

**Summary of proposed purchase of the Thornewood Inn by the CDCSB
for conversion to Workforce Housing**

EXPRESSION OF INTEREST - GBAHT GRANT SUPPORT



Submitted by: Carol Bosco Baumann, Executive Director, CDCSB 8/12/23

Executive Summary

The Community Development Corporation of Southern Berkshire (“CDCSB”) is exploring a variety of avenues for developing and preserving alternative forms of housing—centered on workforce housing. To that end, the CDCSB has entered into an agreement to purchase the Thornewood Inn in Great Barrington for conversion of the lodging facility to community workforce housing. The Inn currently has 14 rooms which are readily converted to single room occupancy units. The objective is to make these rooms available on an affordable basis to people employed in Great Barrington or adjacent areas. We plan to work with the local business community to ensure that the occupancy fees are affordable, and also give our local partners the opportunity to house their workers. The closing on the purchase is targeted for November 30, 2023.

The Thornewood Inn

Located at 453 Stockbridge Road (just north of Route 183) the Inn rests on a 2.7 acre lot and was built in 1973 by current owner/operators David & Terry Thorne (David is a current CDCSB board member). The property is currently active and has been well maintained over its 40+ year life. Its 11,700 sq ft. of usable space¹ includes 14 private rooms of varying size each with a private bath. In addition, the main floor includes a 2,500 square foot dining room and commercial grade kitchen. The restaurant has not been operational for several years due to the pandemic and staffing concerns. There is ample room for parking on the property with capacity estimated at 50 cars.

¹ The seller will retain a portion of undeveloped property; the parcel is being surveyed and size will be shared.

Plan of Operations

The plan of operations for the property are summarized below are subject to further discussions with the various stakeholders including the town of Great Barrington, sponsoring employers and various financing partners.

- The property will be used to provide an economical housing alternative to persons working in Great Barrington (private businesses, government or non-profits).
- The financing plan does not rely on state or federal sources in order to allow such a local preference.
- The rooms will be offered on a month-to-month basis with occupancy fees that are aligned with workforce housing rent rates (to be confirmed).
- The financial plan will include sponsoring partnerships with local employers, which may include preferences for a specified number of rooms.
- The commercial kitchen will be converted to a more traditional residential kitchen space to be shared by the residents.
- An onsite resident manager (compensated with free lodging plus salary) will occupy one of the rooms and will be responsible for certain administrative and oversight functions.

Expansion of the Property

We plan to explore the conversion of interior spaces in the Inn to 3 additional rooms, which would increase the number of available rooms from 14 to 17. In addition, there is ample room on the lot to develop additional housing, potentially in the form of tiny or starter homes which would provide additional housing capacity and operational efficiency.

Financing Plan

The negotiated purchase price represents a significant discount to its appraised value. The CDCSB estimates that the property will be self-funding after its initial 12-24 month conversion/ramp-up period, and with future plans to explore an expansion from 14 to 17 rooms. The working capital reserve has been sized to provide sufficient funding for projected cash flow shortfalls during the initial 12-24 month period.

Funding request

The CDCSB has a goal to raise \$375,000 for the equity needed for the purchase, closing costs, and initial repairs, and to establish a \$75,000 working capital reserve. We will submit a full proposal according to the published RFP.

Town of Great Barrington, MA
Great Barrington Affordable Housing Trust Fund
Request for Proposals for an
Affordable Housing Opportunities

September 2023

I. INTRODUCTION AND IMPORTANT DATES

The Trust's mission is to create, preserve and support affordable housing in Great Barrington, and for the funding of community housing, as defined in and in accordance with the provisions of G.L. Chapter 44, §55C. Affordable housing is defined as being affordable to those persons and households whose annual income is less than 100 percent of the area median income (AMI), as determined by HUD. Since its inception in 2017, the Trust's projects have included emergency rental assistance programs, down payment assistance programs, acquisition of land on which to create new homes, and grants for the renovation of homes and buildings to create or preserve affordable housing. The Trust's projects are funded by municipal appropriations from the Town's general fund and the Community Preservation Act (CPA), and may also be funded from donations of money, land, and/or buildings.

With this Request for Proposals the Trust seeks proposals for developable land to acquire for new affordable housing, and for renovation and redevelopment projects that will produce new or preserve existing affordable housing.

- RFP Issuance: September 29, 2023
- Inquiries Deadline: October 18, 2023, 2:00 PM
- Proposal Submission Deadline: October 27, 2023, 2:00 PM
- Proposal Presentations: week of November 14, 2023
- Selection: week of November 21, 2023

II. REQUEST FOR PROPOSALS

The Town of Great Barrington Affordable Housing Trust Fund (the "Trust"), through the Town Manager, is seeking proposals from persons and/or developers who have the experience, capacity, and proven ability to build, create, operate, and manage affordable housing opportunities on small, medium and large scales, and by using a variety of financing techniques. The intent of this RFP is to identify projects and collaborators that will provide affordable housing for Great Barrington in keeping with the Trust's mission, the Town's housing strategies, and the Trust's financial obligations. With this RFP the Trust seeks proposals for the following:

- Developable land to acquire for new affordable housing, and
- Renovation and redevelopment projects that will produce new or preserve existing affordable housing.

The Trust is open to considering the development, rehabilitation and/or future ownership scenarios on projects that respond to the above. For land acquisition projects, the affordable housing deed restriction must be in perpetuity, using deed restrictions whose form and content are agreeable to the Trust and any project lenders. For other projects, the Trust is open to considering shorter deed restrictions; larger grant amounts from the Trust will require longer deed restrictions.

Any type of entity may submit a response to this RFP. Respondents could include nonprofit housing and community development partners, for profit housing developers, and even private landowners or homeowners who are seeking to help fulfill the Trust's mission.

All proposals and any subsequent grant award agreement will become a public records.

III. INSTRUCTIONS FOR SUBMISSION OF RESPONSES

Applicants should submit one (1) original response, three (3) hard copies of the response, and one (1) electronic version (on CD or memory stick) **on or before: 2:00 pm, October 27, 2023 to:**

Town of Great Barrington
Affordable Housing Trust Fund
c/o Christopher Rembold, Assistant Town Manager/Director of Planning
334 Main Street
Great Barrington, MA 01230

All inquiries regarding this RFP should be submitted via e-mail and directed to the Assistant Town Manager/Director of Planning & Community Development (crembold@townofgb.org), no later than 2:00 PM on September 15, 2023. All inquiries and responses to inquiries pertaining to this RFP will be shared with all registered proposers. The Trust is not responsible for the reliability of electronic communications.

Responses must be marked "2023 Proposal to the Affordable Housing Trust Fund" and must include all required documents, completed and signed per this RFP, and all required forms per this RFP. The Trust reserves the right to reject any or all proposals or to cancel this Request for Proposals if it is deemed in the best interest of the Trust.

This RFP is subject to the Massachusetts Uniform Procurement Act, MGL Ch. 30B.

The Trust makes no representations or warranties, express or implied, as to the accuracy and/or or completeness of the information provided in this RFP. This RFP (including all attachments and supplements) is made subject to errors, omissions, prior sale, lease or financing and withdrawal without prior notice, and changes to, additional, and different interpretations of applicable laws and regulations.

Proposers should undertake their own review and analyses concerning physical conditions, environmental conditions, applicable zoning, required permits and approvals, and other developments and legal considerations for their subject sites relevant to the terms and elements of their proposals.

IV. PROPOSAL SUBMISSION REQUIREMENTS

1. A cover letter of interest signed by the principal(s), with their contact information, indicating their understanding of the Trust's mission, their willingness to enter into contracts with the Town and the Trust including any required affordable housing deed restrictions.

Also, all responses shall include numbered sections that correspond to the requirements below.

2. Narrative Description and Timeline: The response shall include a description of the concept for the subject property, including its location, the feasibility of development or redevelopment, the types of uses to be located on the property including the number of affordable housing units, their types, sizes and their proposed future sale prices or rents, level of affordability (expressed as a percentage of Area Median Income), marketing plan, and management plan and management entity

(if any). Include a timeline for acquisition, permitting, financing, construction, reconstruction or rehabilitation, and occupancy. Describe whether significant structural changes or additions, including removal or replacement of potential historically significant exterior features, are anticipated, and whether any significant site changes, e.g. parking or landscaping. Fully describe all zoning requirements or limitations, describe other local permits that may be required, and describe the timeline for achieving any needed approvals.

3. The response shall include a description of the relevant experience of the Proposer, whether an individual or a team. Describe the experience of the individuals and organizations to be involved, including the developer, architect and code professionals, engineers and consultants, and may include the contractor, property manager, lenders and investors if any. Background information, including firm resumes and resumes for principals and employees expected to be assigned to the project, shall be provided.
4. The response shall include an organizational chart of the Proposer, along with: The name, address and telephone number of the Proposer, the name of any representative authorized to act on his/her behalf, the name of the contact to which all correspondence should be addressed, and the names and primary responsibilities of each individual on the development team.
5. List of relevant projects that have been completed by the proposer in the past ten years.
6. Five (5) relevant references, including contact information.
7. Fully describe the development budget including the amount and source of all proposed funds, and a 10-year operating pro-forma that reflects typical income (sales or rents) and expenses including but not limited to debt service costs and capital or operating reserves. Provide a development financing plan, including:
 - a. The amount of grant funds the Proposer is seeking from the Trust, when those funds would be expected (month/year) and whether those funds would be needed in one lump sum or over a period of time.
 - b. A proposed pre-development budget, if applicable, including all projected sources to be used to secure necessary permits and approvals for the rehabilitation and any construction.
 - c. A development budget that includes a list of sources and uses.
 - d. Operating budgets with income and expenses over a minimum 10-year period.
 - e. Assumptions used in making the above determinations, for example, utility costs, taxes or exemptions, price escalations, etc.

V. EVALUATION CRITERIA

Minimum Threshold Criteria

1. A letter of interest signed by the proposal principal(s).
2. Timely submission of the proposal.
3. Submission of required, standard forms: the Certification of Non-collusion, Certification of Authority.
4. A rehabilitation and occupancy timeline of no longer than two (2) years.
5. All units must be affordable for households earning up to a maximum of 100% of the Area Median Income.

Comparative Evaluation Criteria

Proposals meeting the minimum criteria will then be judged on the following additional comparative evaluation criteria, with assignment of a rating not advantageous, advantageous or highly advantageous.

1. Overall quality of proposal

Not Advantageous: proposal complete and responsive to some, but not all items in RFP.

Advantageous: proposal well written with a clear visual and graphic format and responsive to all items in RFP.

Highly Advantageous: proposal is of outstanding visual and written quality, responsive to all items in RFP and introduces innovative and creative concepts with evidence demonstrating that they will result in affordable homes in Great Barrington in a timely manner.

2. Experience

Experience of Proposer's principal person and any primary development team members in successfully rehabilitation homes and/or developing affordable housing.

Not Advantageous: The developer has never produced an affordable home.

Advantageous: The developer has produced an affordable home in the last 5 years.

Highly Advantageous: The developer has produced multiple affordable homes in the Berkshires in the last 5 years.

3. Financial feasibility

Financial feasibility of development proposal based on projected funding sources for predevelopment, development, operating costs and financial strength of developer.

Not Advantageous: project budget has significant gaps.

Advantageous: project budget meets industry standards for financial feasibility.

Highly Advantageous: financial feasibility is more than adequate to address the projected funding needs.

4. Affordability

Income requirements for households to qualify for affordable units:

Not Responsive: There project will not yield any affordable housing units.

Not Advantageous: One affordable unit will be preserved or created for a household with incomes of 100% of AMI or less.

Advantageous: More than one affordable unit will be preserved or created for households with incomes of 100% of AMI or less.

Highly Advantageous: More than three affordable units will be preserved or created for households with incomes of 100% of AMI or less, and at least some units will be reserved for households making less than 80% of the AMI.

4. Purchase Price

(maybe this should be restructured as requested Grant Amount?)

Not Advantageous: The developer recommends a transaction with no evidence that it will facilitate the creation of affordable housing on the site.

Advantageous: The developer recommends a transaction that provides some evidence as to how it will facilitate the creation of affordable housing.

Highly Advantageous: The developer recommends a transaction that describes in detail how it will facilitate the creation of affordable housing.

Interview

The Trust may require an interview with Proposers, and any interview presentations will be considered as part of the overall evaluation process to determine the successful proposer.

Not Advantageous: interview does not show a full understanding of the concerns of the Trust and the Town as described in the RFP.

Advantageous: responsive to the concerns of the Trust and the Town as described in the RFP.

Highly Advantageous: very responsive to the concerns of the Trust and the Town as described in the RFP, and fully engaged in the interview process in a dynamic and constructive manner.

VII. SELECTION PROCESS

All proposals submitted by the deadline will be opened in public. All information contained in the proposals is public including the requested grant amount. The Trust will review and evaluate all proposals received by the submission deadline, based on the criteria outlined herein. Evaluation of the proposals will be based on information provided in the proposer's submission as described the submission requirements of this RFP and any interviews, references, and additional information requested by the Trust. The successful proposer will be the responsive and responsible proposer who submits the most advantageous proposal, taking into consideration the grant amount requested from the Trust and all other evaluation criteria set forth in the RFP. The Trust will notify all proposers in writing of its decision.

The most advantageous offer from a responsive and responsible proposer, taking into consideration all evaluation criteria and the request grant amount, will be selected. More than one proposed may be selected, and the Trust reserves the right to offer grant amounts that are lower or higher than requested. All grants may be subject to appropriation.

VIII. EXECUTION OF AGREEMENT

The successful proposer will be required to execute a Grant Agreement, which will be negotiated after the selection process, committing to the elements of the proposal and a timeline for implementation of the project, and prerequisites, if any, to be fulfilled.

Appendix A

Maps, Property Record Card, and Plot Plan not applicable

Appendix B

Price Proposal Form
Representations and Certifications