

**Town of Great Barrington
Community Preservation Committee (CPC)**

Minutes of April 4, 2023

This meeting was held in-person and via Zoom as noted on the meeting agenda.

Call to Order: Chair Smith called the meeting to order at 5:30 PM.

Eight members were present: Leigh Davis (Selectboard), Martha Fick (Citizen rep.), Richard Geiler (Finance Committee), Jeremy Higa (Planning Board), Jim Mercer (Historical Comm), Patricia Sharpe (Citizen rep.), Karen W. Smith (Parks Comm), Kate Van Olst (Conservation).

Not Present: Tom Blauvelt (Housing Authority)

Also present: CPA Administrator / Assistant Town Manager Christopher Rembold.

Minutes: Rembold said Sharpe sent him some typographical corrections for each of these sets of minutes.

- a. Davis moved to approve the minutes December 12, 2022 as amended, Geiler seconded. On a roll call vote, all were in favor (7-0). (Van Olst was not yet present.)
- b. Geiler moved to approve the minutes December 13, 2022 as amended, Davis seconded. On a roll call vote, all were in favor (7-0). (Van Olst was not yet present.)
- c. Geiler moved to approve the minutes December 29, 2022 as amended, Davis seconded. On a roll call vote, all were in favor (8-0).

Recommendation to Town Meeting on the following applications

- a. Ian Rasch, Alander Group, Mahaiwe Block at 322 Main St (housing)
- b. Ian Rasch, Alander Group, 343 Main Street (housing)

Mercer and Davis recused themselves.

Rembold said on December 29 the Committee recommended one award of 128,000 for 2 affordable units at 322 Main Street and a second award of 2 affordable units at 343 Main Street. He communicated this vote to Mr. Rasch, the Applicant, but the Applicant indicated that amount would not be viable. Rembold said the Applicant has requested the Committee reconsider the last discussion, and instead recommend that town meeting award funds for a total 2 units (rather than 4 total) at either of the sites.

Rasch summarized his request and the rationale for the Committee.

It takes upwards of four years and close to \$500,000 to build new affordable units. So in short traditionally financed new construction of housing units will never fill the need for affordable housing. It is too expensive and it takes too long to produce. You can read any major periodical on that. Whether market rate or affordable. In order to solve this problem we need to develop difference financing models, which use both public and private funds. Every major city in this country does not allow housing segregated by income. They require new affordable be included throughout the area. Let's say it costs 500,000 to build a new unit. If you look at Mahaiwe./ that costs 8.5 million., Of the 500,000 for a unit, I am asking for CPA for 125,000 of that 500,000, and I am paying the balance. So the return on public investment is substantial because private is paying 75% and public on 25% of the cost. That 25% helps the private developer provide the unit at below market rate, in this case for 10 years. DHCD will not allow mixed income because they see market as liability to lease up because they think market will not go live at a affordable housing site. That is why states don't fund it. So we need local funds, or we will just continue to create large developments outside of downtown. All people should have the right to live downtown and enjoy the amenities of downtown.

We need the CPA in order to do a mixed income site. With the CPA funds two units get created. This project is fully financed and ready. It will happen, and the CPA can create two affordable units.

Sharpe said she understood that we were asked to pay the difference in rent, or the loss, rather than the construction cost. Rasch said that is correct. He said with the market rate units he can escalate the rents every year without restriction, but affordable units would not be able to be raised that much. So any owner with affordable restrictions would take a loss unless there is a grant that can offset that loss.

Geiler asked about a right of first refusal. Could the Town have the right to provide funds for another ten year period of affordability? Rasch said yes that is possible; he did not know what amount of funds would be needed at that time.

Fick said this is a good opportunity, and we should see where this goes. This model can work. Sharpe said funding for this would acknowledge the benefit of the project. She said it's not about just giving money to a private developer. Smith suggested that the committee get the word out about that fact. She asked for a motion.

Geiler moved to recommend an award \$250,000 for two apartments to be affordable to households at 80% of area median income, for 10 years each, at 322 Main Street also known as the "Mahaiwe Block," and that the town have a right of first refusal after the first ten year period. Van Olst seconded.

In discussion Higa said that at first he was not favorable to this request, but he has listened to the discussion and agrees it could be a good model. He said it is worth a try, and he will support it.

On a roll call vote, all were in favor (6-0).

Town Meeting preparations:

Reports from Committee Members:

Citizens' Speak: Jenny Clark of Oak Street, Great Barrington, spoke and said she had hoped the Committee would have negotiated for a longer term for the affordable housing units. Sharpe and Van Olst both responded to the comment.

Adjourn: Sharpe moved to adjourn, Davis seconded. On a roll call vote, all were in favor (8-0). The meeting adjourned meeting at 5:50 PM.

Minutes prepared by:


Christopher Rembold