

**Salisbury Affordable Housing Fund**  
Guidelines

**PURPOSE OF FUND:** To assist in the preservation or creation of Affordable Housing (as defined below).

**PURPOSE OF GUIDELINES:** The Salisbury Affordable Housing Commission has drafted these Guidelines in order to:

- 1) provide guidance to potential applicants about the Salisbury Affordable Housing Fund (SAHF) eligible activities and the application process; and
- 2) ensure that the funds are used responsibly and for the purpose they are intended.

These are guidelines and are not intended to be all-inclusive or to address every possible affordable housing proposal that may come before the Town. Please see Town Ordinance #112 for all eligible activities and contact the Housing Commission with any additional questions.

**SUMMARY**

SAHF funds may be disbursed per Town Ordinance #112 to facilitate the creation of Affordable Housing units in Salisbury. Any entity that intends to create affordable housing is eligible to apply for an interest-free loan. Non-profit organizations with experience and a mission that includes the creation of affordable housing may request grant funds of up to \$10,000 per housing unit. Funding provided for feasibility studies will be forgiven if the project proves infeasible.

In return for funding, applicants will be required to agree to:

1. Maintain units as Affordable Housing for a specified period based on the amount of funding
2. Repay loans at the end of the loan term or sooner
3. Sign documentation to ensure these provisions can be enforced

It is anticipated that providers of permanent financing for the project will require loans to be repaid as part of their financings so the SAHF will be replenished before the term of the loan in most cases.

**SUMMARY CHART:**

	<b>Amount</b>	<b>Form of funding provided</b>	<b>Maximum Loan Term and Period of Affordability</b>	<b>Security</b>
1	Less than \$5,000	Restricted grant (non-profits only)	1 year for every \$1,000 (e.g.: a \$5,000 grant would require 5 years of affordability)	Written agreement with the applicant which can be taken to small claims court if the applicant moves forward with a project that does not include affordable housing.
2	Up to \$20,000	Loan 0% interest or Restricted grant (non-profits only)	1 year for every \$1,000 or until the loan is repaid	Promissory note, loan agreement, and mortgage (recorded)
3	More than \$20,000*	Loan 0% interest	30 years or until the loan is repaid	Promissory note, loan agreement, and mortgage (recorded)

\*Projects requesting more than \$20,000 must also be reviewed and approved by the Board of Finance at a Town Meeting as required by Town Ordinance #112.

### ELIGIBLE USES OF FUNDS

Funds may be used to assist in the preservation or creation of "Affordable Housing". Affordable Housing is defined as dwelling units that shall be sold or rented at or below prices that will preserve the units as housing for which persons and families pay 30% or less of their annual income, where such income is less than or equal to the Area Median Income (as defined by HUD).

Activities that may be eligible for funding include:

- **Feasibility study**-related or predevelopment activities: to determine whether and what type of an Affordable Housing project may be feasible. Activities include but are not limited to surveys, wetland studies, potential for septic systems, preliminary designs, and development cost estimates.
- **Acquisition**-related activities: to acquire land, housing, development rights, easements, or deed restrictions, enter into option agreements, or conduct appraisals.
- **Construction**-related activities: including but not limited to rehabilitation, repair, or improvement of Affordable Housing.

Eligible activities are established by Town Ordinance #112, effective December 13, 2010.

### FUNDING LIMITS & REPAYMENT TERMS

Funding requested for feasibility study-related activities as described above will be limited to no more than \$5,000 per proposed Affordable Housing unit or \$20,000, whichever is less.

Maximum loan terms and required periods of affordability are described in the chart above. Repayment will be secured by a written agreement (for amounts less than \$5,000) or by a recorded mortgage (for amounts of \$5,000 or more).

Applicants will not be required to repay funding provided for feasibility studies if the project proves infeasible.

If any applicant moves forward to create a project that does not include Affordable Housing or uses the funds in a way that is not consistent with the funding request in the signed application form, this entity will forthwith be required to repay the funds provided from the Salisbury Affordable Housing Fund.

### ELIGIBLE APPLICANTS

- **Non-profit organizations** with a mission that includes the creation of affordable housing options (eligible for restricted grant funding of up to \$10,000 per housing unit)
- **The Town of Salisbury**
- **Other entities** such as private groups or individuals may request funding if they have a plan for how the affordable units will be fully funded, managed, and kept affordable for the required period of affordability. Anyone who applies for funding must demonstrate that they have experience with the type of Affordable Housing project they are proposing or have hired a qualified and experienced consultant to help with the project.

### PRIORITY PROJECTS

Projects for which there is no other known source of funding will be given a higher priority to receive funding. For a list of other known funding sources for affordable housing projects, please see Appendix A.

## APPLICATION PROCESS

Applicants are required to complete, sign, and submit the attached application form with required attachments to the Salisbury Affordable Housing Commission. Upon reviewing the application materials submitted, the Commission or the Board of Selectmen may request additional information.

The application will be reviewed by the Housing Commission at its next scheduled public meeting. If the application is approved by the Commission, the Commission shall recommend the expenditure to the Salisbury Board of Selectmen. The Board of Selectmen will then vote on whether or not to fund the project requested in the application.

Any project approved by the Board of Selectmen for the appropriation of ***funds in excess of twenty thousand dollars (\$20,000.00)*** shall be forwarded to the Salisbury Board of Finance for their consideration. If approved by the Board of Finance, the Board of Selectmen shall present such recommendation for a vote at a duly warned and noticed Annual or Special Town Meeting.

## CRITERIA

The SAHC will look for the following when deciding whether or not to recommend to the Board of Selectmen that a project receive funding from the Salisbury Affordable Housing Fund:

- a description of how the proposed unit(s) will ***remain Affordable*** for the long term;
- ***control of the proposed site*** (the applicant should own the site or have an option agreement to purchase the site);
- an applicant with ***experience*** in developing this type of housing or who has a qualified and experienced consultant working with them on this project;
- a description of how the applicant plans to obtain the necessary ***funding*** to complete the project; and
- ***permitting approvals:***
  - For feasibility-type funding the SAHC will want to see evidence that applicant has sought preliminary review and guidance from the Planning & Zoning Commission and Conservation Commission on a concept plan for the project (if permits from these commissions will be required)
  - For acquisition or construction-type funding the SAHC will want to see evidence that the applicant has permitting approvals from all required town permitting authorities, including the Planning and Zoning Commission, Conservation Commission, Torrington Area Health District, and Water Pollution Control Authority.

With this information, the SAHC will then evaluate the likelihood that the project will result in the preservation or creation of Affordable Housing.

### For more information, contact:

Georgia Petry  
Housing Commission Coordinator  
[gpetry@salisburyct.us](mailto:gpetry@salisburyct.us)

Attachment: **Town Ordinance #112** which established the Salisbury Affordable Housing Fund

**Appendix A:**  
List of other Affordable Housing Financing Resources

**HDF Multifamily Loan Fund**

HDF offers a wide variety of financing products to promote and facilitate the rehabilitation, new construction, and preservation of affordable housing for low- and moderate-income households, including multifamily housing, seniors housing, and special needs housing. HDF is one of the few local sources of long-term, below-market financing for affordable housing in its service area. For more info visit: [www.hdf-ct.org](http://www.hdf-ct.org).

**LISC- Connecticut**

LISC offers project financing for predevelopment, acquisition and/or construction of affordable housing to non-profit housing organizations. LISC also provides grants to help local partner organizations expand their capacity. For more information, visit: [http://www.lisc.org/connecticut\\_statewide](http://www.lisc.org/connecticut_statewide)

**Accessory Apartment Program**

The HousingUs Accessory Apartment Program, an initiative of Berkshire Taconic Community Foundation, provides low interest loans (1.5%) to eligible homeowners who are interested in building an apartment in their home, garage, or barn. The loan would not have to be repaid until the home is sold. To be eligible for this funding a homeowner must live in the town where they work and meet certain income qualifications. Visit [www.housingus.org](http://www.housingus.org) for more information.

**Neighbor-to-Neighbor Fund (Berkshire Taconic Community Foundation)**

Neighbor-to-Neighbor provides emergency one-time assistance for local residents who are in economic distress. Neighbor-to-Neighbor makes small grants (generally around \$500) to help those with overdue utilities, medical bills, short-term housing costs, and transportation problems. Checks are written to the vendor (landlord, utility company, pharmacy or mechanic) on behalf of the community member in need. The funds are not intended for long-term or ongoing assistance, but for strategic intervention to help achieve a measure of stability and avert further crises.

**McChesney Fund (Salisbury Family Services)**

If you are requesting funding for your primary dwelling, are a Salisbury resident, and have no other viable financing options, you may qualify for an interest free loan for up to \$20,000 from the McChesney Fund. This fund is administered by Salisbury Family Services (SFS). If you are interested, call SFS at 860-435-5187.

**Regional Housing Rehabilitation Loan Fund**

This Program provides no-interest loans to income eligible property owners for rehabilitation of existing homes. These loans would not need to be repaid until the home is sold, transferred, or refinanced. Eligible rehabilitation projects under this Program could include wells, septic, heating updates, plumbing repairs, electrical, roofing, and weatherization, such as insulation, window replacement, and siding. To be income eligible property owners must have household incomes at or below 80% of the area median income. For more information, contact Patrice McGrath, Town Social Worker, at 860-435-5187.

**Salisbury Affordable Housing Fund**  
DRAFT Application Form

Name of Applicant: _____
Address: _____
Phone: _____ Email: _____
Project Name: _____
Project Address: _____

Brief description of Project (including proposed sale or rental prices):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposed total number of housing units in proposed project: \_\_\_\_\_

Total number of Affordable\* housing units in proposed project: \_\_\_\_\_  
(\*See Affordable Housing Fund Guidelines for definition of "affordable")

Amount funding assistance requested: \$ \_\_\_\_\_

Purpose of funding assistance requested:

\_\_\_\_\_  
\_\_\_\_\_

Other assistance requested from the SAHC: \_\_\_\_\_  
(for example: assistance in identifying other sources of funding for the project, identification of specific housing needs in the community, support letter for the project)

1. How will the proposed affordable housing units remain affordable in the long term (what entity will oversee the affordability restrictions)?

\_\_\_\_\_  
\_\_\_\_\_

2. Please briefly describe the applicant's qualifications for and experience with this type of housing development.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Please briefly describe the status of permitting (zoning and wetlands), water/sewer/septic issues, site control (is the site currently owned by the applicant or under an Option to purchase agreement?) and financing for the project.

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**Certification**

All the information in connection with this application is complete and true.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

**Required Attachments**

Please also provide the following with your completed application form:

- A detailed cost estimate for each activity the applicant is requesting funding for. Please include the source of the cost estimate.
- Map of proposed housing site.
- Sketch or drawing of proposed housing (if available).
- Copies of permits received or minutes from all required town permitting authorities including the Planning & Zoning Commission and Conservation Commission showing that the project has been reviewed by the required Town permitting authorities.
  - For feasibility-type funding the SAHC will want to see evidence that applicant has sought preliminary review and guidance from the Planning & Zoning Commission and Conservation Commission on a concept plan for the project (if permits from these commissions will be required)
  - For acquisition or construction-type funding the SAHC will want to see evidence that the applicant has permitting approvals from all required town permitting authorities.

Please note:

- 1) Upon reviewing the application materials submitted, the Salisbury Affordable Housing Commission or Board of Selectmen may request further information.
- 2) This application, once submitted to the Commission, will become a public record and be filed in the Town Clerk's office at Town Hall.