

Planning for ARPA Funding for Homelessness and Housing in Amherst

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CHAPA Making the Case Presentation

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Process advocating for ARPA funds to support new affordable housing initiative:

American Rescue Plan Act



Amherst allocated \$11.8 million

Town Council allocations:

- \$1 million for either a permanent shelter or new transitional housing to serve the population of persons who are unhoused.
- \$1 million for other, new affordable housing initiatives focused on homeownership

Permanent Shelter, Transitional Housing, or Both?

What's on the table?

- Site identified for a permanent shelter
 - + \$950,000 (property identified is 6,461 SF with commercial kitchen, sprinklers, on a bus route)
 - + Current shelter has changed location three times in past three years
 - + May soon run out of churches to house the shelter
 - + DHCD willing to allocate resources for space renovation
 - State direction is less interested in congregate sites
- Search for site for “transitional” housing underway
 - + Transitional housing is preferred over congregate sites
 - Housing must be “permanent” to qualify for DHCD support

\$1 million for other, new affordable housing initiatives including homeownership

1. Housing that is More Affordable, Healthier, Climate Resilient, and Fossil Fuel Free
2. To (partially) fulfill the goal of “promot[ing] pathways to home ownership”
3. Fund Acquisition of Property and/or Development Costs for Affordable Homeownership Opportunities

1. Housing that is More Affordable, Healthier, Climate Resilient, and Fossil Fuel Free

Program Goals:

- Addressing conditions that contributed to poor public health and negative economic outcomes during the pandemic, including poor quality housing
- Reduce implementation barriers for efficiency upgrades and retrofitting heat pump systems in existing single and multi-family homes.
- Reduce costs of housing for low-income renters and homeowners

Program Elements:

- Outreach to landlords, tenants, and homeowners to encourage participation
- Undertake formal Building evaluation (ECAC proposal) and work with Town Inspection Services (Building Commissioner) to identify problem residential buildings
- Employ existing State/utility incentive programs for energy efficiency

Explore and adapt Chelsea program model for this type of program

[<https://www.mapc.org/wp-content/uploads/2021/10/Mass-Save-in-Chelsea-MA-Maltez.pdf>]

- Identify other MA communities that have developed program models

2. Promote pathways to home ownership

Why is this program needed?

- “Entry-level” homeownership opportunities for people earning around the area median income (AMI) are rare and unaffordable without assistance.
- Young families, recent graduates, adult children of older residents, BIPOC families, and immigrants are unable to find homes in Amherst.
- Low- and moderate-income buyers are often outbid by entrepreneurs buying homes to rent to temporary residents like students, or by people moving to Amherst from urban areas and able to pay in cash.
- The number of families with school-age children in Amherst has been declining for twenty years.

How does it work?

- Income-qualified homebuyers, chosen by lottery, enter the housing market with a guarantee of matching purchase funds sufficient to reduce their mortgage payments to an affordable amount.
- Homebuyers acquire title to all improvements on the purchased property and all the rights and responsibilities of home ownership.
- A nonprofit stewardship organization (the Amherst Community Land Trust) acquires ownership of the land and enters into a non-intrusive long-term ground lease with the new homeowners.
- The ground lease includes a provision ensuring that the resale price of the improvements is affordable at the same level as it was for the original buyers.

3. Fund Acquisition of Property and / or Development Costs for Affordable Homeownership Opportunities

Goals of the program:

- Create new homeownership opportunities for low- and moderate-income households (<100% AMI)
- Stem the on-going loss of families with school-age children living in Amherst
- Address chronic inequities in household assets and wealth experienced particularly by low-income households and households of color
- Create housing that is highly energy efficient and affordable to operate

Prospective Projects:

- Undertake road and utility improvements to the Town-owned property on Strong Street, so that the property can be developed for affordable homeownership.
- Fund acquisition and / or development costs for a North Amherst property under option by a local affordable housing developer for affordable homeownership.
- Purchase other to-be-identified properties for development of affordable homeownership.

Can't Possibly Afford All of these Proposals!

- Local ARPA funding is used for more than one project as “seed money”
- Expectation is that remaining funds will come from any/all of the following sources:
 - State ARPA funding
 - State DHCD funding
 - MassHousing Finance funding
 - Local CPA funding
 - Local CDBG funding
 - “Other” local sources [Tax Incentive Financing, Short-term Rental fees, *Luxury real estate transfer fees*]