

# EGREMONT

Home ownership for the middle income

## FREQUENTLY ASKED QUESTIONS

# 1. What is this all about?

1. Two free houses, which have passed all tests, have been donated to Construct and could be GIVEN to Egremont. No purchase costs
2. The town of Egremont set aside land in 1989 for affordable housing. The land has cleared all environmental tests. No acquisition costs.
3. Affordable housing means for people who make less than the Area Median Income (AMI) adjusted for family size. That's about \$64,550/year (fam of 4)
4. Foundations will need to be built. So, at a small cost, which Egremont will recoup from the sales, the foundations can be constructed as 1 & 2 bedroom garden walk-out units.
5. Further development is possible on the land. The units will be sold as condominiums

Construct has been  
given two houses

26 Manville Street



28 Manville Street



## 2. Where is this?

1. The land is part of the parcel where the town hall sits
2. The land has been reviewed by an environmental assessor. Results are due back soon.
3. A civil engineer has volunteered to create a site plan for the entire site.
4. The budget includes screening to shield the units from the transfer station.

SEE MAP BELOW



**Legend**

-  DEP WETLANDS
-  DEP WETLANDS



AERIAL SITEPLAN PREPARED FOR  
**CONSTRUCT, INC.**  
 JULY - 2018 SCALE 1" = 200'  
 EGREMONT, MASSACHUSETTS  
 KELLY, GRANZIER, PARSONS & ASSOCIATES  
 315 MAIN STREET FLOOR 30  
 GREAT BARRINGTON, MASSACHUSETTS

### 3. Why should Egremont add these dwellings?

1. The cost of housing in Egremont is 160% of the National Average.
2. Young people (20-45) are priced out of the housing market in Egremont.
3. There are very few rentals in Egremont, so many young people move away.
4. Thus, the population of Egremont is aging.
5. There are fewer young people to populate the schools, or volunteer for the fire department.
6. Property tax burden falls more and more on the elderly.

ALSO, WITH 0% AFFORDABLE HOUSING, EGREMONT IS VULNERABLE TO A HOSTILE 40B

## 4. A WHAT? WHAT'S A HOSTILE 40B?

- Every town in Massachusetts is required to have 10% affordable housing
- Egremont has 0% affordable housing
- A 40B allows an override of most zoning laws (like density, height limitations, lot size and frontage size) IF the project includes 20% affordable housing
- A developer could conceivably use that law to push through a large development not in keeping with Egremont character by including 20% affordable units.
- Any effort toward affordable housing will give a town respite from a hostile 40B. This respite is called “Safe harbor”

# Frequently Asked Questions 5: What's the Rush?

The houses have to be moved by November or this opportunity is lost.

In order to count these houses toward Egremont's affordable housing count (every town should have 10%, Egremont has 0%), a 40B process must be initiated. The process takes months and had to begin right away.

The houses Will Not be moved without a building permit.

The 40B process includes a comprehensive permit process. All of the town boards will be included in this process.

## 6. Frequently Asked Question: WHO qualifies for this housing?

- Housing for people WHO make 70-80% of Area Median Income
  - 1or 2 Person \$ 39,550-\$45,200
  - 2-3 Person \$45, 220-\$51650
  - 3-4 Person \$50,837 - \$58,100
  - 4+ Person \$56,481-\$64,550

# Affordability Calculations 33%

# Bedrooms	1	2	3	4
Household Size	2	3	4	5
80% AMI	\$45,200	\$51,650	\$58,100	\$64,550
Target Housing cost	\$14,916	\$17,044.50	\$19,173	\$21,301.50
Monthly Target	\$1,243	\$1,420.37	\$1,597.75	\$1,775.12
10% Window	\$39,550	\$45,193.75	\$50,837.50	\$56,481.25
Target Housing Cost	\$13,051.50	\$14,913.94	\$16,776.38	\$18,638.81
Monthly Housing Cost	\$1,087.63	\$1,242.83	\$1,398.03	\$1,553.23

Sale Price  
Calculations  
based on 33%  
affordability

	Unit 1BR		Unit 2BR		Unit 3BR		Unit 4BR	
Sales Price	<b>152000</b>		<b>172300</b>		<b>192600</b>		<b>212,900</b>	
5% down	7600		8615		9630		10,645	
Mortgage	144400		163685		182970		202255	
Interest	5%		5%		5%		5%	
Amort	30		30		30		30	
Monthly P&I	775		879		982		1086	
Prop.tx rate	9.62		9.62		9.62		9.62	
PROP TAX	121.85		138.12		154		171	
Haz. Ins	60		90		120		150	
Mo. PMI	.5%		.5%		.5%		.5%	
Mo HOA	125		150		175		200	
Mo.PYMT	1087.19		1242.65		1397.86		1553.19	

# Frequently Asked Question 7: How could this be free?

- ❑ CEDAC awarded \$15,000 feasibility
- ❑ Applied for \$100,000 small town housing grant.
- ❑ Town of Egremont Signed Contract with Construct to investigate Feasibility
  - ❑ The following Can Be paid for out of Initial Feasibility Grant: Environmental Study, Site Plan, Design, ProForma, AFHMP, Development Plan
- ❑ Town established Housing Committee to make decisions
- ❑ Town will hold a VOTE for initial outlay. That's today.
- ❑ Sale of units in the Spring will MORE than cover the cost. The town will actually make a profit.

# The Profit:

Total Sales of four units = \$729,800

Total Cost of Development = \$603,543

Difference **\$126,257**

Construct contracted 20% = \$25,251,40

Balance to Egremont for reinvestment in affordable housing: **\$101,005.60**

## Sources:

\$15,000 IFA loan from CEDAC

\$100,000 Small Town Housing Grant

\$640,000 Appropriation

# Frequently Asked Question 8: Why is this a “unique opportunity”?

1. Because there is little or no state funding, it is possible to do a home ownership project. That almost never happens.
2. Most affordable housing costs a town at least some money. This will make the town money.
3. Egremont has a partner in Construct, Inc. which means Egremont has to do very little of the work, but reap the largest reward.
4. Because of the economy of scale, it is almost impossible to do less than 11 units. This will be four units.

# Frequently Asked Question 9 : Is there a local preference?

There will be a lottery to select buyers for these units. Egremont residents who apply will be entered into the lottery more than once.

The local preference also applies to

People who work for the town of Egremont, including firefighters

Employees of local businesses

Families of children who attend the Egremont School.

# QUESTION FOR YOU: ARE YOU AFRAID? WHY?

1. Question: Will I see an ugly housing project?

Answer: No, you will see two houses when you go to the transfer station.  
Until the trees grow in.

2. Question: Will bad people move to my town and live on welfare?

Answer: No, working families and elders will own homes in your town,  
contribute to the tax base and hopefully join the fire department.

3. Will my taxes go up?

Answer: Actually they will go down by a small margin. The development will  
pay for itself and the home owners will pay taxes.

4. What's the worst that can happen? The houses won't sell immediately and  
the town might have to pay some interest on the construction loan.