

TOWN OF STOCKBRIDGE, MA.
AFFORDABLE HOUSING TRUST FUND COMMITTEE
VIRTUAL AND IN-PERSON MEETING
MONDAY, February 13, 2023 AT 4PM

Members in attendance:

Ranne Warner - Chair, Jan - Vice-chair, Mark Mills, Patrick White, McCaela Donovan, Lis Wheeler

Non-Members: Eileen Peltier, Andrea Lindsay (online), Nick Nadorff, Johanna Lenski

Call to Order Vice Chair Ackerman called the meeting to order

Approval of Minutes of January 30, 2023 Member Wheeler made the motion, Member Donovan seconded All in favor roll call Patrick, McCaela, Lis, Mark, Jan

Presentation – Eileen Peltier, CEO of Berkshire Housing

Berkshire Housing formed 51 years ago to address an acute housing crisis at that time. Funding was primarily through banks coming together in the Berkshires because they noticed people couldn't afford homes here. It began as a for profit group with two programs:

1. Help with home ownership mortgages
2. Property management for private and affordable housing they would build.

Different model than most serving the entire county.

- Berkshire Housing manages 900 apartments across the Berkshires with focus on affordable now and have been stepping away from private properties previously owned. Their approach is mission based property management. They help tenants thrive, many have complex life needs, and help them maintain their housing.
- Berkshire Housing administers about 700 Sec 8 vouchers in the county. MRVP state vouchers, and federal vouchers too. Some are used in /Stockbridge.
- There are ten regional administrative agencies in MA.
- The Housing Consumer Education Program (HCEC) is available to anyone at any income level.
- Pre-Covid, 200M was available to help pay rent and stabilize housing. Now working with landlords and residents with 500M statewide for over a year from Covid funds. 4-5M is available in the Berkshires but is expected to go down after Covid, meaning now.
- Sale of properties...Local landlords are getting out of the business, investors have come in and rents are going up creating more need for assistance.

- 300-400 applications here for rental assistance and utilities (state/fed program). **Berkshire Housing.com** to apply. Landlords must apply as well.
- The Berkshires get 1% of the states allocation though we are 2% of the states population.
- Berkshire Housing works closely with Berkshire County Regional Housing Authority who helps address budgeting and credit counseling. It's not just emergency assistance. Berkshire Housing tries to help get to the root cause of tenants' difficulties.
- Berkshire Housing has developed over 2000 units (Kimball Farms was one). They are a development organization that can handle larger scale projects. They have expertise in building affordable housing and the complicated sources of money needed to do so.

What's happening in the housing market now?

Hurdles:

Not enough on the market, affordability issues, people are complex.

1. Supply: Older housing stock that needs work. A big hurdle when buying an affordable priced home if you need 150K more to bring up to date. Pressure on the supply side. Not many places to develop. Flat piece of land but not clear or historical. Lots of hurdles, not keeping up with development affects the supply side.

We live differently, need more space, more bedrooms compared to the 1950's. No place to go if you want to downsize. Why are they not being developed? Availability of land plays a part. Many don't have pensions or savings-real affordability challenges. Think of a 68 yr old single widow. Can't maintain the home presents challenges that need to be addressed. Where do you go?

2. Affordability: Tourist communities with 2nd homes and STR's, a significant number of second homes creates a challenge. Flat wages, not adequate to support rents now. Landlords are not making much money with rising costs of construction, utilities etc...

There are 1,695 homes in Stockbridge Member White). STR's are growing in number.

- Transition of housing stock going from hotels and B&B's to STR's. Younger generations want Airbnb. Their expenses are higher with college debt, loans, mortgages etc..Adds up to a smaller income. It's cheaper to rent with a kitchen. Perfect storm of challenges today.
- Costs to build are exponentially high in 15 years. \$200 per sf then compared to \$575 sf per unit now. (up to \$400 sf pre-covid)

- Berkshire Housing pays for well built buildings up front to mitigate expenses down the line.
- Should be open to smaller spaces for the younger generation. Be more creative with new construction. Restoring an old school is costly but can be done.
- Eagle Mill is their new project in Lee. Units will cost around \$500,000. Jeff Cohen is condo-izing that project. BH is taking over the main mill and there will also be new construction and possibly another building. Mixed and affordable in the Main Mill 56 units with, low, market, and affordable market rate units and opportunity of new construction. J Cohen will do the commercial part.
- Member White: We have 2 developments here with needs for capital investment in both. We want to assure there is oversight in the short term deployment of taxpayer money and encourage the planning necessary to be able to leverage town money and attract sources of capital. Scale needed here is more than the town can support.

How do we provide enough oversight to give folks confidence in us to spend their money wisely?

Eileen: Public housing and Pine Woods are not the same.

- Public housing was developed to serve low income families - built by HUD who provides rent and capital improvement monies. Typically HUD has more capital available.
- State is underfunded on the capital side. New governor needs to address this so we can preserve what we have already. We need to preserve what we have but new housing is sexier to financiers. Pine Woods needs more in their capital stack. Low Income Tax Credit and soft money from the state would pay for Pine Woods. Keep in mind, it will take 2-3 years to put the planning and capital stack together before work can begin.

What should be our strategy now to sell it to the town until we can get it started? There are limited resources on the preservation side.

- **Preservation Matrix:** Must have a real need which Pine Woods does. Low funds and operating budget needs to be stressed for the State to come in and help. Make sure that the money provided to Pine Woods is at its highest and best use. Ask Construct to put together the project plan.
- **Capital Stack:** Low income housing tax credit (4% bond..) It's less competitive and may provide 40%. There is a desire to invest in the Berkshires. If the town puts any money on the table we are more likely to get help. We have to be part of the bigger solution but the amount is not as critical. It's about participation in the project.

Chair Warner: Can we fund the studies that need to be done? They can borrow for that but should we?

- Eileen suggested that we should be the bandaid right now and address the acute issues.... Life safety issues and other things that need to be done now that affect risk of closure like non-compliance according to the building inspector. Have to balance the needs of the property now even if it's \$200,000 because it houses 30 families. ARPA money may be available. Is this project viable in the long term?
- Member Mills is concerned people are going to be shocked when they hear about the condition of Pine Woods. What's going to change the way it's been operated? CDC of south Berkshire was the development consultant, it's now Constructs property. The way it was built was not ideal. Concept of the operation is that it's built without or with a limited amount of debt.

Berkshire Housing prefunds reserves for improvements.

- That was not even considered 15 years ago. Costs are going up much faster at 6-7% while rents rise 3% each year. Rents are determined by what wages are in the Berkshires so they can't go up faster.
- We need to figure out preservation solutions and why it got where it is today.

Member White: How do we best support Construct?

- Eileen: They need to be really clear about their finances, reserves, and their long term plans.

What do we need for the "duct tape?"

- Their consultant needs to give them a number of what it's going to cost to make the fixes needed. We make a decision on investment from there.

Chair Warner: Information gathering is necessary at a cost of about \$50-\$60K to do so. Can we step up and cover the cost of the professional assessment? Maybe split the cost with Construct?

- Eileen suggests starting with an architect to assess it and tell us if there are life safety issues. If we put money in now it would be part of the capital stack in the end. Could actually cost between \$60-\$100K.
- When we focus on and complete Pine Woods assessment we would like to provide what we can, and assistance to help Andrea acquire more funds.
- New governor may be allocating more funds for assessment.

All money for Heaton Court has to come through State aided housing and vouchers. No HUD money for Heaton Court.

Meeting this morning with Paul Mark and Smitty was all about housing. They would like to help but need to learn more.

- Eileen suggests we vote for the housing bond to be supportive of the needed efforts here. AHTF like ours is invaluable. Write letters of support. Address zoning issues. Lots of resources on how to do this.

Infrastructure and opportunities: Create an environment that is attractive to a developer. Infrastructure investment is limited by lack of public sewer and water. Be aware of opportunities to attract developers. Takes a lot of partnerships, community members, investments from towns, elected officials, Construct and Stockbridge Housing. The Capital Stack usually has 8-15 in the partnership. Who brings the services in?

- Johanna spoke about Habitat's building the development on N Plain Rd in Great Barrington. Some Pine Woods residents would be interested in buying stand alone homes. Some don't want a mortgage for a duplex. Habitat prefers to stand alone homes. In a duplex people are close together and you never know who is moving in next door?
- When making an investment people don't want a duplex. Less marketable. There is probably a cost issue for Habitat when building when construction is so expensive. Managing will be more challenging with duplexes with tenant issues.
- Johanna feels homes are not the same as a duplex. It's an apartment without control of neighbors.
- The question about using vouchers for home ownership was posed. It's challenging because the price point is tough. Can we make it work here?
- Member White made the point: Condo's work and we need more options for people.

PRESENTATION –by Andrea Lindsay, Heaton Court

Berkshire Housing and Stockbridge Housing need to talk about the home program.

- Andrea spoke to the Holyoke program that does use the voucher program for down-payments or mortgage payments and will continue to gather more information.

CPC applications from the Stockbridge Housing Authority:

1. \$15,000 for site lighting upgrades.
2. \$20,000 for siding board repair, replacement projects. \$35K total.

Other recent emergency funding: Member White had spoken to Andrea about ARPA funding for surprise frozen pipes. Stockbridge Housing asked for \$5000 and asked for another \$5000 for a topographic survey for the driveway project that was approved right away by CPC.

Property at Heaton Ct. - had a grant from Mass housing and will look at it for other places there that are suitable for building.

Andrea will look into the possibility of **vouchers** being a real possible solution for home ownership. However, Eileen is concerned the cost of home ownership is so high the vouchers may not be able to work here. Mortgages would have to be much lower.

Trust Member Reports

McCaella's report: Mortgage Assistance Plans w/Lee Bank:

Spoke with Bonnie Masefield (Lee Bank, Great Barrington Mortgages)-

- Great Barrington/Housatonic also has an affordable housing grant, like Lenox/Lenoxdale.
- She suggests we would want to work directly with the Town of GB or Lenox to see how they put the grants together and their attorneys as well (this is money directly from the town for home ownership assistance; written with specific guidelines that mirror image the Federal home loan grant).
- They give the buyer 90-95% of whatever they qualify for, and then get an additional down payment assistance grant from the town. It's difficult to find a match. GB has had the grant for at least 5 years, and they've never found a match- the income limitations and the prices of housing qualifications make it really hard. Patrick thinks we will have the same challenges here with the price of homes in Stockbridge.
- They have found much more success in Lenox; She thinks its because there are smaller properties in Lenoxdale area. If there are smaller homes, it can be more successful.

Spoke with Town of Lee Administrator Chris Brittain

- He said they're addressing housing in their master plan (RPC doing that). Hoping it's completed by this year by a special committee, planning for the next 10-20 years;
- They have a few senior housing projects, affordable housing and the Eagle mill- "**Smart growth overlay district**" (you have to adopt bylaws, certain density, etc). The state has a lot of info on that (lots of good incentives).
- Look at community contract grant through the state for a consultant (they used it for recreation spaces).
- They don't have a mortgage assistance plan, but **energy and rehabilitation grants**. They work with **Berkshire Action Council** (for rehab grants, etc).
- **Back to conversation with Bonnie Masefield**--Look at the MLS, *Multiple Listing Service* (Berkshire Board of Realtors)
- What was the average sale price per sq footage in Stockbridge? Is there any opportunity for homeownership?
- You can layer/combine lots of grants and that can help people.
- If it can work, it's a fantastic opportunity for a buyer, but it's very hard. She can't get anyone to qualify. It's the income limitations that make it hard.

Member Ackerman: Got comments about the **draft of the housing production study**

- Sent the copy to Michael Canales who will send it to the attorney for review and will get it out this week. The objective is to get responses back from consultants in a few weeks.

Member White: Talked about CPC and the ARPA funds that were voted for to be given to Stockbridge Housing Authority = \$10,000.

Chair Warner: The AHTF made two requests of the CPC

1. \$125,000. for Pine Woods of which \$100,000 would be allocated for an emergency reserve fund and \$25,000 for professional information which the AHTFC will match with \$25,000.
2. \$100,000 for general funds to prepare a reserve fund for future projects at both Pine Woods and Heaton Court for their needs.

Member Mills: provided an update on the planned meeting of Berkshire County's five Affordable Housing Trusts. The Event is scheduled for Thursday, March 16 from 9am to 2pm at Lenox town hall auditorium.

- The purpose of the meeting is to exchange information and ideas on how to achieve our goals. We are inviting speakers from the Healey administration which is making housing a top priority. We will also hear from housing experts who can provide information on securing funding and ideas to help us achieve our goals.
- Great Barrington, Lenox, Pittsfield and Williamstown have all confirmed their attendance.
- LT Gov Driscoll's office has not yet responded to the invitation. Would like someone from the state to represent their housing initiatives. May not be known by March 16.
- Any trust which sends a majority of its members to attend will need to post the event as a public meeting.
- Still to be determined if we can have the facilities to allow for remote participation.
- We have to work out arrangements to provide refreshments and lunch without use of public funds.

On March 17th webinar on affordable housing if anyone can attend.

- Member Mills also reported on his meeting with Fred Clark, the chair of Great Barrington's affordable housing trust. gbhousing.org
- Great Barrington's AHT has worked on a variety of projects ranging from rehabbing a single family home to sell to an income qualified family to a large scale project at North Plain Road in Housatonic. For the North Plain Road project, the Great Barrington

Affordable Housing Trust Fund awarded the project development rights to Central Berkshire Habitat for Humanity to rehabilitate and develop a 7.25-acre site with up to 20 affordable homes.

- GB received a Mass Works program grant of \$3.2 million to complete the engineering, design, infrastructure (water, sewer, roads) and permitting tasks, with a construction start date anticipated in 2023.
- The GB AHT also has a down payment assistance program funded by the town through the Community Preservation Act.
- In addition, the GB AHT has an emergency rental assistance program to assist Great Barrington tenants and landlords who struggled financially during the COVID-19 crisis.

Member Wheeler: Pine Woods Update

- Boilers weren't completely broken/shut down, they just needed to be fixed. Everything is status quo for now.
- Construct has submitted their application for funding to the CPC.

Nick Nadorff asked to be part of a brainstorming group and will come speak with us at the next meeting.

Next Meetings are scheduled for March 6 and April 3 at 4pm:

March 6: The Director of CDC will speak if Don can arrange it.

Nick Nadorff

On March 16 Meeting of the five AHTF Committees at the Lenox Town Hall.

Chair Warner made a motion to adjourn:

Passed unanimously by roll call.

Respectfully submitted,
Elisabeth Wheeler

Affordable Housing Trust Fund Committee and Planning Board Member

A full meeting of the affordable housing trust fund committee can be viewed at ctsbtv.org. Go to "government" in the search bar, type in Stockbridge, then look for the date of the meeting you want to listen to.