

Community Development Corporation  
of South Berkshire

Community Investment Plan, 2014-2016

January 10, 2014

Submitted by

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## I. Description of the Business and Service Area

The Community Development Corporation of South Berkshire, Inc. (CDCSB), is a 501(C)3 nonprofit corporation whose **mission is to provide affordable housing and economic development opportunities for low- and moderate-income persons in the southern Berkshire region.** This mission is carried out in three general areas of work: (i) developing affordable housing opportunities; (ii) creating new jobs by supporting the creation of new businesses and the expansion of existing local businesses; (iii) supporting community development initiatives of other community-based nonprofit organizations.

### Service Area

CDCSB's service area includes all of Berkshire County, with a primary focus area on the fifteen towns south of Pittsfield: Lenox, Richmond, Lee, Stockbridge, West Stockbridge, Great Barrington, Tyringham, Egremont, Alford, Sheffield, New Marlborough, Monterey, Otis, Mt. Washington, and Sandisfield. Within this focus area, CDCSB's work concentrates in the communities that have some level of public infrastructure (town water and sewer) and have ready access to services: Great Barrington, Stockbridge, West Stockbridge, Lee, Lenox, Sheffield. The largest of these, Great Barrington, has a population of 7065; the populations of the other towns range from 130 to 5907 (US Census ACS 2011).

The south Berkshire region is characterized by its rural setting with a predominance of open space, agricultural land with a trend for increasing "rural sprawl"; e.g. the population in the core of downtown Great Barrington has declined by 10% over the last decade; in Housatonic by 17%. The economy is primarily service-based, driven by the hospitality and tourism industry. Land costs are disproportionately high, driven by the vacation, retirement and second home markets. Land costs are rising; wages are declining. The combination of low wage-paying jobs and high housing costs has made it especially difficult to retain the area's youth; the population is declining and aging with a median age of 45. In 2012 the unemployment rate in the larger towns ranged from 5.8% in Great Barrington to 4.2% in Stockbridge (Bureau of Labor Statistics). In 2011 the poverty rate in the larger towns ranged from 12.8% in Lenox and 12.1% in Great Barrington to 5.4% in Sheffield (US Census ACS). These statistics indicate a significant population of "working poor". The population is 95% white, with a slowly growing Latino population.

Median household income ranges from \$40,000 in Monterey to \$93,000 in Tyringham. The median household incomes in the larger towns, holding the majority of the population, average approximately \$53,000. The median household income of the downtown cores of the larger towns are 20% to 40% less than the median household incomes for the towns as a whole.

Median sales price of 1500-2500 sq.ft. homes average \$325,000. The household income necessary to afford the median sale price is \$89,000, or \$36,000 more than the median household income. Nearly half of all homeowners and almost two-thirds of all renters pay more than 30% of their income on housing costs. Homeowner and rental vacancy rates are both less than 2%. None of the south Berkshire towns meet the 10% Subsidized Housing Unit threshold set by Chapter 40-B. There is a very deep need for affordable housing throughout the area, for both rental and home ownership.

## II. Community Involvement in the Organization

**A. CDCSB is a Membership organization.** The Membership, currently at 32 Members, is made up of residents of the service area towns and represents a wide range of professional and business experience as well as nonprofit advocacy perspectives. The Membership meets annually to discuss priorities and projects and, from the Membership, elects the Board of Trustees. There is a minimum 20% low-/moderate-income representation on the Board of Trustees ensuring continuous input from potential end-users of CDCSB projects. The Board of Trustees meets monthly to monitor progress on projects and give input into the process and annually has a Board Retreat for strategic planning and organizational evaluation. The monitoring and evaluation of progress in the Community Development Plan in total, is the responsibility of the Membership and the Board of Trustees.

**B. CDCSB is very active in local and regional community development stakeholder and practitioners organizations:** *Berkshire (Exhibit 1)* bimonthly meetings of county-wide stakeholders, *HousingUs (Exhibit 2)* monthly meetings of regional affordable housing organizations, and numerous working groups organized by the Berkshire Regional Planning Commission (*Exhibit 3*) around economic development and housing issues. This consistent engagement with the larger community provides continuous input and feedback on CDCSB strategic planning and initiatives from virtually every social and economic sector of the county: educational institutions, financing entities, large and small businesses and business associations, and community-based nonprofits. At the same time, it ensures that rural housing and development issues are well represented in regional planning initiatives.

**C. Resident and stakeholder involvement in CDCSB planning through partnering with other local nonprofits on particular projects.** There is weekly communication between CDCSB and Construct, Inc. the primary regional housing and homeless services organization: Construct, Inc. manages CDCSB rental housing units; CDCSB is the development consultant on Construct, Inc. housing projects. Construct, Inc. has continual input into determining CDCSB development priorities as well as with the programmatic and physical design of individual CDCSB housing projects; they know the demand and the market as only a frontline service organization can. This input will be substantive in the next several years as the 100 Bridge Street LIHTC project and the RiverSchool homeownership project move forward into development. This engagement is strengthened with some overlap in Board of Trustees, and will provide ongoing input to projects and monitoring of their progress.

A close working relationship with *Fair Ground Community Redevelopment Project (Exhibit 4)* has provided formative input into the strategic decision for CDCSB to pursue economic development initiatives around local agriculture. Over the past year, CDCSB has both organized and participated in multiple meetings involving dozens of residents and stakeholders as the vision of the redevelopment of the Fairgrounds has taken shape. This ongoing community empowerment is key to the success of the project and CDCSB's close working relationship with the Fairgrounds organization will continue to shape CDCSB's economic development work in this arena.

**D. Community engagement with regional and national economic development nonprofits.** CDCSB has a very close working relationship with the Schumacher Center for new Economics (*Exhibit 5*) and BerkShares, Inc. (*Exhibit 6*), Berkshire County's regional currency. CDCSB's Executive Director is President of the Board of BerkShares. A major initiative of the Schumacher Center and BerkShares is the development of Community Supported Industry (CSI), an initiative modeled on the universal success of Community Supported Agriculture. Concentrating on import replacement, CSI enlists deep community involvement in both the creation and sustaining of local industry, and in sharing the financial risks involved in the business startup and expansion. An integral part CSI is developing a loan product in

BerkShares, for which BerkShares has received a \$500,000 grant from the Dutch foundation DOEN to help develop and implement. The community determines what businesses to support and finance, capital is provided in BerkShares and participating banks will service the loans. CSI has significant job creation potential as well as great potential impact on the strength and long term sustainability of the local/regional economy. This initiative is virtually community engagement personified with community input and feedback at every stage: in conceptual and programmatic design, in implementation, in accountability and evaluation. CDCSB has made supporting the development of this initiative a strategic priority.

**E. Stakeholder input from open space organizations.** The executive Director of CDCSB sits on the Board of Trustees of two open space and land conservancy organizations: the Stockbridge Land Trust and the Great Barrington Land Conservancy. Affordable housing, economic development and open space preservation are all tied at the hip in a rural environment: every housing unit that is developed in a town center is a piece of farm land not lost to development; every job created in the local food and agriculture sector is a step forward toward environmental and economic sustainability. The monthly communication between the organizations provides involvement both in the development and in the monitoring of long-range planning, and in the evaluation of site-specific projects.

**F. Project specific community engagement.** CDCSB routinely establishes venues for community input into specific development projects. Multiple neighborhood and public input meetings are held during the early design and predevelopment stages of projects, ensuring maxim possible neighborhood support. There have been four such meetings in the last ten months relating to the 100 Bridge Street project. There has also been, and will continue to be, substantial stakeholder input into the planning and development of 100 Bridge Street, with regularly scheduled meetings involving residents, regional economic development specialists, bankers, local business owners and town officials. (Exhibit 1)

**G. Engagement with municipalities.** Projects are, without exception, developed collaboratively with town Boards, Committees and Administrations. “Friendly 40-B” is the single zoning mechanism used, even for mixed-use projects. Early input solicited from municipal stakeholders is so thorough that Comprehensive permits have been obtained in a single meeting. CDCSB has nurtured and sustained excellent working relationships with town Administrators and town Planners that has both informed town planning and also responds to town planning and priorities. The trust earned through this level of engagement over the years has established an open and collaborative culture for CDCSB projects. The 100 Bridge Street project has benefitted tremendously from this supportive culture; from Brownfield Tax Abatement Agreements to establishing Zoning overlay districts to bringing significant public dollars to the project.

### III. Organizational Goals

#### **Goal #1 Create healthy, diverse and sustainable communities in south Berkshire County.**

**Strategy 1:** Significantly increase the number of affordable housing units in south Berkshire County, enabling residents to work and live in the same communities

**Outcomes:** (i) direct benefit for low- and moderate income households;  
(ii) communities and the region at large benefit from a more stable land diverse population; (iii) business community, school systems and municipalities benefit with being able to attract and retain employees.

**Strategy 2:** Develop a comprehensive homeownership program

**Outcomes:** (i) low- and moderate-income households directly benefit with the availability of new affordable homeownership units and with access to the support services that ensure successful homeownership; (ii) communities benefit from a more stable and diverse population; (iii) business community, school systems and municipalities benefit with being able to attract and retain employees

**Strategy 3:** Develop projects that contribute to low-carbon footprint living

**Outcomes:** (i) provides low- and moderate-income households with livable/walkable community; (ii) provides low- and moderate income households with affordable utility costs; (iii) provides a model of energy independence for the community at large; (iv) increases the vitality of town centers; (v) increases food security and quality of life for the entire region by preserving farm land and open space; (vi) provides local students with opportunities to study renewable energy creation and energy conservation: (v) contributes to the overall energy independence of the region.

**Strategy 4:** Redevelop Brownfield sites that meet organizational redevelopment criteria.

**Outcomes:** (i) low- and moderate income households benefit with increased housing and economic opportunity; (ii) community at large benefits with a healthier, more sustainable environment; (iii) brownfields tend to be in town centers, thus increasing the health and vitality of town centers;

## **Goal #2 Stimulate regional job creation for low- and moderate-income individuals and families.**

**Strategy 1:** Support local business expansion and new business creation with commercial real estate development for locally-owned businesses

**Outcomes:** (i) low- and moderate households benefit with increase job opportunities; (ii) communities and the region at large benefit with a more stable, diverse and robust local economy.

**Strategy 2:** stimulate growth in the local agricultural/food production sector

**Outcomes:** (i) increased job opportunities for low- and moderate-income households; (ii) increased entrepreneurial opportunities for business creation; (iii) community at large, including schools and institutions, benefit with a more secure, sustainable and nutritious food supply

**Strategy 3:** Create and support Community Supported Industry (CSI, modeled on Community Supported Agriculture)

**Outcomes:** (i) increased job opportunity for low- and moderate income households; (ii) increased entrepreneurial opportunities for business creation; (iii) communities and the region at large benefits from a more locally robust and independent economy.

### **Goal #3 Strengthen the long-term sustainability of CDCSB by increasing staff capacity.**

**Strategy 1:** Increase and diversify funding sources by increasing the donation base.

**Outcomes:** (i) low- and moderate-income households will benefit by the CDCSB being able to continue to provide affordable housing and economic opportunity; (ii) CDCSB will be more competitive in obtaining Community Development Tax Credits and effective in utilizing them; (iii) increased funding will increase staff capacity, strengthening CDCSB's ability to carry out its mission; (iv) increased staff capacity will enable CDCSB to develop multiple projects simultaneously, which will provide more continuous development income; (v) local businesses will benefit from ongoing CDCSB activities that support the local economy; (vi) the region at large will benefit by increased engagement in CDCSB's mission of continual advancement towards healthier, diverse and sustainable community.

**Strategy 2:** Create new strategic relationships and nurture existing relationships

**Outcomes:** (i) low- and moderate-income households will benefit with continuing and increased development opportunities for CDCSB to carry out its mission; (ii) the community at large have increased engagement with CDCSB and will benefit directly from continued CDCSB work; (iii) the social fabric of the southern Berkshires will be strengthened with a more interconnected network of organizations and individuals working for healthier, sustainable community.

## **IV. Implementation Activities**

### **Goal 1, Increased Affordable Housing Development**

Year One Activities:

- Advance work on 100 Bridge Street (45 rental units) (**site plan, Exhibit 10**): (i) execute the environmental remediation of the site; (ii) obtain all environmental and municipal permits; (iii) complete preliminary design and feasibility for the LIHTC component; (iv) submit LIHTC funding application to DHCD (with MBL Development, Tilman Lukas as Development Consultant); (v) secure funding for the open space component of the site
- Advance the RiverSchool, Great Barrington homeownership project (11 units) into permitting with the necessary architect and engineering; obtain all required permits and make application to DHCD for development financing (with HAP, Inc. as Development Consultant)
- Establish relationships with First-time homebuyer counseling service providers
- Advance the Sawmill Brook, Lenox homeownership project (50 units, 40% affordable) into permitting with the necessary architect and engineering;
- Continue as Development Consultant with Construct, Inc. on their 314 State Road, Great Barrington project (new construction of 11 affordable rental units)
- Pursue site identification and feasibility analysis on new projects

Impact of Activities: (i) the creation of environmental cleanup construction jobs; (ii) Advancement and replenishment of CDCSB's pipeline of projects; (iii) the strengthening of

collaborative relationships in each project; enhancement of CDCSB's identity in regional community development.

### **Year Two Activities**

- Advance work on 100 Bridge Street: (i) break ground on construction on the open space component of the site which accompanies the affordable housing; (ii) Secure LIHTC financing and complete final design;
- Advance the RiverSchool, Great Barrington homeownership project (11 units): (i) secure DHCD funding commitments; (iii) complete final design
- In partnership with existing service providers, provide First-time homebuyer counseling services
- Advance the Sawmill Brook, Lenox homeownership: (i) complete design work sufficient to obtain all required environmental and municipal permits; make application for public and private funding
- Continue as Development Consultant with Construct, Inc. on their 314 State Road, Great Barrington project (new construction of 11 affordable rental units): design and permitting
- Pursue site identification and feasibility analysis on new projects

**Impact of Activities:** (i) the creation of environmental cleanup and landscape construction jobs; (ii) Advancement and replenishment of CDCSB's pipeline of projects; (iii) the strengthening of collaborative relationships in each project; enhancement of CDCSB's identity in regional community development; (iv) increased financial security of CDCSB with project development income.

### **Year Three Activities**

- Advance work on 100 Bridge Street: (i) break ground on LIHTC project; (ii) complete construction on the open space component of the site which accompanies the affordable housing; (iii) begin marketing and management efforts.
- Advance the RiverSchool, Great Barrington homeownership project: Complete financing and break ground
- Preapprove first-time homebuyer for RiverSchool units
- Advance the Sawmill Brook, Lenox homeownership: (i) secure public and private funding for Phase I (18 units); break ground on site work and Phase I
- Continue as Development Consultant with Construct, Inc. on their 314 State Road, Great Barrington project (new construction of 11 affordable rental units): (i) secure funding commitments; (complete final design)
- Predevelopment on newly identified housing project(s)
- Pursue site identification and feasibility analysis on new projects

**Impact of Activities:** (i) the creation of an estimated 70 construction jobs; (ii) 45 new individuals and families have high quality affordable rental units; (iii) 11 new families will own an affordable home; local businesses will have increased revenues from the increase of residents in the town center; local businesses will more easily retain employees with the increased availability of affordable units; (iv) a contaminated, blight-ridden site in the center of Great Barrington will have been transformed into a vibrant community asset; (v) the Town of Great Barrington will have increased tax revenues; (vi) the carbon foot print of the Town and the region will be lessened with highly efficient housing units and a livable/walkable town center; (vii) CDCSB will have created a sustainable homeownership program available to low- and

moderate-income residents; (viii) advancement and replenishment of CDCSB's pipeline of projects; (iii) the strengthening of collaborative relationships in each project; enhancement of CDCSB's identity in regional community development; (iv) increased financial security of CDCSB with project development income.

## **Goal II, Job Creation**

### **Year One Activities:**

- Advance the commercial component of 110 Bridge Street (25,000 s.f. retail, 22,000 s.f. Class A office space): (i) execute the environmental remediation of the site; (ii) complete preliminary design and feasibility; (iii) obtain all environmental and municipal permits; (iv) work with local businesses to design appropriate space; (v) secure sales agreements and tenant leases; (vi) complete final design; (vii) secure financing
- Continue community organizing in the local agricultural sector and with the redevelopment of the Great Barrington Fairgrounds: (i) visioning and vetting ideas for the agricultural use of the Fairgrounds site; (ii) complete research on the supply and demand dynamics of the local food shed; (iii) create a pilot program (three or four farmers, one or two crops, one or two institutions) of farmer cooperative contract growing for local institutions (e.g. schools, hospitals, retreat centers); (iv) explore the feasibility of the Fairground site for food processing and food storage (commercial scale root cellar) to stimulate and support food-related entrepreneurial efforts; support and develop efforts to use the Fairgrounds site to "grow" new (young) farmers as well as food; (v) continue efforts to connect new, young farmers to land that can be put in production.
- Continue work with the Schumacher Center for New Economics and BerkShares, Inc. on the formation of Community Supported Industry (CSI); utilize CDCSB's deep connections and relationships in the region, both with social service providers and with economic development stakeholders, to engage the public and regional school systems in energizing entrepreneurial efforts and "democratizing" the access to financing; Support the organizing of public forums and entrepreneurial competitions; support the making of three CSI BerkShare loans.

### **Year Two Activities:**

- Advance the commercial component of 100 bridge Street: (i) break ground on the commercial building; (ii) complete sales and lease agreements with local businesses
- Agriculture sector: (i) determine the appropriate value-added food facility for the Fairgrounds site and begin fundraising for the project; (ii) build upon the pilot program of cooperative contract growing for local institutions; help organize farmers into self-sustaining cooperatives for contracting with institutions; continue "matchmaking" between new farmers and available, tillable land.
- CSI: Further help develop the CSI model; continue to engage the public in the CSI process; support the making of seven CSI BerkShares loans

### **Year Three Activities:**

- Advance the commercial component of 100 bridge Street: complete the construction and sales/lease-up of the commercial building
- Agriculture sector: complete the design and permitting process for a value-added food processing facility (highly likely to be for "flash-freezing" and cold storage); support business planning for food entrepreneurs; replicate the farmer cooperative contract selling model with additional crops and in central and north Berkshire County; continue "matchmaking" between new farmers and available, tillable land.



- CSI: Help take the model to scale, both in numbers of new and expanding businesses and in greater scale of production (greater financial commitments); extend the service area to central and north Berkshire County (the service area of BerkShares); support the replication of the model in other regions.

**Impact of Activities:** jobs, jobs, jobs

- Expansion of the Berkshire Co-op Market (20,000 s.f.): the retention of 70 permanent jobs, creation of 20 new permanent jobs. The Berkshire Co-op Market pays living wages with benefits.
- 5,000 s.f. of new retail space: the creation of 14 new permanent jobs
- 20,000 s.f. office space: creation of 80 new permanent jobs
- With the addition of over 100 new employees working in the center of town, a significant economic amplifier for other downtown businesses
- Great potential for food-based entrepreneurial business start-ups and job creation
- Greater job security for local farmers with contract selling to institutions
- With more land in agricultural production, an increase in farming jobs
- CSI will create new jobs with new business creation and existing business expansions.
- CSI will localize economy, making it more robust and sustainable
- CSI will begin to transform the regional business and economic culture by infusing it with community health and sustainability values through community involvement and community ownership, directly connecting producers and consumers,

### Goal III, Sustainability of CDCSB

**Initial and ongoing Activities**

- **Increase CDCSB donation base:** (i) rebrand CDCSB as more connected with the lives of the population we serve; (ii) develop an organizational narrative to be used in outreach to residents, the business community and other local and regional institutions; (iii) celebrate CDCSB's 25<sup>th</sup> Anniversary with a membership drive; (iv) use web presence and social media more effectively in building relationships and direct marketing; (v) develop a three-year donor outreach strategy; (vi) initiate donor outreach with one-to-one relationship building using Board Members and other Stakeholders invested in CDCSB's work; (vii) continue outreach to high income individuals corporations and foundation to utilize CDTCs to leverage donation income; (viii)
- **Strategic Relationships:** (i) seek out and explore collaboration possibilities with new and existing regional entities; (ii) explore staff and other resource sharing with other regional entities; (iii) pursue internship sponsoring with regional educational institutions; (iv) co-sponsor events that support CDCSB community development goals; (v) strengthen ties with the business community via increased participation in local and regional Chambers of Commerce.

**Impact of Activities:**

- Greater organizational stability will result in greater and more efficient delivery of services
- Better and more efficient delivery of services will enhance relationship building

- Greater staff capacity will create greater capacity to run multiple projects simultaneously.
- More effective messaging will help create deeper public engagement and ownership in CDCSB’s mission and activities
- Deeper ties with the community creates a more responsive organization to community needs

#### **IV. Measuring Success**

CDCSB carries out an internal “Project Reappraisal” at the completion of housing development projects. The Reappraisal is carried out by a subcommittee of the Board of Directors. This report includes a view of budgets and timelines (Plan to Actual) and interviews with all key individuals – architect, engineers, contractor, project manager, project consultants, owner and property management agent. The report covers the planning and predevelopment process, selection of key personnel/entities, permitting, funding, construction and lease-up. It articulates areas of strengths and areas for improvement. It deconstructs the areas of improvement in detail and makes recommendations for application in future projects. This process will be amplified to evaluate the Community Development Plan: its goals, activities, outcomes and impact.

##### **A. Evaluation of the Community Development Plan:**

(i) Initial evaluation when the Plan is adopted: Personal interviews with primary stakeholders who were not actively involved in its development: key personnel of Berkshire Regional Planning Commission, 1Berkshire, local Town Planners, local banks, Chambers of Commerce, Construct, Inc., other regional nonprofits and low- and moderate-income residents who are not Members of the Board. Questions will concentrate on appropriateness and timeliness of Goals and Strategies, populations to be served, projected timeframes and methods of measuring impact. This input will be summarized and presented to the CDCSB Board of Directors. Estimated time: 5 hours. Following these interviews, the Plan may be modified.

(ii) Annual follow up interviews with these stakeholders, covering the same parameters as the original interviews, noting suggested changes and modifications as well as any measurable impacts that are apparent. This information will be summarized and presented to the CDCSB Board. Estimated time: 5 hours. Following these interviews, the Plan may be modified.

(iii) Review and discussion of the Plan at CDCSB annual meetings. Following these discussions, the Plan may be modified.

##### **B. Evaluation of Affordable Housing Goals, Activities and Impacts**

(i) Monthly evaluations by staff of project timelines, presented to the Board

(ii) Project Reappraisals of each project upon completion, as described above

(iii) Annual assessment by staff of production numbers, construction job numbers

(iv) Biannual assessment by staff of regional housing needs. Estimated time: 16 hours

- review of town by town demographics

- review of waiting lists for existing units

- interviews with housing and homeless service providers, concentrating on numbers of people in need, types and size of housing needed, demand for support services

- interviews with residents of existing units, concentrating on quality of life issues

(v) Year three, evaluate home ownership training by numbers of participants, numbers of graduates, numbers of prequalified buyers and numbers of units sold

(vi) At project completions, evaluate energy efficiency of units: Center for Environmental Technology

### **C. Evaluation of Job Creation Goals, Activities and Impacts**

**(i) Commercial real estate construction:** (a) weekly evaluation by staff of numbers and quality of tenant prospects until full occupancy; upon completion, semi-annual evaluation by staff of supply/demand issues for different types of commercial space; semi-annual interviews with tenants re satisfaction with the space; annual tallying of number of employees.

**(ii) agricultural sector,** staff conducted: (a) collect production and sales numbers from farmers participating in cooperative growing for contract selling; (b) annually quantify numbers of users (eaters) of local food resulting from contract selling; (c) quantify numbers of individuals participating in program development of the Great Barrington Fairgrounds; (d) annually quantify the number of new farms and acres in production (Berkshire Grown, local nonprofit collects this information); (e) annually quantify new food-based businesses startups and associated jobs; (f) annually collect by interview qualitative information on job satisfaction and security; (g) annually quantify numbers of users (eaters) of local food resulting from contract selling; (h) annually update supply and demand characteristics for contract selling; annually quantify the number of farmers and institutions participating in contract selling.

**(iii) Community Supported Industry,** staff conducted (a) quantify the number of BerkShare loans made and the amount of loan capital; (b) quantify the number of new businesses created and the number of new jobs; (c) semiannually interview loan recipients for business support needs; annually interview loan participants satisfaction of loan protocols and logistics; annually interview loan recipients re quality of life impacts; annually quantify sales and income data from CSI businesses. Modify the loan program as needed.

### **D. Evaluation of CDC Sustainability, by staff**

(i) monthly quantify number of new CDCSB Members and the amount of donations collected

(ii) Follow-up interviews with all potential CITC participants, including those that did not participate, to gauge perceived strengths and weaknesses of both the program and the presentation.

(iii) quantify the number of tax credits “sold”

(iv) monthly compare Budget to Actual income/expense related to CITC program

(v) annually review quantity and capacity of staff compared to work plans

(vi) annual evaluation of Profit and Loss

(vii) annual evaluation of employee satisfaction

## **VI. Collaborations**

Working collaboratively with towns, local and regional housing entities and other nonprofits is one of CDCSB’s strengths.

### **Collaborative working relationships with town, key to efficient permitting and development:**

- Pinewoods Housing, Stockbridge (30-unit LIHTC project): The Town of Stockbridge Affordable Housing Committee identified the site, donated an abutting 1-acre parcel that increased the capacity for higher density, and contributed close to \$300,000 in CPA funds to the project. A Comprehensive Permit was issued in two meetings.

- Hillside Ave. Housing, Great Barrington (ten affordable units completed in 2009): the 3-acre parcel was donated by the Town; \$80,000 was contributed by the Town from an Affordable Housing Trust Fund; a Comprehensive Permit was granted in two hearings.
- Sawmill Brook Housing, Lenox (50-unit mixed-income homeownership project in predevelopment): The project was brought to CDCSB by town residents abutting the property; \$40,000 in CPA funds were contributed to early feasibility studies; working closely with both the Town Affordable Housing Committee and the Community Preservation Committee, the Town stepped in when CDCSB was going to lose site control in 2011 (due to the lack of State funding for ownership projects) and purchased the 20-acre site with CPA funds and chose CDCSB as the Designated Developer for the site. A “friendly 40-B” is expected.
- 100 Bridge Street, the former NE Log Homes site, Great Barrington (8-acre brownfield in the center of town, with a proposed 45-unit LIHTC project, 42,000 Sq. Ft. commercial space): The Town helped secure \$350,000 in federal brownfields assessment funds, forgave \$300,000 in back taxes accrued by the previous owner, rezoned the area for high density mixed-use development and created an economic opportunity area to make TIFs available to new and expanding businesses. Town current and future involvement in the redevelopment: (i) is permitting the entire site at once using a “friendly 40-B”; has identified the site as a priority in its newly adopted Town Master Plan, making it a likely recipient of Community Preservation Act funds for both affordable housing and open space/recreation; is developing a MassWorks grant that will significantly improve infrastructure and street fronts

### **Collaborations with Regional Housing Organizations**

- **Construct, Inc.** is a regional housing and homeless services organization based in Great Barrington. CDCSB and Construct, Inc. have worked closely for over a decade in the development of new affordable housing units; CDCSB has provided full development services for 40 units that Construct, Inc. owns and operates. Construct, Inc. provides management and tenant services for ten newly constructed units owned by CDCSB. Construct, Inc. will provide management services for a 45-unit LIHTC currently in pre-development for the former NE Log Homes site in Great Barrington. CDCSB is providing Construct, Inc. development services for a new 10-unit project, 314 State Road, Great Barrington, now in predevelopment.
- HousingUs is a tri-State affordable housing advocacy organization based in Sheffield, MA. Collaborations have included the development of accessory apartment bylaws adopted by the Towns of Lenox and Sheffield, and the current development of a regional acquisition fund financed by private investors. (Exhibit 2)

### **Collaborations with Regional Open Space and Land-use Organizations**

Due to the rural service area, collaborations with these organizations are key to project success. They have intimate knowledge of available land and have significant political capital in communities. Partnering with Community Land Trust organizations, taking land speculation out of the housing cost equation, ensures housing cost affordability in perpetuity. A decade of work with open space organizations has created a culture where the interests of affordable housing advocates and open space advocates are seen as intimately connected, interests that are typically at odds: every housing unit built in a town center is a housing unit not consuming open space or farm land; most affordable housing developments provide opportunity for open space preservation.

- Pinewoods Housing, Stockbridge: the site was initially acquired by the Stockbridge Land Trust in order take it off the market for use in affordable housing.

- Close and effective collaboration with the Great Barrington Land Conservancy and the Great Barrington Historic Commission resulted in the 2012 passing of the Community Preservation Act
- The Great Barrington Land Trust will own the Conservation Restriction on the river-front park at 100 Bridge Street, Great Barrington

### **Collaborations with faith-based organizations:**

Faith-based organizations bring deep community ties to the table, community vision that significantly overlaps the CDCSB development priorities, and project funding via loans from investment portfolios.

- Collaboration with area congregations resulted in the funding of a Second Mortgage for Construct, Inc. 140 East Street project (9 affordable units in Great Barrington)
- Collaboration with Trinity Episcopal Church, Lenox, has been key to establishing and maintaining project support in the community for the Sawmill Brook project. This has been critical given the project delays due to the housing and financial crises.
- The Episcopal Diocese of Western Mass. and the Stockbridge Congregational have made \$100,000 in predevelopment loans to the Sawmill Brook project.

### **Economic Development Collaborations**

Collaboration that supports economic development opportunity for low- and moderate-income households has been established with both for-profit and nonprofit entities:

- Current collaboration with Fair Ground Redevelopment Corporation (a nonprofit entity overseeing the redevelopment of the historic 57-acre Great Barrington Fairgrounds site. CDCSB is providing project pre-development services with the significant potential for creating agricultural sector job growth – value-added food production, training new local farmers, increasing year-round food supply with season-extending production and storage.
- Current collaboration with the Schumacher Center for New Economics on the creation of “Community Supported Industry” modeled on the successes of Community Supported Agriculture. CDCSB role will be in supporting program development and in ensuring public engagement in the process. This initiative has significant potential for entrepreneurial startups and the expansion of existing businesses.
- Collaboration with existing businesses to develop new commercial space for expansion: CDCSB was the driving force behind acquiring the Searls/Bryant Schools complex in downtown Great Barrington (CDCSB has a 10% ownership stake and an option of one building for affordable homeownership development). This collaboration has resulted in \$10 million in private investment, the retention of 80 jobs, and the creation of 32 new jobs.
- Collaboration with the Berkshire Co-op Market, a thriving business with 75 employees and \$8 million in annual sales, has resulted in the Co-op committing to purchase 20,000 s.f. in the commercial development at 100 Bridge Street, Great Barrington; the lynch pin to the financing of the project.
- Collaboration with Allegrone Construction has resulted in a Co-Developer Agreement for 100 Bridge Street, Great Barrington that will include both affordable housing and economic development opportunity. This significantly increases CDCSB’s development capacity.
- Collaboration with 1Berkshire on regional economic development issues. (Ex. 1)

## VII. Integration of Organizational Activity and Vision

In creating healthy, sustainable community in this rural setting, activity is focused on two core components: (1) addressing the doubled-edged, interconnected trends of higher real estate costs and lower wages in order to improve the stability and quality of life of low- and moderate-income households – the simultaneous creation of affordable housing units and living wage job; (2) creating development and economic growth with low carbon footprint that respects the regional environment that so defines the character and quality of life in the region. CDCSB has a priority focus on high density, mixed-use development in town and village centers, and a job creation focused that is grounded in localizing the economy. CDCSB will not build single family homes on ½ acre lots; so 20<sup>th</sup> century and so damaging to future generations, or support the development of national or internationally owned businesses. The interconnection of economic development activity and affordable housing activity are thus combined at the hip, both physically and strategically. CDCSB has actively nurtured this vision for well over a decade and acceptance of this vision is reflected in virtually all community and regional strategic planning. CDCSB is actively involved in local and regional planning.

The Lenox, Great Barrington and Sheffield Masters plans all emphasize the critical need for affordable housing, its connection to economic development and job growth and to creating development that resonates with the rural character of the region. Redevelopment of town centers are emphasized as are the redevelopment of brownfield sites, naming CDCSB projects as priority projects.

Regional planning has emphasized these same priorities: addressing the interlocking housing and jobs issue and encouraging sustainable growth. The current Berkshire County Comprehensive Economic Development Strategy (CEDS) stresses the importance and interconnectedness of affordable housing and economic growth and names three CDCSB projects as priority sites: the former NE Log Homes, RiverSchool redevelopment of the Searls/Bryant Schools complex and the Great Barrington Fairgrounds. (Exhibit 3) Sustainable Berkshires, a county-wide development strategic plan currently being developed by the Berkshire Regional Planning Authority, emphasizes these same priorities along with strengthening local economies for more economic independence using creative financing mechanisms and local currency, and developing the agricultural sector for both job growth and food security. (Exhibit 3)

## VIII. Financing Strategy

CDCSB has existed largely on earned income from affordable housing projects and project management of other community development projects. 2014 operating income is primarily derived from project management fees associated with the demolition, remediation and redevelopment of the former NE Log Homes site, an 8-acre brownfield site at 100 Bridge Street, Great Barrington. CDCSB has a \$2 million contractual commitment with MassDevelopment that is restricted for the environmental remediation of 100 Bridge Street. Future near-term earned income will be derived from the commercial real estate component of this site that is expected to fully commence in 2014. Budgets for 2015 and 2016 are based on receiving the CITC funds requested. This increase in income is used to increase staff to 2.5 FTE positions by 2016. (See Budgets, Exhibit 9)

In addition to the MassDevelopment remediation funds, a \$200,000 CEDAC Predevelopment Loan for the RiverSchool project was executed in November 2013, and a CEDAC Initial Feasibility Assessment

Loan has been secured for the LIHTC project at 100 Bridge Street. A CEDAC Predevelopment Loan for the LIHTC project is being applied for.

CITC funds will enable CDCSB to (1) substantially increase staff capacity for affordable housing development resulting in significantly faster and greater production with less reliance on consultants; (2) support the local economic/job creation portions of the Community Development Plan. Marketing of CITC is underway with significant support and interest from (i) Berkshire Taconic Community Foundation ([Exhibit 2](#)), Berkshire Bank Foundation ([Exhibit 6](#)) and RBC Wealth Management ([Exhibit 7](#)). Marketing will build on these relationships.

Longer-term financing will be drawn from the overhead and developer fees of the housing pipeline projects and from the commercial real estate development at 100 Bridge Street, Great Barrington. CDCSB has a fifteen year history of successfully accessing and managing affordable housing and economic development funding sources including: LIHTC, HOME, Mass. Affordable Housing Trust Fund, Facilities Consolidation Funds, Community Based Housing, Federal Home Loan Bank AHF, Community Preservation Act (Stockbridge, Lenox), US Environmental Protection Agency Cleanup Fund, US Housing and Urban Development Special Appropriations, MassDevelopment and CEDAC.

## **IX. History Track Record and Commonwealth Sustainable Development Principles**

Formed in August 1984, the focus of the organization has evolved over time from being primarily a business support organization to being a real estate development organization. CDCSB primary activities are (i) creating new affordable housing units; (ii) developing commercial real estate for new, locally-owned businesses and the expansion of established local businesses; (iii) providing development services to municipalities, local housing agencies and other community-based nonprofit organizations.

CDCSB currently has site control of three development sites in different stages of development and pre-development, and is working with two other nonprofits that own two project sites in development. These projects represent a pipeline of 150 housing units, 70,000 square feet of commercial space, the creation of 92 new full-time jobs and the retention of 155 fulltime jobs.

CDCSB has earned a reputation for working collaboratively and effectively with local governments, other housing services nonprofits, and open space land-use organizations. This has produced a local and regional political culture of goodwill and support; it has produced a track record of successfully accessing public and private funding resources; and it has established the political and professional relationships necessary to effectively execute projects. Virtually all towns in the region demonstrate great need for affordable housing and economic development. The CDC is well positioned to meet this demand, having the fundamental development skills and expertise necessary and having established a solid foundation of local and regional relationships.

### Completed Projects

#### **140 East Street, Great Barrington, owned by Construct, Inc.**

- Redevelopment of the “old Milk Exchange” into nine affordable rental units
- Walkable to town center; two blocks to public transportation
- Development Role: secured all public and private financing, Project Management from conception through design and construction completion;

\$660,000 Total Development Cost, completed in 2004

**Pine Woods, Stockbridge**, owned by Construct, Inc.

- 30-unit mixed-income Low Income Housing Tax Credit project; 15 acres of permanently conserved open space.
- Town water and sewer; walkable to village center; on public transportation
- CHAPA Smart Growth Award
- Development role: Development Consultant/Project Management from conception through design and construction completion; secured all public and private financing
- \$6.9 million Total Development Costs, completed in 2006

**Hillside Avenue, Great Barrington**

- 10-unit affordable rental project; 2 acres of permanently preserved open space
- Downtown residential neighborhood; one block to public transportation
- Development role: Owner/Developer from conception through design and construction completion;
- \$2.3 million Total Development Costs; completed in 2009

**Saint James Place, Great Barrington**, owned by Saint James Place, Inc.

- The adaptive reuse of an abandoned Episcopal church in downtown Great Barrington, 15,000 sq. ft. cultural center for the performing arts and offices for local nonprofits
- Development role: Development Consultant for acquisition, concept and feasibility stage, securing state and federal historic tax credit allotments and first stage construction
- \$7.5 million estimated TDC

Projects in Construction

**Former New England Log Homes**

- 8-acre brownfield in downtown Great Barrington;
- Mixed-use: 45 LIHTC project; 22,000 sq. ft. office space, 25,000 sq. ft. retail space
- 2 acres permanently preserved riverfront park
- Town center, one block from Main Street, on the Housatonic River
- CDCSB owner; Co-developer with Allegrone Construction Company
- Demolition completed, remediation underway, commercial building groundbreaking expect in early 2014
- LIHTC project in predevelopment
- Assisted living project in predevelopment
- \$30 million in estimated Total Development Costs

**Searls/Bryant School Redevelopment, Great Barrington**

- Complex of four abandoned school buildings in downtown Great Barrington
- Town center, one block from Main Street, on the Housatonic River
- CDCSB role: 10% ownership in the site; option on one building for creation of ten affordable home ownership units
- Commercial office space in construction; 25,000 sq. ft. in construction (privately managed)
- 11 affordable homeownership units, adaptive reuse: \$3.4 million estimated TDC; \$200,000 CEDAC Predevelopment Loan secured



## Projects in predevelopment

### **Sawmill Brook, Lenox**, to be owned/developed by the CDC South Berkshire

- 50 unit mixed-income, home-ownership development (40% units affordable)
- Development Role: Owner/Developer; 20-acre site now owned by the Town of Lenox CDCSB named Designated Developer; \$140,000 in Pre-development financing secured with Town CPA and faith-based funding;
- 6 acres to be development; 14 acres permanently preserved open space
- Walkable to the town center; walkable to the public schools
- \$20 million estimated Total Development Costs, currently in pre-development

### **Great Barrington Fairgrounds**

- Redevelopment of 57-acre historical Great Barrington Fairgrounds
- On Main Street and the Housatonic River; walkable to downtown
- CDCSB role: Development Consultant
- Development program: 15-acre working CSA, value-added food processing and storage facility; 5/10-acre solar farm; public access to open space and the Housatonic River; seasonal housing for farm workers and trail crews, 5,000 sq. ft. of office space
- Currently in program development and planning

### **314 State Road, Great Barrington**

- New construction of 11 affordable rental units
- CDCSB role: Development Consultant
- \$2.7 million estimated TDC
- Early concept design

## Projects in early feasibility

### **Housatonic School, Great Barrington**

- Town-owned abandoned school in the Housatonic Village center
- Current development proposal includes 10 affordable rental units and 6,000 sq. ft. commercial office space.
- Current status: in preliminary conversations with the Town

## **Commonwealth Sustainable Development Principles**

1. Concentrated Development and Mix Uses: CDCSB emphasizes high density, mixed-use development in village centers on existing infrastructure and with access to public transportation. All our developments demonstrate this. The two primary development projects in this Plan are the redevelopment of a blighted brownfield site and the redevelopment of an abandoned school site, both in the Great Barrington town center.

2. Advance Equity: Social, economic and environmental justice are reflected in the very nature of CDCSB projects building diverse and sustainable community. There is a minimum 20% low- and moderate-income residents representation on the CDCSB Board of Directors.

3. Efficient Decision Making: As previously described in Sections 2 and 6, neighborhood involvement in project development and early collaboration with Town Boards has made CDCSB's regulatory and permitting processes efficient and predictable. Friendly 40-B rules.
4. Protection of Land and Ecosystems: As describe above, given the rural character of CDCSB's service area, environmental sensitivity is the starting place for development, not an ancillary concern. Permanent conservation of open space is integral to projects.
5. Wise Use of Natural Resources: CDCSB projects are as "green" and energy efficient as financially feasible. Sawmill Brook Housing, Lenox, is expected to be a near carbon-neutral development. CDCSB projects typically concentrate development and maximize permanent conservation of open space. Pinewoods, Stockbridge, developed 3 acres of an 18-acre site and permanently preserved the balance. Hillside Ave., Great Barrington developed 1 acre of a 3-acre site, permanently preserving the balance. Sawmill Brook, Lenox, will develop 6 acres of a 20-acre site, placing the balance in permanent conservation restriction. The redevelopment of the former NE Log Homes site will create public access to 2 acres of open space along the banks of the Housatonic River.
6. Expanding Housing Opportunities. Providing housing for all segments of the community is at the core of CDCSB activity and is reflected in virtually all projects. All projects are designed and scaled to fit the character of small towns both for the enhancement of the communities and to ensure project success. Affordable rental projects often include a percentage of market rate units to serve the community that is marginally above the statutory income limits. Pinewoods, Stockbridge is 80% affordable, 20% market rate.
7. Provide Transportation Choice. All CDCSB projects have direct access to public transportation and concentrate development in town centers to create livable, walkable community.
8. Increase Job and Business Opportunity. Job growth and creation of new businesses is at the core of CDCS's commercial real estate activity. The local agriculture economic segment is specifically targeted to CDCSB business development through its involvement in the redevelopment of the Great Barrington Fairgrounds. Development of Community Supported Industry is designed to specifically nurture sustainable, natural resource-based businesses.
9. Promote Clean Energy. CDCSB housing units are built as energy efficient as financially feasible. CDCSB's involvement in the redevelopment of the Great Barrington Fairgrounds includes a potential 5-10 (1-2 Megawatt) acre solar farm. CDCSB support of the local production and consumption of food has significant impact on the carbon emission typically associate with traditional food transportation. Community Supported Industry is based on import replacement, localizing the economy resulting in the lowering our carbon footprint.
10. Plan Regionally. CDCSB is involved in virtually all local and regional planning, either formally by sitting on regional committees or informally through organizational input. CDCSB's (and the Commonwealth's) sustainable principles are evident in all local and regional plans. The rural setting of all CDSSB projects makes them, by nature, beneficial to multiple communities.