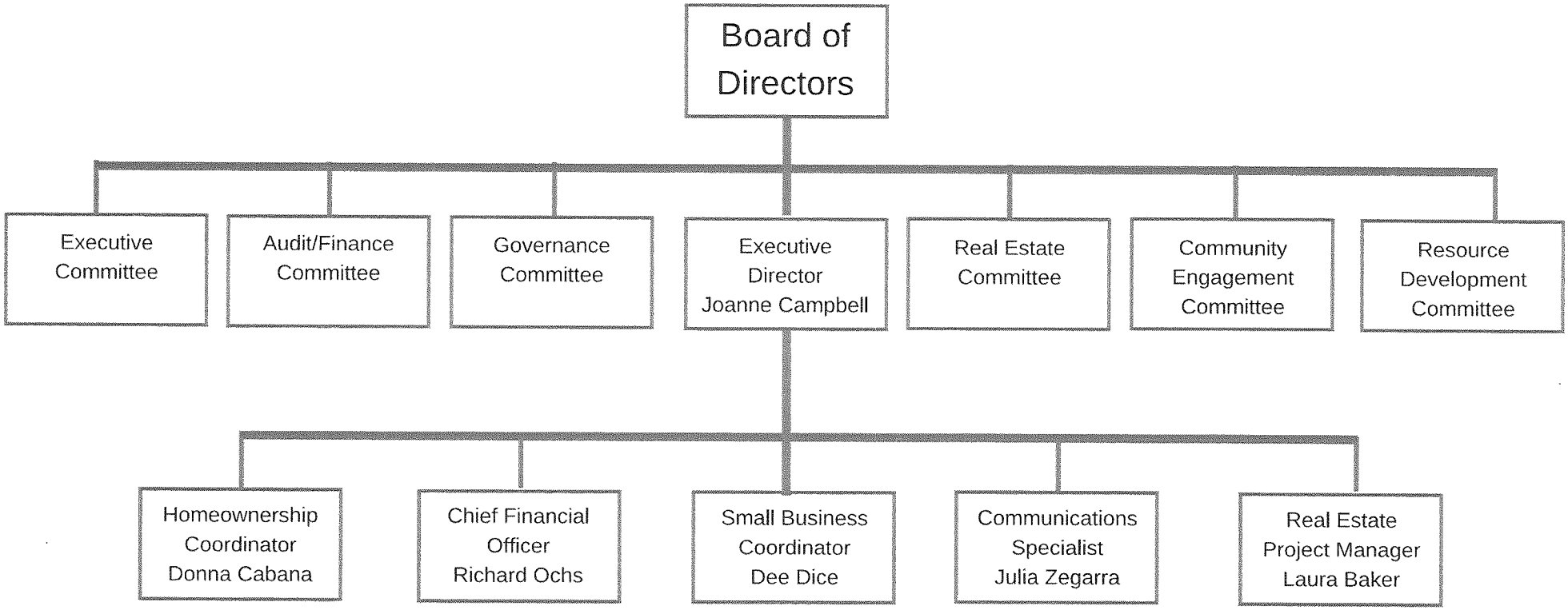
Revenue Unit Type		# Units	AMI	Subsidy Type	Monthly Rent	Total	Per Unit	Year 1	Year 2	Year 3	Year 4	Year 5
Homeless Preference Units		10	30%	MRVP	$702	$84,240		$84,240	$85,925	$87,643	$89,396	$91,184
Facilities Consolidation Fund Units		2	30%	MRVP	$702	$16,848		$16,848	$17,185	$17,529	$17,879	$18,237
Very Low Income		8	50%	Self-Pay	$650	$62,400		$62,400	$63,648	$64,921	$66,219	$67,544
Low Income		8	80%	Self-Pay	$675	$64,800		$64,800	$66,096	$67,418	$68,766	$70,142
Gross Rental Income		28				$228,288		$228,288	$232,854	$237,511	$242,261	$247,106
Vacancy Allowance	5%					$11,414		$11,414	$11,643	$11,876	$12,113	$12,355
Effective Gross Rental Income						$216,874		$216,874	$221,211	$225,635	$230,148	$234,751
Operating Reserve												
Other Income (Laundry)						$1,320		$1,320	$1,346	$1,373	$1,401	$1,429
Supportive Service Funds		10				$15,000	$1,500	$15,000	$15,000	$15,000	$15,000	$15,000
Total Effective Gross Income						**$233,194**		**$233,194**	**$237,557**	**$242,009**	**$246,549**	**$251,180**
Operating Expenses												
Administrative												
Management Fee	7%					$15,181	$542	$15,181	$15,485	$15,794	$16,110	$16,433
Audit, Accounting						$5,000	$179	$5,000	$5,150	$5,305	$5,464	$5,628
Legal						$3,200	$114	$3,200	$3,296	$3,395	$3,497	$3,602
Communications						$8,000	$286	$8,000	$8,240	$8,487	$8,742	$9,004
Administrative Salaries & Benefits						$19,600	$700	$19,600	$20,188	$20,794	$21,417	$22,060
Resident Service Coordinator						$25,000	$893	$25,000	$25,750	$26,523	$27,318	$28,138
Asset Management Fee						$1,500	$54	$1,500	$1,545	$1,591	$1,639	$1,688
Training						$504	$18	$504	$519	$535	$551	$567
Travel						$650	$23	$650	$670	$690	$710	$732
Subtotal: Administrative						**$78,635**	**$2,808**	**$78,635**	**$80,842**	**$83,113**	**$85,448**	**$87,851**
Maintenance												
Decorating (interior)						$868	$31	$868	$894	$921	$948	$977
Exterminating						$500	$18	$500	$515	$530	$546	$563
Licenses, Permits, & Fees						$1,400	$50	$1,400	$1,442	$1,485	$1,530	$1,576
Grounds / Landscaping						$5,000	$179	$5,000	$5,150	$5,305	$5,464	$5,628
Janatorial / Maint Supplies						$4,000	$143	$4,000	$4,120	$4,244	$4,371	$4,502
Salary & Benefits						$16,800	$600	$16,800	$17,304	$17,823	$18,358	$18,909
Repairs Contracts						$13,384	$478	$13,384	$13,786	$14,199	$14,625	$15,064
Elevator Maintenance						$5,500	$196	$5,500	$5,665	$5,835	$6,010	$6,190
Snow Removal						$7,500	$268	$7,500	$7,725	$7,957	$8,195	$8,441
Trash Removal						$5,000	$179	$5,000	$5,150	$5,305	$5,464	$5,628
Locks & Keys						$1,200	$43	$1,200	$1,236	$1,273	$1,311	$1,351
Maintenance Other						$2,184	$78	$2,184	$2,250	$2,317	$2,387	$2,458
Subtotal: Maintenance						**$63,336**	**$2,262**	**$63,336**	**$65,236**	**$67,193**	**$69,209**	**$71,285**
Utilities												
Electricity						$10,000	$357	$10,000	$10,300	$10,609	$10,927	$11,255
Water / Sewer						$7,000	$250	$7,000	$7,210	$7,426	$7,649	$7,879
Gas						$2,800	$100	$2,800	$2,884	$2,971	$3,060	$3,151
Subtotal: Utilities						**$19,800**	**$707**	**$19,800**	**$20,394**	**$21,006**	**$21,636**	**$22,285**
RE Taxes						$16,500	$589	$16,500	$16,830	$17,167	$17,510	$17,860
Insurance						$18,000	$643	$18,000	$18,540	$19,096	$19,669	$20,259
Subtotal: Taxes, Insurance						**$34,500**	**$1,232**	**$34,500**	**$35,370**	**$36,263**	**$37,179**	**$38,119**
Replacement Reserve	$400					$11,200	$400	$15,294	$15,294	$15,294	$15,294	$15,294
Total Operating Expenses						**$207,471**		**$211,565**	**$217,137**	**$222,869**	**$228,766**	**$234,834**
Per Unit Per Annum						**$7,410**		**$7,410**	**$7,755**	**$7,960**	**$8,170**	**$8,387**
Per Unit Per Annum less Services						**$6,517**		**$6,517**	**$6,835**	**$7,012**	**$7,195**	**$7,382**
Net Operating Income						**$25,722**		**$21,628**	**$20,421**	**$19,140**	**$17,782**	**$16,345**

Trending Assumptions:

Revenue	2% per annum
Expenses	3% per annum
RE Taxes	2% per annum

Prepared By: _____ 12/27/18

Laura Baker, Real Estate Project Mngr. Date



Valley Community Development

Organizational Chart

As of 7/20/18

VALLEY COMMUNITY DEVELOPMENT
BOARD OF DIRECTORS
FY19

Peter Jessop, President
Amy Fyden, Vice-President
Richard Abbott, Treasurer
Pat Byrnes, Clerk

Kim Alston
Richard Bauman
Madeline Weaver Blanchette
Maureen Borg
Euripedes De Oliveira
William Fontes
Theresa LaValley
Dorothy Nemetz
Donald Perry
Greg Richane
Carol Walker

12/18

Organization's Budget

Valley Community Development Corporation
FY 2019 Budget

	FY 2019 Budget
Revenue:	
MHP-Homesafe	10,000.00
Amherst CPA -Mortgage Subsidy Assistance	
Amherst - CDBG-SRO	45,000.00
Sunderland	-
Easthampton-CPA	10,000.00
N'ton-CDBG	30,000.00
Pelham-CPA	5,000.00
Homeownership Marketing Fees	3,000.00
Homebuyer Workshop Fees	10,800.00
Foreclosure Prevention-DOB	20,000.00
Developer Overhead-NLY	82,158.68
Developer Overhead-Sergeant House	83,000.00
Developer Fees	-
United Way	15,000.00
MGCC	10,000.00
Properties excess cash flow	15,000.00
Interest	500.00
Membership/Annual Appeal	2,000.00
Corporate Contributions-Non CITC	13,000.00
United Way-Greater Boston-CITC	75,000.00
Individual-CITC	110,000.00
Business-CITC	100,000.00
Fundraising-30th Anniversary Event-CITC	-
Fundraising-30th Anniversary Event-Tickets	-
Miscellaneous	-
Total Revenue	639,458.68
Personnel:	
Executive Director (1 FTE)	
CFO (1 FTE)	
Small Business Coordinator (1 FTE)	
Real Estate Project Manager (1 FTE)	
Homeownership Coordinator (1 FTE)	
Communications Specialist (1FTE)	
Sub-total Personnel	377,956.85
Payroll Tax	41,575.25
Fringe Benefits	61,375.32
Total Personnel	480,907.42

Other Expenses:	
Office & Space Rent	27,764.68
Office Supplies	2,600.00
Program Supplies	200.00
Postage	1,300.00
Food	2,250.00
Copy/Printing	2,700.00
Telephone/Communication	6,500.00
Audit/Accounting	9,900.00
Legal	-
Advertising	1,750.00
Meeting Expense	500.00
Training/Staff Development	1,400.00
Membership/Dues	3,000.00
Corporate fees/taxes	1,015.00
Travel/Auto	4,500.00
Liability Insurance	5,917.00
Professional Consultants	49,775.00
Maintenance & Repairs	500.00
Equipment Rental & Repairs	5,000.00
Electricity	2,900.00
Fuel	900.00
PuD	
Loan Interest	800.00
Minor Equipment	500.00
Miscellaneous	1,200.00
Total Other Expense	132,871.68
Total Expense	613,779.10
Gross Surplus/(Deficit)	25,679.58

Amherst Housing Authority

33 Kellogg Avenue, Suite 81
Amherst, MA 01002-2169

Housing Management
(413) 256-0206

Section 8, MRVP, AHVP Programs
(413) 256-6128

TDD Available
FAX (413) 256-8551

December 12, 2018

Dear Members of the Community Preservation Act Committee;

The Amherst Housing Authority Board of Commissioners enthusiastically supports the Valley CDC's application to the Community Preservation Act Committee for funding to build an enhanced SRO in Amherst. The Valley CDC has an excellent track record as a developer of affordable family housing and of housing for homeless individuals.

In 2008, the Amherst Housing Authority worked with the Valley CDC to build eleven units of affordable housing on Main Street on property that the AHA owned. The apartments are an attractive addition to the neighborhood, designed to meet the needs of the tenants living in them, and well maintained. In Northampton, the three apartment buildings for homeless individuals that the Valley CDC bought and rehabilitated are a testament to their mission to create high quality housing for low income people. We are confident that the Valley CDC will create an SRO for homeless individuals in Amherst that meets these same high standards.

It is easy to equate homeless individuals with the familiar panhandlers on sidewalks and median strips on Route 9. While the people who panhandle are very likely to be homeless, there are many more homeless people who remain invisible to most of us. They live temporarily with family, friends, or acquaintances, never able to settle in one place, or they may camp in the woods during the warm months and stay at the shelter on winter nights. While homeless, they may maintain jobs, religious affiliations, or family commitments. They may have a long history of homelessness, they may have a psychiatric illness, or they may have a recent life event such as a medical emergency, a job loss, or a divorce that caused them to lose their homes. They are a diverse group of people who need a place to live.

A review of the Amherst Housing Authority's Centralized Section 8 waiting list, shows that in the last five years, 54 local applicants identify themselves as being homeless individuals. In addition the Alternative Housing Voucher Program waiting list has 5 local applicants who identify themselves as being homeless.

Once applicants are selected and given a voucher for a one bedroom or studio apartment, it is almost impossible for them to find a unit in Amherst. Essentially, the one bedroom Housing Vouchers pay approximately $150-$200 a month less than the average monthly rent for a one bedroom apartment in Amherst. For example, an AHA applicant lived with his girlfriend until they recently broke up and he had to move out of the apartment they shared. He had been on the Section 8 waiting list for years, and finally received a voucher in August. As a lifelong resident of Amherst, he spent months trying to find a studio or one bedroom apartment in Amherst with a low enough rent to meet the Voucher requirements. He didn't find an apartment in Amherst. In December, he moved to Greenfield with his Voucher.

The Valley CDC's plan to build an enhanced SRO is a wonderful opportunity for low income, homeless individuals to live in high quality housing in Amherst. We applaud the CDC's efforts to bring this housing to Amherst and urge the CPA Committee to fund their proposal.

Thank you,

Michael Burkart

Michael Burkart
Chair, Board of Commissioners
Amherst Housing Authority