



BOARD OF TRUSTEES MEETING
Wednesday April 12, 2023 at 6:30 pm, via Zoom

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/81034306531>

Webinar ID: 810 3430 6531

Dial in-audio only: (929) 205 6099

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and Governor Healey's March 29, 2023 Revised Order extending remote participation by all members in any meeting of a public body, this meeting of the Great Barrington Affordable Housing Trust will be conducted via remote participation to the greatest extent possible. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting can be found on the town's website, at www.townofgb.org. For this meeting, members of the public who wish to listen to the meeting may do so in the following manner: See instructions at the top of the agenda. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings in real time, via technological means.

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AGENDA

ADU Program Workshop

1. Review Edits
 - Purpose
 - Criteria for homeowner/landlords
2. AMI tenant requirements and administration
 - Verification administration
3. Loan structure and administration
 - Restriction/Agreement Mechanism
 - Loan disbursement/administration
4. Marketing plan
5. Pilot fund size
6. Trustee Speak/ Citizen Speak/ Media Time

Pursuant to MGL. 7c. 30A sec. 20 (f), after notifying the chair of the public body, any person may make a video or audio recording of an open session of a meeting of a public body, or may transmit the meeting through any medium. At the beginning of the meeting, the chair shall inform other attendees of any such recordings. Any member of the public wishing to speak at the meeting must receive permission of the chair. The listings of agenda items are those reasonably anticipated by the chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

DRAFT ADU Concept Proposal

Concept: Pilot ADU incentive program, with dual purpose: a.) test viability of leveraging AHT to increase ADUs, adding affordable housing to the market while simultaneously contributing to securing housing for population facing unattainable housing costs but over AMI limits for AFT; b.) test partnering with individuals to increase AMI protected housing starting now.

Design: Invest up to \$100,000/per approved application (determining each fiscal year, total AFH ADU project budget). Total FY23 investment of \$100,000, base number of proposals funded on size of proposal (could be one at \$100,000, or several with a combined total of \$100,000). AHT investment is structured as 50% no-interest loan to property owner, with a 10 year restriction on the unit to be affordable housing at X% AMI (I'd recommend probably 70% or 80%), and 50% grant that can only be unlocked after 120 months of unit occupation at AMI set rental rate AND while ADU owner remains in residence (primary) on the property.

Criteria:

- Applicants must currently reside in GB as their primary residence, or be buying a home in GB that will be used as their primary residence.
- The proposed ADU will be on the GB property that is also the primary residence of the applicant. Should this change after approval before or during construction, funds will be withdrawn. Owners who cease to reside on the property after occupation will not be eligible to turn 50% of the loan into a grant.
- Applicants must demonstrate ability to finance the whole of the ADU building or renovation project at time of application.
- Applicants must demonstrate that the ADU rental income (at AMI limit) will assist owners to be able to afford their own GB housing cost and remain in residence.
- In the event of a property sale the ADU must remain an affordable rental unit at a set AMI rate for a full 10 year period and the entirety of the AHT loan is due in full at the time of sale. (No grant eligibility.)

Application process: Open application window January-March 2023, review applications April, 2023. Announce awards May 2023. If no viable applications, budgets funds revert back to general fund for other programming.

Background Information:

Average garage size: 308"-360"

Estimated per foot construction: \$400

Construction cost/ADU estimate: \$123,000-\$144,000

AMI 100%, 1 person (studio): \$65,900

Rent cap range for consideration:

- \$988 – (60% AMI)
- \$1,318 – (80% AMI)
- \$1,647 – (100% AMI)

Restrict ADU to Affordable Housing to 10 year period (at minimum – 60% AMI – this would secure \$118,620 protect rent over 10 years).

Structure investment as: 50% at 0% interest loan and 50% is eligible to be transformed into a grant after 10 years of continuous rental at required AMI level.

DRAFT

Area Median Income 2022 Overview:

2022 Area Median Income Limits							
Household Size	1	2	3	4	5	6	7
100% Income Limit	\$65,900	\$75,300	\$84,750	\$94,150	\$101,650	\$109,150	\$116,750
80% Income Limit	\$52,750	\$60,250	\$67,800	\$75,300	\$81,350	\$87,350	\$93,400
70% Income Limit	\$46,130	\$52,710	\$59,325	\$65,905	\$71,155	\$76,405	\$81,725
60% Income Limit	\$39,540	\$45,180	\$50,850	\$56,490	\$60,990	\$65,490	\$70,050

General Discussion:

- In this framework the Trust doesn't have to work out how the property/home owner will finance this beyond AFT funds. They may use savings. They may finance it with other loans. They may borrow from family etc.
- This is a program that would most likely add studio apartments to the area. This is a good match for current high building costs AND it doesn't prevent other use (1 bedroom) etc. if it is financially viable for the applicant - or as construction material costs stabilize in future years, should this prove viable.
- The maximum monthly payment on the AHT loan is \$416/mo, which leaves a good amount of room for other costs the rent may need to cover and still contribute to stabilizing housing for the property owner.
- Structuring this as a 1-year pilot is low risk, low cost, low effort. Either the Trust receives viable applications and if it does, it simultaneously provides data to the Trust about what works and doesn't re: ADUs and provides an avenue for immediate movement on housing this year that will impact at least two households – the owner and the future renter.
- This proposal is a way to leverage AHT funds to both increase affordable housing AND stabilize housing for people in GB that may not meet AMI criteria but are impacted by the disproportionately high cost of housing in GB.
- People within AMI criteria who are home owners could also benefit from this program by adding an AMI restricted ADU.

AMI Range Discussion:

- The Trust will need to set AMI % for the rental unit.
- 60%-100% are a good fit for the needs of people seeking rentals in South County.
- For the purpose of stabilizing the property owner as GB residents facing challenging housing costs, there may be value in looking more towards the 80%-100% range to ensure adequate rental income for the project to be viable.
- Consider using broad AMI requirement for renter – anything up to 100% AMI – but limiting rent to 30% of X% of AMI. This might not be allowable. If it is, there are some advantages.