

**VALLEY COMMUNITY DEVELOPMENT CORPORATION  
COMMUNITY INVESTMENT TAX CREDIT (CITC) PROGRAM**

**COMMUNITY INVESTMENT PLAN (CIP)  
JANUARY 2023 – DECEMBER 2025**

Valley Community Development (Valley) empowers low- and moderate-income people and underserved populations to manage and improve the quality of their lives. We accomplish this through the development of affordable housing, by providing economic opportunities to small businesses, and by creating opportunities for accessible homeownership.

Over the last 30 years, Valley has developed more than 350 units of affordable rental/ownership housing and currently owns 81 units of rental housing in Northampton and Amherst. We provided business technical assistance to more than 2,600 start-ups and existing businesses and assisted more than 9,900 homebuyers with pre- and post-purchase counseling (including foreclosure prevention).

The Community Investment Plan is based on Valley’s Board and staff’s knowledge of community need, especially as we come out of almost three years of a pandemic.

**Section 1 – Community or Constituency served by the Organization**

*This section must clearly identify the neighborhoods, towns and/or cities to be served including population, demographics, and geographic characteristics and/or identify the particular constituency(ies) to be served – population, demographics, and geographic characteristics. Provide map of service area if the organization is place-based, and/or tables, charts, and graphs for constituencies.*

Valley primarily serves low- and moderate-income households, including minority and immigrant households, in Hampshire and Franklin counties of western Massachusetts. The following statistics are taken from the 2020 US Census Population estimates for the communities that Valley most frequently works in.

	<b>Northampton</b>	<b>Amherst</b>	<b>Easthampton</b>	<b>Hadley</b>	<b>MA</b>
Population*	29,311	39,378	16,022	5,272	6,984,723
Median Household Income	\$71,866	\$56,906	\$63,657	\$86,690	\$84,385
Black	2.1%	5.6%	0.5%	5.6%	9.3%
Hispanic	9.1%	7.5%	4.4%	2%	12.8%
Asian	3.3%	13.7%	1.1%	2.1%	7.5%
White	87.2%	71.8%	93.2%	87.3	79.8%
Poverty Rate	10.9%	25.1%	7.9%	5.0%	10.4%

\*Population based of July 1, 2021 US Census Estimate

According to a 2021 ARPA survey issued by the City of Northampton, 46% of respondents shared that COVID had a major or slight impact on their household income. Nineteen percent said that someone in their household received unemployment, and 7% accessed food assistance.

The UMASS Donahue Institute issued a groundbreaking study of housing needs in Western Massachusetts (excluding the Berkshires) in 2022. One of the most dramatic findings is that the region needs at least 17,000 ADDITIONAL rental units at or below \$500/month in the next five years to meet the region’s housing need. The report details “While rental and home prices tend to be lower in our region, so too are salaries and wages. As a result, the housing cost burden is higher [than elsewhere in the State].” The research found that Hampshire County needs more than 1,500 additional rental units at or below \$1,000 a month. In Northampton, where the majority of our rental units are, 52.1% of households are rent burdened, and 22.3% are severely rent burdened.

Valley primarily serves households who are economically disadvantaged (at or below 80% AMI) and/or underserved populations (BIPOC, women, veterans, unhoused households). All the cities/towns in Valley’s target area are in the HUD Springfield Metropolitan Statistical Area (MSA). Through our affordable rental developments, we serve previously unhoused individuals, families, and individuals who are extremely low- or low-income, and people living with mental health and/or substance use challenges. Valley’s Northampton rental units for example, are more diverse than the general population with 32% of tenants identifying as Hispanic/Latino (compared to 9%) and 13% identifying as Black (compared to 2%).

Through our Homeownership Assistance Program and Small Business Program, we primarily serve people with incomes below 80% AMI. Homeownership continues to be a challenge during/post the pandemic – median single family home prices reached a ten-year high in 2022 at \$420,250, well outside of reach for even people making 80 or 100% of AMI.

## **Section 2 – Involvement of Community Residents and Stakeholders**

*This section must provide a description and evidence of resident and stakeholder engagement in the organization. Describe the degree to which residents and stakeholders were engaged in the development of the Plan. Include examples of specific engagement activities, numbers of events, participation figures, and other quantified measures.*

*Describe the role residents and stakeholders have in monitoring and implementing Plan activities. Include examples of current and projected roles to be played, number and type of opportunities for involvement and the mechanisms for monitoring progress.*

### **Development of the Plan**

This CIP is based on Board and staff conversations with internal and external stakeholders over the course of 2022 to inform our work for the next three years. Valley will undertake a mini strategic planning process beginning in 2023. Valley’s prior Strategic Plan covered the period from 2016-2020. Valley’s longtime Executive Director retired in 2020 after 23 years at the helm. The Board of Directors made a hire during the pandemic who was not the right fit, and then an interim stepped in from June to December of 2021. Valley’s current Executive Director began in December 2021. This leadership disruption (though now stable) has elongated our strategic planning start date.

The hiring process for the current Executive Director included extensive conversations with Board, staff, and community leaders about Valley’s role in the community, our impact, and our goals. These conversations informed the organization’s direction for 2023 and beyond.

### **Board and Committees**

Valley’s Board of Directors is made up of volunteer community members who live and work in our service area and are passionate about our mission. The Board meets monthly with the Executive

Director to set direction and plan, hear from staff about upcoming projects/programs, and assess diversity and equity work. The Board reviews the Executive Director annually and will begin self-assessments in 2023. Board composition favors geographic and business sector representation, as well as economic, gender, and racial diversity.

- The Board voted to become an early adopter of MACDC’s Equity Pledge in 2021 and has since developed measurable and time specific goals related to the equity pledge for 2023 and 2024
- The Board works to improve systems and access for all members including making all minutes available via Google drive, updating onboarding documents, accessing nonprofit financial literacy trainings, and connecting with staff at each Board meeting
- The Board has active committees which meet regularly – Governance, Racial Justice and Equity, Resource Development, Real Estate, and Finance
- Since our last CIP there has been Board turnover with a new Board President and two new members
- The Board has an extremely specific focus in increasing diversity and is actively working on SMART goals connected to the MACDC Racial Equity pledge
- The Board has set a top priority of adding a Valley affordable housing tenant as a Board Member

### **Staff**

Valley staff participate in outreach efforts with local nonprofits, collaborations, town and city community boards, and with local municipalities and state/federal legislators.

- Staff attend meetings and join new and existing collaborations which strengthen ties to low income, minority, and immigrant communities
- There is active participation on Northampton’s Vibrancy Committee which connects small businesses with pandemic recovery initiatives to revitalize downtown
- Our homeownership and small business staff talk to community members daily about their challenges and needs in our region. These conversations inform our work and help us plan any adjustments we make throughout the year.
- Housing development staff and the director are actively involved in local, regional, and statewide conversations about related policy, advocacy, and challenges (e.g., Western MA Network to End Homelessness, MHSA Supportive Housing Coalition).

### **Housing Partnerships/Municipal Trusts/Planning Departments**

The four communities where Valley focuses most of its housing development are Northampton, Amherst, Hadley, and Easthampton. When Valley is working in any of these communities, we are actively engaged with municipal housing trusts or housing partnerships and are in regular contact with the local planning departments. The housing partnerships/municipal trusts are made up of locals appointed by the Mayor, Town Manager, or Town Council and represent the local community around housing issues. Each of these communities have housing needs assessments (except Hadley) and/or plans and look to Valley to implement homeownership services and develop affordable housing in their communities.

### **Legislative Meetings**

Valley’s Executive Director is in regular communication with our region’s legislators to keep them updated and aware of the work we are doing in their communities. Valley is lucky to work in a region with supportive and hard-working legislators who are willing to publicly share our work.

### **Implementation of the Plan**

Valley's CIP takes direction from the Board of Directors, staff, and community members' needs. As mentioned above the Board will undergo a strategic plan refresh in early 2023.

### **Housing**

As noted above, the community housing partnerships/trusts were created to review, recommend, and encourage implementation of housing services for low- and moderate-income households. Valley collaborates with these groups to inform affordable housing needs and how we can help support those needs. We are in regular conversation with the housing partnerships/trusts throughout the communities of Amherst, Easthampton, Hadley, and Northampton.

Valley meets bi-monthly with our property managers and the case managers who provide mental health, social, and homeless services for Valley tenants. This has been a highly successful collaborative model to ensure that tenants stay housed, and the housing is well maintained. These meetings will continue throughout the CIP years.

### **Small Business**

Valley has a long history of working together to provide business counseling to entrepreneurs and small businesses in the Hampshire, Franklin, and Hampden counties. Throughout COVID, Valley collaborated with several towns and cities in Hampshire and Hampden counties to facilitate distribution of over \$1M in COVID relief grants to small businesses. Valley now has two full-time Small Business staff (up from .5 FTE in 2020). We are positioned as a valued collaborator regionally which ensures awareness of small business needs and trends.

### **General**

Ensuring that our community knows our mission and what services we provide is very important to our ability to remain effective. We use social media as part of our marketing strategy and have just under 1,200 Facebook, 650 Instagram, and 1,500 Twitter followers. We are actively working with a local consultant who specializes in social media marketing to continue to grow our followers and impact. Valley sends out three monthly e-newsletters to 5,500 contacts; one that provides general updates and communication, one specific to small businesses, and one that focuses on homeownership.

The pandemic obviously impacted our ability to hold in-person events and we remain flexible when it comes to people's comfort levels with being in-person. We held abutter and neighborhood meetings on-site for developments and will continue to hold these meetings and ribbon cutting ceremonies upon construction completion.

Valley hosted more than half a dozen zoom meetings related to its housing development work during the past year. These meetings allow neighbors, community members, and stakeholders to have direct input into housing developments as they are being planned. Meetings were attended by more than 50 community members.

In September, Valley sponsored an on-site event at a new housing development that included Valley stakeholders, local legislators, neighbors, and other community members. Fifty people attended this event which was our first in-person event since the pandemic began.

Also in September, Valley staff and design team participated in a neighborhood event in Amherst with a mini-charette about planning for a proposed first-time homebuyer development. At this mini-charette,

community members gave direct input about design, including manipulating miniature “houses” on a proposed site plan.

As an integral part of offering programs, Valley solicits input from participants via surveys that are used to evaluate the relevance and quality of the programming and to solicit potential new areas of programming. This year, Valley developed several new programmatic offerings in response to local need. These include a Digital Marketing Workshop for Small Businesses and a workshop for renters on how to identify and successfully apply for affordable housing.

### **Section 3 – Plan goals**

*This section must clearly identify the goals of the CIP. It must identify how low- and moderate-income households and other constituencies will benefit from achieving each of the goals and identify how the entire community will benefit from achieving each of the goals.*

#### **Overall Vision**

Valley is a vibrant, recognized, and visible Community Development Corporation that effectively carries out its mission and meets community needs. It serves Hampshire and Franklin counties primarily, with some work in Hampden and other adjacent counties. Valley has come back to its roots with a dedicated focus on racial equity and justice, expanded housing options for people coming out of homelessness, housing with coordinated case management, a small business program that centers on diverse businesses, and homeownership support services that include offering the Home Modification Loan program to multiple towns within our service area.

Over the next three years Valley will:

- Bring online and/or have in the pipeline 160 new affordable housing units and continue to be recognized as the primary developer of affordable housing in its geographic area
- Successfully complete its first sole LIHTC development and have its second and third LIHTC developments in progress
- Successfully undertake its first housing development with a private JV partner
- Serve approximately 350 first time homebuyers and existing homeowners annually
- Provide Home Modification Loans to community members in Hampshire and Hampden counties
- Maintain an annual budget of approximately \$1M to support staff in carrying out Valley’s goals
- Have increased staff by adding three positions in the past year and will consider adding a fourth real estate position and a homeownership bi-lingual support position during this CIP.
- Serve up to 300+ low- and moderate-income businesses
- Continue our partnership with the International Language Institute to provide small business basics to English language learners
- Continually work to maintain an active and inclusive board of directors that reflects the diversity of the communities it serves
  - All Board members will be actively engaged in moving forward the MACDC’s Equity Pledge and related goals that Valley’s Racial Justice and Equity Committee has laid out for the next three years
- Continue to push the envelope with our developments to mitigate the climate crisis including geothermal technology for heating and cooling and continued use of Passive House standards in development

### **Section 4 – Activities to be undertaken**

*This section must clearly describe the activities to be undertaken under the Plan including community development activities consistent with the Program definition of community development activities (see Submission Content, Section II.). The materials must clearly identify the expected impact the activities will have on the identified goals and the community/constituency(ies) to be served. Activities should be directly related to the achievement of the stated goals.*

All the activities described below will create and maintain diverse communities. They will also create opportunities for lower income households by stabilizing housing costs through the provision of affordable housing. Whether it is rental or homeownership housing, households can build financial assets for their future through better financial planning, homeownership, or investment in their own business.

**Homeownership Assistance:** Valley provides first-time homebuyer counseling and education, post-purchase education, and foreclosure prevention services. These services strengthen the financial assets of lower-income households and allow them to remain in their communities of choice, contributing to the social, economic, and racial diversity of their community. Services are focused on households with incomes below 80% of Springfield MSA AMI. For CPA projects, the AMI is generally below 100%.

**Asset Management:** We currently own 81 affordable rental apartments, which are a mixture of SROs and family housing in Amherst and Northampton. We work closely with our third-party property management company to ensure that we continue to provide safe, decent, affordable rental housing to people at or below 60% AMI. We will explore a consolidation/refinance of smaller scattered site properties to meet capital needs and increase efficiency of operations.

**Development of Affordable Rental Housing:** Our focus is primarily rental housing in Northampton, Easthampton, Hadley, and Amherst – these cities and towns have strong downtowns, transportation options, and a variety of community services. These activities include the preservation and creation of affordable housing to meet local and regional needs, and to comply with the Commonwealth’s Sustainable Development Principles. The provision of affordable rental housing in smaller, more financially stable communities outside of Springfield/Holyoke takes pressure off these lower-income communities and allows other communities to do their fair share in providing a variety of housing choices. Developing housing in “areas of opportunity” can provide better outcomes for households who choose to live here. Valley also focuses on using local general contractors, architects, and suppliers which strengthens the local economy by supporting local jobs.

In 2022, Valley began development on its first sole sponsor LIHTC development, partnering with MHIC for tax syndication. Valley has increased its real estate team, now comprised of a director and two project managers. We continue to use a highly qualified property management firm that has an agency-wide portfolio of 8,500 units to manage our non-tax credit portfolio.

Valley will continue to advance energy efficiency/environmental sustainability/climate resiliency for affordable housing development, which includes working with MACDC’s Energy Cohort, a new initiative which also includes LISC Boston and New Ecology. It is a peer learning group of affordable housing professionals interested in these topics to network, learn and share information. Valley is under construction on its first Passive House multi-family building in Amherst, where we just received Passive House Design Certification. We will work diligently during the coming year to make sure the construction meets targets for the building to be Passive House Certified. When completed, this will be

one of the first Passive Housing multi-family buildings in Western Massachusetts. This will also be Valley's first all-electric utility building.

Valley's upcoming developments in Northampton will also be all-electric, as the City requires that we eliminate fossil fuel use. We are striving for near-net zero performance at these developments, are maximizing the use of PV solar, and are also exploring whether geothermal is an option at one location.

**East Gables** - Construction is underway in Amherst for a 28-unit studio supportive housing development with the support of the Town to accommodate a growing homeless population as well as serve other low-income individuals in Amherst. We expect occupancy to begin in the fall of 2023. This property incorporates Valley's most robust supportive services plan to date, including a 0.75 FTE on-site Resident Services Coordinator.

**Sanderson Place** - Valley collaborated with Rural Development, Inc. in Franklin County on a 33-unit senior rental development. Valley provided consulting services and was the lead project manager. Construction is just shy of 100% complete and lease-up is expected to begin in late fall 2022.

The following four projects are actively in pre-development. They will bring 160 new affordable housing units (rental and homeownership) to our service area during the next 3-5 years.

**23 Laurel Street** is a new construction of 20 family rental units (townhouses) on a 1.62-acre parcel of land owned by the City of Northampton. Valley has site control via an option to acquire the property for \$1 and was recently granted a 40R zoning permit. This development will submit for funding from DHCD in the coming January 2023 One Stop round. Apartments sizes range from 1-3 bedrooms, with most apartments (11) intended for ELI residents.

**Prospect Place** is the adaptive reuse of a former nursing home. This 72,000-sf building located on a 6.25-acre parcel in Northampton has been vacant for 12+ years and is in severe disrepair. Valley plans a gut renovation to create an estimated 60 affordable apartments. Sizes of units range from studios to 3-bedrooms and planned income tiers are 30%, 60%, 80%, and 100%. Valley acquired this property in the spring of 2022 with financing from CEDAC. Valley received a zoning permit in late October. This development will be submitted for funding from DHCD in the coming January 2023 One Stop round. The City has already committed \$1M in local resources and Valley was awarded \$830,000 from the Underutilized Properties Program.

**Econo Lodge** is another adaptive reuse project in pre-development. Valley has site control of the Econo Lodge hotel located in Hadley through a Purchase & Sales Agreement. CEDAC approved acquisition financing for the full purchase price and a pre-development loan in September 2022. Since permitting will be under Chapter 40B, Valley submitted its Project Eligibility Letter application to DHCD in September. Valley plans to acquire the property in January 2023 and undertake light renovation to convert the 63 hotel rooms into 50 affordable apartments (a mix of studios and one bedrooms) with 50% of units having a homeless preference.

**Ball Lane** located in North Amherst (a QCT) is a homeownership development of 30 duplex condominiums. Valley purchased this 8+-acre parcel in August 2022 and plans to use MassHousing's Commonwealth Builder (CWB) program to create 30 new homeownership opportunities (10 for 80% AMI households, 10 for 100% AMI households, and 10 at market rate). Consistent with the goals of

CWB, the focus of this project is to help disproportionately impacted households (specifically BIPOC households) gain equity through homeownership.

The following projects are in **Valley's pipeline**, but not yet in active pre-development.

- Valley was engaged by the City of Easthampton to explore feasibility of sites for affordable housing development. We are actively considering several City-owned properties, as well as private properties.
- Valley has been in discussion for the past year with the City of Northampton about re-developing a municipal site in the center of downtown for 20-30 small studio apartments for homeless individuals. Valley will submit a proposal for this project in late November and hope to secure site control shortly after.

### **Development Opportunities Not Yet Identified**

Valley expects to pursue new development opportunities over the next three years as our current projects move into occupancy, freeing up time for the exploration of new projects.

**Small Business Program:** Valley continues to provide small business technical assistance in our region. The Mass Growth Capital Corporation (MGCC) is Valley's primary funder for this work. Valley added a second FTE to this program in the fall of 2022 (now at 2 FTEs). This program is built from longstanding and new collaborations with Franklin County CDC, Western Mass Means Business, the Northampton Vibrancy Project, and various chambers of commerce (Northampton, Easthampton, and Amherst).

Valley has a current contract with the Northampton-based International Language Institute (ILI) to provide a sub-grant of MGCC funding. This contract supports a collaboration between Valley and ILI to provide financial literacy counseling and small business basics for English as a Second Language Learners.

### **Section 5 – How success will be measured and/or evaluated**

*This section must identify the evaluation process, the participants in the process, and the role(s) they will play. Describe the tools and methodologies to be used to measure the impact/outcomes associated with undertaking each of the goals, programs/policies, and activities in the Plan. Tell us how you measure success in your goals, policies, and activities, including benchmarks and both quantitative and qualitative outcome achievements.*

Valley's staff develops program metrics for each area of work, frequently related to funding sources. In most cases, we submit quarterly metrics to funders. Valley's Executive Director reports monthly to the Board of Directors and the Governance committee about programmatic goals and outcomes.

**Affordable Housing Development:** Valley's Real Estate team and real estate committee are responsible for developing/maintaining a pipeline of affordable housing over the next three years and beyond. Progress reports will detail the development tasks achieved as the projects move through the development process and typically include site feasibility analysis, site control, due diligence, permitting, award of predevelopment fund, final funding awards, construction closing, construction, lease-up, and stabilized occupancy.



Valley sets goals for its properties and residents which are evaluated at the end of each fiscal year. Examples include:

- Valley's tenants who were previously unhoused remain in good standing for at least one year
- 75% of tenants will pay their rent by the 10<sup>th</sup> of the month
- Valley's Property Manager will track demographics of our tenants to ensure adequate marketing within the region
- 100% of our tenants have accessed decent/safe/healthy housing
- Valley's properties maintain less than 5% vacancy rate

**Homeownership Program:** All participants of the first-time homebuyer workshops complete evaluation forms. Each participant is asked to complete a detailed survey about all sessions of the three, three-hour long workshops, including questions about the presenter and instructor. The program manager uses this feedback to adjust future workshops. Evaluation content from the workshop is used to customize course materials and presentations to meet participants' learning needs and concerns. Speakers receive feedback on the clarity of their presentations in response to participants' ratings.

Valley provides post-purchase classes twice a year and participants are asked to complete evaluations at the conclusion of the 6-hour, one-day workshop. These evaluations are used to improve the workshop materials and presentations.

Valley uses the CRM platform Salesforce to track homeownership program participants. This system allows staff to track the clients' demographics, client meetings and notes, and metrics, with the added feature of reporting to HUD. Our metrics are set with each funding source and so will vary year to year.

**Small Business Development:** Valley uses Salesforce to track small business clients. Like the homeownership program, metrics vary from year to year depending on the funding source but typically include increased business revenue, new jobs created, etc.

Participants of small business workshops complete evaluation forms for all workshop topics. The small business team uses feedback to adjust various aspects of the program and make decisions about the needs of future programs.

## **Section 6 – Collaborative efforts to support implementation**

*This section must identify existing and proposed collaborative relationships with other stakeholders, such as nonprofits, other Community Partners, businesses, state, and municipal government. Identify known collaborators when possible and provide details surrounding collaborative efforts. Clearly identify the role of existing and proposed collaborations in supporting implementation of the Plan including the financing strategy, as applicable.*

**Statewide:** Valley is an active member of MACDC and of CHAPA.

**Western Massachusetts:** The Western Mass CDCs meet bi-annually to discuss issues specific to Western Mass. Active participation supports community development work in Western Massachusetts which directly impacts Valley's ability to implement its programming through legislative and financial support. Valley's Executive Director serves on a policy planning group that meets bi-monthly convened by Way Finders. The group looks at policy solutions for western MA that can increase the production of affordable housing.

We collaborated with RDI (Rural Development Inc.) on a 33-unit senior rental development in Franklin County which is almost ready to lease up. We also collaborated with Clinical & Support Options in Springfield through the permitting phase of a new 36-unit permanent supportive housing development.

Valley is a member of Western Mass Means Business (WMMB), a collaborative of SCORE Western MA, Common Capital, Center for Women and Enterprise, MA Small Business Development Center (MSBDC), and Franklin County CDC. The agencies collaborate to provide more comprehensive services to entrepreneurs and businesses in Franklin and Hampshire counties, as well as collaborating to be more competitive for funding. As mentioned previously, Valley has a current collaboration contract with the International Language Institute.

Valley continues to work with the Downtown Northampton Association (DNA) and the chambers of commerce in Easthampton, Amherst, and Northampton, as well as the Massachusetts LGBT Chamber of Commerce.

Valley's Small Business Program is a collaborator in the Northampton Vibrancy Project, Blueprint Easthampton Initiative, and The Resilient Project.

Valley's Homeownership Program will collaborate with Franklin County CDC to offer first-time homebuyer education classes in 2023.

**Municipalities/Local:** Valley is involved with the various local departments, boards, and committees working on community development in our service area. These municipalities rely on Valley to develop affordable housing in their communities as well as provide homeownership and small business assistance. Valley expects continued support from these municipalities.

### **Section 7 – Integration of activities/consistency with community strategy and vision**

*This section must describe how Plan activities fit together in addressing plan goals and how the Plan fits into a larger vision or strategy for the entire community. It must describe how the Plan is consistent with other specific neighborhood, community, or regional plans. Please be advised, a listing of other plans that the Plan is aligned with is not sufficient, an explanation of the correlation of specific goals and activities should be noted.*

#### **Description of interaction and interrelationship of Plan activities to be undertaken**

Valley assesses and responds to its service area's priority needs. Valley reviews reports issued by municipalities, which includes master plans, housing production plans, housing studies, community development strategies, and sustainability plans to confirm it is meeting local housing and economic development needs as noted below.

#### **Description of how the Plan fits into a larger vision or strategy for the entire community and is consistent with other neighborhood, community, or regional plans**

Valley's programs and activities increase the economic opportunities available to low- and moderate-income people in the community, which creates a more stable local economy and a stronger, more diverse community. We strive to create solutions that are beneficial in the immediate future and have long-term sustainability. To achieve these goals, Valley focuses on three areas of community economic development: the creation and preservation of affordable housing, small business development, and housing services including first-time homebuyer counseling and workshops, post purchase counseling, and foreclosure prevention counseling.

The following are the most current examples of how Valley activities meet the needs outlined in these various plans:

### **Regional**

- Pioneer Valley Regional Housing Plan, 2014

Two of 13 objectives outlined in the Plan are increasing homeownership opportunities and enabling more housing choices outside of central cities through regulatory action.

- All Roads Lead Home: The Pioneer Valley's Plan to End Homelessness, 2008

One strategy for decreasing homelessness is to not only to "increase affordable housing for extremely low-income households," but also expand affordable housing development "in the right areas" that are not heavily impacted by poverty but still allow access to public transportation. Valley's primary target areas of Northampton, Amherst, and Easthampton are "areas of opportunity".

- Greater Springfield Regional Housing Analysis, Phase I (2021) & Phase II (2022)

Conducted by the UMass Donahue Institute, Phase I conducted a housing study for the Greater Springfield region summarizing the key demographic, economic, and housing indicators in the three-county region to better understand the issues, needs, and challenges in the local economy. Phase I showed clear disparities in access to housing and pressures on price points for various groups and communities across the region.

Phase II further extended the previous research by considering the role of place in upward mobility and the disparities in access, as well as the role the COVID pandemic played in these place-based housing issues. The report found there is a serious affordability issue in the region, with prices continuing to increase. Economic and racial segregation in the region has resulted in residents not having fair and equal access to opportunity through securing appropriate and affordable housing.

### **Town of Hadley**

- Master Plan (2005) and Master Plan Update (2017)

The Town updated its Master Plan in 2017 with the assistance of the Pioneer Valley Planning Commission. The plan has two chapters specific to Valley's mission – Housing, and Economic Development. The Housing chapter notes the need for maintaining 10% of Hadley's housing stock as deed restricted affordable housing and establishing an Affordable Housing Trust Fund. The Economic Development Chapter focuses on zoning changes needed to encourage small business development within village centers.

### **City of Northampton**

- Northampton Housing Needs Assessment & Strategic Housing Plan, 2012

This plan was created to build upon the broad housing principles and strategies outlined in the following referenced Sustainable Northampton Comprehensive Plan. The City has also created 40R Smart Growth Districts to promote affordable housing.

- Sustainable Northampton Comprehensive Plan, 2008–2028

Indicates that the "Provide Social Equity" guideline, which includes affordable housing, was to "support a diverse and integrated community where all residents have the opportunity to excel on a socially, economically and academic level and to lead independent and successful lives." Under affordable

housing, it specifically mentions “support a wide variety of housing types that increase rental and ownership units to create and preserve a range of affordability and choice in housing options.” The guiding principle of “Foster Economic Sustainability” for economic development activities is to “recognize that a diverse and vibrant economy is integral to a successful community and to support business and job development that contribute to the community and the City’s long-term sustainability.”

- An Assessment of Barriers to Fair Housing in Northampton, 2019

A list of actions to take to impact fair housing includes assisting households to become homeowners, removal of local preference, and the continued production of affordable housing.

- City of Northampton Five Year Consolidated Plan & Annual Action Plan 2020-2024

This plan is specifically for CDBG activities. Priorities include affordable housing preservation, first-time homebuyer programming, and microenterprise economic development.

- City of Northampton Community Preservation Plan Revised 2022

The Community Preservation Committee’s Plan says: “Provision of affordable, workforce, and moderate-income housing has been a priority in Northampton long before the CPA. CPA funds have been able to fill an important funding gap, contributing at least a portion of funding for more than 30 community housing projects through 2021.”

- Planning the Northampton Resilience Hub (2020)

This report developed ideas for what financial and community support would be needed to establish a Community and Resilience Hub to support Northampton residents who face chronic and acute stress due to climate change, and social and economic crisis. The study addressed the lack of affordable housing and the need to build more as one of the issues related to homelessness.

### **City of Easthampton**

- Community Development Strategy, 2019-2024

Details affordable, safe, and sanitary housing stock as a priority for the city’s future. Valley Community Development works very closely with the Housing Partnership. The city adopted and recently expanded 40R Smart Growth Districts to promote affordable housing. It identifies the need for homebuying counseling, down payment and closing cost assistance, and foreclosure prevention. Supports smart growth initiatives and building energy-efficient affordable housing through public/private partnerships.

- Affordable Housing Production Plan, 2021-2026

The city’s housing production goal over the next five years is to add 38 affordable housing units annually. The city needs to add 227 affordable housing units to reach the 10% goal.

- Easthampton Master Plan, 2008

The three overriding principles of the Plan include accessibility, diversity, and sustainability. The housing section identifies first-time homebuying counseling, down payment, and closing cost assistance as supports for the development of affordable housing – both rental and homeownership. The economic development section notes a need for increased financial and technical support for business, economic, and workforce development to assist start-ups and micro businesses.

- Easthampton Downtown Strategic Plan (2020)

With the anticipated sale of three downtown elementary schools, the city conducted a downtown strategic plan to gather data and community input to analyze and synthesize into a set of recommendations for the future of downtown redevelopment. The plan identified affordable housing as a critical need in the city. The plan discusses expanding the Chapter 40R Smart Growth Zoning District to encourage private development and affordable housing in the Downtown. The plan also set a goal to develop a coordinated vision for the Downtown to enhance economic development opportunities, especially attracting and supporting creative small businesses.

### **Town of Amherst**

- **Municipal Housing Trust Strategic Plan FY18-22**

Promotes Town's affordable housing priorities particularly to create safe, decent, and affordable housing for our most vulnerable populations. Five-year goals include actively fostering development, supporting homelessness prevention initiatives, and seeking opportunities to promote conservation-based development. First year priorities included fostering development/redevelopment to create supportive enhanced SRO housing.

- **Community Development Strategy, 2018**

The housing section focuses on the extreme need for non-student, low/moderate income, and permanent supportive housing including ESRO and ELI units for those transitioning out of homelessness. The plan references the Town's Housing Production Plan. The economic development section stresses increasing assistance to small businesses.

- **Comprehensive Housing Market Study, 2015**

The study recommends more multi-family development and smaller-scale multi-unit housing to address Amherst's unique housing needs.

- **Housing Production Plan, 2013**

The plan states the Town's overall housing goal is to provide a mix of housing that is affordable to the broadest possible spectrum. The plan identifies the development of rental housing for both families and individual/students as a priority need. The plan recommends the production of 150 units of family housing and 240 units that are affordable to income ranges from 80% AMI to <30% AMI to address unmet housing needs with 48 units created annually.

- **Master Plan, 2010**

Sustainability underlies the entire Master Plan with a focus on diversifying and expanding the Town's economic base. The housing section outlines housing needs and objectives. Strategies to promote affordability call out rental and homeownership housing. The economic development section identifies policies to support expansion of the Town's economic base and provide further employment opportunities.

### **Section 8 – Financing strategy**

*This section must describe how the CDC will finance implementation of the Plan's activities.*

*It must demonstrate an understanding of the availability of financing sources and their applicability to implementation of the Plan. It must describe the CDC's past experience in using the proposed financing sources.*

*The Section should identify the level of commitment of other funding sources to implement the Plan including capacity and strategies related to donations that result from available investment tax credits. Include chart to show budget breakdown of funding sources and where funds are being allocated.*

### **Overall Budget**

Valley has included its present view FY23 operating budget as part of this CIP. A detailed discussion about our operating budget and balance sheet is held with the Board quarterly. The Board's Finance Committee meets every other month and reviews detailed profit and loss statements, budget to actuals, cash flow, and the balance sheet. Our projections for the CITC program through 2025: \$230,000 in credits for calendar year 2023; \$250,000 for calendar year 2024; and \$250,000 for calendar year 2025 (when the program is set to sunset).

Valley has projected a five-year budget, though due to a looming recession and continued inflation, things are hard to predict. We expect to maintain an annual operating budget of close to \$1M for the duration of the CIP.

### **Annual Appeal/CITC**

We are confident in our capacity to implement planned CIP activities with the funding provided by CITC, economic development and homeownership grant income, and housing development fees/overhead. Valley has been successful at utilizing CITC since the program began in 2014. We expect our strong connections to donors – including financial institutions, individuals, and small businesses – to continue through 2025. Valley's current Executive Director was the Director of Fundraising at an area nonprofit for eight years prior to coming to Valley and is confident it can continue to grow the number of donors, especially through CITC, who support the work of Valley.

### **Federal Funding**

The pandemic dramatically altered the funding landscape, Valley received several COVID specific CDBG allocations to support small businesses in Amherst, Easthampton, and Northampton. Federal American Rescue Plan Act (ARPA) funding has flowed into the State and municipalities bolstering what had become slightly anemic funding sources. When applicable, Valley will apply for ARPA funding, particularly for affordable housing development and small business support.

### **State/Local Funding**

The State Division of Banks (DOB) has consistently provided funding for foreclosure prevention and first-time homebuyer/homeownership counseling, and in the past two years that funding has almost doubled. We expect funding will continue at least through CY 2025. Local/regional banks and class registration fees provide funding for our monthly certified first-time homebuyer classes. Valley is the only organization in Hampshire County providing this education and our Homeownership Program Manager is the only certified HUD counselor in the county. We continue to work to maintain strong relationships with the banks and have seen increased support since the pandemic for our services.

We expect to continue to receive funding from MGCC to support our small business program. Starting in 2021, Valley moved from being a subrecipient of Franklin County CDC's MGCC request to making a standalone ask. We have seen our funding increase from \$7,500 in 2018 to \$100,000 in 2022. In the past two years, our Small Business program has grown from one part-time staff to two full-time staff who are valued collaborators and partners in the community.

Valley is supported by Community Preservation Act money for our homeownership program in Amherst, Northampton, and Easthampton, and for the creation of affordable housing in Northampton. (We will request Amherst funding for housing development in the fall of 2022.)

### **United Way Funding**

Valley is a United Way agency and has consistently received funding for more than 25 years. Valley is currently funded by the United Way of Hampshire and Franklin County and will apply again in FY24. This funding covers a small portion of our real estate team's work.

### **Private Philanthropy**

We are occasional recipients of support from private philanthropy – most recently a grant to support pre-development work at a potential hotel conversion. We hope to increase philanthropic support in the upcoming years.

### **Developer Overhead/Fees**

Valley has moved into a new era of sole sponsor developments which will allow us to realize 100% of developer overhead and fee (pending overages). We currently receive monthly overhead for the East Gables and Sanderson Place developments. We project to receive developer fees for both projects in FY24. We expect to have three other developments underway in FY24 and will receive overhead for those into FY25. Fees we are realizing in FY23 are included in the budget, along with fee for service income from Easthampton CPA Feasibility Study and project management support to Clinical & Support Options.

### **Planning for Financial Capacity for Affordable Housing Development**

Due to increased development overhead and fees in 2020 and 2021, Valley was able to set aside \$500,000 to serve as a guarantee fund for LIHTC developments. We intend to add to this set-aside (as budgets permit) until we reach at least \$1M. We are also, as the budget allows, setting aside funding for capital improvements on our older existing rental property portfolio to ensure ongoing property maintenance.

### **Section 9 – History, Track Record, and Sustainable Development**

*This section must address two additional topics. It must provide a record or listing of examples demonstrating the CDC's history and track record of past practices and approaches implementation of proposed activities in the Plan. It must also provide narrative and examples of the Plan's consistency with the Commonwealth's Sustainable Development Principles (see Exhibit 5)*

### **Valley Community Development's History of Past Practices/Approaches to Proposed Activities in the CIP**

Valley has been a community developer in its service area for 34 years. We focus on the creation and preservation of affordable housing, and we increase homeownership and economic opportunities for underserved populations. The pandemic has shone light on the continued need for our work.

Our Board of Directors is instrumental to the success of the organization. We have active participation from the Board at our monthly meetings and most Board members serve on at least one sub-committee. Valley's Board and staff are undertaking a diversity, equity, and inclusion deep dive through education and incorporating an equity lens into all our programming. This work will be ongoing, and goals will change as the Board and staff change.

Valley has a proven track record of bringing affordable housing projects in on time and within budget and has an excellent reputation with DHCD, CEDAC, and other funders. We have clearly demonstrated our ability to carefully design and budget our developments. This summer, Valley received the annual

award for Excellence in Affordable Housing from the Mass Housing Investment Corporation (MHIC). This is particularly noteworthy as Valley is a relative newcomer to the world of tax credit financing.

Our homeownership services are well recognized in Hampshire County and our first-time homebuyer classes, held monthly, are consistently full. We are supported by several local banks that sponsor these workshops. We consistently counsel 60-75 households annually with many positive outcomes and graduate 250-350 individuals annually from our classes.

Valley staff are well-equipped to implement the tasks as outlined in the CIP. With the early success of the CITC program, Valley hired a highly skilled real estate developer who is now our Director of Real Estate. In 2021, we added a project manager with nearly 20 years of experience and in the summer of 2022, we added a second project manager who has a specialized degree in green housing. We have 160 units in the pipeline and are developing our first sole sponsor tax credit housing with several more in the works.

Our homeownership coordinator has over 20 years of experience with foreclosure prevention counseling as well as other homeownership programs and has been with Valley for 11 years. Our Small Business Manager came to Valley in 2021 with over a decade of experience running her own company and helping financially distressed companies maintain solvency. In fall 2022, we added a Small Business Advisor to the department who held a similar role in Vermont and adds Arabic and French language fluency to Valley's offerings. Valley's full-time fiscal director has two decades of nonprofit and for-profit accounting experience and started in 2021. Our Office Manager maintains our database (Salesforce), assists with our communications and IT. Our Executive Director comes to Valley with 25 years of nonprofit experience across several fields, was a fundraising director for seven years at a local nonprofit and has a background in working to end homelessness. We have a deep pool of consultants across all departments that we hire on an as needed basis.

### **CIP Consistency with the Commonwealth's Sustainable Development Principles**

Valley has always complied with the Commonwealth's Sustainable Development Principles when developing its affordable housing. Valley's current project under development will conform to Passive House standards, and our next pipeline project will conform to the City of Northampton's fossil fuel ban.

When choosing properties/sites to develop one of our many considerations is access to public transportation, the bike path, and/or walkability. Valley is excited that two pipeline projects already have bus stops on-site and one will get a bike share rental location adjacent to the bus stop before the property is occupied.

Valley's approach to the planned activities in the CIP are very similar to its historical services to the community. What has changed over time has been our increasing commitment to sustainable development in our housing projects. We are still committed to assisting low-income households to build personal wealth by educating folks around credit, debt, possible homeownership, and small business development. Within those counseling sessions, consumers are educated about sustainability including costs of rural vs. in-town living, utility costs and special programs available i.e. MassSave. We also explore transportation options and commuting costs. Valley looks forward to continuing and expanding those services to the community as new information surfaces.