

# WHDC Request for Community Preservation Funding

2011 CPC Appropriation Requested:  
\$450,000

# WHDC Request for Community Preservation Funding

- Purpose: To develop and preserve affordable housing for low and moderate income households in Wellesley
- Preference given to
  - Wellesley residents (including their parents and families with children in Wellesley schools); and,
  - Town employees (current and retired)

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## Need for Affordable Housing in Wellesley

	Family	Elderly
# Households <80% AMI	922	950
Affordable Units Available	152	274
Unmet Housing Need	770	676

Source: LDS Affordable Housing Market Study – June 2009

Note: 5.48% of Wellesley's total existing housing units currently count towards meeting the State requirement for at least 10% affordable housing

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## Preserving Existing Affordable Housing Is Also A Priority

- In the absence of available buyers for existing affordability-restricted units, WHDC must purchase to avoid loss of affordable unit
- Affordable Purchase Price: \$183,000 - \$203,000 per unit plus Expenses & Carrying Costs = \$225,000 – \$250,000 per unit

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Existing Affordable Ownership Units in Wellesley

LOCATION	# OF UNITS	YEAR *
FELLS HOLLOW	7	2008
WALNUT ST. FIRE STATION	1	2007
9 HIGHLAND ROAD	1	2007
EDGEMOOR CIRCLE	<u>3</u>	2003
6 MELLON ROAD	<u>1</u>	2011
12-14 PECK AVENUE	<u>2</u>	2011
TOTAL	15	

- Average ownership turnover rate for Boston area is 15.1% ( i.e., about 6.6 years)
- Median years in residence is 3.5 years

*Source: homefinder.com*

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## Current Situation:

Real Estate Downturn is continuing, bringing few if any proposals for new Inclusionary Zoning units

## Current Opportunity:

Continuing decline in home prices has reduced the gap between market-rate and affordable for-sale housing

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## Prior CPC Appropriations To WHDC

– 2005 CPC Appropriation	450,000 (spent prior to 2008)
– 2006 CPC Appropriation	125,000
– 2009 CPC Appropriation	350,000
– 2010 CPC Appropriation	375,000

# Properties Acquired by WHDC in 2010 for Re-Sale as Affordable Housing

6 MELLON ROAD



12-14 PECK AVENUE



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Wellesley Housing Development Corporation  
 Additions to Affordable 'for sale' Housing Inventory

Funding For 2010 Acquisition and Sale of Properties

	<u>6 Mellon Road</u>	<u>12-14 Peck Avenue</u>	<u>Total</u>
<b><u>Acquisitions:</u></b>			
- Purchase Price	415,000	707,400	1,122,400
- Improvements, Closing & Carrying Costs	42,000	69,500	111,500
<b>Total Acquisition Cost</b>	<b>457,000</b>	<b>776,900</b>	<b>1,233,900</b>
<b>Acquisition Funding</b>			
CPC Funds	252,000	376,900	628,900
<u>Interim Bank Loan</u>	<u>205,000</u>	<u>400,000</u>	<u>605,000</u>
<b>Total Acquisition Funding</b>	<b>457,000</b>	<b>776,900</b>	<b>1,233,900</b>
<b><u>Sales:</u></b>			
Affordable Sale Price (Est.)	203,000	366,000	569,000
<u>Pay-off Interim Bank Loan</u>	<u>205,000</u>	<u>400,000</u>	<u>605,000</u>
Additional CPC Funding	2,000	34,000	36,000
<b>Total CPC Funding</b>	<b>254,000</b>	<b>410,900</b>	<b>664,900</b>

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## Use of CPC Funds in 2010

CPC Funds Applied to 12-14 Peck Ave.	410,900
CPC Funds Applied to 6 Mellon Road	<u>254,000</u>
Total CPC Funds Applied	664,900
CPC Funds Reserved for Repurchase of Existing Affordable Units	185,100

# WHDC Request for Community Preservation Funding

## Use of Requested 2011 CPC Appropriation:

- Requested 2011 Appropriation 450,000
- CPC Funds To Be Applied To Purchase  
of Affordable Housing Unit(s) 435,000\*
- CPC Funds Added to Reserve For Repurchase  
of Existing Affordable Units 15,000

\*This amount would have been sufficient to finance the purchase of either the 6 Mellon Rd. or the 12-14 Peck Property