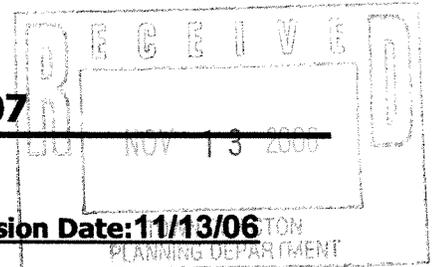


PROJECT APPLICATION FORM – 2007



Applicant: Acton Community Housing Corporation **Submission Date:** 11/13/06

Applicant's Address, Phone Number and Email
Acton Community Housing Corporation
Nancy Tavernier, Chair
Acton Town Hall
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Purpose: (Please select all that apply)
 Open Space
 Community Housing
 Historic Preservation
 Recreation

Town Committee (if applicable): Acton Community Housing Corporation (ACHC)

Project Name: Community Housing Program Fund

Project Location/Address: ACHC c/o Acton Town Hall

Amount Requested: \$100,000 to be added to existing Fund

Project Summary: In the space below, provide a brief summary of the project.

ACHC is requesting \$ 100,000 to be added to the existing Community Housing Program Fund for "the acquisition, creation, preservation, and support of community housing in the Town of Acton."

The Program Fund is used to finance new affordable housing initiatives. This set-aside fund is retained by the ACHC and earmarked for appropriate affordable housing activities recommended by the ACHC or any other entity approved by the Board of Selectmen. Expenditures from this Fund must be approved by the Board of Selectmen under the ACHC powers established through Home Rule petition (Chapter 143 of the Acts of 1996, § 1)

The value of such a Housing Fund is in the broad definition for its use that allows the ACHC, or other affordable housing groups, to react to opportunities as they are identified and not to restrict it to specific projects or activities. Very often these specific uses are not known in advance of the normal CPA funding cycle which is six months in advance of the Town Meeting vote. The Program Fund would be used only for allowable CPA affordable housing purposes to provide a diversity of affordable housing opportunities for Acton residents, their children, and employees who work for and in the Town.

With this request, ACHC proposes to focus on one new program and the implementation of a previous proposal: Down Payment Assistance (\$50,000) and Condo Buy-Downs (\$50,000). The new program is a Down Payment Assistance Program for Acton Municipal, School, Water District, and Housing Authority employees. This program would be modeled after existing programs that are administered by regional housing partnership organizations and are federally

funded. We propose to offer assistance on a first-come, first-served basis to any of the above employees for up to 5% of the purchase price of a housing unit located in Acton, with a maximum of \$10,000 per employee. To be eligible, their household income could not exceed 100% of the Area Median Income (2006: \$84,100 for a 4 person household), they must be a first time homebuyer, and they must qualify for a 30 year mortgage. ACHC intends the assistance would become a grant after 5 years, with no requirement to pay it back. If the property is sold prior to 5 years, the full amount of assistance is due to be paid back to ACHC. Legal details for the implementation of the Program would be worked out at ACHC's expense. We propose using \$50,000 from the Community Housing Program Fund for this program. This would serve up to 5 employee requests for assistance.

The second program would be the implementation of our previously proposed Condo Buy-Down program. In 2006, ACHC hired a consultant to provide technical assistance in researching and developing an action plan for a Condominium Buy-Down Assistance Program. Judi Barrett of COG, Inc. conducted research and data collection from a sample of other condominium buy-down programs in New England, met with ACHC to present and review various program design recommendations, and prepared a technical memorandum with recommendations and a suggested plan of action for the ACHC. ACHC chose a Purchase Price Buy-Down model. This Program would apply to existing housing units or new construction units in non-40B developments in Acton. The sellers would receive a payment at the time of closing to lower (buy-down) the selling price to a pre-determined affordable level so the unit could be sold to income eligible households at 60-80% of the Area Median Income. In exchange, a deed restriction will be placed on the property to keep the unit affordable into perpetuity and the unit would be added to the Subsidized Housing Unit Count. ACHC proposes to add \$50,000 to the existing Fund for this program. This would bring the Fund to a level that would allow the buy-down of at least 2 units while retaining funds for other affordable housing uses as the opportunities arise.

These programs are consistent with the Goals established by the Community Preservation Committee to address the housing needs of the community as detailed in the 2007 Community Preservation Plan.

The use of the Community Housing Program Fund for affordable housing opportunities is consistent with this Goal in the Acton Master Plan.

Goal: Encourage diversity in Acton's population by achieving a mix of homes that enhances Acton's town character and provides needed choices for our residents.

Objective: Preserve the character of Acton's established residential neighborhoods.

Objective: Promote a range of economic diversity in housing including low and moderate income housing.

Objective: Promote a range of choice in the types of homes to allow for residents' changing capacities and preferences.

Acton's Community Development Plan entitled "To Live in Acton" identifies five priority housing needs that could be addressed through the use of the Community Housing Program Fund. These are the priorities:

PRIORITY HOUSING NEEDS:

- #1 Low-Income Rental Units**
- #2 Affordable Senior Apartments**
- #3 Moderate-Income Homeownership**
- #4 More Choices for Seniors**
- #5 Below-Market Homeownership**

Estimated Date for Commencement of Project: ongoing

Estimated Date for Completion of Project: ongoing