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TO: Town Council  
FROM: John Hornik, Chair, Amherst Municipal Affordable Housing Trust  
RE: Development of Affordable Housing on the East Street School property  
DATE: March 14, 2019

The Amherst Municipal Affordable Housing Trust (AMAHT) is formally requesting that the Amherst Town Council (1) declare the East street School as surplus property and (2) authorize the Town Manager to seek an appropriate developer with whom to sign a land disposition agreement to develop affordable housing on the site.

Consequences of Taking These Actions:

By taking these actions, the Town Council is authorizing the Town Manager to move ahead with the development of affordable housing at the East Street property. In doing so, the Town Council is signing off on transferring the property to the developer via a 99-year lease after conditions described in the land disposition agreement are met. Once this step has been taken no further review or action by the Town Council may be necessary.

Why is it necessary for the Town Council to commit to transfer at this point in time? Why, for example, can't the Town Council wait until a later point-in-time when the actual design for the development has been completed? There are at least three reasons for this:

- (1) The developer will be committing many thousands of dollars to this project, even before the first shovelful of dirt is turned. Without assurance of the Town's commitment to transfer the property on completion of contract conditions, no developer will consider bidding on this project.
- (2) In order to apply for outside funding (e.g., DHCD) to support the development, the developer must have "site control". The commitment to transfer the property in the contract establishes this. Without this, the developer will not be able to secure outside funding.
- (3) Similarly, the developer must have site control in order to apply for the various permissions (e.g., permitting and licensing) required to move forward.

Given the need to commit to transferring the property now, what assurance does Town Council have that the development will proceed in the Town's interest? The Town's interests are defined by the terms and conditions currently represented in a Request for Proposal (RFP). Assuming that those are well-articulated, that they become part of the developer's contractual obligations, and that

the Town Manager assures that they are met, then any concerns about transferring the property should be met.

### Key Design Requirements Included in the RFP:

This is intended to be a brief summary of the design requirements that articulated in the RFP in Sections V. Objectives and Guidelines, VI. Criteria for Evaluating Proposals, and Appendix D of the document. The prior sections establish provide basic information about the process and the background to the RFP. *All of the design requirements specified by 2018 Annual Town Meeting in the warrant article transferring the land to the Town from the School Committee have been met or exceeded in the RFP.*

- A minimum of 15 rental units with 24 bedrooms for individuals and families with at least 50% affordable at 60% of AMI with a mix of bedroom sizes from studio to 3 bedrooms;
- A minimum of 10% affordable to households earning 30% of AMI;
- All affordable units must meet DHCD requirements for the Subsidized Housing Inventory (SHI) and must be affordable in perpetuity.
- Cost-effective, energy efficient, creative design that maximizes the number of units and is compatible with the neighborhood;
- To the extent practice, development to incorporate green building technology and solar renewable resources in new construction;
- Minimum of one parking space per unit;
- Maintain public access to back recreation parcel by granting easement to the Town;
- Preferred amenities include tenant storage space and a community room;
- No preference is stated for either retaining or demolishing the East Street School Building.

### Other Key Terms and Conditions Included in the RFP

- The developer must provide an acceptable management plan in accordance with all local, state, and Federal regulations;
- The developer is responsible for any site preparation and obtaining all applicable land use and building permits, as well as all financing;
- The developer shall commence the project within 60 days of the formal transfer of property;
- The developer shall engage the services of a monitoring agent acceptable to the Town to market affordable units and identify eligible tenants;
- The developer must present a development team with appropriate skills and experiences for a project of this nature.

### Proposal Review Process

The Trust is recommending that a five-person committee, appointed by the Town Manager, review proposals. This will consist of the Chair of the Housing Trust, one other member recommended by the Trust, one member designated by the Town Council, one member of Town staff designated, and

an expert consultant. The committee shall review all proposals submitted, using the evaluation criteria described Section VI and in Appendix D of the RFP. The committee shall present its recommendations in writing to the Town Manager for execution. Neither the committee nor the Town Manager is obligated to accept any of the bids that are submitted.

Other reviews that are likely to occur following execution of a contract:

Having a commitment to transfer the property does not relieve the developer of other obligations that are part of the development process. For example, plans for the development are likely to fall under the purview of the Town Building Commissioner, the Planning Board, the Zoning Board of Appeals, and the Amherst Historical Commission. Indeed, if the developer requests Town funds (i.e., Community Preservation Act, Tax Incentive Financing), those would have to be reviewed by the Town Council. Thus this review by the Town Council only establishes the terms and conditions that must be met prior to transfer. Whether those terms and conditions have actually been met will be an ongoing process involving several Town committees and Town officials.

Thank you for your attention.