

1. COMMUNITY PRESERVATION FUND APPLICATION

Date Submitted: October 19, 2023

Name of Project: Affordable Housing Development Reserve Fund

Name of Applicant: Rick Leif, Treasurer, Northborough Affordable Housing Corporation

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Sponsoring Organization: Northborough Affordable Housing Corporation

CPA Category: Housing

Location:

Amount of Request: \$126,855.65

Other Funding Sources: None

Total Cost of Project: \$126,855.65

Project Description: Restore NAHC Affordable Housing Reserve and Extend Existing NAHC Affordable Housing Funding

NORTHBOROUGH TOWN CLERK
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CPA Project Description

At Town meeting in April 2015, \$500,000 of CPA funding was approved for use by NAHC for the development of affordable housing in the future. At Town Meeting in April 2016, \$100,000 of CPA funding was approved for use by NAHC for the development of affordable housing in the future. At Town Meeting in April 2017, \$100,000 of CPA funding was approved for use by NAHC for the development of affordable housing in the future. At Town Meeting in April 2018, \$100,000 of CPA funding was approved for use by NAHC for the development of affordable housing in the future. At Town Meeting in April 2019, \$150,000 of CPA funding was approved for use by NAHC for the development of affordable housing in the future. These funds are to be held by the Town and only disbursed to NAHC after review and approval by the CPC and Select Board of affordable housing projects presented by NAHC.

Currently, \$373,144.35 of the total of \$950,000 approved in 2015, 2016, 2017, 2018, and 2019 remains unallocated. In March of 2016, the CPC and Select Board approved the use of \$400,000 from the funding approved in 2015 to support the purchase and redevelopment as affordable housing of the properties located at 33 – 35 and 37 – 39 Main Street previously owned by TriCo Inc. In May of 2018 the CPC and Select Board Board approved an additional \$50,000 from the funding approved in 2015 to complete this project. In 2020 the CPC and Select Board approved the use of the remaining \$50,000 from the 2015 approval for the renovation of 24 Hitching Post Lane by Habitat for Humanity (HFH). This project was completed under budget and \$26,855.65 was reimbursed by the Town to HFH leaving \$23,144.35 remaining from the 2015 approval. In 2023, the CPC and Select Board approved \$100,000 for the purchase, renovation, and resale as affordable of the unit at 174 Boundary Street by Habitat for Humanity. This unit has been purchased by HFH and renovation work and sale to a qualifying low-income family is anticipated to be complete in the 2nd quarter of 2024. When complete, this unit will be added to the Town Subsidized Housing Inventory. This \$100,00 of funding was provided through the \$23,144.35 remaining from the 2015 approval and \$76,855.65 from the 2016 approval. Resultingly, \$23,144.35 remains from the 2016 approval and all of the funding from 2017 – 2019 remains.

Need continues to exist in Northborough for affordable housing for families and seniors. NAHC continues to have discussions with representatives from the Mass Housing Partnership (MHP), the Community Preservation Coalition, and the Metrowest/ Greater Worcester office of Habitat for Humanity, and all have verified that the need continues to exist for the creation of affordable housing. These organizations have also indicated that creation of more units of housing should be the priority for NAHC and we should view programs which offer financial assistance to low income families to acquire existing housing as a low priority. In addition, NAHC played an active role in helping to develop the updated Town Master Plan with special emphasis on the housing section of the Plan. The Master Plan outlines a number of opportunities to develop additional affordable housing, especially for seniors and as part of the revitalization of the Downtown. A Downtown Revitalization study is now near completion which will recommend housing development in the Downtown area. NAHC has had discussions with staff at the Northborough Senior Center regarding the housing needs of seniors in Town and will

continue to look for opportunities to develop affordable senior housing in partnership with the Senior Center.

NAHC feels that future development of affordable housing in Northborough should address the following priority needs:

1. Rental housing for low-income elderly people including expanding the supply of handicapped accessible units. NAHC created a partnership with the Northborough Housing Authority to develop this type of housing on vacant land owned by the Housing Authority that abuts existing Housing Authority elderly rental units on Village Drive. A project to create housing on this vacant land was proposed in 2021 but was suspended due to lack of EOHLC (formerly DHCD) support. The Northborough Housing Authority with NAHC support will continue to look for ways to accomplish this project.
2. Home ownership units of two bedrooms or more for low-income families. NAHC will pursue opportunities to acquire land for the creation of new units or look for opportunities to renovate existing properties. NAHC may undertake this type of project on its own or may look to enter into a partnership with another non-profit developer such as Habitat for Humanity in order to create this housing. NAHC and HFH are currently evaluating a possible project on Town-owned land on Boundary Street and will present a proposal for this project in 2024.
3. As mentioned above, the housing initiatives coming from the Town Master Plan and Downtown Revitalization should be supported.

NAHC feels that maintaining an on-going balance of \$500,000 in a reserve account for future affordable housing projects would give us good flexibility to respond to potential projects as they present themselves in the future. \$373,144.35 currently remains from the \$950,000 approved in 2015, 2016, 2017, 2018 and 2019. With the potential for new affordable housing to be created on Town-owned land on Boundary Street, at Housing Authority property on Village Drive, and through implementation of Downtown Revitalization NAHC feels that this reserve account should be replenished to \$500,000. NAHC therefore requests that \$126,855.65 be approved for the Affordable Housing Reserve and that the warrant article requesting this funding be worded in the same manner as the articles presented at 2015 – 2019 Town Meetings authorizing approval of disbursement of the funding by the CPC and Select Board.

The funding approved in 2016, 2017, 2018, and 2019 carried the condition that if not all the funding was used in two years, NAHC would need to request that the CPC consider extending the funding beyond two years. All of this funding has exceeded the two-year limit and therefore needs to be extended. Extension of the funding remaining from 2016 - 2019 approvals and approval of the \$126,855.26 of new funding requested in this application will return the Affordable Housing Reserve to \$500,000.

As has been agreed to in prior years, all CPA funding reserved for use by NAHC would conform to the following conditions:

These funds would be held by the Town of Northborough until appropriate projects are discovered and evaluated.

The housing would be made available to people making no more than 80% of area median income as determined by HUD

The housing would carry a perpetual affordability deed restriction

Local preference would be granted to Northborough residents as allowable under EOHLC guidelines

The housing would be added to the town's Subsidized Housing Inventory (SHI)

Appropriate appraisals and home inspections would be completed before property acquisitions would be done to verify the suitability for development and resale as affordable housing. These appraisals and inspections would be funded from the approved CPA grant.

Any property determined to be suitable for acquisition would be subject to review by the CPC and Select Board before CPA funds were released for the acquisition and development or renovation of the property.

Any proceeds from the sale of properties owned by NAHC would be returned to the CPA Affordable Housing Account for use in other acquisitions under the same guidelines outlined above.

The funding approved would be effective for a period of two (2) years at which time NAHC would review progress on affordable housing development with the CPC and the CPC would have the option to have the remaining funds returned to the CPA account and a new application submitted for funding, or if experience warrants, the remaining funding would continue to be available for additional affordable housing development per the guidelines above or modified guidelines as determined by the CPC.

As a condition of disbursing funds, NAHC would enter into a funding agreement with the Town of Northborough which would include the provisions outlined in this application as well as any other provisions jointly agreed to by NAHC, the CPC, and the Town of Northborough

Based on the information included in this application, NAHC requests that \$126,855.65 of new CPA affordable housing funding be approved for addition to the Affordable Housing Reserve and that \$373,144.35 in funding remaining unallocated from the 2016, 2017, 2018, and 2019 approved funding be extended until June 30, 2025.