February 12, 2014

University of Massachusetts
Procurement Department
407 Goodell Bld - 140 Hicks Way
Amherst, MA 01003

ATTN: RFP AA14-GD-4888

To Whom it May Concern:

czb is pleased to submit our qualifications and proposal to assist the University of Massachusetts and the City of Amherst in their shared aspiration to develop a plan for a mutually beneficial housing and economic development strategy.

We are a Virginia-based neighborhood planning practice with considerable experience with the issues described in the University’s RFP. We have worked in Chapel Hill and Boulder, two analogue communities that taught us a great deal about some of the issues Amherst and the University are facing. In other communities we have learned many valuable housing finance, policy, and economic development lessons that we can apply to your situation. Our team is seasoned and capable of working very fast. Our present work in Lexington, Bowling Green, Boulder, and Park City are all at a point where we would be able to start immediately and complete the analysis, subsequent strategy development, and facilitate a community dialogue by the desired May 15 goal.

If selected, we can deliver this project for a fixed price cost not to exceed $59,262 inclusive of all travel and project-related expenses.

By my signature below I am indicating that as President of czb I am duly authorized to present this proposal.

Very sincerely,

Charles Buki
President
Proposal to the Town of Amherst and the University of Massachusetts
Conduct a Housing and Economic Development

czbLLC
February 2014
WHAT WE HAVE LEARNED FROM COLLEGE TOWNS

College towns are today’s ground-zero for the two-tiered economy we as a nation are moving further into. They have fared well the last 30 years, as high growth, high impact entrepreneurial enterprises are so frequently co-locating where colleges are; that is, where talent and quality of life are increasingly found. For places with coexisting mill or manufacturing histories and economies, the challenge for local communities includes sorting out professional from blue collar buying power and resulting amenity requirements. For places significantly organized around the economics of university life and not part of a dense heavily populated region – such as a Chapel Hill or a Charlottesville – the challenge can be a bit different. In those communities, identity can be less the challenge than determining how to balance student impact on housing stocks and neighborhoods on one hand, and housing price impacts on service sector workers whose wages don’t ordinarily keep up.

From the several college towns we’ve worked in (Lexington, Chapel Hill, Norfolk, Boulder, et al), our experience tells us that to change the status quo, something’s got to give; that it’s nearly impossible for a community to make progress unless institutions, employees, students, and city staff adapt. That can mean tackling off campus housing impacts with more robust code enforcement. It can mean collaborative decision-making regarding on-off campus student housing percentages. It can mean negotiated codes of student conduct. It can and often means cooperation between University and Municipal police departments. It can but too rarely can mean formal, sizeable, impactful arrangements between colleges and municipalities on incentive-based mortgage options for staff and faculty.

More specifically, here’s what we’ve learned from these communities:

1. As you become an economic and quality-of-life powerhouse, your housing market and income ladder both become top-heavy.

Between 2000 and 2012, Boulder, CO, lost nearly 7,000 “affordable” (valued below $300,000) owner-occupied units to price appreciation. By 2012, there were more than 7,000 more units valued above $500,000, and the number of million-dollar homes had increased eight times over.

<table>
<thead>
<tr>
<th>Value of Home</th>
<th>Boulder City</th>
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<tbody>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>All Owner-Occupied Units</td>
<td>19,588</td>
</tr>
<tr>
<td>Less than $200,000</td>
<td>5,541</td>
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<tr>
<td>Less than $300,000</td>
<td>11,316</td>
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<tr>
<td>More than $500,000</td>
<td>2,592</td>
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<tr>
<td>More than $1,000,000</td>
<td>223</td>
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2. A university can be the driving force behind price appreciation, particularly among rentals.

In Lexington, KY (University of Kentucky) as student enrollment at the University of Kentucky reached an all-time high, so did rents. Between 2000 and 2012, the number of apartments renting for less than $500 fell by more than 11,000, while the number renting for more than $1,000 increased by more than 9,000.
3. Student housing can be a destabilizing force, even as students may occupy otherwise troubled stocks that without students might be even less stable.

czb field surveys we conducted in Oswego, NY (SUNY Oswego), and crime data from Lexington both showed us a connection between students and quality of life concerns, which are themselves linked to lower property values and weaker neighborhood demand.
By mapping off-campus renters and disorderly conduct incidents in Bowling Green, we highlighted the degree to which the two overlapped.

This enabled us to show how that translated into much lower sale prices for single-family homes in these areas than in others. In turn, this has been mobilizing the new BGSU President and her staff to participate more constructively in city planning and land use negotiations recently.
4. Student housing can mask a bigger problem: weak demand among homeowners in historically stable neighborhoods.

At czb, we’ve learned to look closely at students moving into what should be or what has historically been middle-market neighborhoods. In some cases, these trends are simply a function of the students’ increased demand for housing. In others, though, these trends mask the real root of the problem: declining demand for housing in certain areas among homeowners. We pushed Chapel Hill, for example, to think about the following questions:

- “Take students out of the picture for a moment; what kind of neighborhood would you get?”
- “Take students out of the picture for a moment; what kind of neighborhood do you want?”

5. Lastly, cities and universities who truly collaborate on neighborhood and economic development strategies reap the rewards.

Without question, college campuses are an incredible asset to cities. All of Richard Florida’s “20 Most Creative Metros” (places with some of the most robust economies, largest technology job base, and easiest time attracting high quality workers) all also have over 50,000 students in town or a student population equal to 10% or more of their overall population.

Universities are both a driver of the new, technology-based economy, and also an institution more willing than most to make a large, long-term, financial commitment to reinvest in their surround neighborhood. The University of Pennsylvania’s “buy local, hire local, live local programs,” for example, has funneled a substantial amount of resources into the West Philadelphia economy and dramatically reinvigorated the demand for local housing among homeowners and homebuyers.

Then a key question becomes “how can both the Town of Amherst and the University of Massachusetts at Amherst best join forces to ensure that the community and campus together reach their full potential?” – while also being wary of important community priorities (such as supporting a broad mix of housing types and growing a more diversified and expanded economic base) outlined in the Amherst Master Plan, and campus priorities (such as fostering a real sense of place) outlined in the latest Campus Master Plan.

If czb is retained to examine these and related issues, we would turn attention to a complex range of questions, including:

*czb Proposal to University of Massachusetts :: AA-14GD4888
Page 6/21*
1. Where will new off-campus students live? In what parts of Amherst could new rental units get financed, sited, permitted, built, and brought on line?
2. What will drive development considerations in Amherst besides pricing and demand, such as land use regulations, NIMBYism, long term sustainability planning?
3. Will these units be student-only complexes - by function if not in name - set apart from the rest of the community, or will they be part of a range of mixed-income and mixed-use infill scenarios with a range of implications for place-making, tax base solidification, and infrastructure financing?
4. Who will build that housing? How will that housing be financed? How will that housing be marketed?
5. What will the impact on the overall pricing of the rental market be, especially in terms of housing affordability?
6. What about housing for faculty and staff? What types of incentives would encourage employees to live in town? (As of 2012, just one-fourth of university staff live in either Amherst or Hadley.) How could employees’ presence be used to revitalize, increase demand, or raise homeownership rates in strategic neighborhoods?

Of course, the econometrics of housing in Amherst are complex.

There are many drivers and many factors to take into consideration. In addition, the Amherst community has a set of core values that shape decision making and ultimately determine what kind of a place the town is today and may become in the future. Concerns about social equity and housing affordability for instance. About relations with the University. About environmental sustainability.

czb is a planning practice with expertise in housing and neighborhoods. We understand housing markets and the econometric decisions made by households.

We are able to evaluate what has happened and predictively model future scenarios, thereby providing clients with options. From what we can see at this time, Amherst is facing many challenging issues on the housing front, so being able to have a firm sense of supply and demand in the market is critical, as is being able to determine the implications for affordability needs going forward.

We understand complex housing dynamics, having done multifaceted analyses and modeled future possible development trends. We understand college towns, having worked in several as they have explicitly grappled with devising housing and neighborhood strategies that benefit both students and residents, the city and the university. And we understand rapidly changing markets, having tackled extreme affordability challenges in Park City, UT, and Boulder, CO and right-sizing challenges in Baltimore (Johns Hopkins), upstate NY (Geneva – Hobart; Oswego – SUNY) and Norfolk (Old Dominion).

We look forward to the chance to put this experience and expertise to work for Amherst.
FIRM BACKGROUND

czbLLC (czb) is a Virginia-based neighborhood planning practice. We specialize in market-based economic and housing analyses, and strategy development for client communities seeking to shape their futures.

The professionals who comprise czb are all seasoned experts in their respective fields of urban planning and design, econometric analysis, historic preservation, real estate development and finance, affordable housing and community development, and demand-based strategy and policy development. Communities never succeed or fail solely because of a single factor like architecture or jobs, so czb has built an interdisciplinary team of some of the finest community development minds in the United States.

Our clients have ranged from severely challenged communities in Saginaw (MI) and Pittsburgh (PA), where our work has focused on economic development and the best way to stimulate housing demand amid a shrinking tax base with scarce resources, to prosperous and thriving communities like Santa Fe (NM) and Park City (UT). There, the work has focused on managing growth and its impacts, especially linking economic development to the needs of struggling families and maintaining housing affordability in a booming tourist-based economy.

In our experience, communities set the course for their future in direct proportion to the degree to which they stay ahead of trends, and capably manage a range of influential forces, internal as well as external. These forces are varied and economic, demographic, political, and social in nature. They are also interconnected. Furthermore, they are filtered through and strongly shaped by the core values of a community’s residents and stakeholders. When events and influences are capably managed, the community’s values play a large role in determining policy, but good policy relies on data as well.

To do this successfully – to manage change so that the results of it reflect local aspirations – requires incorporating community values into policy-making as well as continually collecting and analyzing the right data to guide the community (and its political leaders) in making what are often difficult choices.

The results of change, which show whether conditions and trends are being managed according to local aspirations, are understood by most stakeholders in two predominant ways:

The first is physical. How does a place look and feel? What’s the predominant design, architecture, or scale? To what degree do the different types of housing (the single-family homes and smaller or larger multifamily apartment buildings) complement one another? How do they relate to nonresidential properties or commercial corridors? What about open spaces or streetscapes or any of the other “connecting” physical elements?

The second is more conceptual. What kind of a community of like minds and sentiment comes together? Who resides in a place and brings what values and perspective to the table? Musicians and artists tend to settle together, as do lawyers and accountants. Young people gravitate towards certain kinds of places with certain community characteristics. Birds of a feather typically flock together, but this is not always the case in university towns, where “town” and “gown” may have wildly different expectations of or desires for the community.

And these results of change, manifested in physical and conceptual terms, shape future change by acting as the handrails that stakeholders hold onto as they make the next planning and development decisions. They become reference points and have a language all their own. What we all encounter when we visit
a place is the sum total of all that has proved most important to that community over time one layer after another, each successive generation ratifying or undoing earlier efforts by previous stakeholders.

In all of the places czb has worked – from medium-sized Pittsburgh having to dig out from the loss of 150,000 steel industry jobs in the early 1980s, to tiny Covington, population 7,000, trying to hold on to its historic downtown fabric amid boom and bust development pressures in Louisiana’s St. Tammany Parish – czb has identified five essential practices common to the work of successfully managing community change.

First, it’s about getting the right data to fully illustrate existing conditions. Importantly, not all data is good data, and more data is not always better than less. Also, when looking ahead, a community has to make decisions knowing that projections are just projections. No one can see the future. Strong communities do their best to project trends and plot a course that navigates a range of influences; they are not a slave to data because they feel confident enough to occasionally get it wrong, the ironic result of which is that they usually get it right. Communities that thrive often play their hunches based on the right data that is known to be less than perfect. They succeed by sometimes failing.

Second, it’s about regularly taking an accurate pulse of the community, truly knowing where it stands on a range of relevant issues, and what its core values are that shape those positions. The views of residents and business owners are constantly folded into transparent decision-making processes. In our experience, most outreach efforts fail to touch more than one percent of the community. A city of just 10,000 people will be lucky if more than 100 people participate in any meaningful way in giving feedback. Getting a genuinely accurate read on the community really requires good and constant outreach. And once they’re reached, community members need to be asked the right questions.

Third, it’s about intentionality. Cities must connect the best figures a community can get its hands on with respect to understanding conditions and forecasting trends, with a detailed grasp of where stakeholders’ center of gravity is on key issues. There can be a constant flow of new data. And there can be good continual outreach. But unless the two are joined and the city marries them with an intent to direct, or redirect, growth pressures, our experience is that, at best, a city can only react to the forces around it. And the reactionary city, not out in front of the issues, quickly gets passed by.

And fourth, successfully managing change requires that the community be able to learn. This can sound like a very simple task. In fact, it is rare that a community genuinely learns, for the root of community learning is self-reflective. Communities that successfully manage change constantly look not only at the results of past decisions but at past decision-making processes and the inputs that shaped those decisions. They reflect on whether, in hindsight, they would make the same decisions again. In our view, communities that succeed do so largely because they invest significant time looking back.

These are among the most difficult challenges asked of any community, and, frankly, most communities are not up to the job. Most collect a lot of data, much of which is irrelevant to the task at hand. Many pursue additional data collection as a means of work avoidance, seeking perfect information in a world where it simply does not exist. Some take the community’s temperature and then pay no attention to it. Others obtain good data and develop a sound grasp of the community but fall down when it comes to combining the two and translating them into action.

Using the right data and community feedback to tell an important story, and translate that story into actionable policy, is what czb does best. The story in this case is the current and projected demand for housing in Boone – among students, non-students, low- and moderate-income households, owners and
renters – and how that demand can be increased and/or met through key investments in the town’s neighborhoods and housing stock.

Our firm has substantial experience quantifying and describing existing housing supply and demand, analyzing existing and predicting future housing market conditions, and developing solutions to bring supply and demand in line while also either triggering market recovery in weak areas, or ensuring ongoing housing affordability in stronger markets. We have worked on behalf of cities, counties, and state housing finance agencies to review and redesign existing policies and programs so that they work better for residents and housing markets.

Our firm also has substantial experience crafting economic development, transportation, and land-use strategies that both reinforce and are reinforced by our proposed housing- and neighborhood-focused tactics. Our approach and strategies recognize the linkages between community-based planning, housing, neighborhoods, commerce, jobs, and government investment. Therefore, we craft realistic and manageable plans and investment strategies to move markets, create environments for investment, and position communities to encourage and realize investment. Most important, we accomplish this through a thoughtful and meaningful process of community engagement, education, and policies that allow communities to manage change and investment beyond our involvement.

We are especially excited about the prospect of working in Amherst, where the importance of the demand for housing in shaping overall municipal strength, and the fact that the demand has many, varied components (coming from all of the different parties looking for or living in local housing units), are both already so well understood. You rightly recognize the pivotal role that the University of Massachusetts at Amherst and its students play in the local housing market, not just in terms of housing needs (since on-campus residence halls provide housing for only about half of all students and individuals enrolled in college or graduate school comprise two-thirds of the town’s total population) but also housing demand (how students’ desire to live in units in Amherst can be harnessed to encourage investment in particular buildings or neighborhoods). And you are careful not to let students’ housing needs and demands crowd out others’ needs and demands – like area workers or residents unaffiliated with the university. Our understanding of housing markets and experience in communities of all kinds (including several with powerful actors like the University of Massachusetts at Amherst who can, if unchecked, distort or overwhelm the local housing market) allows us to create a seamless planning process and housing analysis document that is easy to take from plan to implementation.

At the same time, you also realize the incredible economic potential that research universities represent. They can fuel local innovation and business development (as new entities spin off from research and development projects) and attract high quality talent, who in turn attract high quality employers. Their students purchase a wide array of products and experiences – and can be encouraged to “shop” for both in the local community, creating substantial demand for in-town retail and entertainment. Strategically harnessing this potential, and transforming it into more business start-ups and destination shopping and arts and cultural districts – that appeal to students and town residents alike.

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1 Our strong market clients have included Santa Fe, NM; Park City, UT; Seattle, WA; Snowmass, CO. Our middle market clients have included Norfolk, VA; Hartford, CT; Anchorage, AK. Our struggling market clients have included Bridgeport, CT; Pittsburgh, PA; Stockton, CA. Our weak and distressed market clients have included Saginaw and Flint, MI, Gary, IN, Canton, OH.

czb Proposal to University of Massachusetts :: AA-14GD4888
Page 10/21
czb’s APPROACH TO NEIGHBORHOODS

Neighborhoods constantly change. Managing change is the challenge. This challenge becomes all the more magnified when appearance or reputation suggests to the wider market that it is declining. As demand drops off, prices fall, further convincing the market that the neighborhood can’t attract strong households and isn’t a good investment. Repositioning such a neighborhood requires that new signals be sent to the marketplace regarding norms of property maintenance and general upkeep. It requires that new standards be set and that strong households be mobilized to anchor the transition. This is especially challenging in markets where population loss and/or socioeconomic transformations are widespread but also in places with larger student populations, who tend to be more transient and less invested in their housing or neighborhood.

So who stays in a neighborhood and who decides to leave? Who is attracted and who chooses to look elsewhere? Answers to such mobility and investment decisions are the driving forces behind neighborhood health or deterioration. These decisions need to be understood in a number of ways.

Most people think of money first. Every property owner decides whether an improvement makes sense in light of local housing values. In some neighborhoods, the cost of upgrading a kitchen and bath can easily exceed the total value of the property. This is a strong disincentive for homeowners to improve their homes. In fact, this disincentive can be so powerful that even necessary repairs are delayed or done at a minimal level.

The second aspect of investment is less obvious although just as important. When a neighborhood can no longer retain stable households and can’t attract solid replacement households, there is a fundamental change in the investment of “social capital”—the time and effort residents take to connect with each other. Residents are less willing to support formal efforts, such as a kids’ sports team or a block association, and they begin to limit the time they spend on everyday neighborly activities. Such subtle disinvestment does not go unnoticed either outside the community or from within. A lack of social investment confirms the perception that the neighborhood is not a place of choice.

Whether investments are financial or social, individual investment decisions are based on choice, competition, confidence, and predictability. Taken together, these shape individual households’ decisions; households’ decisions, in turn, strongly influence buildings’ and neighborhoods’ prospects. Each also provides a different way to understand how reinvestment can be triggered.

Choice

America is a country defined by consumer choice in every aspect of its national life—from autos to toothpaste and from fast food to neighborhoods. People make choices every day about where to live, what to own, how much to invest in a house, and even whether it is time to paint the back bedroom. Although it is true that people need shelter, most decisions about housing are not based on needs but on consumer wants, and a massive real estate and mortgage industry has emerged to meet those wants. Indeed, the federal government has structured tax codes, highway projects, and national housing programs largely to increase customer options by making suburban housing more affordable, facilitating easy automobile access, and creating large capital markets. Good neighborhood and small area planning is responsive to, but not slave to, consumer choice. Good neighborhood and small area planning locates the appropriate balance of public good and private market focus, the right balance of choice and consequence.

Competition

To retain good neighbors and to attract other good neighbors, every neighborhood faces a constantly changing array of competitors. Competitors include new suburbs or new apartment complexes or up-and-
coming districts. In a competitive context, it isn’t enough for a neighborhood to be a good place to live; a neighborhood must be able to keep and attract residents in the face of this competition.

**Confidence**

Real estate markets shift rapidly in America. Jobs and people are highly mobile, so there are strong forces undermining neighborhood stability. Older neighborhoods are often a confusing mixture of popular perceptions and resident and owner behavior. To make sense of these signals (some objective, some highly subjective), residents seek more stability by filtering them into a single question: how confident am I in the future value of my house? Confidence weakens when real estate signs proliferate, and confidence can erode completely when those signs stay up month after month. Confidence weakens when property upkeep slips, and confidence can erode completely when properties are not just distressed but abandoned. On the flip side, though, confidence builds when signs of investment (new paint, new windows, or new flowers out front) are evident. Early signs of investment tend to generate more investment; once these investments hit a critical level, the larger market’s perception of the neighborhood begins to improve dramatically, prompting more investment. czb’s work is usually to help clients sequence these initial, minor investments to begin repositioning areas as neighborhoods of choice.

**Predictability**

Even though America is one of the world’s most rapidly changing places, people still want things to stay the same, or at least to be easily understood. But Andy Griffith’s slow-moving Mayberry has been replaced by Bart Simpson’s wildly unpredictable Springfield. In response, residents try to manage the impact of rapid transition by using spoken and unspoken agreements. Such agreements help provide order by setting standards of behavior (e.g., no loud music after 10:00 p.m.) or standards of upkeep (e.g., no trash out the day before collection). New neighbors are expected to notice and follow prevailing norms in order to be good neighbors. Of course, differences in language, culture, and experience can undermine those agreements, leading to less predictability and potentially to more transition.

czb views these aspects of neighborhood dynamics – choice, competition, confidence and predictability – as fundamental to any coherent and effective strategy for housing investment or neighborhood revitalization. We have learned that if a neighborhood or small area strategy does not take into account that any neighborhood, like much of America, is subject to consumer decision-making, then that strategy – however good it looks on paper – will run into trouble when it encounters the realities of the residential marketplace.

In order to use policy to spur housing investment – whether it be the development of rental housing, the purchase of a home, or the undertaking of interior renovations – requires making owners’ and investors’ both able and willing to do so. Our team does not believe it is possible to change the equation of housing investment – and therefore truly revitalize markets – without fully understanding both elements.

Ultimately, whether a neighborhood rises or falls – and whether initial investments (subsidized or unsubsidized) successfully leverage additional resources – depends not only on local households’ and potential in-migrants’ CAPACITY to invest but also their DEMAND for the local housing stock. Housing policies and plans that only address households’ capacity, or ability to pay, for housing and that ignore broader housing market dynamics (area demand and investors’ willingness to pay for housing and property improvements) have two potentially serious consequences: first, while they provide recipients with high quality housing, they typically cannot provide recipients with high quality neighborhoods; and second, while they direct important resources to affordable housing, they fail to leverage additional resources and can therefore serve only a fraction of those households in need.
Understanding willingness to pay for housing (or to improve housing) requires first an understanding of how and why neighborhoods and housing markets rise or fall. A whole range of variables affect neighborhood trajectories. National and regional economic trends, public policy, the availability and cost of financing, the nature of public services (particularly public schools), and current perceptions and future expectations about local “quality of life” and value, explain why market conditions vary substantially.

External forces, including national and citywide economic and political conditions, and the investment decisions of financial institutions, government agencies, and other private or nonprofit organizations, which set the tone for and parameters of neighborhood change. Public (federal, state, and local) policies and programs, and general lending and investment patterns, have significant implications for neighborhoods – and can, in extreme cases, overwhelm neighborhoods (either positively or negatively). At the same time, economic restructuring and deindustrialization, and the movement of jobs, can greatly affect a place’s locational advantage.

How these many forces play out “on the ground,” though, depends on how individual and institutional decision-makers actually respond to supply-and-demand scenarios – whether they choose (or not) to move or invest in local housing. In other words, any place’s current physical and social characteristics reflect how the people affiliated with that place have responded, to date, to neighborhood conditions. That current status prompts subsequent actions, as individuals discover objective or reinterpret subjective area strengths and weaknesses. Perceptions (justified or exaggerated) of current realities as well as future expectations dictate the level of demand for area housing – and the relative attractiveness of moving or staying, and of investing in local properties. Ultimately, the impacts of investments on individual properties, as well as on neighborhood-wide demand and value, reinforce one another to determine the direction and speed of neighborhood change. Neighborhood vitality depends on maintenance and investment, and maintenance and investment, in turn, depend on vitality.

Households’ demand for housing and households’ demand for neighborhoods are inextricably linked. The unit itself is only one small piece of the overall “housing package” that households or investors buy. The housing package includes neighborhood-wide conditions and quality of life, as well as generally accepted perceptions of its safety and expectations about its future growth (or decline) and price appreciation (or depreciation).

Who moves into or out of a neighborhood is especially telling. The replacement of working- and middle-class households by lower-income households (and most of Boone’s non-family households (likely students) fall into this category) is considered to be a major contributor to neighborhood decline. Objectively, poorer households can “purchase” less housing quality. Lower-income homeowners have less disposable income to spend on upkeep and improvements; lower-income renters cannot always afford rents high enough to prompt landlords to maintain apartments in good condition. The entry of poorer households can also change perceptions of neighborhood conditions, desirability, and future direction. Neighborhood “status,” a highly subjective measure of area quality and largely a reflection of the class make-up of area residents, has substantial influence over neighborhood demand and therefore the value of a given “housing package” to investors, lenders, and potential in-movers.

This is not to say that poor households should not receive housing subsidies or that affordable units should not be built for fear of destabilizing housing markets. In fact, multiple studies have documented how affordable housing has either no impact or a positive impact on area properties values if it is built in healthier places.
In our view, public dollars (unless at phenomenal magnitudes) cannot meet all gaps in demand or reinvigorate weak markets without additional help. The most effective way to leverage private monies to stretch public resources and make neighborhoods self-supporting is to ensure that all local decision-makers – owners, renters, buyers, sellers, and lenders – together produce positive collective outcomes for neighborhoods. Our approach intentionally pursues these specific outcomes. Since the actions of local decision-makers ultimately specify the nature of neighborhood change, our approach aims to both illustrate and explain households’ mobility decisions and owners’ investment decisions. Our objective is to understand who stays and/or invests where, or who would do so, given the right mix of housing products and neighborhood amenities.

Knowing how to simultaneously meet needs and strengthen neighborhoods requires quantifying more than just housing stock and household characteristics, the availability of housing finance, the distribution of housing program dollars, or regional economic strength. (Though helpful, quantifying these variables alone does not provide the information needed to shape an intervention strategy.)

**What our approach adds – and what makes it unconventional – is a thorough, mixed-method analysis of housing demand.** This necessary second step (which too many studies exclude) is what demonstrates how subsidized housing dollars can successfully be used to leverage private investments and revitalize softening or already weak neighborhoods or ensure that markets remain strong as they mature.
PROPOSED WORK PLAN

To create a Housing and Economic Development Plan for the Town of Amherst and the University, czb proposes to use our unique 4-step approach to quantify current and future demand for various housing types in different city neighborhoods (including downtown) so that the Town and its partners can invest in (or incentivize) the development of the right mix of housing options and neighborhood improvements, as well as amenities and quality-of-life features (such as public safety, transportation alternatives, park and playgrounds, and quality schools) likely to attract additional housing investment.

1. First, the czb team proposes to collect and analyze secondary data to understand current conditions and project future trends in Amherst. Market strength variation across the city (where housing markets are strong or weak; where students are concentrated or not) must be fully understood. This step will lay the foundation for the eventual recommendations in the Housing Plan by illustrating the nature of the existing housing stock, the strength of the demand for different housing and locational types (both today and in the future), the affordability (or lack of affordability) among various household types (students, worker households, first-time homebuyers, current owners, renters, etc.) and where gaps exist that might be filled or otherwise addressed by public resources or policies.

   Neighborhood indicators will quantify people-based characteristics (demographic and socio-economic conditions and trends) as well as place-based characteristics (housing quality, value, cost, and occupancy status). The data will be used to describe existing and potential city households (their compositions, housing preferences, and ability to pay for housing), the city’s housing supply (units’ configurations and sizes, tenure, degree of density, cost or rent burden), and the nature of housing demand (properties’ values and salability, and how this varies across submarkets and housing types).

   Data sources will include the 2012 American Community Survey 5-Year Estimates, the 2010 Census, the Multiple Listing Service, the Home Mortgage Disclosure Act data, datasets available through HudUser.org, County and Zip Code Business Patterns, and various county and city sources (such as assessment records or list of properties facing tax foreclosure or with outstanding code violations, if available). Once all data is in electronic form (compatible with ArcMap for mapping purposes), czb would use a range of statistical methods (such as cluster analysis, descriptive statistics, and Z scores) to sort geographies based on current people- and place-based conditions, the breakdown of the existing housing stock, recent trends, and potential future trends.

2. Second, czb proposes to complement this information by collecting and analyzing primary data through interviews and focus groups with key informants (including area Realtors, lenders, developers, private funders, public officials, residents, and nonprofit staff) and fieldwork. The fieldwork is essential; we have to be able to “see” the conditions of a sampling of housing types in a sampling of locations to better understand what costs what on the market. Similarly, the feedback from focus groups and interviews is essential to get at what “the numbers” cannot: individuals’ perceptions of and expectations about city submarkets, opinions about housing products not currently available in the area, identification of local assets, and desire for particular amenities.

3. Third, czb proposes to thoroughly review the policies, practices, regulations, and resource landscape for housing, community, and economic development in Amherst and its region. Working closely with town staff, the czb team will collect and review all relevant materials (including the Amherst Master Plan, the Amherst Housing Production Plan, the Amherst Housing Market Study, and the Campus Master Plan). Document-based research (reinforced by informational interviews and focus groups with key informants) will also highlight strengths and weaknesses in the town that either encourage
or inadvertently discourage the type of new construction and rehabilitation work necessary to improve town buildings and neighborhoods.

4. Lastly, czb proposes to do what we do best – use data as a storyline to inform a strategy. Our team will use quantitative and qualitative data to paint a portrait of Amherst’s existing market reality and likely future trends, and the ability of the existing town policy and program framework to effectively and strategically respond to those conditions and trends. czb will complement these findings with a review of existing assessments and plans, and with qualitative feedback from key informants. Using this combined approach, czb will generate a concrete, data-driven Housing and Economic Development Plan showing how Amherst can strategically invest in its built environment, its residents, and its economy.

The ultimate document, like all czb documents, will be more than a plan; it will be an actionable set of guiding principles, goals, and activities to move Amherst toward those goals. Working closely with town staff and stakeholders, czb will test all possible recommendations. Also with guidance from local experts, czb will identify how the various public agencies and private or non-profit entities involved in the housing market will divide or share roles and responsibilities.

The last thing Amherst needs is a Housing and Economic Development Plan that will sit on the shelf. What Amherst does need is a clear roadmap for investing in the kinds of housing and neighborhoods and jobs and businesses that local residents and stakeholders care most about. To get that kind of document means collecting the right quantitative and qualitative data to understand market realities and popular perceptions and expectations; taking advantage of the considerable amount of thought that has already gone into these issues and using this as an opportunity to clarify the town’s and the university’s priorities and to pick between (competing) good ideas; and organizing it all into an easily digestible document that both rallies support for initiatives and instructs responsible parties on how to carry out those initiatives. czb is well-suited to produce such a document and would be excited and honored to do so for Amherst.
EXPERIENCE :: cbz TEAM

Charles Buki founded cbz in 2001 and at that time served as a consultant to the Millennial Housing Commission of the United States Congress, where he focused on the intersection of affordable housing and smart growth. Before founding cbz, Buki was director of training at the Neighborhood Reinvestment Corporation, director of the Design for Housing program of the National Endowment for the Arts, and director of affordable housing for The American Institute of Architects. He was a Loeb Fellow in Advanced Environmental Studies at the Graduate School of Design at Harvard University, and a Mesa Fellow with the Common Counsel Foundation. He was a member of the Advisory Committee on Organizational Effectiveness for the Fannie Mae Foundation and is on the board of directors of the International Sonoran Desert Alliance. He has advised the Office of Management and Budget on CDBG measures and indicators, the Office of the Comptroller on banking reform, and the Federal Reserve Bank on the role of subsidy in community development. He has 25 years of community development experience.

Karen Beck Pooley received her Ph.D. in City Planning at the University of Pennsylvania, and has been a full-time associate with cbz since 2003. Her dissertation, recognized as the best project addressing housing and community development issues, focuses on the impact of subsidized neighborhood revitalization strategies in Philadelphia. Pooley has applied her expertise to neighborhood analyses and needs assessments for a range of clients, including Philadelphia-based The Reinvestment Fund, Mt. Airy USA (a local community development corporation), the Rosenberg Housing Group, and the University of Pennsylvania’s Center for Community Partnerships, Center for Urban Redevelopment Excellence, and Institute for Urban Research. Pooley worked at NYC’s Department of Housing Preservation & Development (HPD). As HPD’s Deputy Director of the Third Party Transfer and Tax Lien Sale Unit, she targeted tax delinquent properties for reinvestment and coordinated a citywide needs assessment. Pooley received her BA from Wellesley College and a Master of Urban Planning & Policy from New School University's Milano Graduate School.

Al Tetrault has 40 years of experience in real estate development, construction, financial analysis and public policy planning. He has completed a wide range of feasibility studies for residential, commercial, institutional, and industrial development for both public and private sector clients. He has worked with cbz since 2002. His focus is real estate development, financial analysis, project feasibility analysis, tax credit services, construction process consultancy, residential/commercial/retail/industrial rehabilitation, financing, sale of tax credits, low- and moderate-income housing development, historic property development, due diligence assessments, loan underwriting, and real estate organizational operations assessment and training. Public policy and planning work includes analysis and recommendations related to urban development, central area revitalization, neighborhood preservation, historic preservation policies, heritage development, tax increment financing (TIF), transfer of development rights (TDR’s), business improvement districts (BID’s), revolving funds, grant programs (CDBG, HOME, old UDAG’s), downtown development authorities (DDA’s), historic preservation programs and the development of incentives to stimulate reinvestment. Mr. Tetrault has been extensively involved in community development planning and in the development and implementation of neighborhood revitalization strategies and is familiar with major Federal programs such as mark-to-market, Hope VI, and the new market tax credits. Mr. Tetrault was a partner in Rouse & Associates’ Urban Housing Group located in Philadelphia, PA; Mr. Tetrault was both an instructor and department head at the Kiambu Institute of Science and Technology in Kiambu, Kenya as a Peace Corps volunteer and currently is a lecturer in Preservation Economics at the University of Maryland, Planning and Historic Preservation. He holds a Master of Urban and Environmental Planning, Housing and Historic Preservation University of Virginia, Charlottesville, VA Master of Business Administration, Real Estate and Urban Development American University, Washington, DC Bachelor of Science in Business Administration, Real Estate and Urban Development American University, Washington, DC.
EXPERIENCE :: czb ADVISORY GROUP

czb has an internationally-acclaimed Advisory Board with expertise in econometrics, predictive modeling, mortgage finance, community engagement, architecture and design, and housing policy.

Susan Wachter, PhD joined the czb board in 2013. She is the Richard Worley Professor of Financial Management at the Wharton School of the University of Pennsylvania. She is also Director of the Penn Institute for Urban Research at the University of Pennsylvania. She has held numerous positions at Wharton, serves on the boards of the Journal of Housing Economics, Housing Policy Debate, and the Journal of Housing Research. She has been extensively published, most recently having written “Immigration and the Neighborhood” (with Albert Saiz, 2011) in the American Economic Journal of Economic Policy. She has made guest appearances on The NewsHour, NPR, and NBC to comment on housing markets.

Scott E Page, PhD is Leonid Hurwicz Collegiate Professor of Complex Systems, Political Science, and Economics at the University of Michigan and an external faculty member of the Santa Fe Institute. He is the author of "The Difference: How the Power of Diversity Creates Better Firms, Groups, Schools and Societies" and of "Complex Adaptive Systems: An Introduction to Computational Models of Social Life." He serves on advisory boards to universities, high schools, and non profits.

Alan Mallach is a Nonresident Senior Fellow at the Metropolitan Policy Program of The Brookings Institution in Washington, DC, where his work focuses on foreclosures, neighborhood stabilization and the revitalization of older industrial cities. He is also a visiting scholar in the community affairs department of the Federal Reserve Bank of Philadelphia, and a lecturer in the graduate city planning program at Rutgers University. He has been a consultant, advocate and public official, including serving as Director of the Department of Housing & Development in Trenton, New Jersey from 1990 to 1999. His latest book, A Decent Home: Planning, Building and Preserving Affordable Housing has just been published by Planners Press and the University of Chicago Press. He is also the author of Bringing Buildings Back: From Vacant Properties to Community Assets and many other works on city planning, housing and Italian opera. He is a member of the College of Fellows of the American Institute of Certified Planners, and holds a B.A. degree from Yale.

Michael Pyatok, FAIA, is the nation’s leading low-income housing architect. He has been in practice for 42 years, is a graduate of Pratt Institute's School of Architecture and the Harvard Graduate School of Design. He was a Fulbright Fellow and a Loeb Fellow at Harvard, is a member of the College of Fellows of the AIA, and the author of Good Neighbors: Affordable Family Housing. He is the Buchsbaum Professor of Affordable Housing at Harvard University, Professor Emeritus at the University of Washington, and the winner of more than 150 local and national design awards. Michael's practice - Pyatok Associates based in Oakland, has designed over 35,000 units of affordable housing.

Dean Oliver, PhD was the Director of Quantitative Analysis for the Denver Nuggets in the National Basketball Association, and is now lead analyst on sports metrics for ESPN. His expertise is the use of data and analytics to provide insight on trades, free agency, draft analysis, opponent preparation, and team development. He also serves as a college scout for the team. He joined the NBA in 2004, working with the Supersonics during a 52 win season after predicted for last by most preseason forecasts. Oliver’s book, Basketball on Paper, has been widely praised as the best book on statistical analysis in basketball, with endorsements from Hall of Fame coach Dean Smith and baseball analytics pioneer Bill James. The book forms the basis for much of the statistical analysis done in basketball at the NBA, college, and international levels. His work prior to joining the NBA involved managing environmental problems, such as Superfund sites. He is currently on the editorial board of the Journal of Quantitative Analysis of Sports and the executive board of the Association of Professional Basketball Research. He is also a member of the North American Association of Sports Economists.
Evidence of Ability to Perform :: czb Projects
Below are URL links to recent and relevant czb work on housing analysis and strategy:

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Czb Proposal to University of Massachusetts :: AA-14GD4888
Page 20/21
Principals, Staff, and Fee

czb is prepared to deliver a final report by May 15, 2014 (provided there is an on time start) for a fixed priced of $59,262, inclusive of all professional fees, travel costs, and projects expense. Our proposed budget is as follows:

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$54,350

Travel (# trips) (est/trip costs) | Charles Buki | 4 | $750 | $3,000

$0

MLS/ESRI Data Purchases

$750

$58,100

Contingency 2.00% $1,162

TOTAL $59,262