

11/06/01

Housing Strategies Matrix

To address market failures and enhance opportunities for private/nonprofit/public housing development

PRIVATE SECTOR

Market Failure	Issues	Strategies	Players (Identify Lead)	Data Needed	Priority¹
<p>Employee recruitment: Cannot meet housing needs of recruited employees</p>	<p>Employers/new employees willing to pay “high” rents and purchase prices but unable to identify appropriate housing supply; for some employees, lack of affordable housing is an issue while for others, there is a lack of desirable housing; impacts business</p>	<ul style="list-style-type: none"> ▪ Quantify employer/employee housing needs and provide this information to investors and developers ▪ 	<ul style="list-style-type: none"> ▪ Human Resources Group of Berkshire County ▪ Employers (e.g. CEO Roundtable) ▪ Home Builders ▪ Landlord Association ▪ 	<p>Need to have human resources group and employers document specific needs; Berkshire Life, Mead, Canyon Ranch all growing</p>	

¹ Consider: How much impact this will have on development? How “doable” is it? Can it happen easily, quickly or is it too hard and too expensive?

<p>Development capacity: few large developers working/situated in the County</p>	<p>Developers see little opportunity in the County and/or see development as being too difficult and unlikely to generate sufficient profit</p>	<ul style="list-style-type: none"> ▪ Provide information on market rents, demand by community/area (see above) ▪ Develop a list of larger sites (e.g. 150 acres in Lenox) which may be suitable for larger development 	<ul style="list-style-type: none"> ▪ BRPC ▪ Realtors ▪ 	<p>Establish some system for collecting rent data and a baseline; then spin collection off to private sector organization. Work with Realtors, developers and BHCD (BHS division)</p>	
	<p>High costs of land, infrastructure, development and redevelopment make development too expensive</p>	<ul style="list-style-type: none"> ▪ Unclear whether capital is available in County for projects ▪ Identify project-specific need for funds and approach DHCD and other funders (possible sources include: Brownfields, Ready Resource, HOME, CDBG) ▪ Possibly form a county-wide HOME consortium but unclear whether cities will cooperate and whether it would be “worth it” ▪ 	<ul style="list-style-type: none"> ▪ Banks ▪ ▪ BHDC ▪ Developers ▪ ▪ BRPC ▪ BHDC ▪ Community Development Depart. Of Adams, N. Adams, Pittsfield ▪ BCRHA ▪ 	<ul style="list-style-type: none"> ▪ Survey/talk with banks ▪ ▪ Need to show that costs are too high to make projects work – maybe through sample pro formas 	

Contractor costs: High contractor costs increase development costs	Lack of competitive bidding	<ul style="list-style-type: none"> ▪ Identify and invite bidders outside of area to bid ▪ 	<ul style="list-style-type: none"> ▪ Developers ▪ Contractors 	<ul style="list-style-type: none"> ▪ Document contractor costs through ?Dodge reports ▪ Survey a few recent, large jobs as to # of bidders (schools, commercial development, assisted living) 	
	Too few large contractors	<ul style="list-style-type: none"> ▪ Identify smaller local contractors with potential for and interest in growth; incubate growth through training, financial support 	<ul style="list-style-type: none"> ▪ Berkshire Enterprises ▪ Contractors 	<ul style="list-style-type: none"> ▪ Interview/survey contractors as to limited growth 	
	Shortage of craftsmen needed by contractors to bid work	<ul style="list-style-type: none"> ▪ Increase pool of craftsmen through targeted training programs ▪ 	<ul style="list-style-type: none"> ▪ BCC ▪ Vocational schools ▪ Unions ▪ BCREB ▪ Contractors ▪ 	<ul style="list-style-type: none"> ▪ Have the national or local Home Builders done a study on needs? ▪ Review Workforce Development paper – what have they identified? 	

Contractor capacity: Limited capacity of local contractors increases costs	Shortage of craftsmen needed by contractors to bid work (see above)	<ul style="list-style-type: none"> ▪ Increase pool of craftsmen through targeted training programs ▪ Use technology to decrease need for labor ▪ 	<ul style="list-style-type: none"> ▪ BCC ▪ Vocational schools ▪ Unions ▪ BCREB ▪ Home Builders Association ▪ Contractors ▪ 		
	Poor project management/ business skills	<ul style="list-style-type: none"> ▪ Provide training opportunities to increase skills and capacity of local contractors ▪ 	<ul style="list-style-type: none"> ▪ Berkshire Enterprises ▪ Home Builders Association ▪ Contractors ▪ 	Have the national or local Home Builders done a study on needs? Does the local Home Builders org. categorize by size/type?	
	Insufficient funds for growth	<ul style="list-style-type: none"> ▪ Identify small business loans ▪ Develop cooperatives to share equipment ▪ 	<ul style="list-style-type: none"> ▪ Home Builders Association ▪ Banks ▪ SBA ▪ Contractors ▪ 	see above	
Land Costs: Land costs are high	Land costs in areas where housing “should” be developed are high	<ul style="list-style-type: none"> ▪ Identify local/state/federally owned land which can be used for development ▪ Identify/seek funds to acquire land for development, write down costs ▪ 	<ul style="list-style-type: none"> ▪ BRPC using existing data ▪ Local communities ▪ 	Provide samples of current land costs in various communities from Banker and Tradesman or other	

Investor Limitations	Small landlords are concerned that they will have difficulty evicting bad tenants	<ul style="list-style-type: none"> ▪ Provide landlords with education about eviction laws and local courts ▪ Bring landlords together with new Housing Court and local tenant/landlord mediators to review and address issues 	<ul style="list-style-type: none"> ▪ Landlord Association ▪ Housing Court ▪ BCRHA ▪ 	Work with Landlord Association to build skills including development of potential landlord/investors	
	Small landlords cannot afford to invest further in properties	<ul style="list-style-type: none"> ▪ Provide information about and access to public funds, low-interest loans for rehab, deleading, etc. ▪ Is there sufficient access to capital locally? 	<ul style="list-style-type: none"> ▪ Landlord Association ▪ Local communities ▪ BHCD/BHS 	See below	
	Small landlords do not know that they may be able to get higher rents if property rehabilitated	<ul style="list-style-type: none"> ▪ Provide information on market rents, demand by community/area 	<ul style="list-style-type: none"> ▪ BRPC ▪ Realtors 	Using employer demand info above, develop pro forma showing investment is worthwhile	

Lead Paint: Prominence of lead paint in existing stock decreases housing available to families with small children.	Small landlords cannot afford to delead	<ul style="list-style-type: none"> ▪ Provide information about public funds for deleading as well as actual deleading costs under latest regs ▪ (see also above re: providing information about market rents) ▪ Provide State income tax credits for deleading work 	<ul style="list-style-type: none"> ▪ Landlord Association ▪ Public agencies administering lead paint programs (cities, BHDC) ▪ 	# units built before 1978 minus any units delead (public agencies, health dept, licensed inspectors)	
	Insufficient public funding	<ul style="list-style-type: none"> ▪ Document need for funds/family housing and advocate with cities which have CDBG and HOME funds ▪ Pool funds and identify one deleading agency County-wide 	<ul style="list-style-type: none"> ▪ BRPC ▪ BHDC ▪ SBCDC ▪ 		
	Lack of knowledge of existing public funds	<ul style="list-style-type: none"> ▪ Information campaign 	<ul style="list-style-type: none"> ▪ Landlord Association ▪ Realtors ▪ BHS (Section 8 program) ▪ 		

COMMUNITY ISSUES

Market Failure	Issues	Strategies	Players (Identify Lead)	Data Needed	Priority
<p>Community acceptance: Communities are reluctant to accept new multi-family housing developments</p>	<p>Communities are concerned about who the newcomers will be, about impact on use of schools and other local services and how multi-family/clustering will look in their town</p>	<ul style="list-style-type: none"> ▪ Identify and provide positive examples of multi-family development ▪ Provide analysis of fiscal impact of development ▪ Develop “community affordability ratio” for each community ▪ 	<ul style="list-style-type: none"> ▪ Bring in towns which have positive examples of development (out of County) ▪ BHCD ▪ BRPC 	<p>See below</p>	
	<p>Local opposition specifically from environmentalists</p>	<ul style="list-style-type: none"> ▪ Identify key “cross over” people ▪ Identify and provide examples in which development was supported by both environmentalists and housing advocates ▪ Identify or develop a set of development “principles” which seek to address environmentalists concerns; promote these ▪ Easier to redevelop existing sites than to develop new (but may be more expensive) 	<ul style="list-style-type: none"> ▪ BRPC ▪ 	<p>Examples of recent opposition to development</p>	

<p>Land Development Regulations: Regulations such as zoning can increase costs</p>	<p>Lot size, allowable density, subdivision standards and other requirements can make development more expensive (or impossible)</p>	<ul style="list-style-type: none"> ▪ Develop self-evaluation tool for communities ▪ Review codes to identify outdated by-laws, problematic areas ▪ Develop and distribute updated standards for use across the County ▪ Develop a list of low-cost, easier strategies communities can pursue: accessory apartments, cluster housing, inclusionary zoning and prohibit removal/change of residential use without replacement housing. 	<ul style="list-style-type: none"> ▪ Local planning boards ▪ BRPC ▪ 	<p>Compare regs in towns where development is taking place with those in which there is no development or development is bogged down</p>	
<p>Infrastructure availability: Availability of infrastructure limits development</p>	<p>Development “moratorium” in some communities because of water/sewer capacity. Location of public water/sewer makes development too costly in some areas</p>	<ul style="list-style-type: none"> ▪ Identify communities where development not currently possible (for either reason) ▪ Work with communities to apply for infrastructure funds (e.g. CDBG) to make development work ▪ Identify models for: smaller, scattered site developments, communities with no infrastructure 	<ul style="list-style-type: none"> ▪ BRPC ▪ ▪ BHCD ▪ ▪ BRPC 	<ul style="list-style-type: none"> ▪ BRPC has list of communities with moratoriums ▪ BRPC has build out analyses 	

<p>Neighborhood Revitalization</p>	<p>Some areas offer development opportunities if issues in the surrounding neighborhood were addressed and/or sufficient redevelopment were to occur simultaneously</p>	<ul style="list-style-type: none"> ▪ Identify neighborhoods where revitalization is realistic ▪ Identify revitalization models and tools ▪ Work with communities to develop public private partnerships to develop revitalization plan including funding sources ▪ 	<ul style="list-style-type: none"> ▪ Bigger cities: Pittsfield, Adams, North Adams ▪ 		
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