



CPA Application Narrative

Ayer Commons

1. Describe the Project:

Ayer Commons Phase I will newly construct 64 units of rental housing on a 10.59-acre site located at 65 Fitchburg Road. Phase I will be comprised of five 2-story walk-up buildings and one central 3-story elevated building. A 1-story 2,850 sf community center offering amenity spaces to the residents and meeting space for not only the residents, but also the community, will also be constructed. Ninety-three surface parking spaces will be provided for Phase I, which will be at no cost to the residents.

Of the 64 units in Phase I, 16 units will receive Section 8 and MRVP rental subsidy and rented to those at or below 30% AMI, an additional 6 units will be rented at or below 50% AMI, 21 units will be rented at or below 60% AMI, and 21 will be Workforce units rented at or below 70% AMI. 43 units, in total, will be restricted for a minimum of 30 years at or below 60% AMI under the LIHTC program. All 64 units in Phase I will count toward Ayer's Subsidized Housing Inventory.

The future Ayer Commons Phase II project will provide 42 additional housing units, 44 covered parking spaces, and 20 surface parking spaces. Phase II is expected to break ground 2-3 years after the completion of Phase I. The 42 units in Phase II will also count toward Ayer's Subsidized Housing Inventory.

Phase I Unit Mix

	# of Units	% mix
1 Bedroom	18	28.1%
2 Bedroom	38	59.4%
3 Bedroom	8	12.5%
Total	64	100.0%

Ayer Commons has been designed to reinforce the existing character of Ayer's residential streets. The architect for the development evaluated a number of massing studies to achieve the preferred placement of the buildings in relation to the site location along Fitchburg Road, its solar orientation, views, and the creation of a residential community within the site. The proposed Phase 1 townhouses will be constructed along the front edge of the site facing Fitchburg Road. The five (5) 2-story residential buildings will create a



typical residential front defining the “street wall” as any residential development would. Behind the five front buildings, Phase I will also include a 3-story central residential building and a 1-story community building. The community building will be centered in the middle of the development and will offer amenity spaces, community gathering rooms, and landscaping to support the recreational playground area.

The architectural design of the buildings employs the use of pitched roofs at the best angle to take advantage of southern orientation for the placement of solar panels. The buildings’ facades have been designed to maintain a warm and inviting residential aesthetic, using wood textures and a variety of cement panels, both vertical and horizontal. The buildings’ design also incorporates balconies to enhance the residential feel and to allow residents to enjoy views and natural sunlight.

2. Goals:

a. What are the goals of the proposed project?

The goal of Ayer Commons is to bring much needed affordable housing to Ayer and to help the town meet their target affordable housing stock. All 106 units constructed during both phases will be eligible for listing on the Town of Ayer's Subsidized Housing Inventory, keeping them eligible in perpetuity is NOAH's primary objective.

Additional goals include creating energy efficient (Passive House Certified) buildings and protecting the wetlands and endangered species on site.

b. Who will benefit from this project and why?

Ayer Commons will directly benefit the residents of Ayer and nearby communities that are in need of affordable housing. Additionally, redevelopment of the site will benefit the habitats and ecosystems that exist on the property. Presently, the stormwater does not pass through any treatment prior to reaching the wetland area. The project will include a stormwater management system designed to meet the Department of Environmental Protection's standards which will greatly improve the runoff characteristics and further protect the wetlands and natural resources of the site.

c. How will success be measured?

Success is measured by the lease up of the property, ongoing compliance with HUD & Massachusetts State (Low Income Housing Tax Credit Program) regulations for maintaining an affordable project, and by constructing certified Passive House buildings according to the design.



3. Community Preservation Committee Criteria:

Once completed, Ayer Commons will meet the CPC criteria for community housing, protection of open space, and creation of recreation. The CPA funds requested for Phase I will directly contribute to the creation of 64 units of low- and moderate-income housing. With the rental units divided amongst 6 buildings in Phase I, the development has been designed to be walkable with recreation and open space in mind. The first phase will feature a dog run and playground area anchored by the 1-story community building. Once both phases are completed, 73% of the site will remain as open space.

4. Statement of Community Need:

a. How does the Town of Ayer, and its residents, benefit from this project?

Residents of Ayer will benefit from this project both during and after construction. The construction of Ayer Commons will offer job opportunities for residents; as is typical with any affordable housing project, efforts will be made by the General Contractor to hire local labor. Once completed, any existing residents seeking affordable housing will directly benefit from this project by increasing the housing options available to them. Additionally, the project will contribute to the Ayer Subsidized Housing Inventory helping achieve that 10% threshold that can open many grant and funding opportunities for the Town including, but not limited to, eligibility for infrastructure grants.

Aside from the benefit existing residents will receive from the creation of new affordable housing, Ayer Commons will help initiate the transition of a heavily industrial/commercial area into its next chapter. As stated in the Ayer Master Plan, establishing a Form-Based Code focusing on street-building relationships is important to the overall improvement of Ayer's hospitability and creation of more aesthetically pleasing streetscapes. The Ayer Commons development acknowledges the delicate balance of creating an inviting street wall while simultaneously buffering the residential community from Route 2A and the predominantly commercial landscape surrounding it. Redevelopment of the site will soften the overall look and feel of the property from its current industrial feel to a thoughtfully landscaped residential community. Each of the residential buildings along Fitchburg Road will include a lawn and landscaped front yard to enhance the feel and curb appeal of the area.

b. If applicable, explain how this project addresses needs identified in existing Town plans?

Both the Ayer Master Plan and the DHCD Subsidized Housing Inventory underscore the need for affordable rental housing in Ayer. The Ayer Master Plan lists affordable rental housing for extremely low at or below 30% AMI and low-income at or below 50% AMI and 3 or more bedroom rental units as some of Ayer's most needed household types. Ayer's subsidized housing stock was reported at 7.4% in December of 2020 with another 51 units at risk to lose affordability over the next 5 years.



Phase I of Ayer Commons will directly address these housing needs by providing 43 rental units for households making less than 60% AMI and by including 8 three-bedroom units. Once fully completed, the 106 units of affordable rental housing along Fitchburg Road (Route 2A) will fit the criteria of the Master Plan for the provision of compact residential development, offset the influx of working age residents with higher incomes by maintaining and increasing the amount of affordable rental housing units, and increase the stock of the long term affordably restricted rental housing.

In addition to the need for housing to meet Subsidized Housing Inventory goals, the Master Plan lists the preservation of Ayer's natural resources, protection of critical environmental habitats, and recreational areas as major goals for the immediate future of the Town. The Ayer Commons site is bisected by a stretch of wetlands which is currently home to two endangered species - Blanding's Turtles and Climbing Ferns. The development plans for Ayer Commons protect the existing wetlands and endangered species habitats on site by building outside of the required buffer zones which have radiuses between 75' and 100'. Of the 10.59 acres, much the land will remain undeveloped due to the wetland buffers – approximately 65% of the site; both phases of the project will be developed in the southwest portion of the site below the wetlands leaving substantial open space between Ayer Commons and the housing developments at the rear of the site.

5. Community Support:

The Town of Ayer has been very supportive and encouraging of Ayer Commons. The project has been discussed at length with the Department of Economic & Community Development (AOECD), and as part of the Chapter 40B Comprehensive Permit process, has received numerous letters of local support. In addition to the AOECD, Ayer Commons has been presented to the Affordable Housing Committee, the Affordable Housing Trust, and the ZBA.



6. Budget:

Ayer Commons Phase I is estimated to have a total development cost (TDC) of \$32 million in today's dollars. Because the project is still in the early stages of permitting, it may see design modifications that can have changes to the budget. The construction hard cost line is supported by a preliminary estimate of construction costs completed by general contractor, L.D. Russo out of Harvard, MA. The construction budget summary, which estimates *today's* construction costs, has been included in the materials for this application.

- Acquisition: \$1.7 million
- Hard Cost: \$21.8 million
- Soft Cost: \$5.07 million
- Fees/Overhead: \$2.702 million
- Reserves: \$728 thousand
- **Total Development Cost: \$32 million**

ANTICIPATED SOURCE LIST - In addition to the \$400,000 CPA funds requested and a conventional construction loan, the project intends to seek the following project sources:

- \$10 million MassHousing Permanent Loan
- \$2.1 million MassHousing Workforce Subordinate Loan
- \$3.55 million DHCD subordinate loans – ARPA or NHT, HOME, AHTF, & HSF all possible
- \$9.2 million LIHTC equity (Max 9% DHCD credit award)
- \$2.8 million MA LIHTC equity (\$700,000 DHCD award)
- \$260,000 Passive House Grant

Please note that none of the above sources have been applied for or committed to the project at this time.

7. Funding:

a. Commitment Letters:

Funding will be applied for through the DHCD One Stop application. No funding has been applied for as of this application.

b. Describe any other attempts to secure funding:

The project will seek numerous state and federal funds made available through the DHCD One Stop application. Before that application can be submitted and granted, the project must receive a commitment of local funds and complete a Chapter 40B Comprehensive Permit review.

c. Are any "Other Funds" in the budget in-kind?

At this time there are no in-kind contributions.



8. Timeline:

The first phase of Ayer Commons is expected to receive subordinate funding from DHCD during the 2024 Winter One Stop round which would result in construction completion by the Spring of 2026. **A pledge of local funds and approval of the Chapter 40B Comprehensive permit will be required before the development will be deemed eligible and invited to submit a One Stop application.** It is important to note that most projects are not funded after their first DHCD One Stop application submission.

PROJECT TIMELINE

Summer 2022: 40B Comprehensive Permit Process
 Start of HUD Environmental Review Process

Fall 2022: Receipt of Pledge for Local CPA Funds
 DHCD Pre-Application for Winter 2023 application

Winter 2022/23: Completion of Chapter 40B Comprehensive Permit Process
 DHCD Full Application for Winter 2023 funding round

March 2023: Acquisition of the Site

June 2023: DHCD Mini Round for Unsuccessful Applications

If Funded in 2023 Mini Round:

Winter 2023: DHCD Funding Awards for Mini Round

Spring 2024: Construction Loan Closing

Summer 2025: Construction Completion, Investor Admittance, & Rent up

Fall 2025: Permanent Loan Conversion

If **NOT** Funded in 2023 Mini Round (**EXPECTED**):

Fall 2023: DHCD Pre-Application for Winter 2024 application

Winter 2023/24: DHCD Full Application for Winter 2024 funding round

June 2024: DHCD Notifies Projects of Funding or Mini Round Eligibility

Fall 2024: Construction Loan Closing

Spring 2026: Construction Completion, Investor Admittance, & Rent up

Summer 2026: Permanent Loan Conversion



9. Maintenance:

- a. If ongoing maintenance is required, who will be responsible for it?

The Owner of Ayer Commons (entity information forthcoming with NOAH as the Sponsor/Managing Partner) will be responsible for all maintenance/operational cost of the project.

- b. How will it be funded?

All maintenance costs will be funded out of the operating income (rents) and reserves for the project, there will be no CPA funds infused into the reserves.

- c. Expected Annual Maintenance Budget

	Year 1	Year 2	Year 3	Year 4	Year 5
OPERATING EXPENSES					
Management Fee (5%)	77,016	78,556	80,127	81,730	83,364
Administrative	115,740	119,212	122,789	126,472	130,266
Maintenance	145,450	149,814	154,308	158,937	163,705
Resident Services	0	0	0	0	0
Utilities	224,000	230,720	237,642	244,771	252,114
Water & Sewer	32,000	32,960	33,949	34,967	36,016
Replacement Reserve	22,400	23,072	23,764	24,477	25,211
Real Estate Taxes	96,000	98,880	101,846	104,902	108,049
Insurance	48,000	49,440	50,923	52,451	54,024
MIP (.25%)	25,189	25,006	24,812	24,607	24,390
TOTAL OPERATING EXPENSES	785,795	807,659	830,159	853,314	877,141

Anticipated costs only

10. Project/Site Documentation:

- a. Site Control:

NOAH controls the site via a Purchase and Sale Agreement that requires a closing/acquisition occurring before March 30, 2023. The site will be acquired following the receipt of a Chapter 40B Comprehensive Permit to first be presented to the ZBA on July 20, 2022. Included in the files for this application is a redacted copy of the Purchase and Sale Agreement.

- b. Photographs:

Existing site photographs have been sent to the email provided.

- c. Applicable Drawings:

Preliminary Architectural Plans and preliminary Civil Plans have been provided.



11. Zoning Compliance:

The project is currently in review for a Chapter 40B Comprehensive Permit. In addition, the project will require a building permit and ConCom/State Environmental approvals.

12. Additional Information:

The timing of this project with a potential MassWorks Grant for the Town of Ayer is something NOAH has discussed with the Ayer Economic & Community Development Department as a means for improvements to Fitchburg Rd. The Town's eligibility for said grant, or future grants, is something that can be enhanced by having a minimum of 10% affordable housing stock – which this project directly contributes towards.

Preliminary conversations with the AOECD have also occurred regarding the northern portion of the site that will remain undeveloped; NOAH looks forward to helping the Town achieve additional Master Plan goals should this land be useful in doing so.