Potential Actions on Housing

Monterey Planning Board

Fall 2024

Berkshire Regional Planning Commission

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Past Planning Efforts

In the fall of 2023, the Town of Monterey and the Berkshire Regional Planning Commission (BRPC) finalized the Town's Master Plan, which includes four overarching goals and associated action items. Within the Master Plan was a brief section on Housing within the Town focusing on demographic and housing trend.

The Master Plan identified a few key findings around housing in Monterey:

- There are no cluster developments, or subsidized elderly, disabled, or low-income housing.
- About 50% of the homes in town are occupied year-round with the remainder occupied seasonally. The seasonal homes are centered mainly around Lake Garfield and Lake Buel.
- Nearly 30% of homes were built before 1939, 80% were built before 2000.
- At the time of the report, approximately 25-40 short-term rentals were available in Monterey ranging from a price of $160 to $650 per night.

The Master Plan included a survey which found that 56% of residents in Monterey where supportive of more diverse housing choices in the town. This coincided with 54% of residents supportive of a business district and desire for a more defined town center. All of these considerations lead to the following recommendations:

- New regulations in the zoning or subdivision control ordinance
- Additional housing types such as multi-family housing or accessory dwelling units in tandem with the desire for a more defined town center
- Working with a housing developer to create affordable housing
- Pursuit of the Community Preservation Act for the Town as an additional source of funding for affordable housing projects

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Policy Tools for Housing Development

Based on past planning efforts and current conversations with the Town of Monterey's Planning Board, the Berkshire Regional Planning Commission (BRPC) recommends the following tools to help encourage affordable and workforce housing development within the Town of Monterey.

Community Preservation Act (CPA)

"The Community Preservation Act (CPA) is a smart growth tool that helps communities preserve open space and historic sites, **create affordable housing,** and develop outdoor recreational facilities.""[1]

Adoption of CPA by the Town would meet Goal 1.1 of the Monterey Master Plan.

How is CPA implemented by the Town? The Town would need to adopt CPA by a ballot referendum in a municipal or state election. To place the question of CPA on the ballot, the Town has two options. First, the Town Meeting could vote to put the adoption question on the election ballot by a simple majority. This is the most common way to place the question on the ballot. A second option is to have a petition signed by at least 5 percent of the Town's registered voters which could also request the CPA adoption question be placed on the ballot. Once the question is on the ballot, a simple majority is needed for adoption.

Sample CPA Surcharge

$764,444	Average Single Family Assessed Value
-$100,000	$100K CPA Exemption
$664,214	Subject to CPA Surcharge
$4,073.04	Property Tax Subject to CPA ($6.13 x $664,214/$1,000)
$40.73	Annual Surcharge of 1% ($4,073.04 x 1%)

What happens once a community adopts CPA? If the Town chooses to adopt CPA, it allows for the creation of a locally controlled Community Preservation Committee (CPC). This committee is a five-to-nine-member board that makes annual recommendations on CPA-eligible projects for the Town Meeting's approval. The CPC's recommendations are funded through the Community Preservation Fund. **The Fund raises money through the imposition of a surcharge on the tax levy against real property.** This surcharge cannot be more than 3%. A surcharge simply means the percentage is only applied to what you pay in property taxes, not your property's actual assessed value. The state then matches whatever funds are raised by the community up to a certain percentage (depending on the year). If the community adopts the maximum 3% surcharged, they are eligible to receive additional matching funds from the state.

What would be the implications for taxpayers?
Looking at regionally comparable communities, it is safe to assume the surcharge on the tax levy on real property would be set at 1%.[2] In addition, assumed exemptions include owner-occupied property of low to moderate income senior housing and $100,000 of all property classes. The Average Single Family

[1] https://www.communitypreservation.org/about
[2] https://www.sheffieldma.gov/sites/g/files/vyhlif3806/f/uploads/atm_results_5-6-2024.pdf

Assessed Value in Monterey is $764,444[3]. Removing the first $100,000 for the exemption, the homeowner's net value to be surcharged is $664,444. After applying Monterey's property tax rate of $6.13 per $1,000 of assessed value, the amount subject to the CPA surcharge would be $4,073.04. **With the 1% CPA surcharge applied, the CPA surcharge for the average single-family homeowner would be approximately $40.73 per year.**[4]

Case Studies

Right here in Berkshire County multiple communities have seen success with funding affordable housing efforts with CPA funds. The Cable Mills housing project in Williamstown is a prime example. Three historic mill buildings were converted to affordable housing. The adaptive reuse development will create 82 units of housing total with 13 of those being affordable housing.

In Hamilton, Massachusetts, the Town's first CPA-funded affordable housing project was converting the town's former fire station into apartments. Three years of planning and five months of construction created four units of affordable and accessible housing. The units are rented to individuals that have income below 30% of the Area Median Income. The renovations maintained the historic building for a total of $1.2 million, $180,000 of which were CPA funds.

Stockbridge has a similar community profile as Monterey with the Average Single Family Assessed Value at $775,000 and $7.37 tax rate per $1,000 of assessed value. However, their CPA surcharge was 3%. In FY23, this resulted in $223,631 in Total Surcharge Revenue and a match from the state of $218,589 for a total of $442,220 for their CPC to allocate within the Town in FY23.

Next Steps

Step 1) Host a series of honest conversations with Town-related entities that would be directly impacted by CPA funding and the associated property tax. This includes, but is not limited to, the Conservation Commission, Local Cultural Council, Historical Commission, Planning Board, the Board of Assessors, the Town Clerk, the Town Treasurer, and a range of property owners. These conversations should focus on the potential adoption of CPA, not necessarily the details such as the amount of the surcharge. A positive outcome would be an understanding of the desire for the fund and any potential projects that could be pushed forward with those funds. Even if those conversations result in a lack of desire for CPA, that would still be positive in that the Planning Board would know additional funding sources would need to be pursued.

Step 2) If the conversations produce positive feedback about potentially adopting CPA, the Planning Board should work with the Community Preservation Coalition[5] in discussing next steps for getting the CPA on the Town Meeting Warrant and begin planning for a campaign to promote adoption. If the conversations produce an overall negative response, the Planning Board should look for other options for financing local housing initiatives until those concerns are addressed.

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[3] FY24 Massachusetts Department of Revenue, Division of Local Services, https://www.mass.gov/info-details/massachusetts-average-single-family-tax-bill.

[4] A CPA surcharge of 2% would result in $81.46 per year for the average homeowner, while a CPA surcharge of 3% would result in $122.19 per year for the average homeowner.

[5] https://www.communitypreservation.org/

Property Tax Policy

In addition to CPA, the standard method to raise funds for housing initiatives is through allocations from the Town's annual budget. The Town of Monterey's budget, along with nearly every other city and town in Massachusetts, relies on property taxes as the chief source of revenue to provide vital services and infrastructure. However, property taxes can also impact development patterns within communities.

How do property taxes affect housing policy within a community? The way property taxes are raised greatly affects who contributes a larger (or smaller) share of their income to taxes in the Town. According to the Massachusetts Budget and Policy Center, low- and moderate-income households tend to pay a larger portion of income in property taxes than those with high incomes. This contributes to an overall regressive tax policy which places a larger housing cost burden on low- to moderate-income households, effectively pushing them out of the housing market all together.

How can property taxes be adjusted to ease this burden? There are a variety of programs that could shift the tax burden away from low- to moderate-income households to lessen housing cost burden within Monterey.

- Residential Tax Exemptions: The Town may vote to exempt from taxation a certain sum of the assessed value of each owner-occupied residential property. This is the Residential Tax Exemption (RTE). The amount to be exempt is a percentage chosen each year by the Town (up to 35%) of the average assessed value in the Town. This shifts the tax responsibility within different classes of residential property. In addition, it does not change how much the Town will raise through property taxes, as the Town will have to increase the tax rate on the non-exempt assessed value to raise the same amount of funds. Instead, according to the Division of Local Services, "granting the exemption raises the residential tax rate and shifts the residential tax burden from moderately valued homes, to apartments, summer homes, and higher valued homes." This property tax policy is primarily used on the Cape and in the communities surrounding Boston. This would be the most effective option for the Town of Monterey.

- The Expanded Residential Tax Exemption: The concept is the same as the Residential Tax Exemption listed above. However, it includes the ability for a property owner to claim the exemption if the property is occupied by a full-time renter, even if the owner does not live in Town. Thus, it encourages property owners to invest in some sort of rental opportunity on their property and to prioritize full-time renters instead of short-term rentals. This was first successfully accomplished in Provincetown but would need approval by the Massachusetts General Court. However, the Affordable Homes Act passed by the General Court in August 2024 may allow communities designated as "seasonal communities" to do this without General Court approval. However, official guidance on this matter is pending EOHLC action as of September 2024.

- The Affordable Housing Property Tax Exemption: This exemption is for residential unit owners who rent units to income-qualifying persons at affordable rates on a year-round basis. The applicant must be the owner of the residential property. However, the "income-qualifying tenant" is one whose annual gross income is within 200% of the Area Median Income (AMI). The Town can set a lower income ceiling as well. An affordable rate of rent means that the tenant household is not spending more than 30% of the household's gross income on housing costs (rent, utilities, etc.). The tax exemption is only allocatable to the unit being long-term rented. This means if a property has three units and only one is being rented for a long-term rental, then only a third of the total tax obligation is exempt. Building ADUs or additional long-term rental units on a property can be expensive. This could incentivize property owners to offer their current short-term rental units for long-term rentals for the tax benefit.

How would the Residential Tax Exemption (RTE) affect taxpayers in Monterey?

We can calculate the estimated impact of adopting the residential tax exemption on households by looking at comparable tax rates, the owner-occupied housing rate in Monterey, and using the Commonwealth's Division of Local Services data. Here are the assumptions:

- Monterey would adopt a 20% residential tax exemption, which is a comparable rate to other towns in Massachusetts including those on the Cape and Islands.[6]
- The owner-occupied percentage in Monterey stays steady at 56.5%. This does not include the housing units for seasonal, recreational, or occasional use, who would not have the exemption.
- The Town's Total Assessed Value subject to property taxes remains stable at $677,396,948.
- The Residential Tax Levy for FY24 remains stable at $4,152,443.30.

Based on these assumptions, the following property tax burden would be produced in Monterey:[7]

- The Residential Tax Exemption would be $121,943.65.
- The New Total Assessed Value subject to taxes would be $622,416,214.52.
- To raise the same Residential Levy of $4,152,443.30, the Town would need a new residential tax rate of $6.67 (raised from the current $6.13).
- With the following Estimated Impact on Residential Tax Bills:[8]

Owner-Occupied Home Value	Tax Bill without Exemption	Tax Bill with Exemption	Change in Tax Bill
$130,000	$796.90	$53.74	-$743.16
$360,000	$2,206.80	$1,587.84	-$618.96
$590,000	$3,616.70	$3,121.94	-$494.76
$820,000	$5,026.60	$4,656.04	-$370.56
$1,050,000	$6,436.50	$6,190.14	-$246.36
$1,280,000	$7,846.40	$7,724.24	-$122.16
$1,506,229.90	$9,233.19	$9,233.19	No change
$1,740,000	$10,666.20	$10,792.44	+$126.24
$1,970,000	$12,076,10	$12,326.54	+$250.44
$2,200,000	$13,486.00	$13,860.64	+$374.64

At current housing market assumptions, a household earning the Area Median Income of $105,700 could afford to purchase a single-family home up to $335,000.[9] This family would save between $618 and $743 on property taxes under a 20% Residential Tax Exemption scheme. In June 2024, the median sales price

[6] Comparable FY19 Residential Tax Exemption Rates: Barnstable 20%, Brookline 21%, Everett 25%, Nantucket 25%, Provincetown 25%, Tisbury 18%, Truro 20%, Wellfleet 20%.

[7] At 35% RTE, the Exempted Value would be $213,401.38 with a tax rate of $7.16. At 10% RTE, the Exempted Value would be $60,971.82 with a tax rate of $6.39.

[8] Calculations made here: https://dlsgateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=Analysis.ResExemptionCalc

[9] This market assumptions are as follows: 5% downpayment, 7.1% 30-YR Mortgage, PMI=.5%, Home Insurance - $2,400, no HOA fees, and FY24 Monterey Property Tax Rates.

for a home in southern Berkshire County was $619,000. A single-family home sold at that price would save between $370 and $494 under a 20% Residential Tax Exemption.

Case Studies

According to the Massachusetts Division of Local Services, communities that have adopted the residential tax exemptions are large cities or town with many nonowner-occupied properties like apartment buildings (Boston & Brookline) and resort communities with many seasonal residents (Provincetown & Wellfleet). The Town of Tisbury on Matha's Vineyard explicitly identifies the purpose of their residential exemption is to "reduce property taxes for year-round residents, particularly those with modest homes." Tisbury's FY19 Residential Tax Exemption Rate of 18% produced an Average Single-Family Homeowner savings of $1,511.

Next Steps

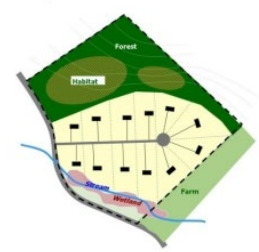
Step 1) The Planning Board should engage the Board of Assessors, Council on Aging, Finance Committee, and the Select Board on conversations about the Residential Tax Exemption and other property tax changes to gauge how this type of property tax change would affect their work and help meet their goals.

Step 2) If the conversations produce a positive result, the Planning Board should work with the Select Board on moving forward a motion to adopt a Residential Tax Exemption for the upcoming fiscal year.

Zoning Bylaws

At its very core, the purpose of the Town of Monterey's Zoning Bylaw is "to promote the general welfare of the Town of Monterey, to protect the health and safety of its inhabitants, to encourage the most appropriate use of land throughout the town, to preserve the cultural, historical, and agricultural heritage of the community…"[10] Protecting the general welfare of the inhabitants of Monterey includes providing accessible and affordable housing for the current and future residents.

Development site with constraints.



Development footprint for 12 homes under traditional subdivision.

Development footprint for 13 homes as an OSRD.

What Zoning Bylaws changes could be made to encourage housing?

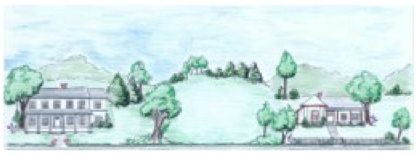
Three zoning changes would allow the promotion of sensible housing development while meeting the other goals of the Planning Board.

1) Open Space Residential Subdivision (OSRD):
    a. Density: Allows minimum lot dimensions that are less than those available under the Town Residential Zoning. Requires at least 50% of the total site be conserved as open space – also requires that a majority of the open space be contiguous.
    b. Uses: Agriculture, single-family attached and detached residential, trails and recreation
    c. Where does it apply? Applies to large developments (5+ potential homes) primarily in the Agricultural-Residential District.
    d. How does it work? OSRD allows smaller lot sizes in exchange for the developer providing a minimum percent of the total sit as

[10] https://www.montereyma.gov/sites/g/files/vyhlif3496/f/uploads/monterey_zoning_bylaws_2012-2021.pdf

permanently protected contiguous open space (can include agricultural lands). A density bonus is typically offered as an incentive to the developer to select this option such as an additional number of units onto the maximum units per acre allowed in relation to the percent of open space preserved.

e. What does this accomplish?
   i. Preserves connected open space
   ii. Retains connected habitat areas
   iii. Conserves open space
   iv. Less roadway = less impervious surface (stormwater and water quality benefits)



Vacant Lot in Village

Rural-style Infill in Village: *This house has a large up-front garage, prominent and long driveway, a deep setback, and a more modern feel than other homes in the village.*

Compatible Infill in Village: *This house fits the architectural style and setbacks of the surrounding homes.*

2) Updated Village Center:

a. Density: Maximum frontage of 100 feet and minimum lot size of a half-acre. Average lot sizes of current vacant lots the developed areas of villages are approximately 0.8 acres.

b. Uses: Residences, apartments, offices, small-scale commercial, schools, civic uses, and mix-use development to support live-work opportunities.

c. Where does it apply? Village Center Zoning would apply to the existing Business District. Ultimately, the boundaries will be finalized through the process of bylaw drafting and adoption and the zoning map amendment process. The boundaries for this district should include the current business district and a reasonable additional growth area immediately around the existing district.

d. How does it work? The zone district would allow for smaller minimum lot sizes and a wider range of uses. Village Center Zoning tailers the development requirements to match the patterns and style of existing town centers. This work would be supported by the development of village center design guidelines.

e. What does it accomplish? This zoning district will help retain the character of the villages and enhance their role as center of economic and civic activity for the town.

3) Backlot Development Bylaw:

a. Density: Allows for a back-lot development alternative
b. Uses: Single-family detached dwellings, accessory dwellings, open space, conservation areas, and agricultural.
c. Where does it apply? Applies to backlot development on a tract of land or contiguous tracts of land under common ownership or control.
d. How does it work? A Backlot Development Bylaw allows the Planning Board to grant a special permit for a second home to be built on a shared driveway with the rural view protected by conservation restriction along the road frontage.
e. What does this accomplish?
   i. Preserves connected open space along roadways
   ii. Retains connected habitat areas
   iii. Conserves open space view from roads
   iv. Reduce the number of curb cuts on existing roads

Case Studies
Hopkinton, Massachusetts has Interstate 495 running right through the middle of Town. Despite this, the people of Hopkinton are passionate about preserving the Open Space they maintain in Central Massachusetts. The Open Space and Landscape Preservation Development Zoning District allows the Town to do just that. The Old North Mill housing development took advantage of this innovative zoning technique. The Total Parcel size started as 100.11 acres. Under the Open Space and Landscape Preservation Development Zoning District, 34 lots were developed with 51.99 acres preserved and protected as open space. If conventional zoning had been in place, the parcel would have produced 59 lots, but not preserved any open space.

In addition, nine-approved lots were not built, rather an additional 20.24 acres of land was donated to a local land trust. The tax benefits of this donation enabled the developer to build fewer lots while still earning a profit. All the parcel's wetlands were placed in the protected open space, which maximized the amount of connected habitat preserved. Public access to the open space was also guaranteed through a parking lot and a trail network.

Further incentives to the developer included a reduction in road width and absorbing road shoulders for sheet flow. Flexible design in collaboration with the Town allowed minimal grading, cutting, and filling by adapting the location and placement of structures to the existing topography. The one downfall to Hopkinton's approach to the Open Space Residential Subdivision Zoning is that there is no density bonus, and it is not mandatory under their bylaw. Thus, the homes that are built are very large on small lots.

Next Steps
Step 1) The Planning Board should review the potential zoning bylaw changes and consider how they might be applied and worked into the current Zoning Bylaws. Specific language should be drawn up for those Bylaw changes the Planning Board sees fit to recommend to the Town. This should be done in consultation with Town Legal Counsel.

Step 2) Once official language has been drafted, standard Zoning Bylaw adoption process should be followed to implement them into the Town's Zoning Bylaws.

Programmatic Tools for Housing Development

Based on past planning efforts and current conversations with the Town of Monterey's Planning Board, the Berkshire Regional Planning Commission (BRPC) recommends the following programmatic tools to help encourage affordable and workforce housing development within the Town of Monterey.

Municipal Affordable Housing Trust

A Municipal Affordable Housing Trust allows municipalities to collect funds for affordable housing and separate them out from the general municipal budget into a trust fund. Those funds are then utilized for local initiatives to create and preserve affordable housing. Some examples of local housing initiatives funded through the Municipal Affordable Housing Trusts include:

- Provide financial support for the construction of affordable housing by private developers,
- Rehabilitation of existing housing stock to convert into affordable housing,
- Develop housing on surplus town land and/or buildings,
- Create programs to assist low- and moderate- income homebuyers, and

- Educate and advocate for further housing initiatives.

How does the Municipal Affordable Housing Trust raise funds for these housing initiatives? The sources of funding vary across the Commonwealth. However, the most common sources include:

- Community Preservation Act (CPA) funds,
- Negotiated developer fees,
- The Town's general fund,
- Tax title sales,
- Cell phone tower lease payments,
- Resale of affordable units as market rate, and
- Private donations.

How would the Town create a Municipal Affordable Housing Trust? The authority to create a trust lies with the Town Meeting as the municipal legislative body. Acceptance of a trust requires a simple majority vote. Given the typical Town Meeting schedule, trust would usually be established at the Spring Town Meeting.

How is a Municipal Affordable Housing Trust different from existing Town Boards? The Town would give the authority to think, act, and plan for housing issues in Monterey exclusively to the Municipal Affordable Housing Trust. This means the Planning Board could focus on their traditional portfolio of work. However, the Housing Committee could delegate its tasks to the Municipal Affordable Housing Trust since the work will be so similar. The Town could also simply empower the Housing Committee with the powers of a Municipal Affordable Housing Trust to prevent duplication of work.

Case Studies

Affordable Housing Trusts come in a variety of forms and do a vast diversity of work across the Commonwealth. Here are a few success stories from Berkshire County's Affordable Housing Trusts:

- *Lenox: Using CPA funds, the Trust has created the First-Time Homebuyer Assistance Program. This program awards $20,000 grants to individuals and families looking to settle in town. This grant can be used toward the purchase of a single-family home, townhouse, duplex, or condominium.*
- *Egremont: The Egremont Affordable Housing Trust has limited funds but uses its meetings to discuss and plan for the future of housing in the town. This has included working with BRPC on a Housing Production Plan which will allow it to access certain state funds and programs to expand housing and other opportunities.*
- *Stockbridge: By right under state law, the Stockbridge Affordable Housing Trust was able to accept a $1 million donation of 34 acres of open land in the town. The gift of land, which is adjoining to the municipal solar farm and cell tower, is given for the explicit desire to create affordable/workforce housing units on the site. While the future is still unclear for the development, the Town was only able to accept the donation of affordable housing due to the Trust being in place.*

Next Steps

Step 1) The Planning Board should meet with relevant Town officials and committees to investigate the interest in creating a Municipal Affordable Housing Trust. These conversations should include what type of work the Trust would be responsible for and where their authority and funding would come from directly.

Step 2) If the conversations produce a positive result, the Planning Board should work with the Select Board on moving forward a motion to create the Municipal Affordable Housing Trust.

The Abandoned Housing Initiative

According to the Attorney General's Neighborhood Renewal Division, the Abandoned Housing Initiative (or Receivership) uses the enforcement authority of the State Sanitary Code to turn abandoned residential properties into safe, habitable homes for the people of the Commonwealth. This program allows Towns the ability to examine on an on-going basis, sites listed as abandoned properties and/or presenting a public health threat and enroll them into the Abandoned Housing Initiative. This program can be used to acquire abandoned or delipidated properties for renovation or demolition/new development for the purpose of adding affordable housing units.

How does the Abandoned Housing Initiative work? Receivership petitions can be brought by effect occupants or by a public agency such as a Town or the Attorney General's Office (AGO). Petitions are commonly brought forward by the AGO in close partnership with the Town. The petition is filed in the appropriate court and asks the court to appoint a receiver to bring the residential property into compliance with the State Sanitary Code. This role is typically filled by an individual or entity with property management or restoration experience. In Berkshire County, the most successful receivership examples have been given to non-profits like Construct, Inc. The Receiver does not work for the Town or the AGO, but instead is an agent of the court.

What happens to the home after renovation? Once the Receiver completes the restoration of the property and passes the final inspections, a final report of the Receiver's expenses is presented to the court. After approving the expenses, the Court gives the residential property owner the opportunity to pay off the entire bill of the Receiver. If that occurs, the Receiver is no longer responsible for the property and the Receiver's lien is discharged. However, in most cases, the residential property owner does not pay the Receiver's final bill. This leads to the foreclosure of the property. The Receiver can then petition the court to either auction off the property or list the property for sale.

What happens to the original homeowner? It is important to note that the Town and the AGO work with the original residential property owner before a petition is ever filed in court. Nearly 80% of distressed properties brough to the AGO through local authorities are resolved before a court filing can be made.

Case Studies

The Town of Becket worked with Construct Inc., a nonprofit provider of affordable housing, through the town's Community Preservation Committee to transition an abandoned building into affordable housing. Through the receivership program, the abandoned property was able to be turned over to Construct Inc. which took over and managed the property's rehabilitation and eventual transition to affordable housing. Construct Inc. then held a lottery for the three-bedroom, two-bath house to be purchased for $250,000 by a first-time homebuyer at 80% or less of the area median income. This program allowed the Town of Becket to bring back onto the housing market an abandoned home to be sold directly at an affordable price for local buyers.

Next Steps

Step 1) The first step for the Planning Board is to work with the Board of Health to identify any properties that aren't up to the State Sanitary Code and are abandoned. The Board of Health may already have a list established of code-violating properties. The Board of Health should be able to identify which may be ideal candidates for the Abandoned Housing Initiative.

Step 2) After those properties have been identified, the Board of Health should contact the AGO's Neighborhood Renewal Division to begin the process of petitioning and working directly with the residential property owner.

Rehabilitation

A key focus for communities with an older housing stock is to promote programs and funding sources that would rehabilitate or modify housing units within the community. The age of housing stock in Monterey is like the housing stock age across the rest of Berkshire County and Massachusetts. For example, 0.1 percent of housing units were built in 2020 or later in Berkshire County and 0.3 percent in Massachusetts in the same category. On the other side, 36.7 percent of housing stock in Berkshire County was built in 1939 or earlier and Massachusetts has a rate of 31.1 percent in the same category. However, both ends of this age spectrum produce a dilemma: there is not enough new housing while simultaneously the older housing stock is going to need more rehabilitation to remain viable options for those seeking housing. Successful promotion and implementation of these programs would encourage aging in place and maintenance of the existing housing stock instead of focusing solely on new construction, which tends to be the most disruptive to communities.

What type of programs exist to rehabilitate housing?

- Community Development Block Grants (CDBG) through the Executive Office of Housing and Livable Communities (EOHLC) is the primary source of funding for housing rehabilitation in the Commonwealth. The CDBG program focuses specifically on providing rehabilitation grants to low- to moderate- income households for necessary work in their homes. To access this program, an application must be submitted to EOHLC typically in the spring. The Berkshire Regional Planning Commission (BRPC) has been administering CDBG grants for nearly 15 years and has completed at least one program in Monterey.
- In addition, the Home Modification Loan Program works specifically with older individuals and individuals living with disabilities to provide 0% interest loans to modify their home in order to remain in their community of choice. The program pays for home modifications tied to a disability or mobility limitation up to $50,000 per household. This can be a game-changing modification for those facing the choice of remaining in their homes at risk to their health or leaving the community all together.

Case Studies

Berkshire Regional Planning Commission currently administers a CBDG Housing Rehabilitation Program for almost $1 million to go toward 15 homes in the Town of Sheffield. This includes rehabilitation on roofs, septic systems, failing foundations, and water damage for homeowners. Each homeowner can benefit up to $50,000, and even more if there is a documented need. This program is funded through EOHLC who in turn receives funds from the U.S. Department of Housing and Urban Development. Another grant in Becket and Dalton will be administered by BRPC under FY24 EOHLC awards.

Next Steps

Step 1) The Planning Board should discuss the potential for applying for a CDBG Housing Rehabilitation program with the Town Administrator, the Select Board, and Berkshire Regional Planning Commission.

Step 2) The Planning Board should work with the Board of Health to connect properties that may need additional help on maintenance and rehabilitation with the resources listed above.

Additional Considerations for Housing Development

Based on past planning efforts and current conversations with the Town of Monterey's Planning Board, the Berkshire Regional Planning Commission (BRPC) recommends these additional considerations to help encourage affordable and workforce housing development within the Town of Monterey.

Housing on Town-Owned Land

Often the best opportunity for housing is on land already owned by the Town. The Master Plan's Goal 3.8 mentions at least one property (The Old School Building) which needs a strategic plan to ensure its future in the community. According to information provided by the Planning Board, there are 19 town-owned parcels. Multiple parcels are active Town administered buildings, offices, parks, and cemeteries. Thus, they are not suitable for development. However, the following parcels should be analyzed for their suitability for housing:

- 459 Main Road (the Old School House), 1877, 0.29 acres, redevelopment
    - An 1877 building that sits on 0.29 acres of land. This would be an ideal candidate for redevelopment of an existing structure for single family or multi-family housing.
    - Next Step: Complete a feasibility study of the structure for conversion to housing.
- 468 Main Road (Community Center), N/A, 28 acres, new construction
    - The site of the current Monterey Community Center, which sits on 28 acres of land. This site would be ideal for potential new construction on any available land south of the Community Center. Other towns have used excess land on town properties for proposed housing. Most notably, Egremont has proposed four units of workforce housing on the same parcel as their Town Hall.
    - Next Step: Reanalyze the feasibility study that was completed on the property and consider a Request for Proposal for the site, including the possibility of deed restrictions for income-eligible applicants. See Egremont's RFP for a similar property.[11]
- Fox Hill, N/A, 10.7 acres, new construction
    - The 10.7 acres on Fox Hill Road would be a prime candidate for new construction. Foresight Land Services has already provided a potential plan for the site with four workforce housing units.
    - Next Step: Complete a feasibility study on this site's potential for housing development.

Next Step:

- *Continue working with BPRC on grant opportunities to ensure the Town has the funding to promote opportunities for affordable, workforce housing development, housing in-fill, and exploration of innovative housing initiatives, if applicable.*

[11] https://www.egremont-ma.gov/DocumentCenter/View/1930/CDCSB-Proposal-to-Develop-Town-Owned-Site-Revised-PDF?bidId=

Partnerships to Create

There are a variety of key partners that are critical for successful housing development in Monterey. These include Berkshire County Regional Housing Authority, Community Development Corporation of South Berkshire, Construct Inc. of Great Barrington, Habitat for Humanity, and the Berkshire Community Land Trust. A critical partner for housing development, especially considering the work already being done, is Construct Inc. of Great Barrington. Construct Inc. is spearheading an affordable housing project at the Historic Cassilis Farm. This partnership is working to renovate and convert the historic property into 11 affordable housing apartments. The partnership was only possible through an ongoing relationship between the Town's Housing Committee and their partner at Construct Inc. Working with Construct Inc. and the Town's Housing Committee on a deeper level should be a priority of the Planning Board.

Next Steps: After determining the most pressing next steps in this document, reach out to these organizations who may be able to help with tasks like receiverships, adaptive re-use, expanding utility capacity, and development of Town-Owned Land.

Development of Public Utilities

A concern when thinking about housing is also the limited drinking water and wastewater capacity in the Business District for gentle density, in-fill development, and adaptive re-use of existing housing stock. Without sufficient drinking water or wastewater capacity, only very limited housing development and adaptive re-use can take place in a meaningful way. The Commonwealth of Massachusetts has a variety of grant and loan programs to assist communities analyze, plan, design, and implement effective public utility systems. These include programs such as the Community Development Block Grant (CDBG) program, the MassWorks Infrastructure Grant Program, and the State Revolving Fund (SRF).

Next Step: Contract with BRPC or other consultants to develop grant application(s) to analyze, plan, design, and implement utility upgrades.

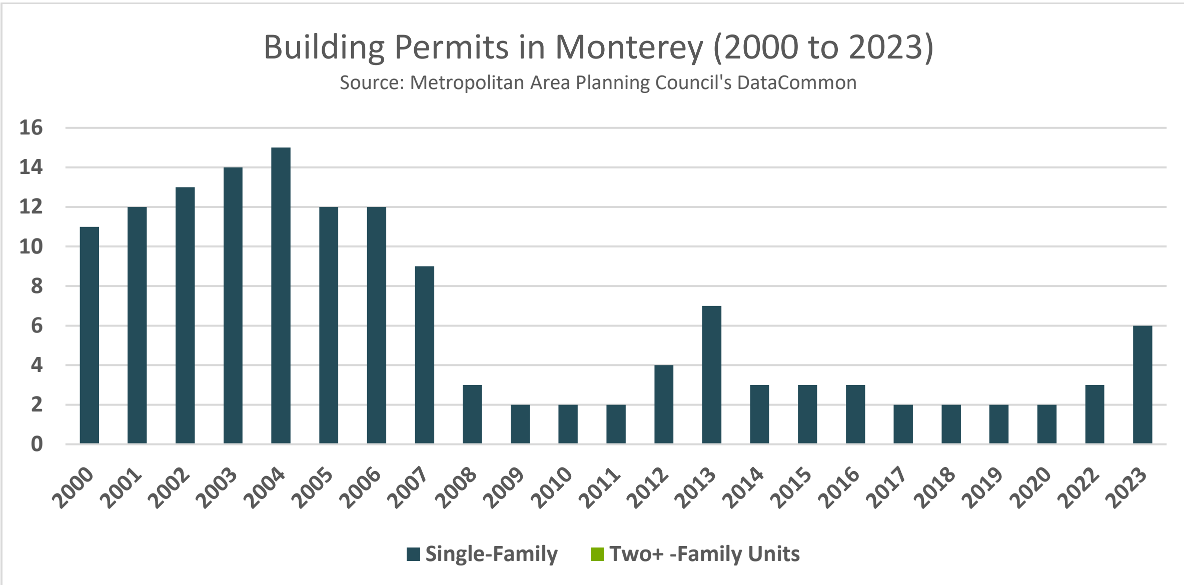
Examples:

- See the Executive Office of Housing and Livable Communities (EOHLC) press release for projects funded through CDBG funds in 2023. BRPC has successfully administered nine CDBG projects through EOHLC going back to 2014.
- See the MassWorks Infrastructure Grant Program 2023 award announcement. The Town of Wellfleet was successfully awarded $3,000,000 for construction of a de-centralized wastewater treatment solution that provided the required infrastructure to support an affordable housing project.

Removing Unreasonable Barriers to Development

Between 2000 and 2023, Monterey's residential permitting has fluctuated between a high in 2004 (15 permits) and multiple years with 2 permits. Most notably however is that there have been no multi-family residential permits issued in the Town of Monterey.

This lack of permits being issued may be a result of overburdensome barriers within the Town's governance structures. A complete analysis of the Town's building permit system from the eyes of a local developer would allow the Town to change or smooth out problem areas. It should be noted that not all regulations need to be done away with, rather a process that doesn't increase the cost of overall development should be the goal.



Action Plan

Step	Target Timeline (month/year)	Strategy Leaders (Board, committee, point, etc.)	Funding Needed? Y/N and Source
Community Preservation Act (CPA)			
Step 1: Honest Conversations	Complete by Feburary 2025	Planning Board	None.
Step 2: Next Steps for CPA	Complete by April 2025	Planning Board, Town Meeting	None.
Property Tax Policy			
Step 1: Honest Conversations	Complete by February 2025	Planning Board	None.
Steps 2: Select Board Approval	Complete by May 2025	Select Board	None.
Zoning Bylaws			
Step 1: Bylaw Draft Review	Complete by Summer 2025	Planning Board, Legal Counsel	None.
Step 2: Adoption of Bylaws	Complete by November 2025	Planning Board, Select Board	None.
Step	Target Timeline (month/year)	Strategy Leaders (Board, committee, point, etc.)	Funding Needed? Y/N and Source
Municipal Affordable Housing Trust			
Step 1: Honest Conversations	Complete by March 2025	Planning Board, Select Board	None.
Step 2: Pass Trust	Complete by May 2025	Select Board	None.
Step 3: Establish Trust	Complete by Summer 2025		
Abandoned Housing Initiative			
Step 1: Board of Health Conversations	TBD	Housing Trust	None.
Step 2: Reaching out to AGO	TBD	Housing Trust	None.
Housing Rehabilitation Programs			
Step 1: CDBG Conversations	TBD	Housing Trust	None.
Step 2: Conversation with Board of Health	TBD	Housing Trust	None.