

**TOWN OF GREAT BARRINGTON
AFFORDABLE HOUSING TRUST FUND (AHTF)
BOARD OF TRUSTEES MEETING
MINUTES**

THURSDAY, July 6, 2017

6:30 pm – GREAT BARRINGTON FIRE STATION, 37 STATE ROAD

MEMBERS PRESENT: Bill Cooke, Chairman; Fred Clark Vice-Chairman; Jonathan Hankin; John Katz; Bruce Marzotto; Cara Davis; Samantha Homeyer.

MEMBERS ABSENT: none

OTHERS PRESENT: Elton Ogden of Berkshire Housing Development Corp. & Berkshire Housing Services; Tim Geller of CDCSB; Chris Rembold, Town Planner; Shep Evans, Administrator

CALL TO ORDER

Bill Cooke called the meeting to order at 6:38 PM

MINUTES

The Minutes of June 1, 2017 had previously been circulated. Motion by Mr. Katz, seconded by Mr. Hankin, to approve the minutes as circulated. Unanimous approval.

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Mr. Cooke started the discussion asking Mr. Ogden if there were options available to cooperate with Berkshire Housing and how these might be achieved.

Mr. Ogden said that he felt there were opportunities for cooperation and that a key ingredient for success was good communications.

Mr. Cooke indicated that the Board has been thinking of smaller projects located on public transport routes and with sewer and water utilities.

Mr. Ogden responded that Berkshire Housing has been doing a lot of residential rehabilitation projects in Pittsfield and that they have expertise of that kind that they could share.

Mr. Cooke concluded that AHTF could purchase properties with CPA funds and let Berkshire Housing do the rehab.

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Mr. Hankin raised the question of deed restrictions.

Mr. Ogden replied that Berkshire Housing has put deed restrictions on their properties – usually 30 – 40 years long and gradually releasing. They have model documents that they would be willing to share with the AHTF Board.

Mr. Cooke asked whether Berkshire Housing had established any permanent restrictions.

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Mr. Ogden said no, and that State Tax Credit rules call for +/- 50 year restrictions. Nevertheless, he said if one is trying to encourage ownership, he felt that one needs to allow an accumulation of equity over time. He suggested there was a possibility that the equity gain could be shared with the Town, perhaps in recognition of the Town's role as a financial facilitator.

Mr. Hankin suggested that the Board look at Forest Row as an example of an affordable project.

Mr. Cooke shared his belief that what the Town needs is more affordable rental housing.

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Mr. Cooke asked Tim Geller how the AHTF Board might work with the CDC.

Mr. Geller commented that pursuing numerous one or two family projects scattered around Town will drive up the soft costs of the whole operation. He indicated that to attract State funding, one must be thinking about 5-unit projects at a minimum.

Mr. Clark asserted that the AHTF Board needs to be looking at more distressed situations in order to get more for the AHTF dollar. Also, an advantage AHTF has is that, if it only uses CPA money already committed to AHTF, it can give grants and it does not have to wait for approval of Town Meeting.

Mr. Ogden suggested that other participants might be able to come to AHTF and get previously earmarked grant money on short notice, without having to wait for Town Meeting, and could take a good opportunity off the market ahead of other competitors.

Mr. Geller acknowledged that it would be a difficult task to get unrestricted early money from the CDC in competition with other applicants pitching fully disclosed wish lists.

Mr. Clark proposed that the AHTF could be a coordinator and/or an advocate.

Mr. Cooke responded that, if the Town put up early money and is an advocate, it makes the rest of the process easier for everybody.

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Mr. Rembold asked Mr. Ogden whether one should be encouraging affordable ownership or affordable rental housing.

Mr. Ogden responded that both are important to Berkshire Housing. They want to have the ability to do anything, and they know they need to be able to act fast.

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Mr. Hankin asked why Berkshire Housing morphed into doing larger projects.

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Mr. Ogden replied that they wanted to get an economy of scale. They feel that to make tax credits and compliance regulation work for them they must have a minimum of 30 units in a project, whereas organizations like Habitat for Humanity successfully complete 2 or 3 units per year.

Mr. Clark asked what it would cost Berkshire Housing to make 4 of their many units affordable ie. - effectively, incentivizing affordability. In other words, we are looking for affordable units with restrictions.

Mr. Geller remarked that what we are looking at is replacing state subsidy with private subsidy. The private cost would be about \$125,000 per unit. He also said that if you were using CDC money, you may not run up against all the regulations, the ADA access requirements and various building code triggers that run the cost up so high for other private parties.

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Mr. Clark asked whether there were parcels or projects that have the potential to be multi-family projects.

Mr. Geller said he liked the incentive that smaller projects provide for small to medium scale contractors.

Mr. Marzotto remarked that he could suggest one or more small scale contractors who do small projects like those being discussed.

Mr. Clark acknowledged that AHTF doesn't want the 30 to 50 unit projects. He said he would rather see 1 to 4 family unit projects.

Mr. Geller suggested that he would like to see AHTF talk to small contractors to see what sort of incentives will work for them. He recommended that the Board pick their brains to see what they would need to become enthusiastic participants.

Mr. Rembold suggested looking into a housing rehab program where the AHTF puts up rehab money with 10% reduction in the total amount to be paid back each year. If the borrower sells the house after 5 years, s/he only must pay back 50% of the original rehab loan.

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Mr. Katz asked Mr. Ogden and Mr. Geller to speak more about advocacy.

Mr. Ogden said his sense of advocacy was speaking up at meetings, hearings, having local supporters. He felt that, as a proponent, it was very helpful when other people were supportive.

Mr. Geller cited the success Lenox has had providing down payment assistance.

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Mr. Ogden added that sometimes banks will donate some of the down payment, employers may also chip in, and one begins to see a multiplier effect.

Mr. Geller suggested that AHTF partner with schools to provide down payment assistance for teachers. He suggested that this might be a good use for CPA dollars and that it was “good politics” for the AHTF.

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Mr. Cooke introduced the subject of the draft Application to the CPC for CPA money.

Mr. Clark said that the Board needs to make the case for a revolving fund so it can act quickly. He felt the Board should make the case that AHTF fills a niche that others don't.

Mr. Rembold indicated that the application was a two-step process: Step #1 should be a general pitch, and Step #2 should be more well thought out, more compelling, with a well-developed set of numbers in support.

Mr. Cooke said he would send a draft Step #1 Application around for discussion at the August meeting. As to fund-raising, the first thought is of course the CPC. John Katz also has some ideas on private funding.

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Citizen Speak Time: Steve Farina spoke about the Dozier House.

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Mr. Cooke brought up the idea of a web site. AHTF has \$15,000 to work with from the Town. There needs to be a presentation of the Mission Statement and an explanation of what the AHTF will be doing. There needs to be a Public Relations plan and the beginnings of PR activity. He stressed that the Board needs to be doing something with its \$50,000 first year contribution like buying down mortgages – perhaps a down payment contribution with decreasing payback over 5 or 6 or 10 years.

Next Meeting will be Thursday, August 3, 2017 at 6:30 PM at the Great Barrington Fire Station. Mr. Cooke advised that the agenda for the next meeting will include figuring out examples of houses, income and other pre-qualification guidelines, and a Lenox style grant program.

ADJOURNMENT

Motion by Mr. Clark, seconded by Mr. Katz, to adjourn. Without objection the meeting was adjourned at 8:40 PM

Respectfully,

Shepley Evans
Administrator