

HAP AGAWAM FACT SHEET/TIMELINE

Re: 586 Mill Street, Agawam, MA (the “Site”)

Background:

In early 2016 HAP took interest in the Site based on its listing on the Multiple Listing Service (“MLS”). Vacant parcels of this size in Agawam are rare and the location in a neighborhood that already consists of a mix of multi-family rental developments as well as single family homes made it an attractive location for the development of housing that is affordable. The Site is close to major roadways, approximately 1 mile from the grocery store and within walking distance of public transportation, the public library, high school and business such as banks and restaurants.

According to the Massachusetts State Department of Housing and Community Development (“DHCD”), as of December 5, 2014 only 3.9% of the housing in Agawam was affordable (*DHCD Subsidized Housing Inventory*). This is well below the 10% threshold that regulates Massachusetts General Laws (M.G.L.) Chapter 40B (“Chapter 40B”), demonstrating a scarcity of affordable housing in town. Agawam’s need for housing that is affordable has since been further supported by the findings of the Housing Needs Assessment prepared for the Town of Agawam, dated May 4, 2016 (the “HNA”). Among other findings, the HNA found “roughly 40% of all households in Agawam are estimated to have low-moderate income (at or below 80 percent of the area median family income)” (*HNA*, page 8). The HNA found that among Agawam’s greatest housing needs are the following: development of more multi-unit rental housing; creation of affordable housing options for households including individuals with extremely low incomes; creation of affordable housing options for large families (5 or more person families) with very low income (at or below \$47,250 for a 5-person household); creation of affordable, accessible housing options, including service-enriched housing, for physically and mentally disabled and elderly households; and creation of affordable housing options for middle-income small families (2-4 person families) between 80-100% of the area median family income, which indicate need due to level of housing cost burden (*HNA*, pages 6-7). See Schedule A attached hereto for information on applicable area median income and tax credit rents.

Activity to Date:

HAP entered into a purchase and sale agreement with the seller of 586 Mill Street in late February and began a 120 day period of due diligence. In early March a meeting was held at HAP with Corinne Wingard, Housing Committee member, Jimmy Cichetti, Chair of the Housing Committee and President of the City Council, and Marc Strange, the Agawam Town Planner. The discussion focused on HAP’s entry into a contract to purchase the Site, anticipated due diligence to be performed and a summary of HAP’s recent suburban development portfolio. It was also discussed that based on the restrictions imposed by existing zoning at the Site any potential HAP development would need to go through a Chapter 40B permitting process. Chapter 40B is a state statute that enables local Zoning Boards of Appeals (ZBAs), in consultation with other municipal boards, to approve affordable housing developments in areas

where local zoning would otherwise not allow for such development on the condition that at least 20-25% of the units created have long-term affordability restrictions.

From April through the end of June an independent environmental consultant performed various tests and analyses at the site. This included the completion of a Phase I Environmental Site Assessment with a few recommendations for further testing, including removal and testing of an underground storage tank (“UST”) and soil testing for pesticides and herbicides associated with farming as the Site was a former family farm. Based on these recommendations, further testing was done and the UST was removed. The results of all tests produced satisfactory results and concluded with no further recommendations for environmental testing at the Site.

Environmental due diligence was also conducted in relation to wetlands and endangered species. It was determined that there are no wetlands present at the Site and the parcel is located outside of any mapped Priority or Estimated Habitats of Rare or Endangered Species.













At the end of June our due diligence period ended. The satisfactory results of our due diligence efforts encouraged us to move forward with closing per the terms of our purchase and sale agreement. In early July HAP reached out to Marc Strange to advise of HAP’s intention to move forward with the acquisition of the Site. HAP also attended a neighborhood meeting regarding future development at the Site and invited neighbors and town officials to attend a HAP event at our newest development in Easthampton, MA.




Next Steps:

As of July 21, 2016, HAP has closed on the acquisition of the Site. In the coming weeks we will be working with landscape architects on potential site plan designs to help us determine the highest and best possible use for the Site, including the total number of housing units to be created. When an initial site design is selected an architect will be brought on to draw up plans. Once plans are selected HAP will begin the permitting and approval process as set forth under Massachusetts General Laws (M.G.L.) Chapter 40B. This approval process typically takes 6 to 12 months and will include multiple opportunities for public participation. After plans are approved HAP will seek financing for development. Due to the scarcity of funding for affordable housing and the competition for these resources it can take multiple application rounds to be awarded. These funding rounds are typically offered on an annual or biannual basis depending on the availability of funding. Based on this rough timeline, we don’t expect that construction would begin at the Site for several years.

In the near term, HAP will work with the Town of Agawam to coordinate an opportunity for local residents and officials to visit existing HAP developments in other suburban communities. HAP has recently completed developments in Amherst and a development in Easthampton, each of which have received praise from their respective communities.

SCHEDULE A

LIHTC Income Limits for 2016 (Based on 2016 MTSP Income Limits)					
	Charts	60.00%	50.00%	30.00%	140.00%
1 Person		34,980	29,150	17,490	48,972
2 Person		39,960	33,300	19,980	55,944
3 Person		44,940	37,450	22,470	62,916
4 Person		49,920	41,600	24,960	69,888
5 Person		53,940	44,950	26,970	75,516
6 Person		57,960	48,300	28,980	81,144
7 Person		61,920	51,600	30,960	86,688
8 Person		65,940	54,950	32,970	92,316
9 Person		69,900	58,250	34,950	97,860
10 Person		73,860	61,550	36,930	103,404
11 Person		77,880	64,900	38,940	109,032
12 Person		81,840	68,200	40,920	114,576

LIHTC Rent Limits for 2016 (Based on 2016 MTSP/VLI Income Limits)					
Bedrooms (People)	Charts	60.00%	50.00%	30.00%	FMR
1 Bedroom (1.5)		936	780	468	803
2 Bedrooms (3.0)		1,123	936	561	1,001
3 Bedrooms (4.5)		1,298	1,081	649	1,242

Source: Novogradac & Company LLP Rent & Income Limit Calculator, Massachusetts: Hampden County, Springfield MA MSA