



Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 30, 2020

Laura Baker
Valley Community Development Corporation
256 Pleasant Street, Suite A
Northampton, MA 01060

RE: Amherst Supportive Studio Apartments, Amherst, MA– Project Eligibility Letter

Dear Ms. Baker:

I am pleased to inform you that your application for project eligibility determination for the proposed Amherst Supportive Studio Apartments project located in Amherst, Massachusetts, has been approved under the Low Income Housing Tax Credit (LIHTC) program. The property is located at 132 Northampton Road in Amherst, Massachusetts. This approval indicates that the proposed plan is for the demolition of the existing single-family house and the new construction of a two-story building with three living levels containing 28 residential units. Twenty units, or 71.4%, will be affordable at no more than 60% of area median income and will be considered LIHTC units, while an additional eight units, or 28.6%, will be income restricted at no more than 80% of area median income. The proposed development will consist of 28 studio units reserved for households with income tiers at 30%, 50% and 80% of the area median income.

The rental structure as described in the application is generally consistent with the standards for affordable housing to be included in the community's Chapter 40B affordable housing stock. This approval does not constitute a guarantee that LIHTC funds will be allocated to the Amherst Supportive Studio Apartments project. It does create a presumption of fundability under 760 CMR 56.04, and permits Valley Community Development Corporation (the applicant) to apply to the Amherst Zoning Board of Appeals for a comprehensive permit. The applicant should note that a One Stop submission for funding for this project must conform to all Department of Housing and Community Development (DHCD) program limits and requirements in effect at the time of submission.

As part of the review process, DHCD has made the following findings:

1. The proposed project appears generally eligible under the requirements of the Low Income Housing Tax Credit program based on the proposal for a 28-unit building of which 20 units, or 71.4%, will be reserved for residents earning no more than 60% of area median income, and 8 units, or 28.6%, will be reserved for residents earning no more 80% of area median income.

2. DHCD performed an on-site inspection of the proposed project on February 10, 2020. DHCD has determined that the proposed site is an appropriate location for the project. The site, containing a single-family house that will be demolished, is located in a residential area. The site is located within a half mile to the Amherst Center and two shopping plazas. It is also located in close proximity to public transportation and a bike trail.
3. The proposed housing design is appropriate for the site. The existing, single-family house will be demolished. The new housing development will include the construction of a two-story, building located on the Northampton Road corridor between University Drive and the Amherst Town. Appropriate details have been incorporated into the design of the apartment units, common spaces, corridors and multi-purpose areas.
4. The proposed project appears financially feasible in the context of the Amherst housing market where there is a demonstrated need for affordable rental housing. The Town's 2013 Housing Production Plan documented housing needs and set a production goal to address these needs at 200 affordable rental units over the coming 5 years. Additionally, the Amherst Housing Authority's 2016 Annual Report indicated that there were 2,457 waiting list applicants for its affordable rental units.
5. The initial proforma for the project appears financially feasible and consistent with the requirements for cost examination and limitations on profits on the basis of estimated development and operating costs. Please note again that a One Stop submission for funding for this project must conform to all DHCD program limits and requirements in effect at the time of submission.
6. A third-party appraisal has been completed and reviewed by DHCD. The Low-Income Housing Tax Credit Program Guidelines state that the allowable acquisition value of a site with a comprehensive permit must be equal to or less than the value under pre-existing zoning, plus reasonable carrying costs.
7. Valley Community Development Corporation is a non-profit organization, and meets the general eligibility standards of the Low Income Housing Tax Credit program. The ownership entity for the site will be either the applicant, Valley Community Development Corporation, or an entity controlled by the applicant, and shall be a Limited Dividend Organization as defined in 760 CMR 56.02.
8. The applicant is the owner of the site, as evidenced by the property deed.
9. DHCD received the attached comments from the Town of Amherst during the review period, and we anticipate concerns will be addressed during various Town approval processes.

The proposed Amherst Supportive Studio Apartments project will have to comply with all state and local codes not specifically exempted by a comprehensive permit. In applying for a comprehensive permit, the applicant should identify all aspects of the proposal that will not comply with local requirements.

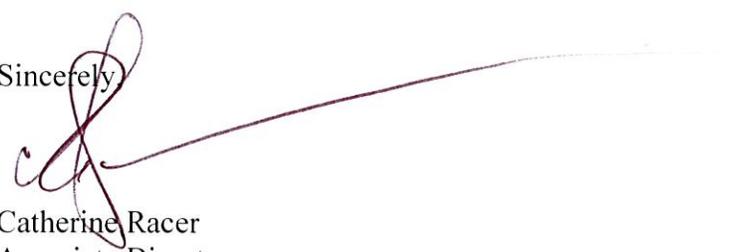
If a comprehensive permit is granted, construction of this project may not commence without DHCD's issuance of final approval pursuant to 760 CMR 56.04 (7) and an award of LIHTC funds. This project eligibility determination letter is not transferable to any other project sponsor or housing program without the express written consent of DHCD. When construction is complete, a Chapter 40B cost certification

and an executed and recorded 40B Regulatory Agreement in compliance with DHCD's requirements pertaining to Chapter 40B must be submitted and approved by DHCD prior to the release of a Low-Income Housing Tax Credit Form 8609.

This letter shall expire two years from this date, or on March 30, 2022, unless a comprehensive permit has been issued.

We congratulate you on your efforts to work with the Town of Amherst to increase its supply of affordable housing.

Sincerely,



Catherine Racer
Associate Director

Cc: Joanne Campbell, Valley Community Development Corporation

Cc: Shavena Martin, Town Clerk, Town of Amherst