



# **TOWNSEND AFFORDABLE HOUSING TRUST ACTION PLAN**

**2023 - 2028**

**Prepared for the Townsend Affordable Housing Trust  
by the Montachusett Regional Planning Commission under a  
MA DHCD District Local Technical Assistance Grant**

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## Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
ESTABLISHMENT OF TRUST AND PURPOSE .....	1
PLANNING PROCESS.....	1
HOUSING NEEDS .....	1
FIVE-YEAR GOALS.....	1
PRIORITY INITIATIVES.....	2
OPERATION AND FUNDING .....	2
<b>INTRODUCTION .....</b>	<b>3</b>
ACTION PLAN PURPOSE.....	3
TOWN OF TOWNSEND AFFORDABLE HOUSING TRUST .....	3
LOCAL HOUSING NEEDS .....	3
<b>MISSION, GOALS, AND PRIORITIES.....</b>	<b>5</b>
MISSION .....	5
FIVE-YEAR GOALS.....	6
PRIORITY INITIATIVES.....	7
<b>OPERATIONS AND FUNDING .....</b>	<b>8</b>
ELIGIBLE USES OF TRUST FUNDS AND LEGAL CONSIDERATIONS .....	8
FRAMEWORK FOR TRUST OPERATING APPROACH.....	10
SOURCES OF REVENUE .....	10
FIVE-YEAR BUDGET .....	12
<b>Appendix A - Municipal Affordable Housing Trust Fund – M.G.L. Chapter 44, Section 55C .....</b>	<b>13</b>
<b>APPENDIX B – Guidance in Considering Land for Housing Development .....</b>	<b>16</b>
<b>APPENDIX C - Trust Properties Preliminary Evaluation .....</b>	<b>17</b>
<b>APPENDIX D - Development Primer .....</b>	<b>24</b>
<b>APPENDIX F – Engineering Tasks Checklist .....</b>	<b>27</b>
<b>APPENDIX G - Development Budget Checklist .....</b>	<b>29</b>

## EXECUTIVE SUMMARY

### ESTABLISHMENT OF TRUST AND PURPOSE

The Town of Townsend Affordable Housing Trust (Trust) was established in January 2020 to hold and manage funds or properties designated or gifted to the Trust for affordable housing in a trust fund and to actively pursue affordable housing opportunities. This five-year Action Plan is designed to guide the Trust through the next five years or more in advocating for and facilitating construction of affordable housing in Townsend, as well as assisting with implementation of the goals and objectives of the State approved Townsend Housing Production Plan, 2022-2027. The Trust was transferred care, custody, and control of six town-owned parcels to be used for affordable housing or sold for funds to support affordable housing.

### PLANNING PROCESS

The Trust engaged the Montachusett Regional Planning Commission through a MA Department of Housing and Community Development (DHCD) District Local Technical Assistance (DLTA) grant to assist in developing this document and performing an initial analysis on the Trust's six properties. The Trust met with the Townsend Housing Authority (THA) to discuss overlapping roles and ways the Trust can collaborate with the THA to develop affordable housing for all who are in need. MRPC staff met with the Trust several times in 2022 to discuss how the Trust will operate, what goals it would like to achieve, and the development potential and priorities for each of the properties. Results of those discussions are presented in this Five-Year Action Plan (Plan). The Trust is encouraged to review the Plan annually to make sure the implementation of goals and objectives are on schedule, and to adjust the Plan based on actions in the subsequent year.

### HOUSING NEEDS

- Affordable and accessible one- and two-bedroom units for an aging population on fixed incomes and the disabled of all ages.
- An increase in affordable rental units for families and individuals based on the zero percent vacancy rate for rentals; and to balance the number of single-family homes in Townsend, which represent 85% of Townsend's housing units.
- An increase in the number of affordable units in general as Townsend residents' earnings are decreasing as the area median income (AMI) is increasing.
- The need of affordable units for the high number of severely cost-burdened renters.

### FIVE-YEAR GOALS

1. Evaluate and analyze the Trust's properties for affordable housing development, sale, or other uses.
2. Develop an Affordable Housing Trust Bylaw and ensure its acceptance at Town Meeting.
3. Assist the Townsend Housing Authority with preserving the affordability of existing affordable units in Townsend.

4. Work with the Townsend Housing Authority to determine collaboration opportunities to guide Townsend's housing goals and objectives and provide public awareness of housing needs.
5. Explore the best funding sources for the Trust.
6. Advocate to adopt the Community Preservation Act at Town Meeting to secure funding for housing.
7. Track grant opportunities that the Trust and/or the Housing Authority or Town can pursue to increase funding.
8. Consider using existing Trust funds to hire staff to support the Trust's activities.
9. Work with the Townsend Tax Collector and Assessor to evaluate abandoned, underutilized, or tax delinquent properties for affordable housing redevelopment or development.
10. Engage with the Nashoba Board of Health, Townsend Board of Health, and local developers to strategize how to provide septic systems that will support multifamily housing.

#### PRIORITY INITIATIVES

1. Realize affordable housing for at least one property within five years.
2. Secure funding sources to sustain the Trust fund.
3. Collaborate with other town boards/committees/commissions/departments.
4. Determine the best options for hiring support staff for the Trust.

#### OPERATION AND FUNDING

According to the Mass Housing Partnership's 2018 Municipal Affordable Housing Trust Guidebook, "a local housing trust allows municipalities to collect funds for affordable housing, segregate them out of the general municipal budget into a trust fund, and use the funds for local initiatives to create and preserve affordable housing". The Trust will operate as both a funding entity and as a project initiator of redevelopment, development, and preservation of affordable housing. The Trust will consider the needs of the community, the types of projects it has the capacity to undertake, and the kinds of projects that will best serve the residents' needs.

## INTRODUCTION

### ACTION PLAN PURPOSE

This five-year Action Plan is designed to guide the Town of Townsend Affordable Housing Trust (Trust) through the next five years or more in advocating for and facilitating construction of affordable housing in Townsend, as well as assisting with implementation of the goals and objectives of the State approved Townsend Housing Production Plan, 2022-2027<sup>1</sup>. As a new Trust, it was an important step to have an Action Plan so the goals and function of the Trust could be discussed, and priorities could be set. In addition, as new members join the Trust, there will be a guide for them to follow.

### TOWN OF TOWNSEND AFFORDABLE HOUSING TRUST

The Trust was established in Article 16 of the Special Town Meeting of January 21, 2020<sup>2</sup> as a five-member board. In October 2020 pursuant to M.G.L. Chapter 44 Section 55C, the Board of Selectmen appointed five Townsend residents as Trustees. A Declaration of Trust was recorded in the Middlesex South Registry of Deeds on November 17, 2020 (Bk. 76193, Pg. 28)<sup>3</sup>. The purpose of the Trust, as stated in the Declaration is “to provide for the preservation and creation of affordable housing in the Town of Townsend for the benefit of low- and moderate-income households, earning up to 125% of area median income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD)”.

### LOCAL HOUSING NEEDS

The following findings and needs are excerpted from the Townsend of Townsend Housing Production Plan FY2022-2026 (HPP):

- Between 2010 and 2019 the town’s population has aged, with an increase in residents 65 years and older of five percentage points and a three-percentage point decrease in residents aged between zero and seventeen years.
- Overall, the town has seen an increase in all non-family households since 2010. Particularly notable is a 63 percent increase in householders over the age of 65 living alone, far outpacing the 15 percent increase in senior householders living alone statewide in the same period.
- The gap between Townsend’s median household income and the region’s AMI has been increasing since 2000 when adjusted for inflation, with a 13 percent increase in area AMI but a three percent decrease in Townsend’s median household income during that period.
- Renters in Townsend earned less than half as much as homeowners on average by 2019 American Community Survey, US Census estimates – the median income for homeowners in Townsend was \$101,014 compared with \$42,805 for renters.
- The housing stock in Middlesex County and Massachusetts is about 50 percent single-family detached units, compared to 85 percent in Townsend. In 2019, the town had an ownership vacancy rate of 1.6 percent and a zero percent rental vacancy rate (indicating virtually no rental

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<sup>1</sup> [www.townsendma.gov/sites/g/files/vyhlif1331/f/uploads/townsend\\_hpp\\_final\\_032222.pdf](http://www.townsendma.gov/sites/g/files/vyhlif1331/f/uploads/townsend_hpp_final_032222.pdf)

<sup>2</sup> [www.townsendma.gov/sites/g/files/vyhlif1331/f/uploads/january\\_21\\_2020\\_special\\_town\\_meeting\\_minutes\\_0.pdf](http://www.townsendma.gov/sites/g/files/vyhlif1331/f/uploads/january_21_2020_special_town_meeting_minutes_0.pdf)

<sup>3</sup> [www.townsendma.gov/sites/g/files/vyhlif1331/f/uploads/trust\\_document\\_taht.pdf](http://www.townsendma.gov/sites/g/files/vyhlif1331/f/uploads/trust_document_taht.pdf)

properties were available), down from the 2 percent ownership and 1.2 percent rental vacancy rates in 2010.

- Townsend's quantity of renter-occupied housing units has increased by about five percent since 2010, compared to a nine percent increase in owner-occupied housing units. This increases the imbalance of ownership vs. rental properties in the town, particularly when the low vacancy rates indicate a need for more rental housing.
- There is a mismatch between smaller household sizes and the available housing stock, with almost 60 percent of Townsend households comprised of one or two people compared with only 23 percent of the housing stock having one or two bedrooms.
- The 2020 Decennial Census figures, released recently, indicate that Townsend will remain significantly below the minimum 10 percent threshold of subsidized housing required by the state.
- About 89 percent of extremely low-income households (earning less than 30 percent of AMI) are cost-burdened in Townsend, and 80 percent of these households are severely cost-burdened, spending more than 50 percent of their income on housing costs. In Townsend, unlike many Massachusetts communities, there is not a substantial affordability gap for purchasing homes based on the town's median household income, putting home ownership within reach for the average resident of the town.

This data suggests the need for:

- Affordable and accessible one- and two-bedroom units for an aging population on fixed incomes and the disabled of all ages.
- An increase in affordable rental units for families and individuals based on the zero percent vacancy rate for rentals; and to balance the number of single-family homes in Townsend, which represent 85% of Townsend's housing units.
- An increase in the number of affordable units in general as Townsend residents' earnings are decreasing as the area median income (AMI) is increasing.
- The need of affordable units for the high number of severely cost-burdened renters.

The overarching policy on housing in the 2022 Townsend Master Plan<sup>4</sup> is:

*"Townsend Zoning by Laws will ensure diversity, equity, and inclusion, by increasing housing options for all community members through innovative strategies such as mixed-use developments, expanded opportunities for apartments and/or cluster type developments."*

The Master Plan Housing chapter includes the following recommendations:

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<sup>4</sup> [townsendma.gov/sites/g/files/vyhli1331/f/uploads/townsend\\_master\\_plan\\_-\\_2022-final.pdf](https://townsendma.gov/sites/g/files/vyhli1331/f/uploads/townsend_master_plan_-_2022-final.pdf)

- Townsend should continue to look for ways to increase housing affordability that do not have major impacts on the environment or the local property tax rate. Making zoning laws more flexible should be an important part of that effort.
- Townsend should work to increase walkability around the population centers to increase overall livability, and to increase the area where affordable housing would be viable.
- Townsend needs to ensure that zoning laws that impact housing consider diversity, equity, and inclusion.

By statute, the Trust is required to invest in projects and programs that benefit households earning up to 80% of the Area Median Income (AMI). Townsend's Trust has chosen in their mission to provide housing for households up to 125% of AMI. The U.S. Department of Housing and Urban Development (HUD) sets the income levels each year for every community in the nation. Townsend is included in the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area, which has an AMI of \$140,200. The table below shows the qualifying incomes for households of various sizes and affordability levels for ownership and rentals.

FY2022 Income Limit Category	Persons in Family					
	1	2	3	4	5	6
30% AMI (Extremely Low Income)	\$ 29,450	\$ 33,650	\$ 37,850	\$ 42,050	\$ 45,450	\$ 48,800
50% AMI (Very Low Income)	\$ 49,100	\$ 56,100	\$ 63,100	\$ 70,100	\$ 75,750	\$ 81,350
80% AMI (Low Income)	\$ 78,300	\$ 89,500	\$ 100,700	\$ 111,850	\$ 120,800	\$ 129,750
100% AMI (Moderate Income)	\$ 97,850	\$ 111,850	\$ 125,850	\$ 139,950	\$ 151,050	\$ 162,250
125% AMI (Middle Income)	\$ 122,700	\$ 139,800	\$ 158,050	\$ 175,250	\$ 189,250	\$203,250

Final FY2022 Fair Market Rents by Unit Bedrooms				
Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
\$ 1,803	\$ 1,986	\$ 2,399	\$ 2,966	\$ 3,253

(Source:[https://www.huduser.gov/portal/datasets/il/il2022/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/il/il2022/select_Geography.odn))

## MISSION, GOALS, AND PRIORITIES

### MISSION

The Trust will accept property for the development of affordable housing, will be guided by the Housing Production Plan, and facilitate development work for creating affordable housing in Townsend.



## FIVE-YEAR GOALS

1. Evaluate and analyze the Trust's properties for affordable housing development, sale, or other uses.
2. Ensure an Affordable Housing Trust bylaw is accepted at Town Meeting
3. Assist Townsend Housing Authority with preserving affordability of existing affordable units in Townsend.
4. Work with the Townsend Housing Authority to determine collaboration opportunities to guide Townsend's housing goals and objectives and provide public awareness of housing needs.
5. Explore the best funding sources for the Trust.
6. Advocate to adopt the Community Preservation Act at Town Meeting to secure funding for housing.
7. Track grant opportunities that the Trust and/or the Housing Authority or Town can pursue to increase funding.
8. Consider using existing Trust funds to hire staff to support the Trust's activities.
9. Work with the Townsend Tax Collector and Assessor to evaluate abandoned, underutilized, or tax delinquent properties for affordable housing redevelopment or development.
10. Engage with the Nashoba Board of Health, Townsend Board of Health, and local developers to strategize how to provide septic systems that will support multifamily housing.

The following are goals from Townsend's Housing Production Plan (HPP) where the Trust is listed as the primary responsible entity:

1. Investigate the feasibility of promoting smaller developments on several parcels owned by the Townsend Affordable Housing Trust.
2. Create a regular, predictable funding source for the Affordable Housing Trust and a five-year action plan to enhance the Trust's effectiveness (CPA, IZ payments, and ARPA funds).
3. Develop and maintain relationships with local and regional developers to pursue collaborative initiatives for housing production.

The following are goals from the HPP where the Trust is listed as a supporting entity:

1. Consider adopting an Inclusionary Zoning bylaw based on a study evaluating options and identifying best practices.
2. Investigate feasibility to develop Veteran's housing.
3. Consider adopting the Community Preservation Act to provide funding for community preservation including eligible community housing initiatives.

4. Ensure continued funding for the reinstituted Land Use Coordinator position (which is budgeted as full-time, 35 hours per week).

## PRIORITY INITIATIVES

With the findings of the HPP and the Trust's mission and goals in mind, the following are priorities for the next five years.

### **1. Realize affordable housing for at least one property within five years.**

At the Special Town Meeting of May 3, 2022, a vote was taken and passed to transfer care, custody, and control of six town-owned properties to the Trust. It is the intention of the Trust to sell or develop these properties for the purpose of developing affordable housing. With that intention in mind, the following are steps for the Trust to realize affordable housing for residents of all incomes, needs, and ages (also see Appendix D: Development Primer):

- a. Evaluate and prioritize Trust properties for development potential, including mapping development constraints, engaging a consultant to perform a pre-development site assessment and feasibility, including utility availability and possibility, and potential unit configurations on the properties. (See Appendix F for Site Assessment Checklist)
- b. Once site assessments are finalized, a determination of each property's use or disposition should be decided. The Trust should establish the populations and income levels each property will serve, determine project sizes, determine a general budget for each priority property, and assign a budget to each project. (See Appendix G for a Development Budget Checklist)
- c. With information on the sites secured, a Request for Proposals (RFP) to seek a developer will be written and released. It is important to ensure that the RFP spells out exactly what the Trust is looking for in a developer and how many units are to be constructed. The Trust should rely on the developer to engineer and design the project.
- d. Visit sites of other communities' affordable housing projects to visualize project types (see Appendix E for projects in the area).
- e. Determine routes for funding each project under consideration.

### **2. Secure funding sources to sustain the Trust fund.**

- a. Explore grant opportunities to fund activities of the Trust fund. Communicate with grantors to discover eligibility and uses of grant funds.
- b. Investigate private foundation opportunities for donations to the Trust fund.
- c. Advocate for passage of the Community Preservation Act at Town Meeting.
- d. Explore selling any of the Trust's properties to a neighbor, a State conservation or wildlife organization, or a developer. Funds from the sale of property can be used to cover project costs or as matching funds for grants.

- e. Evaluate the need for funding policies and procedures.

**3. Collaborate with other Townsend boards/committees/commissions/departments, as well as surrounding towns in the region.**

- a. Ensure the Trust's activities are transparent by meeting with relevant town entities to keep them abreast of the activities of the Trust, including development, redevelopment, or sale.
- b. Meet with the Nashoba Board of Health to explore alternative technologies for septic systems and regulations that may reduce barriers for multifamily housing. Inform them of the activities of the Trust and the intentions for development.
- c. Meet with the Planning Board to explore changes to zoning bylaws for inclusionary zoning and developer mitigation fees.
- d. Meet with the Conservation Commission, Planning and Zoning Boards to apprise them of development initiatives prior to entering any permitting processes.
- e. Meet with the Townsend Housing Authority to collaborate with them to meet the goals and objectives of the Townsend Housing Production Plan.
- f. Meet with the Tax Collector and Assessor to discuss abandoned tax delinquent properties that may be available for development or redevelopment.
- g. Provide an Annual Report of the Trust to the Board of Selectmen or Town Meeting.
- h. Reach out to abutting communities housing entities to explore any opportunities for collaborating on a housing development, sharing resources such as water or sewer, and learning what other communities are doing with regards to affordable housing.

**4. Determine the best options for hiring support staff for the Trust.**

- a. Explore existing town employee available for support.
- b. Use Trust funds to hire part-time support staff such as a Housing Coordinator or Administrator.
- c. Explore sharing a housing staff person with another town.

## **OPERATIONS AND FUNDING**

### **ELIGIBLE USES OF TRUST FUNDS AND LEGAL CONSIDERATIONS**

According to the Mass Housing Partnership's 2018 Municipal Affordable Housing Trust Guidebook<sup>5</sup>, "a local housing trust allows municipalities to collect funds for affordable housing, segregate them out of the general municipal budget into a trust fund, and use the funds for local initiatives to create and preserve affordable housing". In Townsend's Declaration of Trust, Article 5, the trustees shall have the following

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<sup>5</sup> [www.mhp.net/assets/resources/documents/MAHTGuidebook\\_2018.pdf](http://www.mhp.net/assets/resources/documents/MAHTGuidebook_2018.pdf)

powers, which shall be carried out in accordance with and furtherance of the provisions of M.G.L. Ch. 44, sec. 55C<sup>6</sup>:

- 1) To accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public entity or organization, including money, grants of funds or other property tendered to the Trust in connection with the provisions of any by-law or any general or special act of the Commonwealth or any other source including money from M.G.L. Chapter 44B (Community Preservation Act), if applicable.
- 2) To purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income.
- 3) To sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into any undertaking relative to Trust property as the Trustees deem advisable notwithstanding the length of any such lease or contract.
- 4) To execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases, and other instruments sealed or unsealed, necessary, proper, or incident to any transaction in which the Trustees engage for the accomplishment of the purposes of the Trust.
- 5) To employ advisors and agents, including but not limited to accountants, appraisers and lawyers as the Trustees deem necessary.
- 6) To pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the Trustees deem advisable.
- 7) To apportion receipts and charges between income and principal as the Trustees deem advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise.
- 8) To deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the Trustees may deem proper and to pay, out of Trust property, such portion of expenses and compensation of such committee as the Trustees may deem necessary and appropriate.
- 9) To carry property for accounting purposes other than acquisition date values.
- 10) To borrow money on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral, up to eighty percent (80%) of the Trust's assets.
- 11) To borrow money on such terms and conditions and from such sources as the Board of Trustees deems advisable, and to mortgage and pledge Trust assets as collateral; however, the Trust

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<sup>6</sup> <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter44/Section55C>

borrowing shall not exceed \$15,000,000 at any one time without the approval of Town Meeting by a two-thirds majority vote.

- 12) To make distributions or divisions of principal in kind.
- 13) To comprise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the Trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of M.G.L. Chapter 44, Section 55C, to continue to hold the same for such period as the Trustees may deem appropriate.
- 14) To manage or improve real property; and to abandon any property which the Trustees determine not worth retaining.
- 15) To hold all or part of the Trust property uninvested for such purposes and for such time as the Trustees may deem appropriate.
- 16) To extend the time for payment of any obligation to the Trust.

Under Article 8, General Financial Operations, of the Declaration of Trust, the Town of Townsend Treasurer shall be the custodian of the Trust's funds and shall maintain separate bank accounts for said funds. Expenditures by the Trust shall be processed in accordance with the Town's payment warrant procedures but shall be controlled by the provisions of M.G.L. Ch. 44, Sec. 55C.

## **FRAMEWORK FOR TRUST OPERATING APPROACH**

According to the above powers, in general housing trusts operate to collect funds or properties and then spend those funds or use those properties to create and preserve affordable housing. Trusts can choose how they would like to operate, as a collector and allocator of funds and property to give or sell to others to initiate development or as an active participant in initiating redevelopment, development, or preservation opportunities or both. The Townsend Trust chooses to do both, collect funds and properties, and then redevelop, develop, or preserve affordable housing.

For the long-term success of the trust, it is vital to provide new members with the information and resources they need to understand their role and responsibilities quickly and fully. Create a binder of important documents for all Trustees. The binder should include this plan; the state's trust statute; town trust bylaw; Declaration of Trust; the Massachusetts Housing Partnership's (MHP) Operations Manual for Municipal Affordable Housing Trusts; the state's Open Meeting law, Procurement law, and Conflict of Interest law; and pertinent documents regarding past trust-fund revenue and expenditures. In addition, new members could be sent to one of MHP's Trust Trainings and/or the Massachusetts Housing Institute.

## **SOURCES OF REVENUE**

When developing affordable housing, there are typically several different sources of funds available to fulfill the costs of the project. Different federal and state programs provide funding for different stages of development, redevelopment, or preservation from concept to occupancy. Below is a list of some of the opportunities and strategies:

1. Passing the Community Preservation Act to collect additional tax revenues and a match of funds from the state.
2. Private donations by soliciting donations through press releases, public events, or other methods.
3. Explore selling any of the six properties to a neighbor, a state conservation or wildlife organization, or a developer. Funds from the sale can be used to fund projects or as matching funds for grants.
4. Low Income Housing Tax Credit (LIHTC): The LIHTC was created by Congress under Section 252 of the Tax Reform Act of 1986 to promote the construction and rehabilitation of housing for low-income persons. The tax credit provides a means by which developers may raise capital for the construction or acquisition and substantial rehabilitation of housing for low-income persons. Under the federal income tax code, investors in low-income rental housing are permitted to take a credit against taxes owed the federal government. In Massachusetts, the Department of Housing and Community Development (DHCD) is the allocating agency for tax credits.
5. National Housing Trust Fund Program (HTF): This federally funded program assists in the production and preservation of affordable housing with services for extremely low- and very low-income households, including homeless families.
6. HOME Investment Partnerships Program (HOME): The HOME Program is a federally funded program that provides funding to non-profit or for-profit developers for affordable rental housing production and rehabilitation. HOME assists in the production and preservation of affordable housing for low and moderate-income families and individuals. The program funds a broad range of activities including new construction, acquisition, and rehabilitation of rental properties.
7. U.S. Dept. of Housing and Urban Development (HUD) HOPE VI Main Street Grant Program: The purpose of the HOPE VI Main Street Program is to provide grants to small communities to assist in the renovation of an historic or traditional central business district, or "Main Street" area, by replacing unused, obsolete, commercial space in buildings with affordable housing units. Main Street grant funds can be used to build new affordable housing or reconfigure obsolete or surplus commercial space (or extremely substandard, vacant housing) into affordable housing units.
8. Local Initiative Program (LIP): LIP is a state program that encourages the creation of affordable housing by providing technical assistance to communities and developers who are working together to create affordable rental opportunities.
9. Housing Stabilization Fund (HSF): The HSF is a state funded program for municipalities, non-profit, or for-profit developers to support affordable rental housing production and rehabilitation.
10. Housing Innovations Fund (HIF): The HIF is a state funded program for non-profit developers to create and preserve affordable rental housing for special needs populations. HIF provides funding for the production and preservation of alternative forms of affordable housing. HIF projects may include supportive housing for veterans, elders, single person occupancy (SPO) units, limited equity cooperatives, transitional and permanent housing for formerly homeless households, and housing for survivors of domestic violence.

11. Community Scale Housing Initiative (CSHI): The CSHI is a joint initiative of DHCD and MassHousing, providing funding for small scale projects, in municipalities with a population of no more than 200,000.
12. Community One Stop for Growth (One Stop): The One Stop is a single application portal and collaborative review process of grant programs that make targeted investments based on a development continuum. Allows entry of up to five projects by a town entity into the portal giving access to 12 separate grant programs along the development continuum from concept to occupancy.

## FIVE-YEAR BUDGET

The Town of Townsend designated \$100,000 of its American Rescue Plan Act (ARPA) funding to the Trust to be spent by December 31, 2026. The Trust can use these initial funds to hire an engineering firm to perform preliminary predevelopment feasibility activities such as testing for septic systems, wetlands delineations, and initial concept plans including the maximum capacity of bedrooms allowable on the properties. In addition, the Trust can use the funds to hire support staff to ensure goals and objectives continue to be realized. The Trust must be active in securing additional and recurring funds that will allow the Trust to reach its goal of providing affordable housing for the residents of Townsend. Below is the Trust's estimated budget for the next five years.

Item/Fiscal Year	Townsend Affordable Housing Trust 5-Year Budget				
	FY2024	FY2025	FY2026	FY2027	FY2028
Staff - Admin Asst	\$4,505.00	\$4,600.00	\$4,700.00	\$4,800.00	\$4,900.00
Staff - Housing Director			\$65,000.00	\$66,000.00	\$67,000.00
Office supplies	\$500.00	\$525.00	\$550.00	\$575.00	\$600.00
Registry fees	\$1,500.00	\$1,500.00	\$2,000.00	\$2,000.00	\$2,000.00
Pre-evaluation & development	\$40,000.00	\$45,000.00	\$50,000.00	\$55,000.00	\$60,000.00
Training	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Travel	\$100.00	\$125.00	\$150.00	\$175.00	\$200.00
<b>Total:</b>	<b>\$47,605.00</b>	<b>\$52,750.00</b>	<b>\$123,400.00</b>	<b>\$129,550.00</b>	<b>\$135,700.00</b>
<b>Source of income</b>	ARPA. Sales to MA Fish & Game of portions of Haynes Rd. and Warren Rd. properties. Donations. Potential grant funding.	ARPA. CPA, if accepted. Payment in lieu of Taxes (PILOT) from exempt properties. Sales to MA Fish & Game. Donations. Potential grant funding.	CPA, if accepted. PILOT. Sale of Blood Rd. Properties, if feasible. Potential Inclusionary Zoning Bylaw funds. Donations. Potential grant funding.	CPA, if accepted. PILOT. Inclusionary Zoning Bylaw funds. Donations. Potential grant funding.	CPA, if accepted. PILOT. Inclusionary Zoning Bylaw funds. Donations. Potential grant funding.
	Consider a Forestry Plan for each property. Funds from any forest management activities would be directed to the trust.				

## **Appendix A - Municipal Affordable Housing Trust Fund – M.G.L.**

### **Chapter 44, Section 55C**

#### Section 55C: Municipal Affordable Housing Trust Fund

(a) Notwithstanding section 53 or any other general or special law to the contrary, a city or town that accepts this section may establish a trust to be known as the Municipal Affordable Housing Trust Fund, in this section called the trust. The purpose of the trust is to provide for the creation and preservation of affordable housing in municipalities for the benefit of low- and moderate-income households and for the funding of community housing, as defined in and in accordance with the provisions of chapter 44B. Acceptance shall be by majority vote of the municipal legislative body under section 4 of chapter 4.

(b) There shall be a board of trustees, in this section called the board, which shall include no less than 5 trustees, including the chief executive officer, as defined by section 7 of chapter 4, of the city or town, but where the chief executive officer is a multi-member body, that body shall designate a minimum of 1 of its members to serve on the board. Trustees shall be appointed in a city by the mayor or by the city manager in a Plan D or Plan E municipality, subject in either case, to confirmation by the city council, and in a town by the board of selectmen, shall serve for a term not to exceed 2 years, and are designated as public agents for purposes of the constitution of the commonwealth. Nothing in this subsection shall prevent a board of selectmen from appointing the town manager or town administrator as a member or chair of the board, with or without the power to vote.

(c) The powers of the board, all of which shall be carried on in furtherance of the purposes set forth in this act, shall include the following powers, but a city or town may, by ordinance or by-law, omit or modify any of these powers and may grant to the board additional powers consistent with this section:—

- (1) to accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the trust in connection with any ordinance or by-law or any general or special law or any other source, including money from chapter 44B; provided, however, that any such money received from chapter 44B shall be used exclusively for community housing and shall remain subject to all the rules, regulations and limitations of that chapter when expended by the trust, and such funds shall be accounted for separately by the trust; and provided further, that at the end of each fiscal year, the trust shall ensure that all expenditures of funds received from said chapter 44B are reported to the community preservation committee of the city or town for inclusion in the community preservation initiatives report, form CP–3, to the department of revenue;
- (2) to purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income;
- (3) to sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertaking relative to trust property as the board deems advisable notwithstanding the length of any such lease or contract;



- (4) to execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases, grant agreements and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the board engages for the accomplishment of the purposes of the trust;
  - (5) to employ advisors and agents, such as accountants, appraisers and lawyers as the board deems necessary;
  - (6) to pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the board deems advisable;
  - (7) to apportion receipts and charges between incomes and principal as the board deems advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;
  - (8) to participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;
  - (9) to deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the board may deem proper and to pay, out of trust property, such portion of expenses and compensation of such committee as the board may deem necessary and appropriate;
  - (10) to carry property for accounting purposes other than acquisition date values;
  - (11) to borrow money on such terms and conditions and from such sources as the board deems advisable, to mortgage and pledge trust assets as collateral;
  - (12) to make distributions or divisions of principal in kind;
  - (13) to comprise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the board may deem appropriate;
  - (14) to manage or improve real property; and to abandon any property which the board determined not to be worth retaining;
  - (15) to hold all or part of the trust property uninvested for such purposes and for such time as the board may deem appropriate; and
  - (16) to extend the time for payment of any obligation to the trust.
- (d) Notwithstanding any general or special law to the contrary, all moneys paid to the trust in accordance with any zoning ordinance or by-law, exaction fee, or private contributions shall be paid directly into the trust and need not be appropriated or accepted and approved into the trust. General revenues appropriated into the trust become trust property and to be expended these funds need not be further

appropriated. All moneys remaining in the trust at the end of any fiscal year, whether or not expended by the board within 1 year of the date they were appropriated into the trust, remain trust property.

(e) The trust is a public employer and the members of the board are public employees for purposes of chapter 258.

(f) The trust shall be deemed a municipal agency and the trustees special municipal employees, for purposes of chapter 268A.

(g) The trust is exempt from chapters 59 and 62, and from any other provisions concerning payment of taxes based upon or measured by property or income imposed by the commonwealth or any political subdivision thereof.

(h) The books and records of the trust shall be audited annually by an independent auditor in accordance with accepted accounting practices.

(i) The trust is a governmental body for purposes of sections 23A, 23B and 23C of chapter 39.

(j) The trust is a board of the city or town for purposes of chapter 30B and section 15A of chapter 40; but agreements and conveyances between the trust and agencies, boards, commissions, authorities, departments and public instrumentalities of the city or town shall be exempt from said chapter 30B.

## APPENDIX B – Guidance in Considering Land for Housing Development



### GUIDANCE IN CONSIDERING LAND FOR HOUSING DEVELOPMENT

Key considerations when determining the feasibility of land for housing development.

**1. PUBLIC ROAD ACCESS**

Does the parcel have access over a public or private road, or could access be acquired?

**2. SEWER OR SEPTIC CAPACITY**

If the parcel is not on public sewer and ledge is visible, it may be difficult to introduce septic to the site.

**3. PUBLIC WATER OR WELL CAPACITY AND WATER QUALITY**

**4. ACCESS TO UTILITIES**

**5. ENVIRONMENTAL REVIEW**

If there are environmental constraints (e.g., steep slopes, wetlands or ledge) is there enough buildable land to accommodate these concerns?

**6. ENDANGERED SPECIES: PRIORITY & ESTIMATED HABITATS CLEARANCE**

<https://www.mass.gov/service-details/regulatory-maps-priority-estimated-habitats>

**7. ZONING DESIGNATION**

Multi-family housing in most of our communities requires Chapter 40B for permitting, yet understanding the zoning can help in assessing the project complexity in town.

**8. ACCESS TO PUBLIC TRANSIT**

While this does not have to be a “deal breaker,” locating affordable, multi-family housing near public transit follows smart growth planning principles and ultimately makes the housing more affordable for low income people.

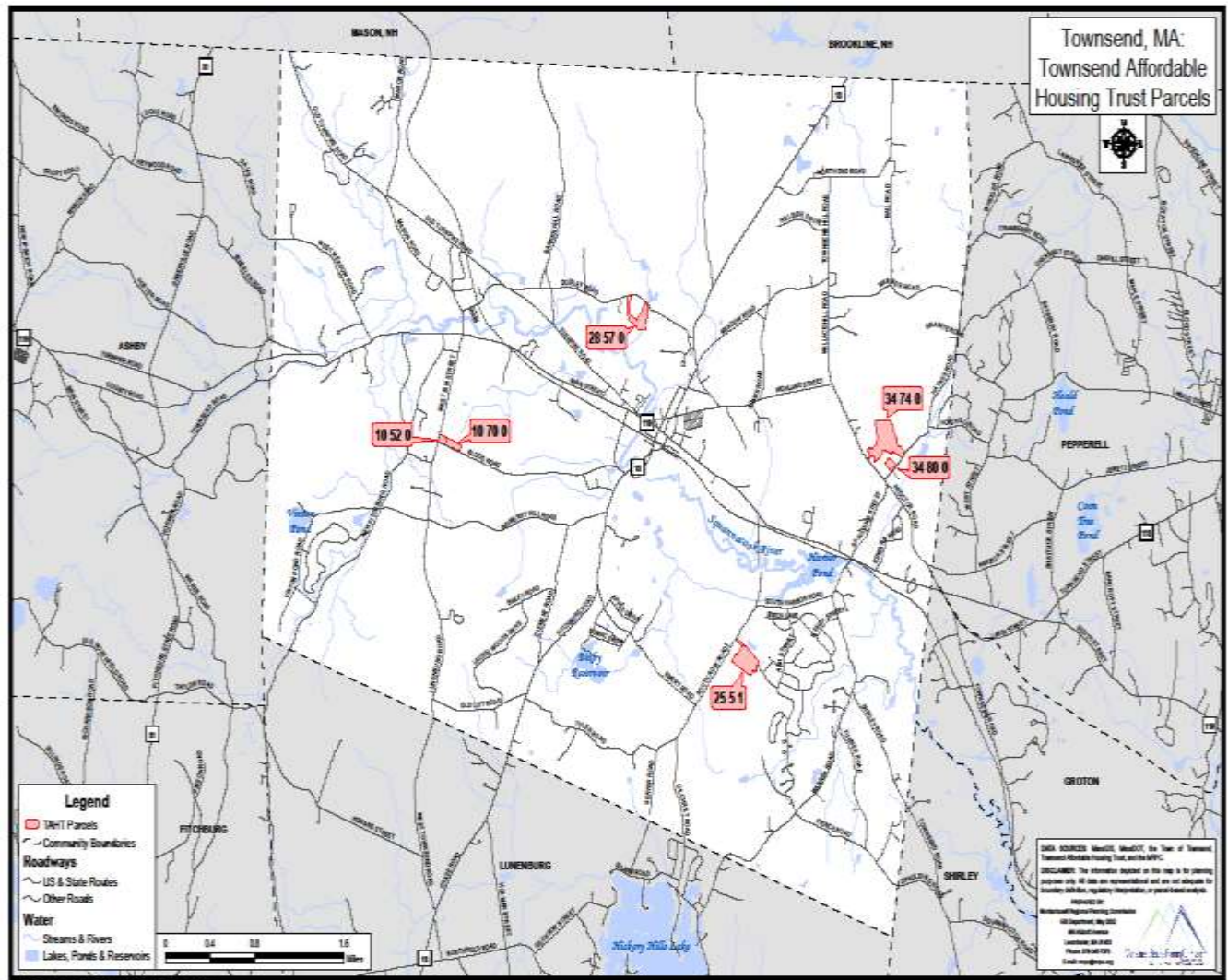
**9. PROXIMITY TO SERVICES AND COMMERCE**

Similar to public transit, locating affordable, multi-family housing near services and commerce makes the housing more affordable to low income people.

*Updated March 19, 2019*

## APPENDIX C - Trust Properties Preliminary Evaluation

In 2022, the Trust received six parcels following a vote at Town Meeting. Each parcel was mapped, and development constraints were determined for each parcel. The following map shows the locations of the parcels, and the table lists the parcels and the acreage of constrained lands and developable land.



These attributes will assist the Trust with their decision making on the best use of each of the parcels. Subdividing and selling portions of properties or whole properties will allow the Trust to have funds to develop or redevelop other properties or keep existing affordable units affordable.

Townsend Affordable Housing Trust

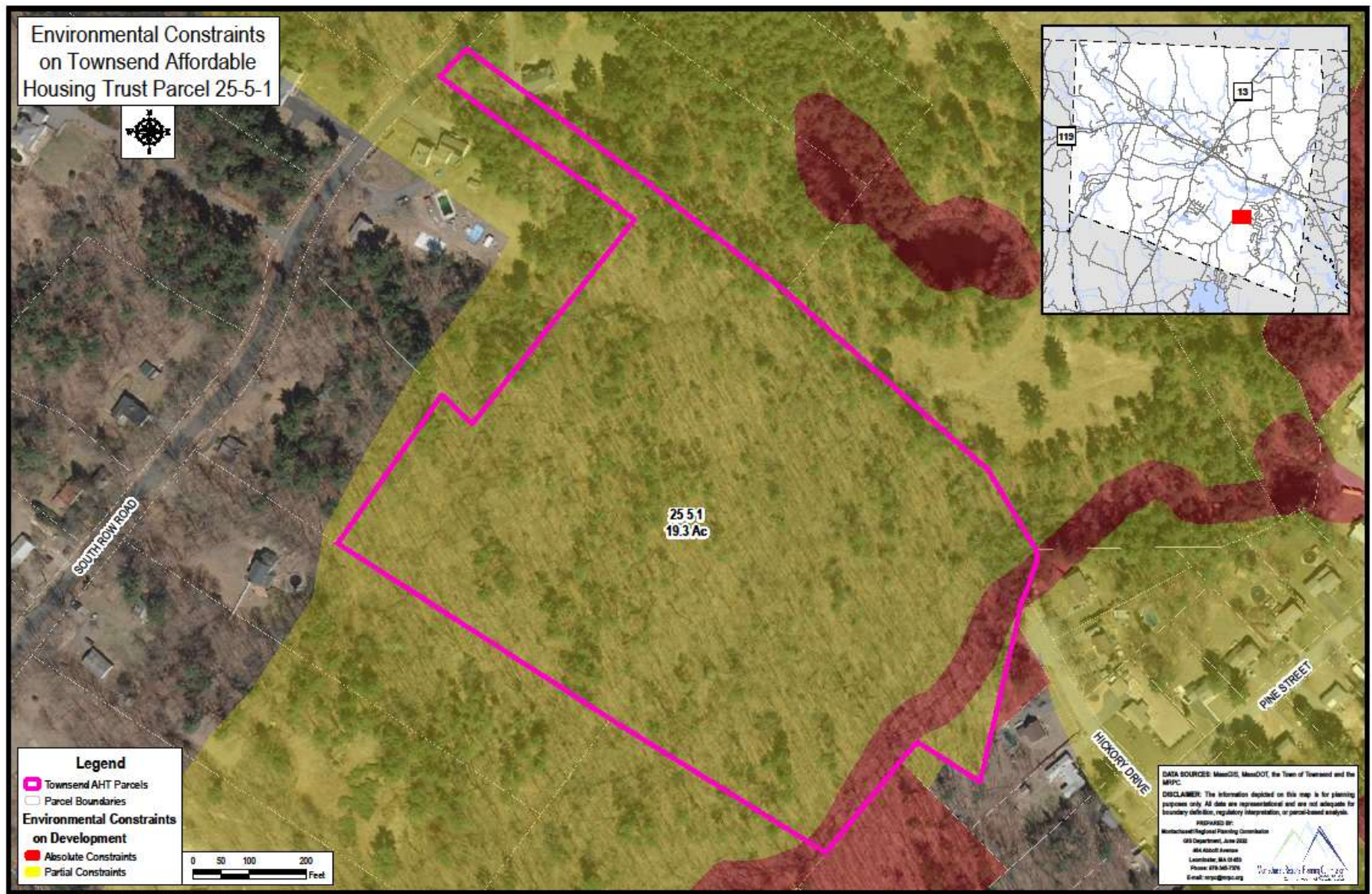
Current Properties

Parcel ID #	Address	Lot Size (acres) (Assessor)	Absolute Constraints (acres)	Partial Constraints (acres)	Developable Land with no constraints (acres)	Developable Land with no absolute constraints (acres)
10-52-0	Lunenburg/ Blood Rd.	2.3	0	0	2.3	2.3
10-70-0	Blood Rd.	4.7	0	0	4.7	4.7
25-5-1	South Row/ Hickory	19.3	0.925	18.375	0	18.375
28-57-0	Dudley	11.85	1.811	5.015	5.024	10.039
34-74-0	Wallace Hill/ Haynes	31.4	1.442	2.921	27.037	29.958
34-80-0	Haynes Rd.	3	0.396	0.682	1.922	2.604

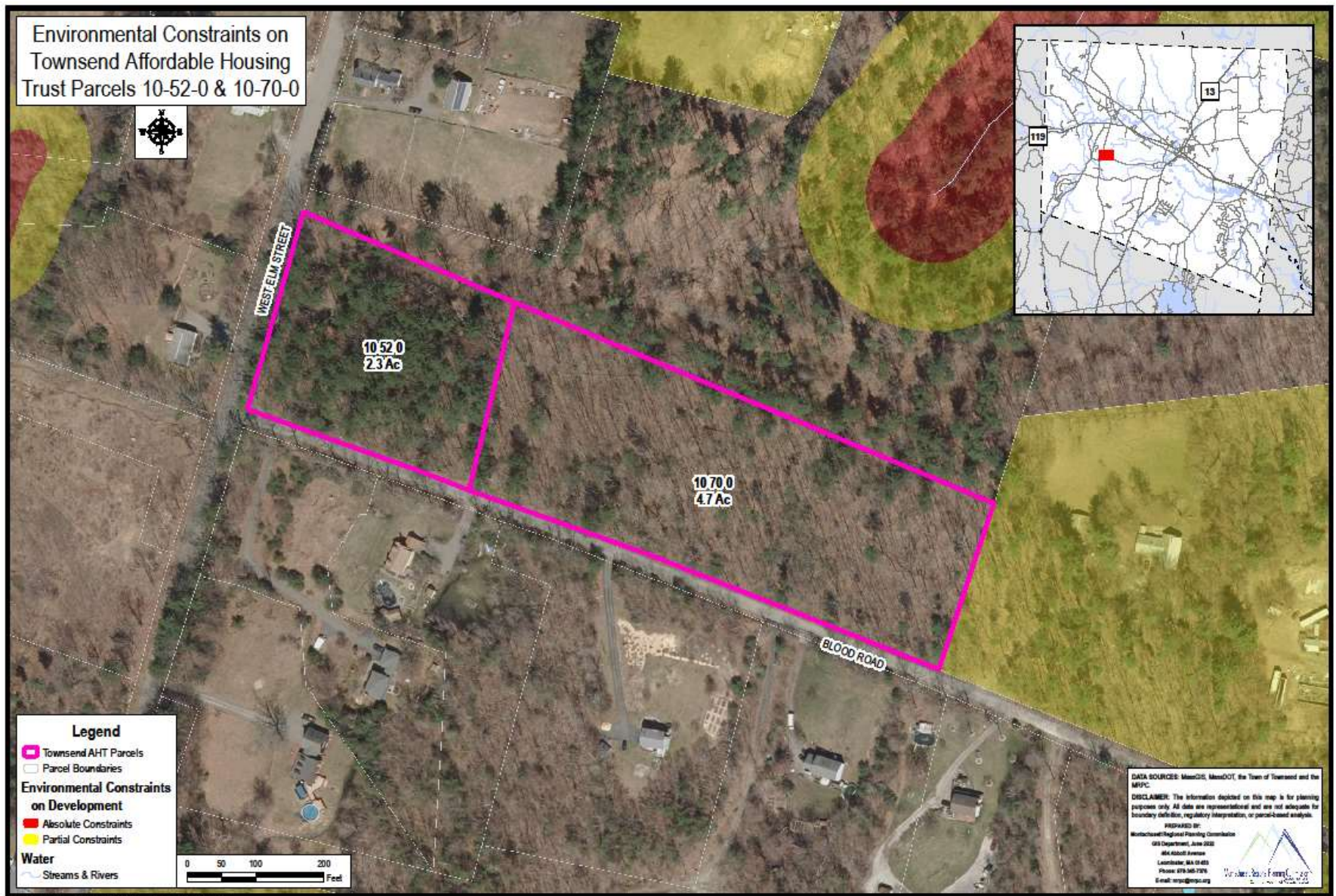
Absolute constraints include wetland resource areas, River Protection Act buffers, FEMA Flood Zones, water supply protection areas, protected open space, and land with a slope >25%. Partial constraints include wetlands resource area 100-foot buffer, water supply protection, land with a slope between 16 and 25%, FEMA Flood Zones, and Priority and Estimated Habitats. Below are maps of the development constraints for each property.

***This area left intentionally blank.***

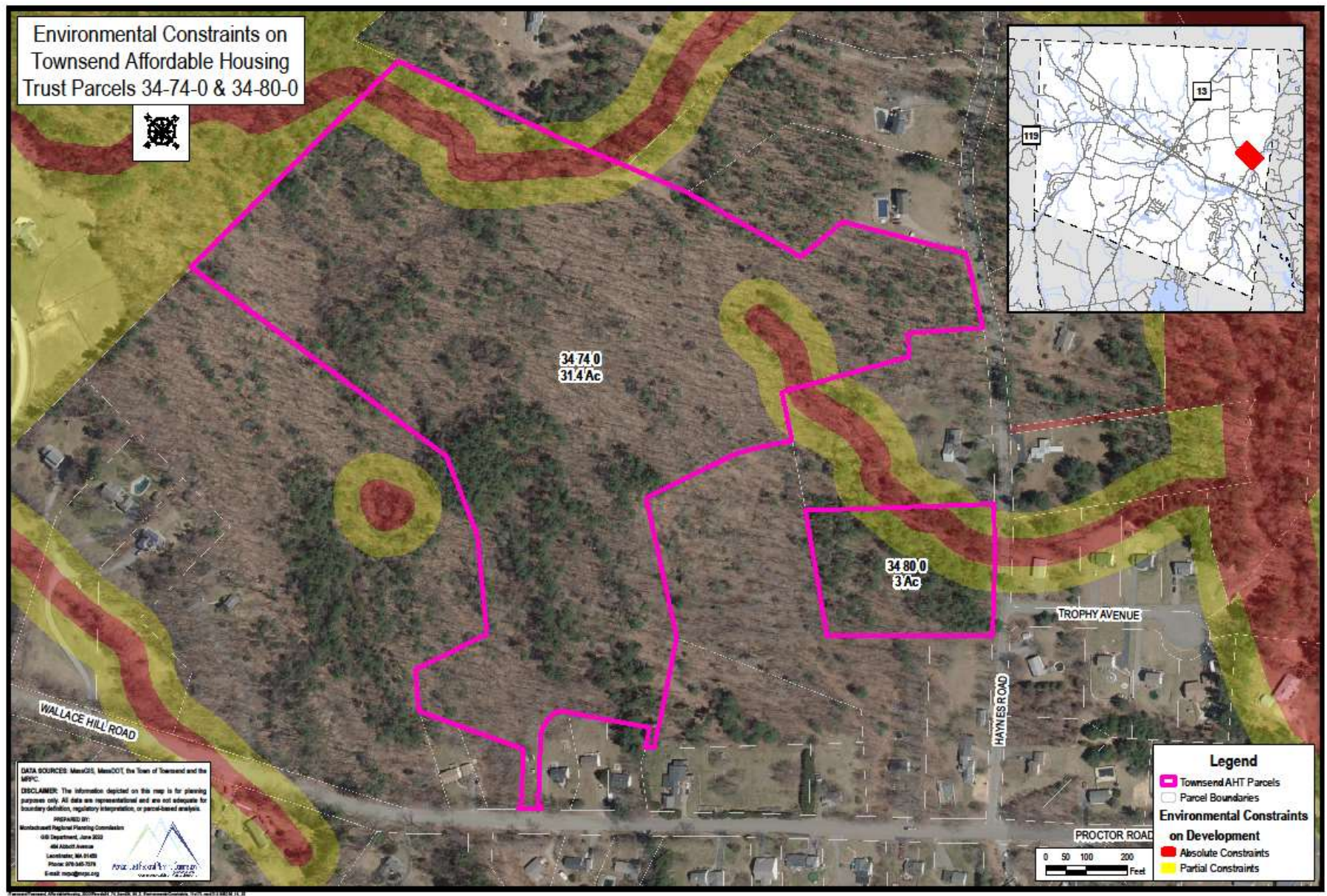






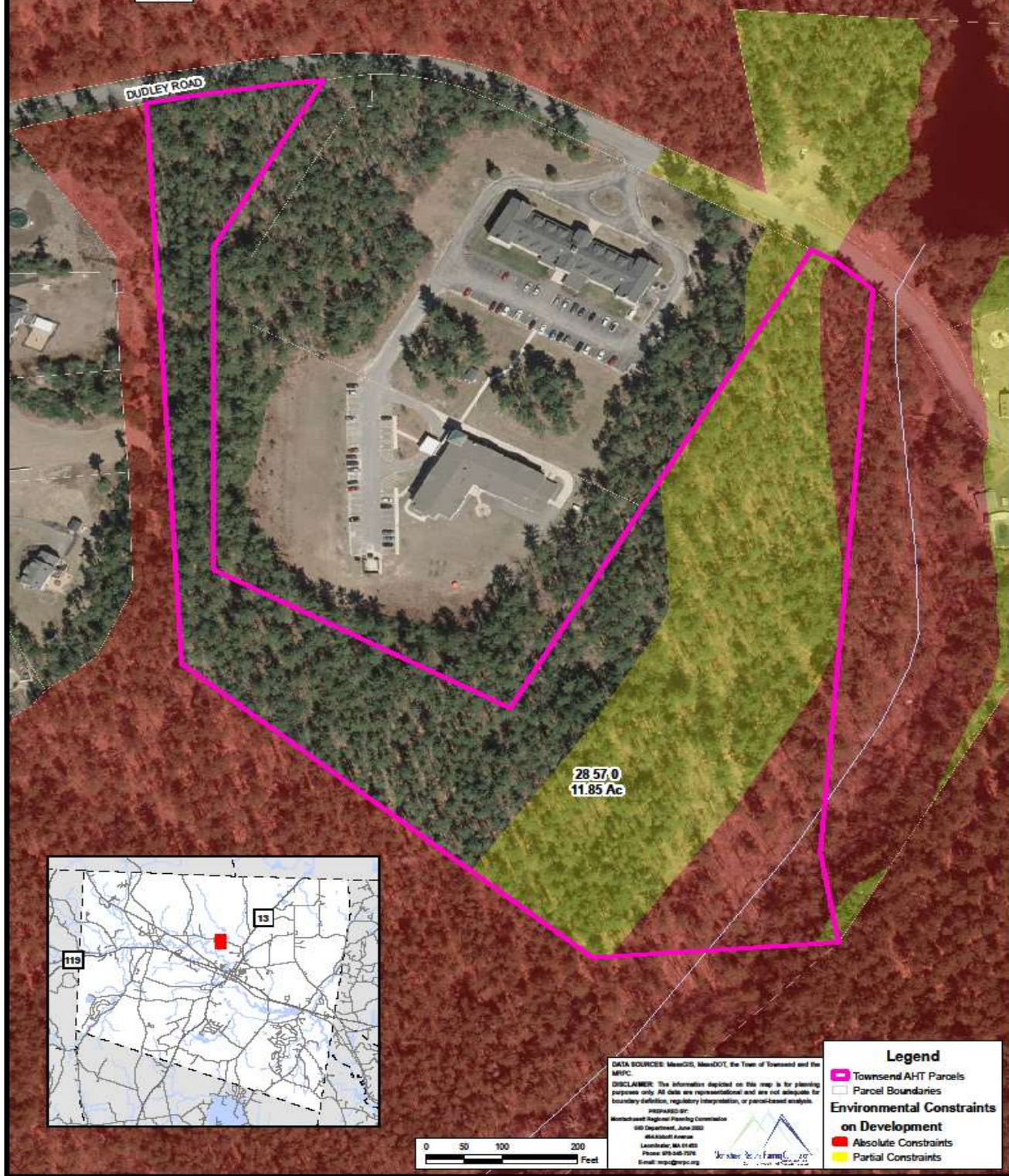








# Environmental Constraints on Townsend Affordable Housing Trust Parcel 28-57-0



The table below shows the Trust's plan for the current and other properties over the next five years.

**Trust Strategy and Timeline for Current Properties**

Property/Fiscal Year	Property Timeline				
	FY2024	FY2025	FY2026	FY2027	FY2028
<b>South Row Rd 25-5-1</b>	Re-do plan of land including wetland delineation	RFP for development	Develop		
<b>Haynes Rd: 34-74-0</b>	Survey and ANR to divide for sale to MA Fish and Wildlife	Plan of Land and Wetland delineation	RFP for development	Develop	
<b>Haynes Rd: 34-80-0</b>		Plan of Land and Wetland delineation	RFP for development in conjunction with Haynes Rd 34-74-0	Develop	
<b>Dudley Rd: 28-57-0</b>				Investigate development	RFP for development or sale
<b>Blood Rd: 10-52-0</b>			Investigate development or sale	RFP for development or sale	
<b>Blood Rd: 10-70-0</b>			Investigate development or sale	RFP for development or sale	
<b>Other</b>	Survey of 182 Warren Rd for sale to MA F&W				
	Forestry Plans for existing properties	Forestry Plans for existing properties	Forestry Plans for existing properties	Forestry Plans for existing properties	Forestry Plans for existing properties



## APPENDIX D - Development Primer

This Development Primer created by Mass Housing Partnership (MHP)<sup>7</sup> in 2005 is a valuable resource for ensuring all aspects of a project are explored.

DEFINING THE PROJECT	SELECTING THE DEVELOPMENT SITE	ASSEMBLING THE TEAM	ASSESSING RISK AND FEASIBILITY	FINANCING THE PROJECT	LEGAL ISSUES	DESIGNING THE PROJECT	GETTING THE PROJECT BUILT	MARKETING THE PROJECT
Setting Goals	Identifying Potential Sites	Developer	Site Feasibility	Equity	Forming a Development Entity	Site Design	Contractor Duties	Sales
Assessing Needs	Land	Attorney	Physical Characteristics	LIHTC	Contract Negotiations	Design Phases	Construction Management	Marketing Channels
Target Population	Existing Structures	Tax Expert	Utilities and Infrastructure	Other Forms of Equity	Professionals	Conceptual Design	Hiring a Contractor	Selection Process
Eligibility Requirements	Town Property	Architect	Water	Construction Financing	Financing	Schematic	Construction Monitoring	Using a Realtor
Ownership	Assessing Risk and Feasibility	Landscape Architect	Sewer	Permanent Financing	Construction Contract	Design Development		Rentals
Rental	Gaining Site Control	Engineer	Roads	Rental Projects	Permitting	Working Drawings		Marketing Channel
Elderly	Negotiating for Purchase	Civil	Soils	Ownership Projects	40B	Working with Your Design Team		Selection Process
Special Needs	Property Survey	Structural	Assessment of Site Costs	Freddie Mac/ FannieMae	LIP	Engineering		
Evaluating Internal Capabilities	Appraisal	Mechanical	Environmental Feasibility	Special Financing	Closings			
Setting Project Parameters	Acquiring the Property	Environmental	Preliminary Assessment	Bridge Financing	Other			
Project Type	Go/No Go Decision Point	Financier/ Lender	Radon	Gap Financing	Covenants			
Project Location		Syndicator	Political Feasibility	Soft Second Financing	Easements			
Project Size		Contractor	Title and Deed Restrictions	Subsidies				
Income/Price Parameter		Other	Regulatory Analysis	HOME				
Go/No Go Decision Point		Appraiser	Zoning	CDBG				
		Market Analysis	Wetland/Conservation Restrictions	FHLB				
		Planner	Principles of Sustainable Development	Other				
		Inspector	Political Environment	Securing Financing Commitments				
		Accountant	Market Feasibility	Preparing a Proposal				
		Marketing Agent	Market Demand Assessment	Funding Rounds				
		Property Management	Financial Feasibility	Go/No Go Decision Point				
		Hiring the Team	Estimating Realistic Project Revenue					
		Preparing an RFP	Estimating Realistic Project Costs					
		Outreach and Selection Process	Pro Forma/ Budget					
		Evaluating Proposals	Determining Property Value					
		Go/No Go Decision Point	Existing Structures					
			Structural Analysis					
			Go/No Go Decision Point					

<sup>7</sup> [https://www.mhp.net/writable/resources/documents/mhp\\_public\\_land\\_guide2.pdf](https://www.mhp.net/writable/resources/documents/mhp_public_land_guide2.pdf)

## **APPENDIX E - Affordable Housing Developments in the Area**

### **AFFORDABLE HOUSING DEVELOPMENTS IN THE AREA – 1/22/2023**

*Note: All information below was derived from the internet and may not be accurate.*

#### **The Neighborhood at Birch Drive, Pepperell**

Development of 20 single family homes (5 affordable) on a cul-de-sac. Ranch and open concept colonial style homes with hardwood flooring, stainless appliances, granite counter tops, natural gas, and town water and sewer. 3-bedrooms, 1½ baths, 1- or 2-car garage.

**Northgate Meadows, Meadow Road, Leominster** (Actually on Sterling land but access from Leominster, same road as Registry of Motor Vehicles)

216 rental units in three buildings. 54 affordable units (≤80% AMI) dispersed among the 3 buildings. First building occupied, second building under construction.

#### **173 Carlisle Road, Westford**

A small veteran's preference building at the corner of Routes 27 and 225 in Westford. Used to be a pub type building, rehabbed, and expanded to 5 units (8 bedrooms). Owned by Veterans Northeast Outreach Center (VNOC) Developments LLC.

#### **67 Tadmuck Road, Westford**

New construction, age restricted 62+, 36 affordable units. Owned by Westford Initiative for Senior Housing (WISH) who created this project. Westford and Chelmsford Housing Authorities share the management of the facility. Has supportive services for residents.

#### **Stony Brook Village, Coakley Circle, Westford**

Stony Brook Village is a mixed-income community – income qualifications and rent restrictions may apply. Set along a quiet country setting, on six acres. Fifty-one, one-, two- and three-bedroom apartment homes offer a lifestyle of comfort and convenience. Careful consideration has been given to the landscape, project design and unit interiors. 45 rental units at 60% AMI.

#### **Graniteville Woods, Indian Ridge Terrace, Westford**

Not affordable, but 41 2–3-bedroom condos tucked away.

#### **Princeton Westford Apartments, Princeton Way, Westford**

200 2–3-bedroom apartments in five buildings. 40 are affordable at 50% AMI or less. Provides amenities such as garages, pool,

#### **Tadmuck Meadows, Bandon Circle, Westford**

37 condos, with 10 affordable.

#### **Sugar Maple Lane, Westford**

7 affordable units.

**Chelmsford Woods Residences, Phase I and Phase II, 267 Littleton Road, Chelmsford**

Chelmsford Woods Residences is a 116-unit affordable housing development offering one-, two-, and three-bedroom apartments and three-bedroom townhomes, some with a private garage. The apartments feature fully-applianced galley style kitchens with breakfast bar, easy to maintain laminate wood flooring, large closets, and central air conditioning.

**Lynn Marcella Residences, 4 James Street, North Chelmsford**

Development was created to fill the need for permanent family housing in Chelmsford. Through the formation of strategic partnerships, five new units of housing were developed to give families a place they can call home. All five units are spacious two-bedroom apartments with project-based Section 8 rental assistance which restricts the rent paid by the tenants to no more than 30% of their income.

**The Elms, 105 Stow Road, Harvard**

Nine (9) unit affordable housing development located in three buildings on a four-acre site and include a mix of six garden style one-bedroom apartments and three townhome style two-bedroom apartments. The average size of the 1-bedroom units is 703 square feet and the 2-bedroom units are 860 square feet; both feature a kitchen, living room, and full bath. Residents of The Elms will pay for their electricity (unit electric, cooking, and A/C); however, heat and hot water are included in the rent.

**Benfield Farms Apartments, 575 South Street, Carlisle**

26 affordable rental units, 35 bedrooms. Managed by Peabody Properties, Inc. Benfield Farms is a beautiful, and brand new, affordable apartment community for those 62 years of age or older. Benfield Farms is located on 45 acres of lush conservation land in the scenic town of Carlisle, MA and designed to mimic the idyllic farmhouses of New England. One Bedroom = \$1,038 a month (includes heat, water, trash, sewer) income limits apply.

**Maynard Point, 42 Summer Street, Maynard**

Family rental development of 24 units, including six affordable studio, 1- and 2-bedroom apartments.

## APPENDIX F – Engineering Tasks Checklist

Source: <https://www.housingtoolbox.org/writable/files/resources/LINK-Engineering-Tasks-edited1.pdf>

### MASSACHUSETTS TOOLBOX

ENGINEERING TASKS	RESPONSIBLE PARTY	PROJECT PHASE
<b>Site Survey</b>	<b>Municipality</b>	<b>Pre-development</b>
<p>A comprehensive inspection of the property, including location of:</p> <ul style="list-style-type: none"><li>• trees</li><li>• other vegetation</li><li>• unusual or unnatural soil or ground conditions</li><li>• underground pipes</li><li>• soil and land discoloration</li></ul> <p>A historical assessment of the property going back 100 years, using information from:</p> <ul style="list-style-type: none"><li>• recorder of deeds</li><li>• title companies</li><li>• realtors</li><li>• local court records</li><li>• water regulatory agencies</li><li>• news reporting agencies</li><li>• environmental protection agencies</li></ul> <p>Answers to questions that affect site plan:</p> <ul style="list-style-type: none"><li>• Are there flood plain boundaries?</li><li>• Is the site in a Natural Environmental Heritage Area?</li><li>• What are the land dimensions and other measurements?</li></ul>		
<b>Phase I/21E</b>	<b>Developer</b>	<b>Pre-development</b>
<p>Examination for potential soil contamination, groundwater quality, surface water quality, and issues related to hazardous substances.</p> <p>The examination of a site may include:</p> <ul style="list-style-type: none"><li>• finding chemical residues within structures</li><li>• identification of asbestos-containing building materials</li><li>• inventory of hazardous substances stored or used on site</li><li>• assessment of mold and mildew</li><li>• evaluation of other indoor air quality parameters</li></ul>		
<b>Site Engineering</b>	<b>Municipality</b>	<b>Pre-development</b>
<p>Tasks include testing of soil samples to provide information on soil erosion and soil-bearing strengths.</p>		

## HOUSING TOOLBOX

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Structural Engineering	Municipality	Pre-development
<p>Physical inspection of existing building(s) to identify:</p> <ul style="list-style-type: none"><li>• structural flaws</li><li>• pollutants (e.g., asbestos, lead-based paint, PCBs), which must be removed or encapsulated in accordance with federal laws and regulations</li></ul> <p>Structural flaws may include:</p> <ul style="list-style-type: none"><li>• crumbling sidewalks</li><li>• tilted buildings</li><li>• damaged block, bricks and mortar</li><li>• bulges in the building structure</li><li>• sagging roofs</li><li>• evidence of water damage</li><li>• signs of termite damage</li><li>• problems with the operating system (e.g., electrical, plumbing, air conditioning)</li></ul>		

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**Please Note |** Effort has been made by the author and sponsoring organizations to provide current and accurate information. However, readers should not rely on the information and are urged to review source material and consult with appropriate funding sources, practitioners and legal counsel before embarking on a particular course of action.



## APPENDIX G - Development Budget Checklist

Source: <https://www.housingtoolbox.org/writable/files/resources/Development-Budget-Checklist-July-2017.pdf>



### DEVELOPMENT BUDGET CHECKLIST

#### ACQUISITION COSTS

Purchase price

Carrying costs of site ownership pre-closing: insurance, taxes, utilities, security

Closing costs of site ownership: legal fees, filing fees

#### HARD COSTS

##### Construction

Cost estimating services

Demolition of existing structures

Environmental remediation

Utility connection fees (gas, electricity, water and sewer, cable, internet)

Special green elements (e.g., solar panels, special windows, geothermal)

##### Construction Contingency

During project planning, a minimum of 10-15%

At closing, 5% for new and 10%+ for rehab

#### SOFT COSTS

##### Professional Fees and Services

Architecture and engineering

Design phase and construction administration by architect

Civil or site engineering

Specialists: HVAC, Teledata

Consultants for conservation, historic, wetlands

Energy analysis

Special design for green elements: solar, wind, geothermal

Graphics for public or community presentations (e.g., models, renderings, drawings)

Code consultant

Technical plan review for owner

Construction phase technical testing and inspection (e.g., concrete, soils compaction, blower door tests)

Commissioning of buildings

Site surveys: boundary and topographic

Survey of each completed unit for homeownership sales

Geotechnical exploration for new construction (soils borings)

Environmental engineering (prepare 21E report, hire/supervise remediation contractors, testing, DEP reports)

Owner's construction representative or clerk of the works

Legal

Attorneys' fees for project funders

Accounting/auditing for each year of development

Cost certification

Development and/or financial consulting

Appraisal for acquisition or for completed project

Market study to verify rents or sales prices

Property management

Funders' construction inspection

##### Public Permits and Fees

Filing fees for zoning, planning, conservation board approvals



Inclusionary fees charged by municipality for affordable housing

**Financing Related Costs**

- Application fees
- Loan interest on acquisition and/or predevelopment loans
- Interest on construction-period loan(s)
- Financing closing costs
- Filing fees

**Marketing Costs; FF&E**

- Personnel costs to manage rent-up
- Brokers' or realtors' fees for sales
- Fees to conduct lottery for affordable home buyers
- Advertising, Website, brochure
- Model unit furnishings
- Counseling pre- and post-purchase for affordable home buyers
- FF&E: furniture, fixtures and equipment for management office, maintenance staff, common areas and/or social service space

**Relocation Costs (Existing Tenants)**

- Relocation consultant
- Relocation expenses (e.g., moving costs, rent payments)

**Reserves for Rental Projects**

- Operating reserves, typically six months of operating costs
- Social service reserves in special needs housing
- Operating costs prior to full rent-up

**Carrying Costs During Sales Period for Ownership Projects**

- Interest on construction loan, insurance, taxes, utilities, security

**Soft Cost Contingency**

- At least 5% of costs above until budget is fixed. At closing, 2-3% of above items

**DEVELOPER FEE AND OVERHEAD**

**SPECIAL COSTS FOR COMMERCIAL DEVELOPMENT**

- Broker's fee for leasing (often a percentage of revenue from the entire lease period)
- Tenant improvement funds
- Additional architectural fees for tenant improvement
- Tenant improvement reserve
- Retail or commercial operating reserve

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