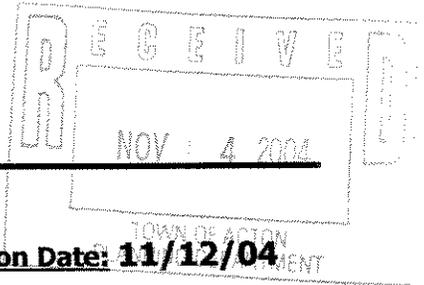


PROJECT APPLICATION FORM



Applicant: Nancy Tavernier, Chairman of ACHC **Submission Date:** 11/12/04

Applicant's Address, Phone Number and Email **Purpose: (Please select all that apply)**

Acton Community Housing Corporation (ACHC)

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Open Space

Community Housing

Historic Preservation

Recreation

Town Committee: Acton Community Housing Corporation (ACHC)

Project Name: Community Housing Program Fund

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

Project Summary: In the space below provide a brief summary of the project. Using additional sheets submit a complete narrative description of the project and, when applicable, of the property involved and its proposed use. Describe how the project will benefit the Town and the citizens of Acton and how the project is consistent with the Plan's "Guidelines for Submission" and "Review and Recommendation Criteria." Include a work plan showing the anticipated steps or phases for completion of the project and the timing and estimated cost of each phase.

ACHC is requesting \$150,000 for a Community Housing Program Fund for "the creation, preservation, and support of community housing in the Town of Acton."

Our proposal is to supplement the Community Housing Fund approved by Town Meeting in 2004 and to rename it Community Housing Program Fund to better describe its function. The Program Fund would be used to finance new affordable housing initiatives. This set-aside fund will be retained within the CPA General Funds and earmarked for appropriate affordable housing activities recommended by the ACHC or any other entity approved by the Board of Selectmen.

In 2004, Town Meeting approved an appropriation of \$25,000 for a Community Housing Fund to be used for affordable housing opportunities. In October, Special Town Meeting voters moved another \$25,000 into the Fund, reallocating funds from Willow/Central that were not needed for the original purpose. As of November, \$20,000 of these funds have been approved for use in "buying down" the cost of three affordable units in one existing and one newly approved development. An additional sum of money will be used to hire a consultant to craft a deed restriction on an existing age-restricted

unit to insure long term affordability and the addition of that unit toward the Town's 10% count.

ACHC anticipates more opportunities for use of the Fund going forward. The Willow/Central project on town-owned land is proceeding with site analysis and preliminary design. It is probable that additional resources will be needed to supplement the development costs, including reimbursing the Town for a \$125,000 clean-up of the contaminated site. This will help maximize the affordability of the proposed four unit development. The Fund will be an ideal resource for this activity.

The ACHC continues to anticipate opportunities to "buy down" units through down payment assistance or reduction of the selling prices of affordable units.

The value of such a general 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 affordable housing purposes. These could include but not be limited to any of these uses allowed by the CPA statute:

Creation

- Convert existing non-residential properties to community housing
- Create in-law apartments and other ancillary housing
- Acquire real property (land and/or buildings) for new housing development, both rental and homeownership
- Grant or loan funds for the creation of community housing to non-profit or for-profit parties (provided that the funds are not used by the private party to acquire a real estate interest and that the municipality establishes sufficient safeguards to ensure that the funds are used primarily for the creation of community housing and that any benefit to the private entity is merely incidental). It is anticipated that many local CPA housing initiatives will utilize private non-profit or for-profit intermediaries for the creation of community housing
- Restore "brown fields" sites for housing or other mitigation of contaminated sites in preparation for housing development

Preservation

- Refinance "expiring use" affordable properties which are at risk of going market rate
- Acquire a preservation restriction to limit the occupancy of certain units in a privately owned rental building to persons of low or moderate income housing

Support

- Modify existing homes, including accessibility improvements that allow the disabled or senior citizens to continue to live in their homes
- Assist the local housing authority to support its low income rental properties
- Assist residents to meet homeownership costs, including grants or "soft second" loans to reduce mortgage interest rates, provide a down payment, assist with closing costs, security deposits, utility assistance, or to subsidize interest rates.
- Use as a subsidy to write down interest rates for first-time homebuyer programs such as the Massachusetts Housing Partnership's Soft Second Program or the state's Self Help Program that has specific matching requirements; this subsidy makes the Soft Second Program the most affordable mortgage in the state
- Fund a housing trust or a housing authority to support a particular community housing initiative

Rehabilitation and Restoration of Community Housing Created Using CPA Funds

- Make site improvements such as water/sewer connections, well installation, septic installation or repair, or other underground utilities associated with the creation of affordable housing
- Rehabilitate or restore existing public or private property being converted to affordable housing units in a mixed income residential environment

This Fund would be used to provide a diversity of affordable housing opportunities for Acton residents, their children, and employees who work for and in the Town. The expenditures would serve those households with annual household incomes at 80% or less of the Area Median Income. (2004 A.M.I.: \$82,600) Acton's current affordable housing percentage is 2.35%, far from the goal of 10%. Many of the potential uses of the Fund could create units in existing properties without the need for new construction and further sprawl. This is a preferred use of CPA funds. This Fund would be used in a variety of ways to serve an under-served population, low and moderate income households in Acton seeking affordable housing, both rental and homeownership.

This proposal is consistent with 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 new 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 NEED #1 Low-Income Rental Units

In Acton's region, a four-person family with income at or below \$41,350 meets the federal definition of a low-income household. There are 405 low-income families living in Acton today. 89% are cost burdened.

PRIORITY HOUSING NEED #2 Affordable Senior Apartments

In Acton, the median household income of seniors over 75 is only 23% of the town's median family income. Acton ranks fourth in Middlesex County for the magnitude of the income gap between its oldest households and working-age families.

PRIORITY HOUSING NEED #3 Moderate-Income Homeownership

In Middlesex County, Acton has a fairly low percentage of non-elderly, low, and moderate income households and one of the highest percentages of low-income households that are housing cost burdened. The incidence of homeowner cost burden is very high among young families in three of Acton's census block groups.

PRIORITY HOUSING NEED #4 More Choices for Seniors

Acton ranks 16 out of 54 Middlesex County communities for high incidence of housing cost burden among the elderly. Over-65 households comprise 14.8% of all homeowners in Acton. As a result, Acton's county rank for percentage of elderly homeowners is only 12. Low and moderate income senior citizens cannot afford to live in Acton.

PRIORITY HOUSING NEED #5

Below-Market Homeownership

Acton's region has experienced some of the highest rates of single-family and condominium sale price growth of any area in the Commonwealth. Last year's single-family home sale price in Acton - \$469,275 – is unaffordable to 83% of all households in the Boston metropolitan area.

Control of Site: Indicate below whether the applicant owns or has a purchase agreement for the property. If the property is under agreement, indicate below or attach a description of the agreement, including timing and conditions. If the applicant does not have site control, please explain (use additional sheets as necessary).

N/A

Feasibility: List below or attach all further action or steps that will be required for completion of the project, such as environmental assessment, zoning or other permits and approvals, agreement on terms of any required conservation, affordability or historic preservation restrictions, and any other known or potential barriers or impediments to project implementation.

The Fund will be identified as an earmarked portion of the CPA General Fund. Requests for the use of the funds will be made to the Town Treasurer who will approve the expenditure after first insuring that it meets the definition of an allowable use under the CPA statute.

ACHC would keep the Community Preservation Committee and the Board of Selectmen informed about the use of this Fund with periodic reports and would seek guidance if appropriate.

Estimated Date for Commencement of Project: April 2005

Estimated Date for Completion of Project:

Ongoing, after the establishment of the Fund