

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

**Tuesday, October 18, 2022, 6:30 PM
Remote virtual meeting by ZOOM.**

MEMBERS PRESENT: Fred Clark (Chair), Bill Cooke, Garfield Reed and Joseph Method.

OTHERS PRESENT: Chris Rembold, Amy Turnbull of the American Tiny House Association, and Kate Forest.

Mr. Clark called the meeting to order at 6:32 PM and read Governor Baker's Orders of March 12, 2020 and February 12, 2022.

Mr. Clark called for the approval of the minutes of the August 16th meeting as circulated. Motion to approve by Mr. Cook, seconded by Mr. Reed and approved by unanimous roll-call vote.

Mr. Clark introduced Amy Turnbull of the American Tiny House Association (ATHA) who has been working on a proposal to do a Tiny House (aka ADU) demonstration project in Great Barrington.

Ms. Turnbull suggested that the language in the proposal on financing be changed to include equity loans as acceptable financing for ADUs. That is that an equity loan to a property owner could be used to fund the creation of a site for an ADU. The owner of an ADU on wheels would be paying rent to the property owner and the loan could be structured with a term of 7 years or less and 100% pay back to the lender.

Mr. Clark asked whether the group should talk about a framework to go forward with.

Ms. Turnbull opined that the project could be either the creation of a site for an ADU or a long-term development of the ADU itself and the site for it.

Mr. Method asked what the request would be from CPC.

Mr. Cooke opined that producing the site for the ADU seems to be a reasonably affordable project of maybe \$25,000 or so. Whereas expecting someone to construct an entire ADU from scratch in the current market is going to take maybe \$200,000 or more, and it's not very likely that many people will want to do that to get an "affordable housing" rent.

Mr. Clark suggested that, if there are folks that have ADUs on wheels, the Trust should do a demonstration project for site development as a way to figure out the costs and other challenges. He had no clear idea about how much to ask from the CPC.

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He summarized that the Trust has +/- \$245,000, of which \$75,000 should be allocated to the rental assistance program, which leaves \$150,000. An initial demonstration project to produce the first ADU site might cost \$40,000 and, once we have some experience, subsequent sites might be less expensive.

Note: Mrs. Turnbull's proposal included surveying the community at the outset to get an idea of the market for and the number of appropriate sites there might be for ADUs.

Mr. Method questioned who would be doing the survey for the pilot project.

Mr. Cooke reported that he had heard that the CDC was already doing a survey.

Ms. Turnbull said that if we stay focused on affordability to project will be more exciting for the community.

Mr. Clark reminded that at least two people have come forward with tiny houses that they own. He asked Ms. Turnbull whether she was ready to go forward.

Ms. Turnbull reported that she has a candidate with a tiny house in Housatonic who wants to participate is there is support at the Affordable Housing Trust Fund.

Mr. Cooke added that the Trust has unrestricted funds, and that the creation of an ADU site should cost about \$20,000.

Ms. Turnbull added that the American Tiny House Association figured that their work organizing and researching and surveying was estimated to cost about \$30,000 and that actual construction might be \$20,000.

Mr. Clark asked whether one could call the \$30,000 engineering?

Mr. Rembold reminded that the Town would be required to put out a Request for Proposals to Construct the ADU site because the project will cost more than \$10,000.

Mr. Clark added that that the trust would provide a lease document for people to use as a template. Then, if we actually build a project, we can do a survey with the benefit of experience to determine how many sites there are in town that are practical and affordable to develop.

Mr. Method noted that the end product of the demonstration project would be a resource for existing property owners to study and learn from.

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Ms. Turnbull said that, in her experience, the details of connecting to town infrastructure and utilities, like trenching etc. are often difficult.

Mr. Clark said that, in Housatonic, if you can build a garage, you can build a Tiny House.

Ms. Forest offered that she wants to contribute support to the affordable housing need. She wants to put a Tiny House in Great Barrington this next spring or summer if possible. It may be a demonstration project - or another. She will be glad to share her information and her contacts.

Mr. Reed cautioned that, before the Board commits, it needs to know there is demand out in the community.

Mr. Cooke suggested that an advertisement in the Shopper's Guide might tell you about that.

Ms. Turnbull responded that the interest is there. Stockbridge & Egremont are looking. The Trust needs to provide a model that people can follow. The people are ready.

Mr. Reed asked whether it is true that people stay in Tiny Houses only a short time.

Ms. Turnbull replied that experience in California and elsewhere is that, on average, people stay three to five years. But a pad can be filled by new people in a different tiny house. The pad generates rental income for the owner.

Mr. Clark said that he thought the group has identified a plan and he wanted to get something going. He asked Mr. Cooke to tell the group about the results of his and Ananda's work researching ADUs.

Mr. Cooke replied that, in this market, construction costs are just too high to build an ADU from scratch.

Mr. Clark asked, What about if you had a garage and wanted to convert it into an ADU?

Mr. Cooke responded, then OK.

Mr. Clark asked, What about if you could get a tax deferral on the increased assessed value of the property?

Mr. Cooke replied that a tax deferral could be very good.

Mr. Method noted that Provincetown did a tax deferral. He felt that the Trust should put the idea together and share it with people. He admitted that it might take considerable work to create a

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package that could communicate well, but that, if available, might motivate someone to do a garage conversion and, if not, there would be no money lost.

Mr. Rembold remarked that the Planning Department and the Selectboard are very aware of the idea of a tax deferral for ADUs, and that there was a chance that this could be established in the Spring of 2023. He felt that there was no need for the Trust to devote time and resources to selling the idea.

Mr. Rembold summarized that if you have \$25,000 down payment assistance plus maybe another \$25,000 from some other program, plus a tax deferral on the increased assessed value of the property, it might add up to a good incentive for a variety of existing structures in Town.

Mr. Cooke shared that, thinking about the CPC request, if the Trust had three or four programs, perhaps the request from CPC could be larger to be spent on any number of opportunities.

Mr. Clark reminded that the total funding from CPA would probably be \$600,000. One must set aside 10% for open space and 10% for Historic preservation, keeping in mind that there is a new Chairperson of the CPC, it isn't likely that any one applicant could gobble up 80% of the whole. He said that, remembering the Trust got \$200,000 in the last round, he suggested a request of \$250,000 for programs. (*subsequently \$340,000*)

Mr. Remold thought that \$250,000 was a reasonable maximum. He expected that there would be lots of demand for available CPC funding for numerous projects in this next round.

Mr. Clark said that the Trust needs to demonstrate new projects or programs. It needs \$50,000 for the first one or two, keeping in mind that Rental Assistance has slowed down, and demand for down payment assistance has dried up. He focused on the direct question of **whether it is the Board's desire to work toward developing an ADU grant / loan / incentive program?**

Mr. Cooke responded that he would go along with that idea.

Mr. Method asked whether there is evidence that they work well?

Mr. Clark responded that the evidence is anecdotal. It seems to work because it creates affordable housing, but it also provides income for the property owner. It creates more housing on the same land.

Mr. Method responded that it makes sense him and he thought the Trust should at least try.

Mr. Clark acknowledged that it worked in Provincetown. The Trust has access to their documents as templates and can see how to adapt.

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Mr. Reed asked whether Mr. Clark was looking for opinions or something more.

Mr. Clark responded that he was looking for opinions.

Mr. Reed confirmed that he had no problem with the idea, and raised the question whether the Board had to be careful not to develop tunnel vision?

Mr. Clark opined that the Trust is better off creating programs that provide dollars to non-profits and others that can put projects in place. He felt that the Trust does not have the staff and time to do projects and that the Trust is better-off incentivizing.

Mr. Cook introduced another program idea to get some sort of buy-down to keep some of the new housing projects in town to include affordable units. He suggested the Mahaiwe Block as an example of such a project.

Mr. Clark said that the Mahaiwe Block has a long history of rents maintained at very reasonable levels but a parallel long history of deferred repairs and capital improvements. He suggested that the trust might be able to buy deed restrictions to keep some units affordable.

Mr. Rembold explained that an infusion of Trust money to drive down rents could cost as much as \$100,000. It depends how far down you want to drive the income prequalification level coupled with how much you are willing to spend to create or fix up the new unit.

Mr. Method noted that when one drives down the rent required, one is not increasing housing supply.

Mr. Clark said that the Trust can keep an open mind but will probably not be willing to pay so much per unit. His feeling was that it was going to be better for the Trust to keep focused on providing incentives. He thought that maybe the Board should have a goal setting meeting after the Holidays. He reminded that he had requested \$500,000 of ARPA money which is to be granted by 2024 and spent by 2026. He did not feel the Trust would have any difficulty spending on all its programs, and he reminded that the Trust will have a cash contribution to make when the MassWorks grant for the infrastructure at North Plain Road is awarded.

Mr. Rembold reminded that the Town applied for \$3.2 million which will require a 10% contingency contribution (\$320,000) from local sources. ARPA would be a good source for that contribution.

Mr. Clark noted that The Town had committed to provide Construct with several hundred thousand dollars to help with the down payment for Windflower to produce workforce housing.

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The Trust wrote a letter in support of that effort. Looking ahead to the next round of CPC applications, he said that the Phase #1 submission was a simple matter. He said that he planned to ask for \$250,000. (\$340,000)

Mr. Reed asked how the water quality looked in the vicinity of the North Plain Road project.

Mr. Rembold responded that the plans for the North Plain Road project included whole house filter systems for each residence.

Mr. Cooke reported that a builder he has worked with in the past has a house on Pope Street that was originally set to be torn down and replaced with a duplex. However, the building business is too busy at the moment and he offered to sell to the Trust. Mr. Cooke told the builder that the Trust would not want to be the developer but that maybe the CDC would be interested.

Mr. Rembold remarked that site acquisition is a powerful tool that the Trust has that most other bodies don't have.

Mr. Cooke suggested that acquisition of this site could be added to the CPA request application for this year if the proposal checks out. The seller is willing to wait until the funds are available.

Mr. Clark suggested that the Trust include it to see what the CDC says.

Mr. Method asked what is the next step on Tiny Houses?

Mr. Clark responded that he would be working, probably with Ms. Turnbull, to craft language for and RFP to be brought to the Board for a vote and then put out to see if there are proposals of interest.

Ms. Turnbull asked whether those proposals would be limited to local entities.

Mr. Clark responded that State law requires that such RFPs be open.

Ms. Forest again expressed her continuing interest in affordable housing, ADUs, Tiny Houses.

Mr. Clark asked her to send him her contact information.

ADJOURNMENT

Hearing no objection, Mr. Clark adjourned the meeting at 7:55 PM.

Respectfully submitted,

Shepley W. Evans
Administrative support