

TOWN OF SUDBURY COMMUNITY PRESERVATION COMMITTEE

**PROJECT SUBMISSION FORM**

Submitter: Michael C. Fee

Submission Date: October 1, 2007

Group or Committee Affiliation (if any): Sudbury Housing Trust

Submitter's address and phone number:

Department of Planning and Community Development  
278 Old Sudbury Road  
Sudbury, MA 01776

Purpose (please select all that apply):

Open Space  
XX Community Housing  
Historic  
Recreation

Submitter's email address: kablackj@sudbury.ma.us

Project Name: Production of affordable housing units through purchasing deed restrictions

Project Description: This proposal requests \$500,000 from Community Preservation Act funds for the purpose of purchasing permanent, affordable restrictions on single or multiple family units in the Town of Sudbury, for home ownership or rental, in accordance with affordability guidelines set forth by the Department of Housing and Community Development, and such other guidelines as may be established by the Sudbury Housing Trust, and making those units available to residents making less than 100% of the Boston area median income.

Costs:

Fiscal Year	Total Project Cost	CPC Funds Requested	Other Funding Sources (amount and source)
2009	\$500,000	\$500,000	
2010			
2011			
2012	\$500,000	\$500,000	
2013			
Total	\$1,000,000	\$1,0500,000	

How does this project meet the General Criteria and Category Specific Criteria for CPC projects?

Buy-down Background

This proposal continues the 'buy-down' program started in 2005. This program purchases deed restrictions on housing units, thus increasing the affordable housing inventory. The buy-down program has successfully negotiated the purchase of two additional units in Chapter 40B developments in Sudbury. The first was an additional unit in the Villages of Old County Road project, where the Town was able to negotiate the purchase of an additional affordable unit over the required 25% affordable unit count. This project is approved for 10 affordable units in a total project of 37 units. The buy-down unit was negotiated at \$100,000 in July 2006, and will be completed in May 2008. It is hoped that the Sudbury allocation of Federal HOME funds - \$44,500 - will also be used to purchase this unit, thus reducing the

CPA subsidy. The next buy-down unit was committed in the Comprehensive Permit of the Sudbury Villages project. This unit also increased the affordable unit count over the required 25%. This project is approved for 19 affordable units in a total project of 73 units. It was negotiated at \$125,000 in July 2007, and the planned completion date is May, 2009.

The third unit planned to be funded with the funds appropriated in 2005 is an existing home purchased as part of the Home Preservation Program. This program, developed as part of the Community Housing Plan published in 2005, aims to preserve current housing stock while creating affordable units. Using the buy-down CPA funds, small, single lot detached older homes would be purchased and preserved for first time homebuyers. These homes would be subject to an affordable housing restriction, and the Town would subsidize the difference between the market price and the affordable price.

Preserving homes in Sudbury, by creating affordable homes, has multiple benefits including creating new affordable units while preserving existing housing stock, and neighborhood character. It provides the quickest method of creating available affordable housing, while conserving materials.

The Sudbury Housing Trust is searching for appropriate homes for this program. These would be well-maintained homes, in the ~\$400,000 price range. The Trust will select the home, and once the offer has been accepted, it will place a refundable deposit. A home inspection will occur, and final votes from the Trustees and the Board of Selectmen would be obtained. An affordable sales price will be determined, and a potential purchaser from the ready-buyer lists will be offered the opportunity to purchase the home. The Ready-Buyer List is being created through the current Village at Old County Road lottery.

Like units in comprehensive permit projects, the affordable sale prices of these homes are set so that a household earning 70% of area median income would not expend more than 30% of income for housing. For example, a home might be priced ~\$ 200,000 using current parameters, and would require ~ \$200,000 buy-down subsidy. Home Preservation units will be offered alternately as local, general, local in a pattern of three. The potential buyer will then enter a P&S agreement with the seller. The Trust will subsidize the selling price using CPA funds appropriated for this purpose.

The Sudbury Housing Trust recognizes that these are older homes, and initial repairs may be needed prior to closing. It is not the intention of the Housing Trust to burden the potential buyer with excessive maintenance costs, and results of an inspection will be addressed on a case-by-case basis.

#### Future Plans for Buy-down funds

The funds requested would continue the program as described above. The Town is reviewing an application for a 40B project, Sudbury Commons, where buy-down funds may be used to negotiate an additional unit.

The Home Preservation Program will continue to purchase and preserve small homes in Sudbury, and hopes to complete one purchase per year for this plan.

The expected expenditure of these requested funds shall be used to purchase no less than three (3) additional units of housing. The funds are expected to be committed through binding commitments on or before the close of the 2010 Town Meeting, with expenditures made for purchase of said restrictions on or before the close of the 2011 Town Meeting. This timing enables the Town to negotiate buy-down units during the Comprehensive Permit process, which can be two to three years before the units are built.

All appropriations shall be allocated to the category of Community Housing

#### For Community Preservation Committee Use:

Form Received on: \_\_\_\_\_

Project Presented to CPC on: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Determination: \_\_\_\_\_

TOWN OF SUDBURY COMMUNITY PRESERVATION COMMITTEE

## Guidelines for Project Submission

- 1) Each project request must be submitted to the Community Preservation Committee using the Project Submission Form as a cover sheet. Applications should be submitted in twelve (12) multiple copies.
- 2) Requests must include a statement of need and be documented with appropriate support information. The use of maps, visual aids and other supplemental information is encouraged.
- 3) Obtain written proposals, estimates, quotes and such other evidence to document project scope and cost.
- 4) If the request is part of a multi-year project, include the total project cost and allocations.
- 5) Describe the endorsement, support or other recommendation, if any, by other Town Boards, Committees and Departments.
- 6) Provide examples of similar project proposals in other communities, if any, including examples of project scope, project cost and status of completion.
- 7) For applicants that have multiple project requests, please prioritize projects.
- 8) Requests must be received by **October 31, 2007** to be considered for recommendation at the April, 2008 Annual Town Meeting.
- 9) Applicants must be present at a CPC meeting to answer questions. The CPC meeting schedule for the fall will be announced in September, 2007 and posted on the town's website.

Please keep in mind that there are legal limitations on the use of CPA funds. Additional information on the CPA and the Community Preservation Committee can be found on the town's website at [www.town.sudbury.ma.us](http://www.town.sudbury.ma.us), under Committees. The committee can be reached by email at [cpc@town.sudbury.ma.us](mailto:cpc@town.sudbury.ma.us). If you are in doubt about your project's eligibility, after consulting these sources, you are encouraged to submit an application so that the Committee can determine eligibility.

Please submit the Project Submission Form and accompanying documentation to:

Community Preservation Committee

c/o Planning and Community Development Office

278 Old Sudbury Road

Sudbury, MA 01776

## TOWN OF SUDBURY COMMUNITY PRESERVATION COMMITTEE

### General Criteria

The Sudbury Community Preservation Committee will give preference to proposals that address as many of the following general criteria as possible:

- Are eligible for Community Preservation Act (CPA) funding according to the requirements described in the CPA legislation;  
Yes, Increased production of affordable housing is eligible under the CPA
- Are consistent with the town's Master Plan, Open Space and Recreation Plan, Land Use Priorities Committee Report, Town-wide Comprehensive Facility Study, Community Housing Plan, and other planning documents that have received wide scrutiny and input and have been adopted by the town;  
Yes, consistent with Master Plan and Community Housing Plan
- Receive endorsement by other municipal boards or departments.  
In process. Assume support from The Sudbury Housing Authority, Planning Board and Board of Selectmen
- Preserve the essential character of the town as described in the Master Plan;  
Preserves existing housing providing a diversity of well-maintained homes to a range of income levels
- Save resources that would otherwise be threatened and/or serve a currently under-served population;  
Provides opportunities for housing for low and moderate income families which are under-served now
- Either serve more than one CPA purpose (especially in linking open space, recreation and community housing) or demonstrate why serving multiple needs is not feasible;  
This request is for single use of community housing, as the units are scattered and single site.
- Demonstrate practicality, feasibility, urgency;  
This is the second request for the buy-down program, demonstrating its prior success
- Demonstrate that the project can be implemented expeditiously and within budget;  
Prior buy-down negotiations show that units can be negotiated in the permit process.
- Demonstrate that project alternatives, and alternative funding mechanisms, have been fully explored;  
As described above, the CPA funds have been augmented with the Sudbury allocation of HOME funds and provide leverage for the local contribution.
- Produce an advantageous cost/benefit value;  
Producing additional affordable units requires subsidy, and the varying strategies of the buy-down program balances these factors
- Leverage additional public and/or private funds; and

As described above, the CPA funds have been augmented with the Sudbury allocation of HOME funds and provide leverage for the local contribution.

- Preserve or utilize currently owned town assets.  
The buy-down program is administered by the Sudbury Housing Trust and the Community Housing Specialist provides day-to-day support for the program,

## Category Specific Criteria

**Community Housing** proposals that address as many of the following criteria as possible will receive preference:

1. Contribute to the goal of 10% affordability;

Many – if not all - of the units created will contribute to the town’s goal of 10% affordability. Any unit occupied by a household making less than 80% of the Boston area median income will qualify. Any unit occupied by households making between 80% and 100% will not count towards the 10% goal, but will meet other needs within the town and be eligible for CPA funds.

2. Conform to the town’s Community Housing Plan;

The buy-down program and Home Preservation Program are both outlined in the Community Housing Plan

3. Promote a socioeconomic environment that encourages a diversity of income;

Additional affordable units increases diversity of income by providing opportunities to families earning less than 100% of the area median income

4. Provide housing that is harmonious in design and scale with the surrounding community;

The intent of these programs is to be respectful of the scale of the surrounding neighborhoods in the design of any new housing. This may translate into constructing structures that are of a similar size to the surrounding residential buildings, but may contain 2 or more units per building.

5. Intermingle affordable and market rate housing at levels that exceed state requirements for percentage of affordable units; utilizing funds to purchase homes in excess of the 25% required in 40B developments.

6. Ensure long-term affordability;

All units created with CPA funds will be restricted in perpetuity to occupation by households making less than 100% of the Boston area median.

7. Promote use of existing buildings or construction on previously-developed or Town-owned sites;

The Home Preservation Program purchases existing homes

8. Convert market rate to affordable units; and

The Home Preservation Program purchases existing market rate homes and converts them to affordable units. Additionally, purchasing additional units in 40B projects has the same effect.

9. Give priority to local residents, Town employees, participants in the Sudbury Metco program and employees of local businesses.

All funding will purchase units that utilizes a lottery system which gives preference to Sudbury residents, Town employees, participants in the Metco school program and employees of local businesses.