

REAL estate

WORKING ON PINE WOODS

Development aims at south county's housing shortage

BY JOHN TOWNES

As housing prices in Berkshire County continue to rise beyond the reach of many working people and young families, a new affordable housing complex in Stockbridge is nearing completion in an effort to help ease that problem.

Pine Woods is a new mixed-income neighborhood development on Route 102 that includes 30 rental units in a cluster of 14 buildings. Initiated by a community-based coalition of housing agencies and advocates, Pine Woods includes a mix of market-rate units and others that are designated as lower priced affordable housing.

It is currently about 75 percent completed. The first tenants are expected to begin moving in during November, with the remaining units likely to be completed and ready for occupancy in December, according to Cara Davis, executive director of Construct Inc., the non-profit south Berkshire housing organization that is the primary developer of Pine Woods.

The marketing campaign for the units began in the summer. So far, there has been strong interest by potential occupants, although not as much as might be expected, according to Davis.

"We have had a good number of inquiries and applicants, and we expect that it will fill up quickly once we open," said Davis. "However we were anticipating that people might be stomping on the doors to get in, but that hasn't happened yet."

Davis attributed that largely to misconceptions people have about projects that include housing specifically designated as affordable.

"A development like this is more complicated than a typical private project," she said. "I think many people believe that affordable housing is the same as subsidized public housing, and they assume it's not for them.

We need to increase awareness that this is available and let people know that this might be for you. That requires educating people to explain what it really is."

In fact, she emphasized, Pine Woods was deliberately designed to provide much-needed rental housing for people with a wide range of income levels. "Our goal was to create a diverse neighborhood," she said. "Before it is open, people are not sure what the tenant mix will be. But once it's completed and occupied, I believe people will realize that it's a wonderful neighborhood with a varied population."

With the wide disparity between incomes and high housing prices in south Berkshire County, noted Davis, many working people are in the range to be eligible for those affordable units.

However, she added, the rental process is more complicated than with a standard development, because of the requirement that the income composition of residents follow

specific guidelines. "It's like working out a large jigsaw puzzle, trying to fit all of the pieces together," she said.

This is in part a by-product of the process of deliberately creating a mixed-income neighborhood. It also is a legal guideline, because the project is largely financed through the sale of tax credits as an affordable housing project.

"Housing is simply out of reach for most working families today, and it continues to go up," said Davis. "Every time a little project like this gets done, we at least take a little whack out of the problem."

Pine Woods is being developed by Pine Woods LLC, which is comprised of Construct (doing business as Pine Woods Inc.) and the National Equity Fund Assignment Corp. (NEFAC), a nationwide housing organization that arranged the financing for the \$6.3 million project. The Stockbridge Housing Authority is managing and handling the leasing of the complex.

NEFAC will own 94 percent of the project for 15 years. Then it will sell its share to Pine Woods Inc.

The site includes 18 acres northwest of the center of Stockbridge. The development of Pine Woods is clustered on four acres, with the remaining portion under conserva-

tion restrictions to provide a buffer from the road and to protect wetlands on other sections of the site.

Allocated based on income

The units, which range from one to four bedrooms, are individually allocated among several categories, according to an overall formula.

Pine Woods includes five market-rate units that do not have upper-income restrictions. The cost of these units are market-driven, but they are priced slightly lower than the prevailing rent for an equivalent unit in a standard private development.

"We based the rents for those units on what was advertised for [comparable] rentals in the classifieds," said Davis. Currently, monthly rental for a three-bedroom market-rate unit in Pine Woods is about \$1,100 plus utilities, which is slightly less than the average of \$1,200 plus utilities, according to Davis.

The other 25 units are earmarked as affordable housing. Rents for those units are set according to what people at a particular income level can afford. To be eligible, an applicant must earn enough to cover the monthly rental, but be below the upper income limits.

Approximately 20 units are allocated for people earning 50 and 60 percent of the region's median income.

Another five units are expected to be designated for subsidized Section 8 housing for people earning 30 percent of the region's median income.

For example, rent for a one-bedroom market-rate unit will be \$694 a month plus utilities, according to Kim Gosselin, property manager with the Stockbridge Housing Authority. Residents with an income of 60 percent of the median will pay \$632 plus utilities, and those earning 50 percent of the median will pay \$514 plus utilities. People who qualify for Section 8 subsidized units will pay \$277.

The units are similar, and the allocation will be based on the existing overall composition of the population at the time. A particular unit may change its rental designation when it becomes vacant, depending on the current makeup of tenant incomes, to adhere to the guidelines.

Gosselin said that the major hurdle among the first applicants has been eligibility.

"There has been a lot of response, especially for the one-bedroom affordable units," said Gosselin, who noted that they held a lottery to narrow down the applicants for those units. "But fitting people into the different slots has been more challenging than we expected. To qualify for the affordable units, people have to be in between making enough to qualify but not having an income that is too high."

She added that many initial inquiries were from people who did not earn enough to qualify. "We found that there are many people

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who don't even earn enough for this," said Gosselin. "That shows how much lower-cost rental housing is needed."

Davis said that, compared to incomes, housing prices in south Berkshire County have continued to rise to levels that have created a crisis.

"Housing is simply out of reach for most working families today, and it continues to go up," she said. "At Construct, we are often counseling families to look at Pittsfield or over the line in New York, because there simply isn't anything within their price range in south Berkshire County. And prices are rising in Pittsfield too."

She noted that the rental market is different than the home-buying market, although they have followed a similar basic pattern.

"Rental prices are not skyrocketing to the same extent as the cost of purchasing a home," she said. "Instead, it's been more of a long, steady rise for rentals over time. But that has pushed them out of the range that many people can afford."

In addition to rising prices, she said, the rental market is also characterized by shortages of available units compared to the demand.

"Also, most of the available rental units don't get advertised," she said. "When a vacancy opens up, it's usually snapped up immediately through word of mouth. Either the tenant who is leaving tells their friends, or the landlord already has people lined up. So people who are looking for advertised rental housing are not likely to find out what's available."

Davis said there is a definite need for additional housing that is within the price range of working families in Berkshire County. "Every time a little project like this gets done, we at least take a little whack out of the problem," she said. ♦

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The Pine Woods affordable housing complex off Route 102 in Stockbridge continues to take shape. Though portions of the work site were reduced to a muddy and water-logged state due to the recent round of rainy weather, the development is on track for completion later this year.