

## Housing Needs Analysis & Implementation Strategy for Berkshire County

Anecdotally, it is clear that housing has become an issue in the Berkshires. Employers indicate that unavailability of housing makes it difficult to recruit employees. Long term residents cannot afford current rents or cannot move onto homeownership when they are ready to do so. Many communities are seeing significant in-migration and accompanying changes.

Strategic action to address failures in the housing market, however, cannot be based on anecdotal information. Basic market research is needed to understand both the supply and demand sides of the equation, particularly in identifying gaps in the supply that are causing potential employees to decide not to relocate to the Berkshires. With the assistance of County housing experts, Berkshire Regional Planning Commission has identified three critical tasks that must take place in order to begin to both assess and address housing issues in the County. First, some basic data collection must be conducted. Second, a public education campaign must be developed; unless local residents understand housing issues, it will be difficult to obtain their critical participation in addressing them. Third, providing communities with a simple self-evaluation tool may be the first step in obtaining municipal participation in addressing housing issues. Each of these tasks is described in detail below.

### **A. Data Collection**

BRPC has identified seven specific areas in which housing data is both critical and can be relatively easily and cost effectively obtained. The data collected will serve multiple purposes. First, the data will illustrate the problem. Second, analysis of the data may lead to potential strategies to address the problem. Finally, in some cases, the data itself may be the strategy (e.g. Housing Survey, below).

#### **1. Employment-related housing demand**

As described above, employers across the County have indicated that housing limitations constrain business development. In order to address the housing needs of current or potential employees, however, more specific information on demand is needed. BRPC will conduct a comprehensive assessment of job growth including wage levels and growth projections. Possibly supplemented with a survey of recent recruits, BRPC will assess how many housing units of what types and costs are needed in different parts of the County. Data collected will not only illustrate the demand but may be used directly by developers to increase supply appropriately. Data may also promote other strategies including the involvement of employers in housing development or finance.

#### **2. Housing survey**

Despite the perceived need for housing, including among new employees, little housing development is taking place in the County. Local housing experts believe one reason for this market failure is that housing demand remains largely hidden. Investors, for example, may not

realize that investment in their properties could bring higher rents. BRPC proposes to both collect basic information on housing supply and demand and develop a protocol for data collection so that data collection can be replicated in the future (perhaps by the private sector). BRPC expects to use U.S. Census and American Housing Survey data supplemented with a phone survey of Realtors and local apartment complexes. BRPC will also develop strategies for publicizing and disseminating the information to developers and investors.

Information to assess the impact of the second home and seasonal rentals versus year-round housing market will be gathered. This will be used to educate communities regarding the extent of this as a factor. Recent trends in housing construction will be documented (number of units, approximate costs, types, etc.). Some documentation of this nature will be necessary both to convince various agencies of the extent of housing as an issue and to better inform development of strategies.

### **3. Housing Affordability Ratios**

The federal government defines housing affordability as paying no more than 30% of household income for rent. Many Berkshire County residents pay far more for their housing. Using U.S. Census and other data, BRPC will develop a housing affordability ratio for each Berkshire County community. The ratio will illustrate what the average household in that community is paying for housing. BRPC anticipates this will be a powerful tool for illustrating the impact of the housing issue locally.

### **4. Model Pro Forma**

Another reason for limited housing development in the Berkshires is the cost. Land and labor in the County are expensive. Developers perceive that rents or purchase prices for nonluxury housing cannot cover these costs; their perceptions may or may not always be correct. BRPC proposes to develop model pro formas for several types of developments. The models will be based on actual costs in various communities and will compare costs with other areas (e.g. Springfield, Columbia County, NY). The model will help to determine whether certain costs are higher in Berkshire County, and if so, may lead to development of strategies to lower these costs.

### **5. Land Use Regulations**

Land use regulations can increase the costs of development, sometimes unnecessarily and making it infeasible in many cases. Problematic regulations potentially include lot size, allowable density and subdivision standards. BRPC will survey codes currently in place to identify typical problem areas. Model codes will be developed and distributed to all Berkshire communities. Good examples from similar or closely proximate areas of types of housing that can be developed under the model codes should be gathered to help sell newer approaches.

### **6. Lead Paint**

The presence of lead paint in a significant number of rental units throughout the County limits the access families with young children have to this housing. BRPC will collect data to illustrate the extent of this problem as well as the amount of stock that could be potentially made available

to low- and moderate-income Berkshire County families. BRPC will be able to make simple calculations of this problem using U.S. Census data and estimates of the number of properties that have been deleaded.

## **6. Industry Perspectives on the Housing Issue**

A survey of investors, developers and builders in the region would be conducted to gain their perspective on inhibitions to housing investment in the region from their standpoint. For instance, while we believe that access to capital is not a particular issue, it would be extremely helpful to know whether collectively property owners, developers and builders feel that this is an issue. Gathering such input from the industry also may give them more buy-in to the outcomes, whatever they may be.

### **B. Public Education Campaign**

Communities are key partners in addressing housing issues. Planning Boards may have to make zoning changes. Selectboards may have to approve special permits. In order to have broad-based support, rather than community opposition to these changes, a public education campaign across the County is necessary.

The goal of the campaign is to increase public awareness of the problem. The campaign, for example, would focus on the impact of housing issues on employment as well as directly on the housing needs of long term residents in the community. The campaign could take a variety of forms including a video to be used as a Public Service Announcement, written materials and/or presentations across the County. The data described above – such as the housing affordability ratios and examples of housing produced using any proposed model development standards and regulations – would be incorporated into the campaign.

Information on demand, gaps in supply and assistance available will be provided to landlords, developers and potential housing investors.

### **C. Self Evaluation Tool**

Another strategy BRPC proposes to engage communities and municipalities in this process is the development of a self-evaluation tool. The self evaluation is a checklist that municipal officials or others could complete to score their community on housing “friendliness” as well as to determine whether there are actions that could be taken to assist in addressing the need for housing in the community. The self-evaluation will include areas in which the community potentially provides incentives as well as disincentives for housing development or preservation. In completing the checklist, for example, the community would review the local zoning by-laws and other land use regulations, planning board decisions regarding new development and the multi-family development approval process. Completion of the list in and of itself would identify areas in which no or low-cost actions could make the community more housing friendly.

