



To: Town Council
Fr: Paul Bockelman
Town Manager
Dt: March 14, 2019
Re: East Street School

Executive Summary

The Amherst Municipal Affordable Housing Trust is coming before the Town Council to request that the process of developing affordable housing on the East Street School property continue to move forward.

The President anticipates that the Council will not actually vote on this request until April 1st, at the earliest.

Background

Promoting and supporting the development of a wide range of affordable housing is a high priority for the Town. This priority has been identified and reiterated in the Master Plan, among other documents.

The Town has been a leader in the Commonwealth in promoting and making financial commitments to affordable housing. These efforts include providing land for development, making financial contributions to projects, promoting development through progressive zoning, embracing friendly comprehensive permits, offering significant tax incentives under a unique law crafter by the Town, and devoting substantial staff time development.

Why the East Street School Property?

Typically, there are two major barriers to developing affordable housing: (a) finding a suitable location and (b) the cost of real estate. The East Street School property is a high priority for the Amherst Municipal Affordable Housing Trust (AMAHT) because these barriers are not present. The property is located in a village center, is close to schools, and it is on public transit. As a municipally owned property, the Town can subsidize the project by offering to transfer the land to a developer at nominal price, thus removing a major cost component of the development. The property's location and ownership are extremely beneficial to an affordable housing developer. And, the Town can take affirmative steps to support affordable housing on the property through disposition and a commitment to work with a developer.

What is being asked of the Town Council?

The disposition of a property and the legal agreements and documents that the Town executes are part of the ‘how’ affordable housing is developed. Disposition of public land must follow Massachusetts General Laws, including MGL Ch. 30B, Section 16. In order for a municipality to dispose or transfer a property, it must first declare the property surplus, assign a value to it, and then take a vote by the legislative body to transfer the property. A transfer can be the sale or lease of a property.

In addition to the disposition process, a Town typically issues a Request for Proposals from affordable housing developers to select the most qualified developer. After selecting a developer, the parties enter into a Land Disposition Agreement (LDA) that explains all the steps and conditions necessary for the developer to meet before the Town will transfer the property. The Town would also enter into affordable housing restrictions and other documents to ensure that the project is built as planned and remains affordable for a certain number of years. The timeline and sequence of these steps can vary a bit, depending on how the Town wants to proceed.

With regard to the East Street School property, the AMAHT determined that it was the highest priority site to develop affordable housing. For this reasons, the AMAHT sponsored an article at the 2018 Annual Spring Town Meeting. The vote authorized the Select Board to convey the property to the Trust only after Town Council determines that a project is feasible. After the Town Meeting vote, the Trust assessed the site’s development feasibility. This included a boundary survey, wetlands determination, preliminary architectural concepts, and holding public meetings to discuss the property. The culmination of the work is a draft Request for Proposals for affordable housing.

K-P Law reviewed last year’s Town Meeting vote and describes two possible paths in the attached memo. Since the vote authorized the Town to execute necessary legal documents, the Town Manager (as successor to the Select Board) could release the RFP, select a developer, and then ask for Town Council’s review and disposal of the property.

From the Trust’s and potential developer’s perspectives, this is the least desirable process because a significant amount of time and money would be spent on behalf of the developer without a commitment from the Town that it would approve transferring the property.

K-P Law’s memo describes a second process that is more straightforward and would be better for a developer. The second process recommends that the Town Council vote to amend the 2018 vote and authorize the disposition of the property before soliciting the RFP. By having a vote early in the process, the Town makes clear to developers that the Town is serious about transferring the property once conditions in the Land Disposition Agreement are met.