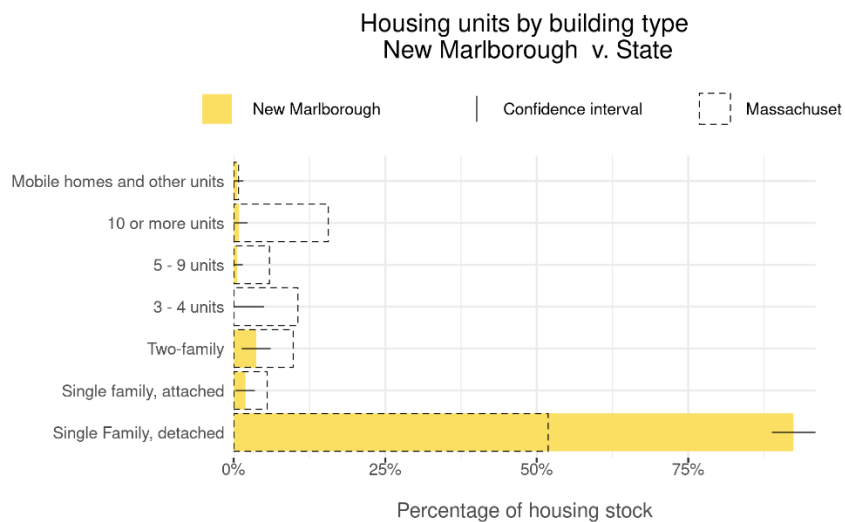


FEASIBILITY
602-606 HARTSVILLE-NEW MARLBOROUGH RD.
CASSILIS FARM

Cassilis Farm consists of several buildings on three adjacent lots on 20+ acres in New Marlborough. There is one Main house, which currently has 14 Bedrooms, an annex that currently has 6 bedrooms, a one-bedroom house and a 3-bedroom house. The property was owned for many years by the Carpenter Family. In 2020 It was sold to the Dewey Academy and quickly came up for sale again. During this sale period two perc tests were done, and a property inspection was completed.



The New Marlborough Affordable Housing Committee completed a housing study on December 31, 2020, identifying the need for affordable housing in the town. The town currently has 0% affordable housing and only 7% of the housing units in the town are rentals.

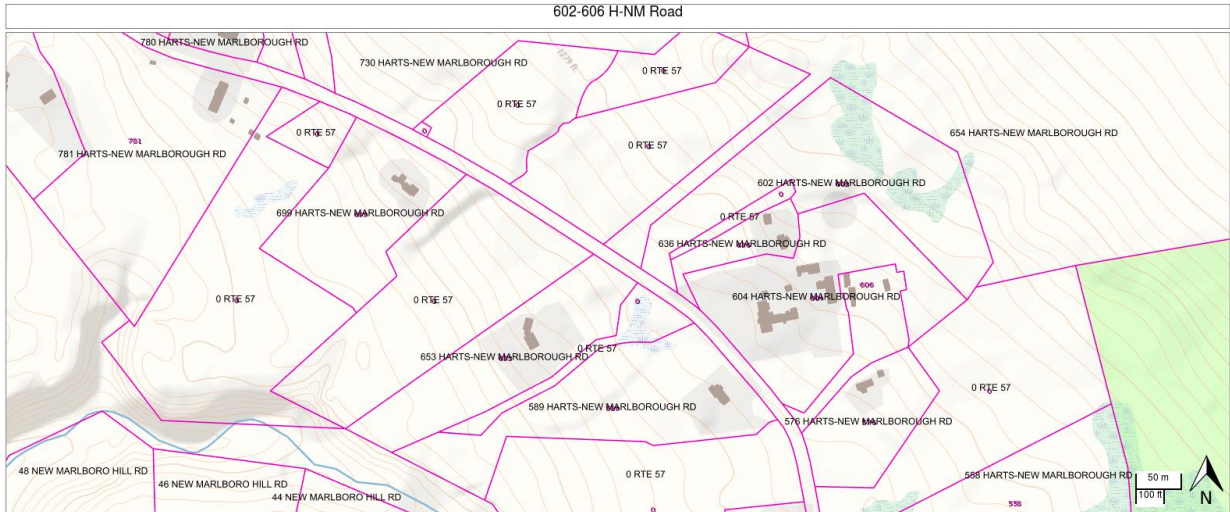


Source: U.S. Census Bureau American Community Survey,
2015-2019 5-year estimates. Table S2504: Physical Housing Characteristics

Since then, the NM housing committee has been seeking an appropriately sized property to fulfill the need of the many employees who work in New Marlborough but can't afford to live there. The Housing Committee has identified Cassilis Farm as a potential site of affordable and/or workforce housing.

I. Feasibility of Location

A. Suitability of the Neighborhood

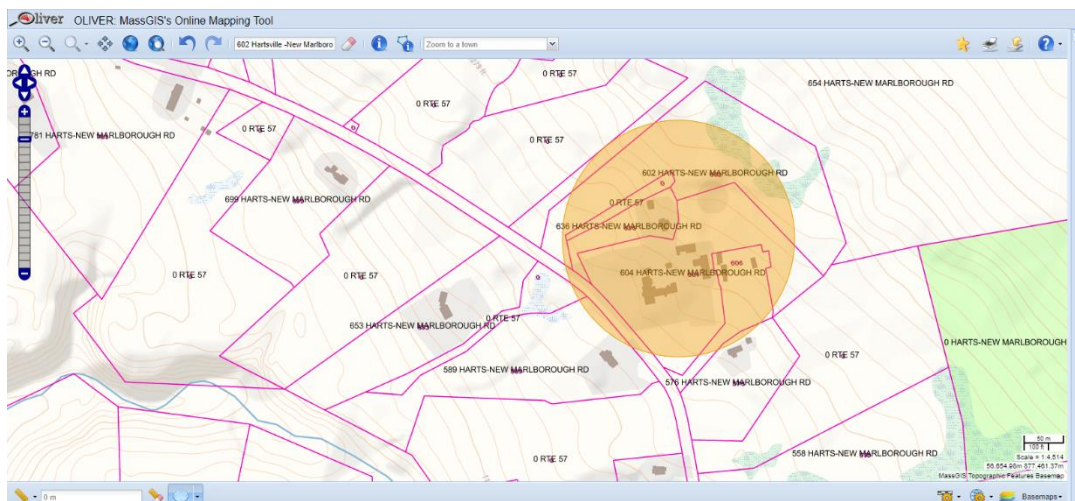


The purchase would include three parcels, all adjacent, which surround a neighbor who bought her lot from the Carpenter family many years ago. Otherwise, there are few neighbors and those are far away. The Street on which the property sits is a main road that connects to many other towns in the southern Berkshires. The property is one mile from Cantina Restaurant, 1 mile to CMC, 1.3 miles from the Old Inn on the Green and 1.5 mile from Gedney Farm, Four of the biggest employers in the town.

B. Proximity to Town and Amenities

Most of the amenities of New Marlborough are clustered together in the nearby village of Mill River. The property is 2.3 miles to the New Marlborough Central Elementary School and 2.9 miles to the Town Hall, Library, and General Store. It is also 2.9 miles to the Southfield Store, which houses the Post Office

C. Visibility and Privacy: This map shows a 500 Foot buffer around the locus of the property. Only one neighbor shows in this radius. The existing attractive façade of the



building will not change, although some of the landscaping will be pushed out to improve drainage. The property, while visible, has built-in privacy.

D. Road Frontage, Road Access and set-back.

The properties have a combined frontage of 764.68'. The main house is 114' from the road, 136' and 281' from the side boundaries and 187' from the rear boundary. The two independent houses share a lot (606) which is 442' from the road but are less than 25' from their respective setback boundaries.

Although the plot plan shows a driveway area for the 606 lot, the properties share a dirt driveway. This would need improvement for multifamily housing.

E. Rural Nature, Agricultural Viability

This is included because of the possibility of a funding source. The property is over 20 acres, and the total square footage of the buildings is 21,562sq' (½ acre) including barns and outbuildings.

The dominant soil is a Peru-Marlow association with 8-15% slopes that is extremely stony. This type of soil is viable for lumber or pasture. It is only viable for crops with extensive rock picking, making it an unlikely site for an agricultural cooperation grant.

The land in the easterly part of the 202 lot contains wetlands and abuts protected land. Putting a conservation restriction on these acres would help garner some funding sources.

II. Feasibility of the Property

A. Density. The current density is 2.5%. This would not change.

B. Infrastructure

The existing septic for lots 602 and 604 is configured for 18 bedrooms and passed inspection in 2018 and again in October of 2020. The Septic for 606 passed with conditions – “pass with effluent tee, filter and riser.” It is unclear whether this work was performed. This septic serves four bedrooms. The proposed design, while it changes the use of the structure, actually reduces the total number of bedrooms. Therefore, the existing septic should be adequate.

According to the inspection report, water supplies for all units would most likely be adequate: **“The water source for the property appears to be supported by a natural artesian well at an unknown location, this water is delivered to the mechanical room where the supply equipment is installed. Here the plumbing interconnects with an additional source which is a drilled well at the North yard that effectively is a back up supply to the primary source, the artesian well.”**

C. Conformity to Zoning

For the creation of multi-family housing, this project would meet the setback regulations, but not the density or frontage requirements. These would require 43 acres and 1550 feet of frontage and/or limit the unit creation to six. While the town of New Marlborough has onerous requirements for multi-family housing, it allows for conversions of single-family dwellings to multi-family properties if the following conditions are met:

3.4.2.1.1 Conversion of a single family dwelling into a multifamily dwelling of two (2) or more units, without meeting the requirements of 4.1 as to lot area, frontage and as to distance from property boundary line may be permitted by the Board of Selectmen provided that:

3.4.2.2 The single-family dwelling has not been enlarged within seven (7) years of the proposed conversion.

3.4.2.3 The lot area has not been reduced below the minimum within seven (7) years of the proposed conversion.

3.4.2.4 Any fire escapes or outside stairways leading to a second story shall be located on any wall not facing a road and shall not occupy any part of the rear or side setback.

3.4.2.5 No exterior addition to the original dwelling shall thereafter be made other than fire escapes and outside stairways.

3.4.2.5.1 Accessory dwelling on a lot with less than two (2) acres or less than 150 feet or frontage, subject to the conditions set forth in Section 3.3.1.2 and Section 7.3.1.1

3.4.2.6 No dwelling shall be converted unless in connection therewith it is placed in reasonable state of repair.

3.1.1 Any other use determined by the Board of Selectmen to be similar in character to one or more uses specifically authorized herein provided the Board finds that the proposed use is in harmony with the general purpose and intent of this by-law and not offensive or detrimental to the neighborhood.

3.1.2 The Board of Selectmen may impose additional safeguards and requirements for any use under this section as in their judgment are necessary for the protection of the public health, safety and welfare.

3.1.3 Every use permitted by right or authorized by special permit under the provisions of this by-law shall be subject to the State Building Code, State Sanitary Code and the Town's Board of Health Regulations and any other applicable statutes, bylaws and regulation, including Parking and Sign Regulations.

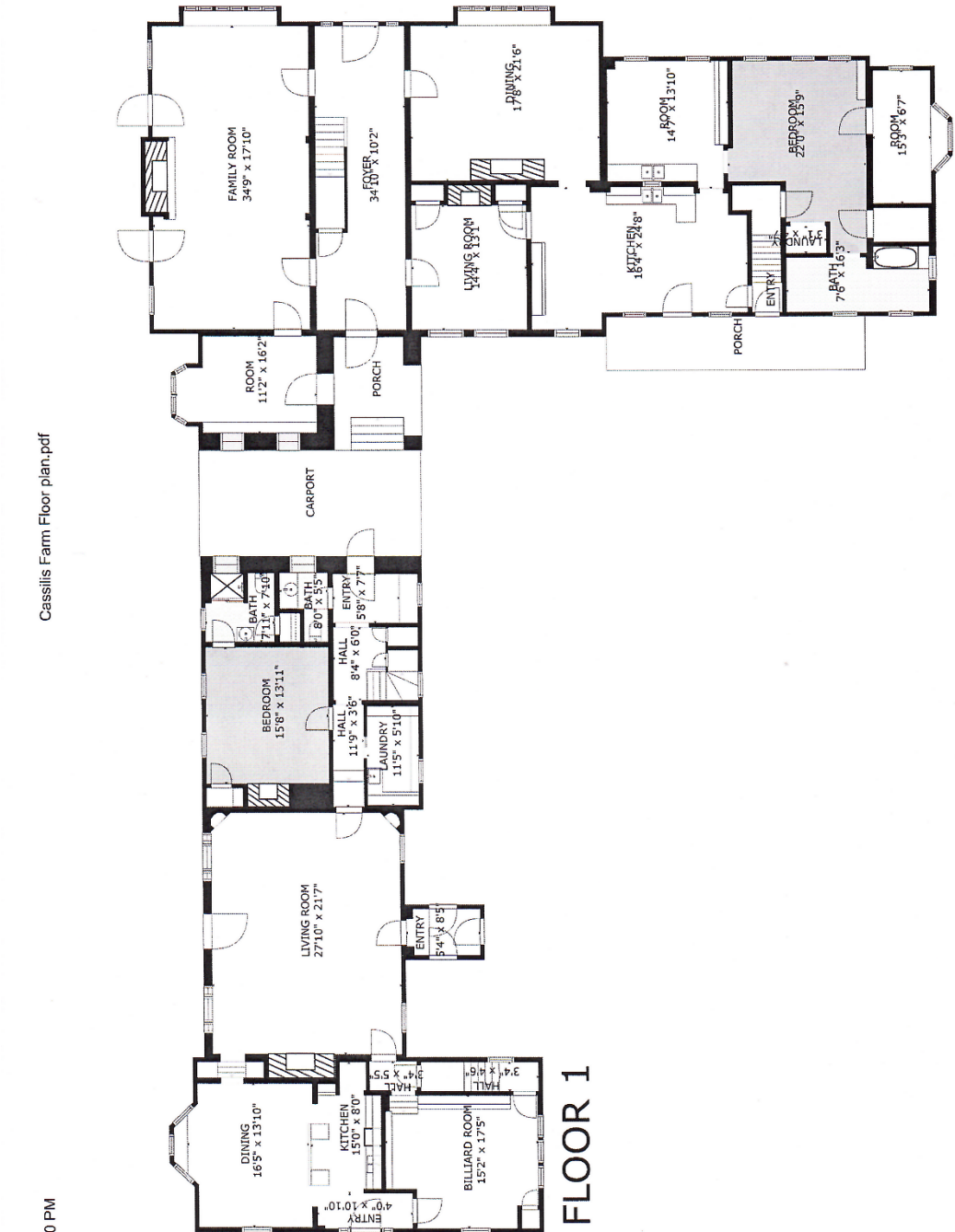
Since the project would fit within the footprint and façade of the existing property, it could easily meet the requirements for the conversion. Only a few units need fire escapes, which could be installed in the courtyard. A Friendly 40B would simply ask for more units than is currently permitted.

III. Size and Number of Units

A. Proposed Units

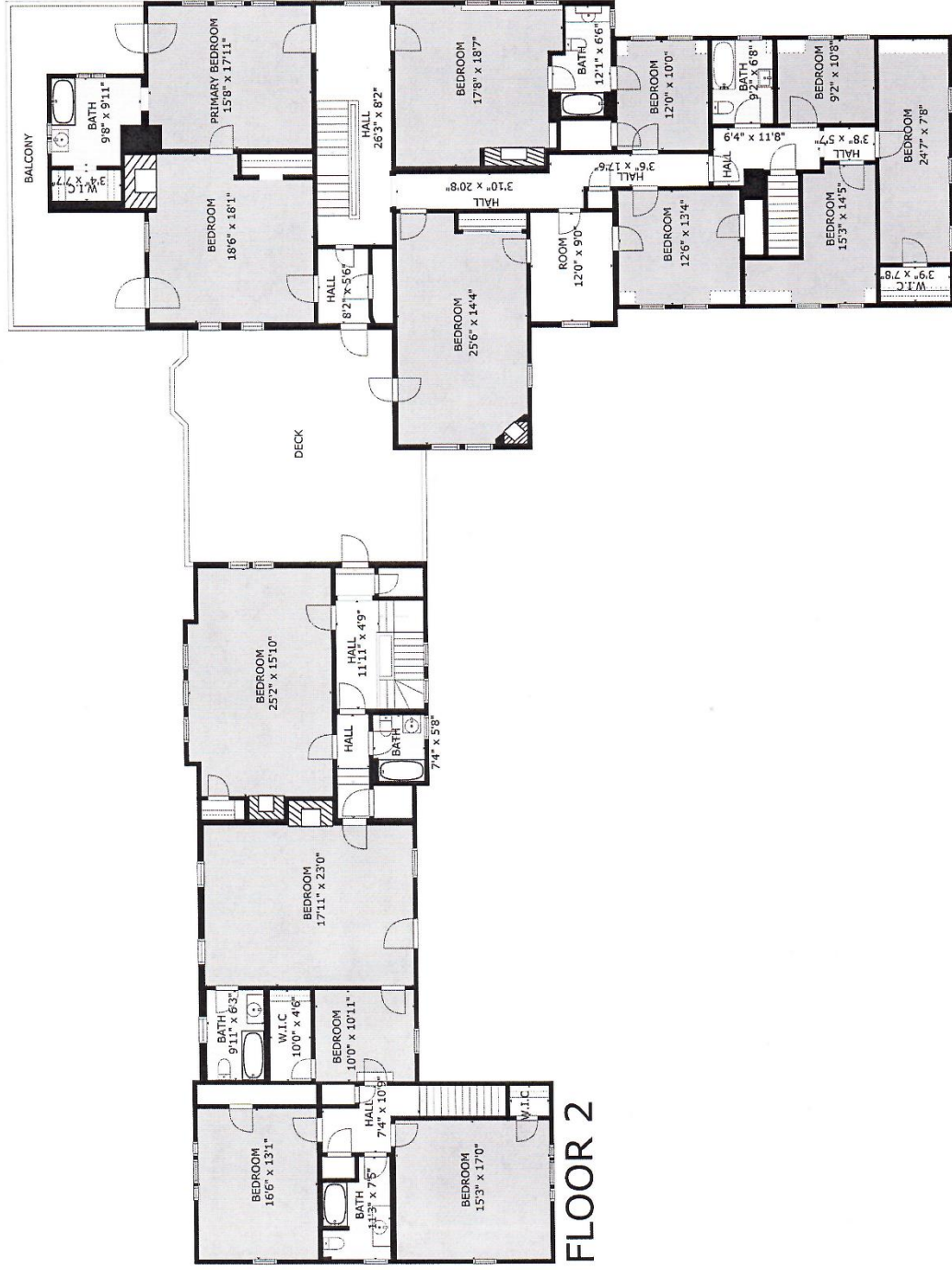
Building	Location	Unit #	Size	Sq. Ft.	Building	Location	Unit #	Size	Sq. Ft.
Sm. House	East	1	1 BR	1080	Main	Fl 1 East	M1-3	1BR	727
House	East	2	3BR	1658	Main	Fl 2 South	M2-1	1BR	807
Annex	East	A1	2BR	1212	Main	Fl 2 center	M2-2	3BR	1336
Annex	Center	A2	2BR	1337	Main	Fl 2 North	M2-3	2BR	875
Annex	West	A3	1BR	1340	Main	Fl 3 South	M3-1	2BR	794
Main	Fl 1 South	M1-1	1BR	978	Main	Fl 3 Center	M3-2	1BR	852
Main	Fl 1 West	M1-2	1Br	1033	TOTAL		13	21	14,029

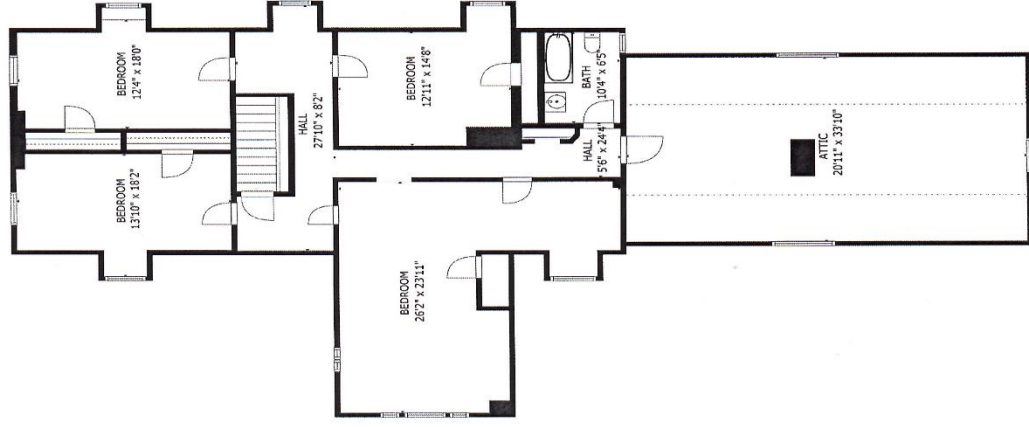
Existing Floor Plan



GROSS INTERNAL AREA
FLOOR 1: 5168 sq. ft, FLOOR 2: 5248 sq. ft
FLOOR 3: 2345 sq. ft, EXCLUDED AREAS:
FLOOR 2 DECK: 626 sq. ft

SIZES AND DIMENSIONS ARE APPROXIMATE, ACTUAL MAY VARY.





FLOOR 3

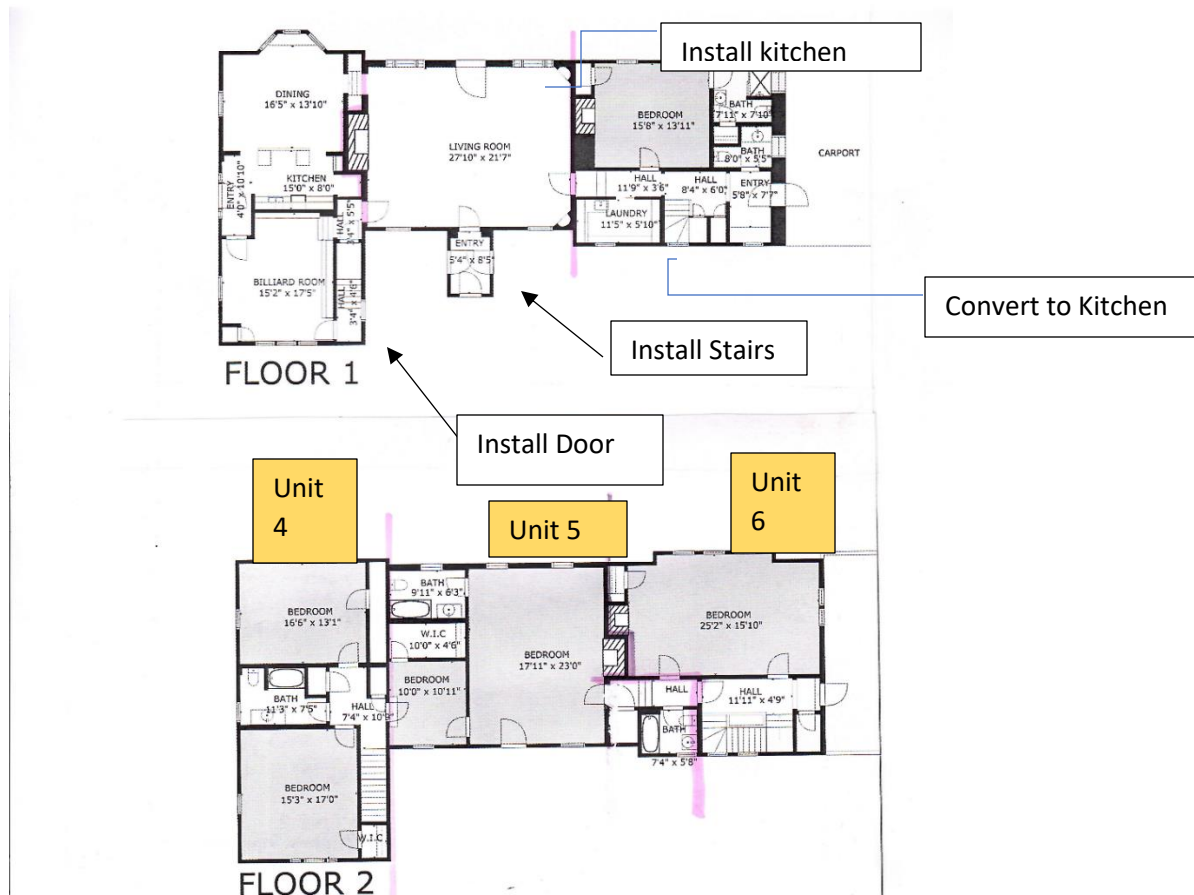
B. Proposed Layout: Annex

With very few changes the existing annex can be converted to three townhouse style units, including two (2) two-bedroom units and one one-bedroom units.

Unit A-1: The easternmost unit closest to the houses, this unit will have two upstairs bedrooms with a bath in between. The billiard room will be converted to a living room, while the kitchen and dining room will retain their current usage. The unit already has one means of egress – a door on the east end of the building. Another means of egress can easily be added at the bottom of the stairs, opposite the entrance to the living room. In three places, doorways leading to the unit next door would need to be blocked. Not accessible.

Unit A-2: The center unit of the annex has a large (27'10" x 21'7") living room with an egress on the north and south sides. There are currently no stairs in this section of the building, but there is a large entryway on the north side of the first floor with an enclosed portico above it that could be adapted for that purpose. A kitchen/dining area can be carved out of the large living room. Upstairs, the second bedroom opens into the first, but there is plenty of room to carve out a hallway at the top of the stairs. The bathroom to the west of this unit could be included in this unit, so there is a hallway bath. Not Accessible.

Unit A-3: the West unit in the annex already has two means of egress to the carport – one upstairs and one downstairs. The downstairs bedroom with a fireplace can be converted to a living room and the hall and laundry upstairs can be converted to a kitchen. There is a full bath off the living room and a powder room near the entrance. The stairs are already in place. Not accessible.



C. Proposed Layout: Main House:

The Main House is currently configured to have all of the community rooms on the first floor and all of the bedrooms upstairs. When the Dewey academy purchased it, both kitchens on the first level were removed. One simple layout would create flats with three one-bedroom units on the first floor, one (1) one-bedroom, one (1) two-bedroom and one (1) three-bedroom on the second floor and a one-bedroom and a two-bedroom on the third floor, for a total of Eight (8) units. The first floor north unit could be made accessible.

Unit Creation:

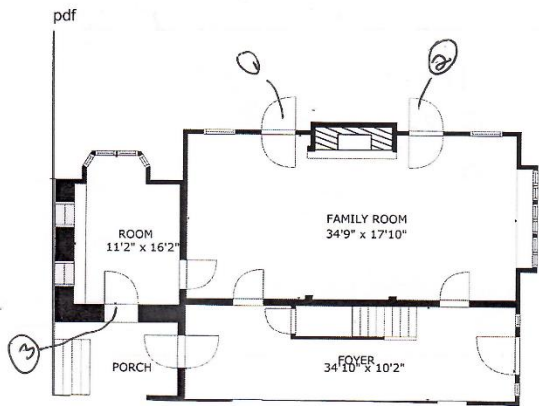
While unit creation in the annex seems obvious, unit creation in the mansion is somewhat more difficult. Of course, you will want to hire an architect for the final drawings but to get an idea of how many total units you could do, the following principles were adhered to:

1. DHCD is more likely to fund projects that include family units.
2. The minimum square footage for affordable units is:

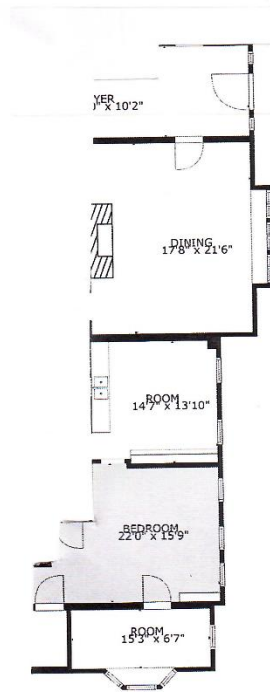
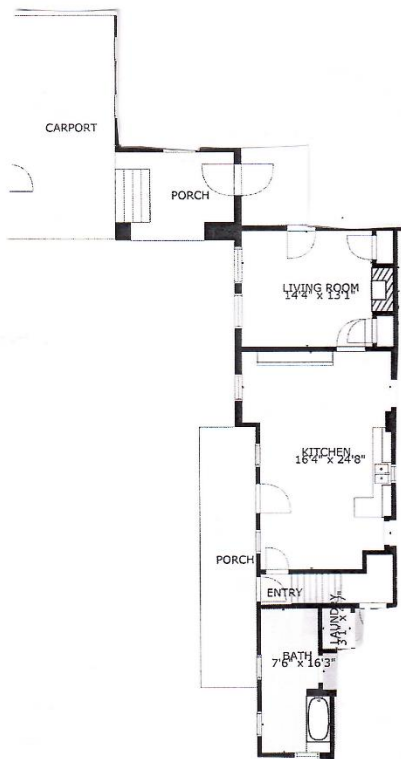
One Bedroom	600 square feet
Two Bedroom	850 square feet
Three Bedroom	950 square feet

3. The most expensive parts of a unit are the kitchen and bathroom, so the existing layout often dictated the unit shape.
4. There are already many exits in the buildings. This design calls for the addition of only one more and three fire escapes for the upper stories.

MAIN HOUSE FLOOR 1 PROPOSED

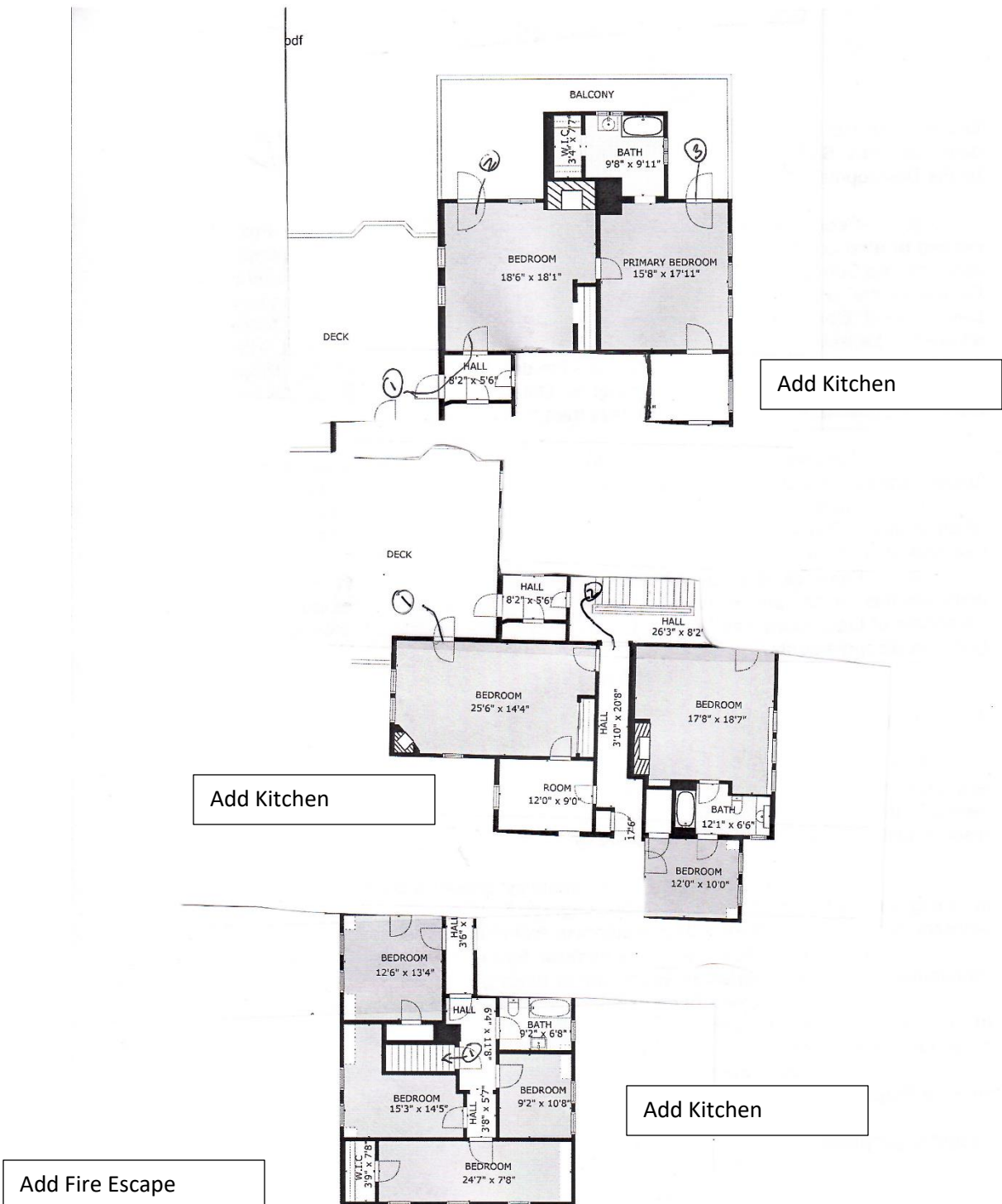


Add Bath, Kitchen



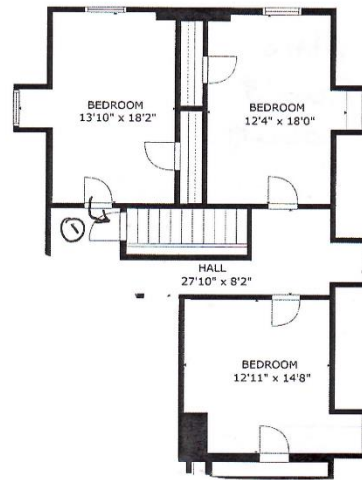
Convert to Kitchen, add
ADA bath, ramp

MAIN HOUSE FLOOR 2 PROPOSED

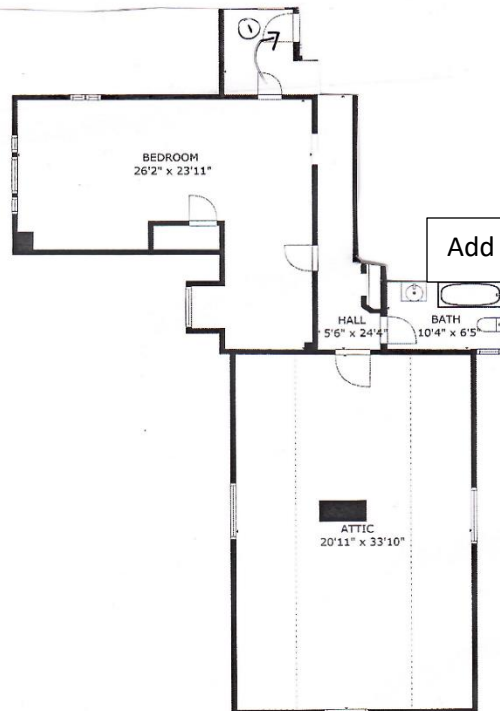


MAIN HOUSE FLOOR 3 PROPOSED

Cassilis Farm Floor plan.pdf



Add Bath, Kitchen



Add Kitchen

FLOOR 3

D. Houses on 606: These houses were not included in the inspection report. They need mostly cosmetic repairs. The master bathroom in the 3-bedroom house is unfinished and will require new fixtures.

IV. Budget

A. Proposed Costs: Renovation

Overall Improvements:

In addition to sub-dividing the buildings into housing units, there are some overall improvements that will need to be made.

1. Windows: Some of the windows in the annex have been replaced. All basement windows will need to be replaced. All Wood frame single pane windows will need to be replaced.
2. Insulation: The school began some demolition in the kitchen of the main house, exposing the interior of the walls. Most of the house is plaster and lath, with some drywall. There is some out-of-date insulation in part of the attic and none in the walls. If the renovation leads to “gut to the studs” of 50% or more of exterior facing surfaces, the Mass Saves Renovation Department will be available to provide technical support and financial incentives. If the property is not gutted, the Home Energy Assessment incentives are capped at \$25,000.
3. Electrical: The property currently has four meters, one for each building, each servicing a 200amp system. Some of the knob and tube wiring is still in place, as well as BMX and Romex. While the service has been upgraded, it was designed for single-family use. To convert the property to multi-family use one would need:
 - More power coming in from the pole
 - The installation of 10 more meters
 - Re-wiring to individuate units
 - Removal of knob and tube wiring
 - Installation of Fire Safety apparatus
4. HVAC: Each building has its own heating system and its own fuel. The smallest house has electric heat, the others have oil. The heating system in the main house was re-built about ten years ago and radiators were replaced with hot water baseboard. There are still only two zones in that large house.

The boiler in the annex was replaced more than 20 years ago and is due for an upgrade. It replaced a gravity feed system that fed room radiators. The gravity feed was replaced but the radiators and the oversized pipes are still there. This system could be replaced by individual boilers and re-piped. The radiators could be re-used in this scenario or replaced by baseboard. This would not add cooling.

In general, failing to individuate HVAC systems leads tenants to waste fuel. However, because the design would require some common space in at least the main building, a compromise plan is possible. Leave the main boiler and set it to a baseline temperature. Equip each unit with an electric heat pump system. These require less infrastructure and provide cooling.

B. Proposed Costs:

Acquisition

1,890,000

Estimates

Proposed

Septic	Repairs called for inspection	\$2,150
Paving		\$90,000
site work	Fix drainage	\$20,000
Demolition	Plaster ext. surfaces	\$30,000
General Conditions		\$50,000
Site Utilities	Electric	\$75,000
Windows		75,000
Doors		10,000
Fire Escapes		10,000
Flashing		4000
HVAC		\$255,000
Plumbing		\$75,000
Electrical		\$147,115
Fire Safety		\$39,060
Siding	Repair	\$8,000
Rough Carpentry	interior framing	\$315,865
Insulation		\$156,198
Drywall		\$110,710
Finish Carpentry		\$102,657
Paint		\$56,691
Flooring and repair		\$55,000
Fixtures	Plumbing and electrical	\$65,000
Cabinets	Kitchen and bath	\$75,667
Appliances		\$17,581
Specialties		\$20,000
Gen. Contractor		\$441,000
SUB TOTAL		\$2,307,340
Construction Contingency		\$807,569
TOTAL		\$3,114,909

Soft Costs

778,727

Soft Cost Contingency

77873

D Fee

\$311,491

D OH

155,745

TOTAL

\$6,328,745

C. Proposed Sources:

1. CEDAC Acquisition Loan Cap of \$1,200,000. First Mortgage, 90-100% LtV, 2-5 years, Fixed, quarterly interest, 1 point commitment fee.

2. STHI: New Marlborough Funds: This town is not a CPA town, nor is it a member of a HOME consortium. New Marlborough will need to show some investment in this property, to leverage state funding sources. One way to do that might be the Small-Town Housing Initiative for \$100,000. In 2022, this fund will become the "Rural and Small-Town Grant Fund".

3. CSHI: The Community Scale Housing Initiative is meant for towns of fewer than 200,000 people and projects of 5-20 rental units created for tenants at or below 80% AMI. It must be new production, either creation or adaptive re-use, and there must be a financial commitment from the town. Cap of \$200,000 per unit and \$1,000,000 per project.

4. Local Donation: \$500,000. Very important for leveraging other monies. Potential Major Donors Identified as able and likely willing to contribute \$500-\$800K. Other area donors identified as having the capacity and generosity to contribute an additional \$500k+ with a targeted capital campaign. Such work would require strong local support to be effective. A robust capital campaign could generate significantly more but needs not to be in competition with general funds support and would need strong backing from Construct's Development leadership.

5. FHLB AHP: The Federal Home Loan Bank's Affordable Housing Program offers grant money \$650,000 cap and a subsidized mortgage, working with a bank which is a FHLB partner. In this area that is Berkshire Bank or Adams Community Bank. The subsidized mortgage can roll over from a construction loan.

6. CBH: Community Based Housing is a CEDAC fund used for ADA units. The Main House First floor north unit could be made accessible, it would increase costs. We will have to demonstrate a need for this in New Marlborough. This unit comes with a Project Based Subsidy.

7. FCF-DDS: The Facilities Consolidation Fund for the Developmentally Disabled can fund up to two units set aside for the developmentally disabled. We will have to demonstrate a need for this in New Marlborough. These units come with a Project Based Subsidy.

8. AHTF: Mass Housing provides the Affordable Housing Trust Fund. This is a 30-year forgivable subordinate debt. AHTF Funding preferences include projects/developments that

- Produce new affordable housing units
- Provide new affordability
- Create units affordable to households with a range of incomes, particularly units for households with incomes below 80% of area median income Include affordable units for families
- Include affordable units for the disabled and the homeless
- Propose the longest term of affordability
- Are sponsored by nonprofit organizations
- Use private funding sources and non-state funding sources to leverage the least amount of AHTF funds

8. Mass Saves has a renovation technical assistance and financial incentives if 50% or more of exterior surfaces are gutted to the studs. Reimbursement Grant.

9. HSF Provided by DHCD. Capped at \$65,000 per unit with a minimum of five units. Must include homeless set aside for some units.

10. HOME Funds are HUD funds funneled through DHCD. Ours is a non-consortium community, so the cap is \$65,000-\$90,000 per unit up to project cap. Generally 0% 30 year soft debt.

4 Potential Income:

The following is a proposed unit mix which follows the guidelines of the various funding sources. It is based on 2021 rent limits. It does not include a Utility Allowance. To some degree, these two parameters should offset each other.

UNIT	SIZE	30%	50%	60%	80%	ANNUAL INCOME
HOUSE 1	1 BR	473	831	892	1262	9972
HOUSE 2	3 BR	656	1153	1461	1750	13836
ANNEX 1	2 BR	567	998	1175	1514	18168
ANNEX 2	2 BR	567	998	1175	1514	14100
ANNEX 3	1 BR	473	831	892	1262	15144
MAIN F-1 1	1 BR	473	831	892	1262	10704
MAIN F-1 2	1 BR	473	831	892	1262	10704
MAIN F-1 3	1 BR	473	831	892	1262	9972
MAIN F-2 1	1 BR	473	831	892	1262	9972
MAIN F-2 2	3 BR	656	1153	1461	1750	21000
MAIN F-2 3	2 BR	567	998	1175	1514	14100
MAIN F-3 1	2 BR	567	998	1175	1514	14100
MAIN F-3 2	1 BR	473	831	892	1262	10704
TOTAL						172476

5 Operating Costs: See Abbreviated Pro-Forma Appendix A

V. Site Control

A. Requirements of Funding Sources

Almost all of the funding sources listed above require site control by an experienced housing developer. Some require that this developer is a non-profit.

VI. Timeline

Fall 2021	Apply for Acquisition funding/ P&S/ Begin 40B/contact DHCD, abutters
Winter 21-22	Sale/Apply Winter Round funding/Pre-Development (architect, ASTM, eng, bid
Spring 22	40B: Planning, Zoning, Select, Building Dept.
Summer 22	FHLB application, CSHI/ STHI
Fall 22	Complete 40B/Complete Funding Rounds
Winter 22-23	Awards announced
Spring 23	"Groundbreaking"
Winter 23-24	Move-In

A. Limitations of Availability of Contractors

Right now, contractors are generally booked for 12-18 months out. That coincides with the funding cycle timeline.

B. Limitations of Current Material Prices and supply shortages.

After peaking in winter of 2020-21, lumber prices decreased 45% from their peak. In the next two years, it's possible that the tariff and supply chain issues could abate.

C. Funding Cycles

Deadlines for the funding sources listed above are here:

<i>SOURCE</i>	<i>PRE-APPLICATION</i>	<i>APPLICATION</i>	<i>AMOUNT</i>
<i>CEDAC ACQUISITION</i>	Verbal	Rolling	1,200,000
<i>STHI</i>	One Stop	May-June 2022?	100,000 +
<i>CSHI</i>	One Stop	Winter Round?	1,000,000
<i>LOCAL DONATIONS</i>			500,000
<i>FHLB AHP</i>	June, 2022	July 2022	\$650,000
<i>FCF-DDS /CBH</i>	One Stop	September, 2022	275,000
<i>HOME</i>	One Stop	September, 2022	600,000
<i>AHTF</i>	One Stop	September, 2022	750,000
<i>HSF</i>	One Stop	September, 2022	845,000

D. Viability of Staggered Process

Because the units are geographically separated, and because vacant buildings tend to deteriorate, it might be possible to rent some of the units while the others are under construction. The two houses need only minor repairs. Changes to the annex and the main building are somewhat systemic.

VII. Conclusion

Cassilis Farm is a viable location for 13 units of affordable housing. The property is centrally located to necessities, with enough room for all required amenities. The building has adequate infrastructure with a good roof and foundation. The current design lends itself to multi-family housing.

The current climate in the state is development friendly with many resources established to house essential workers. DHCD is aware of the paucity of rural development and interested in projects that address the need.

The community of New Marlborough has passionate people willing to donate both time and money to increase housing for the people who work in the community.

This Project is Feasible.

