

**TOWN OF GREAT BARRINGTON
AFFORDABLE HOUSING TRUST FUND (AHTF)
ADU PILOT PROJECT SUBCOMMITTEE
APPROVED MINUTES**

**Tuesday, October 5, 2023 at 6:30 PM
Remote virtual meeting by ZOOM.**

MEMBERS PRESENT: Ananda Timpane, Bill Cooke, Joseph Method, Fred Clark (late)
OTHERS: Jeremy Higa

Ms. Timpane called the meeting to order at 6:33 PM and read Governor Baker's and Governor Healy's Orders regarding public access to public meetings. She summarized the Agenda for this working meeting of the ADU Pilot Project Subcommittee as follows:
To review edits to the ADU Pilot and to finalize a Scoring Rubric.

Ms. Timpane shared her screen and displayed a draft outline. She summarized the goal was to develop the scoring rubric under the headings of Project Viability, Location, and Impact. The group criteria ranging from the weakest to the strongest with five gradients. Ms. Timpane edited the rubric in real time with consensus from the group.

Mr. Method expressed concern that it may be possible for a greater sum would go for only one project. Ms. Timpane proposed adding a requirement that the \$150,000 be for a minimum of two projects to be funded which was agreeable to Mr. Method.

Ms. Timpane made a motion to adopt the rubric and report it to the entire board, seconded by Mr. Cooke. Mr. Cooke, Mr. Method, Mr. Clark, and Ms. Timpane voted aye, motion passed unanimously.

Trustee Speak:

Citizen Speak: None

Media Speak: None

**Ms. Timpane: Motion to Adjourn, Second by Mr. Cooke; Unanimous roll-call vote.
Adjourned at 7:34 PM**

Recorded by:
Fred Clark

ADU PILOT PROPOSAL

August 15 2023

1

TERMS & GENERAL INFORMATION

- ADU – Assessor Dwelling Unit. In Great Barrington, ADUs include separate structures with a dwelling unit on a residential property, including “tiny houses” and/or tiny house “pads”, and additional dwelling units in the main residential structure.
- AMI – Area Median Income. Affordable Housing Trust (AHT) funding must be used for housing for people with incomes of up to 100% AMI.
- AMI Restrictions – Where an AHT uses funds to create housing, the housing must have a period of time during which that housing will be restricted as affordable housing and tied to a minimum AMI. The minimum period of restriction is 10 years.

2

THE SUBCOMMITTEE CONSIDERED & MADE RECOMMENDATIONS IN 7 AREAS

1. Purpose
2. Applicant Criteria
3. AMI Tenant Requirement
4. Loan Structure & Administration
5. PR and Marketing
6. Budget Line
7. Applicant Selection

3

PILOT PURPOSE

- 1.) Leverage the AHT to add affordable ADU to the market;
- 2.) Test viability of leveraging partnerships with resident homeowners directly to increase AMI protected housing in Great Barrington;
- 3.) Provide an opportunity for resident homeowners who may not meet 100% AMI but experience strain meeting cost of living in Great Barrington to meet those costs by leveraging the AHT to create an opportunity for additional ADU income by support for construction/renovation costs through AHT funds.

4

APPLICANT CRITERIA

CRITERIA BY WHICH HOMEOWNER/LANDLORD APPLICATIONS WILL BE EVALUATED AND SELECTED AND THE HOMEOWNER/LANDLORD APPLICATION ITSELF:

1. **Applicants** – Applicants must current reside in GB as their primary residence, or be buying a home in GB that will be used their primary residence for 10-years.
2. **Residency** – The proposed ADU will be on the GB property that is also the primary residence of the applicant.
3. **Project Viability** – In cases where the total project costs will exceed the amount requested by the applicant, applicants must demonstrate ability to complete the total of the ADU building or renovation project at time of application – this may include use of savings, other loans, or labor contributed.
4. **Purpose 3** – Applicants who demonstrate that the ADU rental income at 100% AMI will assist owner to be able to afford their household's GB housing cost and remain in residence, will be prioritized.

5

AMI TENANT REQUIREMENT

WHAT THE AMI REQUIREMENT WILL BE FOR THE TENANT & HOW TO ADMINISTER IT.

- **AMI:** AMI maximum of 100% for the tenant of the rental unit (ADU).
- **Verification:** Verify income eligibility at the time of lease, in subsequent years, verify it is the same tenant. New leases/tenants require new verification.
- **Verification Capacity:** Subcontract verification to community partner.

2023 Area Median Income Limits

Household Size	1	2	3	4	5	6	7
100% Income Limit	\$71,700	\$81,900	\$92,100	\$102,300	\$110,500	\$118,700	\$126,900
80% Income Limit	\$57,360	\$65,520	\$73,680	\$81,840	\$88,400	\$94,960	\$101,520
70% Income Limit	\$50,190	\$57,330	\$64,470	\$71,610	\$77,350	\$83,090	\$88,830
60% Income Limit	\$43,020	\$49,140	\$55,260	\$61,380	\$66,300	\$71,220	\$76,140

6

LOAN STRUCTURE & ADMINISTRATION

WHAT THE LOAN IT CAN BE USED FOR, HOW IT IS STRUCTURED, ADMINISTERED ETC., WHAT PARTS OF THE BARNSTABLE MODEL TO INCORPORATE.

- **The Loan:** No interest 10-year loan tied to minimum 10-year restriction to 100% AMI. With compliance, 100% forgiven at 10 years.
- **Disbursement:** 50% up front, 50% cost reimbursement. With grant contract signed prior to disbursement.
- **Lien:** occurs at time of last disbursement.*

*Seek town council on lien vs. contract only for enforcement mechanisms.

- **Prior to construction completion:** Should the landlord/applicant fail to maintain primary residency on the property after loan approval, before or during construction, funds will be withdrawn.
- **After construction:** Owners who cease to reside on the property after occupation of the ADU by a qualified tenant, or who fail to make the property available for rental, or who fail to rent to a qualified tenant will not be eligible to turn 100% of the loan into a grant and the loan will be due in full 12 months from the first date of non-compliance.
- **Timeframe:** determined on a project-basis in final stages of application process. 6 months over project deadline, triggers review and revised timeline agreement with the AHT. If no agreement can be reached, no further disbursement will be made and legal action against grantee may be taken.
- **Property sale:** In the event of a property sale within 10 years the entirety of the AHT loan is due in full at the time of sale. (No grant eligibility.) The new owner may keep the lien in place and continues program under same terms.
- **Outstanding issues:** Chris will get input from town counsel. The policy we recommend to the AHT will be the advice we receive from counsel.

MARKETING PLAN

THE ELEMENTS NECESSARY TO MAXIMIZE APPLICATION POOL AT PILOT STAGE AND COMMUNITY AWARENESS.

- **Audience** – Homeowners in Town of GB & and generating word of mouth information sharing
- **Community-based** – Eileen's Newsletter, Senior Center Newsletter, Shopper's Guide, social media (FB, IG, TikTok), Website, Town Website, Town social media, School District Eblasts
- **AHT Website** – Press release, general information about the pilot, and link to application.
- **In person** – Info session
- **Press Release** – Target local news outlets for in depth stories, Spectrum News, The Edge, The Eagle and WAMC
- **Materials to create** – Shortform program description, press release, website content, flyer and social media "flyer"
- **Content** – Use straight forward language in all materials including website, flyers and application.

9

AHT ADU PILOT BUDGET LINE

SIZE OF THE TOTAL POT AVAILABLE TO DISBURSE IN PILOT PHASE.

- \$150,000.00 – Disbursed to selected applicants, selection is based on criteria match, no minimum or maximum limit on what can be funded or number of applications.
- \$5000.00 – Administration, flat fee to subcontractor for project administration.
- The total number of proposals funded will be determined in the evaluation process and based on strongest matches to meet project criteria. If no applicants meet sufficient criteria for approval, then no funds will be provided.
- PENDING ISSUE: 2 loan minimum, 100,000 cap, other language options to allow for a single loan if only one application

10

APPLICATION SELECTION
CRITERIA BY WHICH APPLICATIONS WILL BE COMPARED,
RANKED AND ASSESSED FOR VIABILITY.

- **Accessibility** – Use straight forward language in application and evaluation process.
- **Timeline** – Open application window for 3-month period once pilot design is finalized. Subcontractor begins selection process the following month.
- **Subcontract application process** to 1.) protect privacy of applicants; 2.) resource the administration needed for the application and selection process; 3.) brings a greater expertise in housing and serving communities to the process.
- **Backup plan** – If no viable applications, budget funds revert back to general fund for other programming.

11

SELECTION

All applicants must meet residency requirement, with no exceptions. Applications will be scored on:

1. Project viability – may consider additional funding/cost savings sources (savings, other loan, or sweat equity/labor on project)
2. Living space proposed – the extent to which the proposed ADU is appropriate for a living space
3. Location – The extent to which the location is accessible to food, down town and cell coverage.
4. Resident-Landlord Financial Need – the extent to which the landlord applicant demonstrates financial strain meeting cost of living in GB that an income restricted ADU would help alleviate.
5. Cost Effectiveness – the extent to which the project is cost effective.
6. Impact - the extent to which the project demonstrates ability to impact the most people possible with secure housing.

12

Pilot Goals:

- 1.) Leverage the AHT to add affordable ADU to the market
- 2.) Test viability of leveraging partnerships with resident homeowners directly to increase AMI protected housing in Great Barrington
- 3.) Provide an opportunity for resident homeowners who may not meet 100% AMI but experience strain meeting cost of living in Great Barrington to meet those costs by leveraging the AHT to create an opportunity for additional ADU income by support for construction/renovation costs through AHT funds

Assessment Criteria:	Weakest	Somewhat Weak	Moderate	Somewhat Strong	Strongest
1) Project viability – may consider additional funding/cost savings sources (savings, other loan, or sweat equity/labor on project)					
2) Residency – meets residency requirements and is likely to continue to do so. Prescreen requirement. Not eligible to apply if not met.	Not eligible to vote in GB.	n/a	n/a	n/a	Eligible to vote in GB.
3) Living space proposed – the extent to which the proposed ADU is appropriate for a living space <ul style="list-style-type: none"> • Square Footage. • Amenities • Natural light. 	Minimum allowable square foot (150 net useable sq ft) under ADU housing code. Meets minimum standards dwelling unit re: water, sanitation, insulation, heat. See state sanitary code, chapter 2. Meets minimum windows requirements. Meets all minimums to get a CO.	Minimum allowable square foot (338 net useable sq ft) under ADU housing code. Meets minimum standards dwelling unit re: water, sanitation, insulation, heat and has either: full kitchen, a washer/drier, a full bath, or high-speed internet. At least 1 window more than minimum windows.	Minimum allowable square foot (525 net useable sq ft) under ADU housing code. Has some but not all: full kitchen, washer/drier. Full bath, high speed internet. Several of windows.	Minimum allowable square foot (713 net useable sq ft) under ADU housing code. Has most but not all: full kitchen, washer/drier, full bath, high speed internet. Good natural light.	Maximum allowable square foot (900 net useable sq ft) under ADU zoning law. Has full kitchen, washer/drier, full bath, high speed internet. Strong natural light.
4) Location <ul style="list-style-type: none"> • Ease of access to groceries/food and main street. • Cell service/coverage. 					
5) Resident-Landlord Financial Need – the extent to which the landlord applicant meets					

[Type here]

demonstrates financial strain meeting cost of living in GB that an income restricted ADU would help alleviate					
6) Cost Effectiveness – the extent to which the project is cost effective Revisit/affirm (or change)	Makes poorest use of estimated cost/square foot.				Makes best use of estimated square use cost.
7) Impact: to discuss/resolve <ul style="list-style-type: none"> • Idea 1 – Measure by number of people impacted by project. • Idea 2 – Community impact of the project. • Idea 3 – impact = number of ADU's added subsidized by total of the ADU Pilot pot. 	Minimum impact: Studio unit, and 1 resident of in the landlord's residential unit. Unresolved: number of grants as a metric				Maximum impact: Multitroom ADU and highest number of residents of in the landlord's residential unit.