



Housing Choice Initiative



*Lexington Comprehensive Plan Advisory Committee
March 21, 2019
Chris Kluchman, FAICP, Housing Choice Program Director*



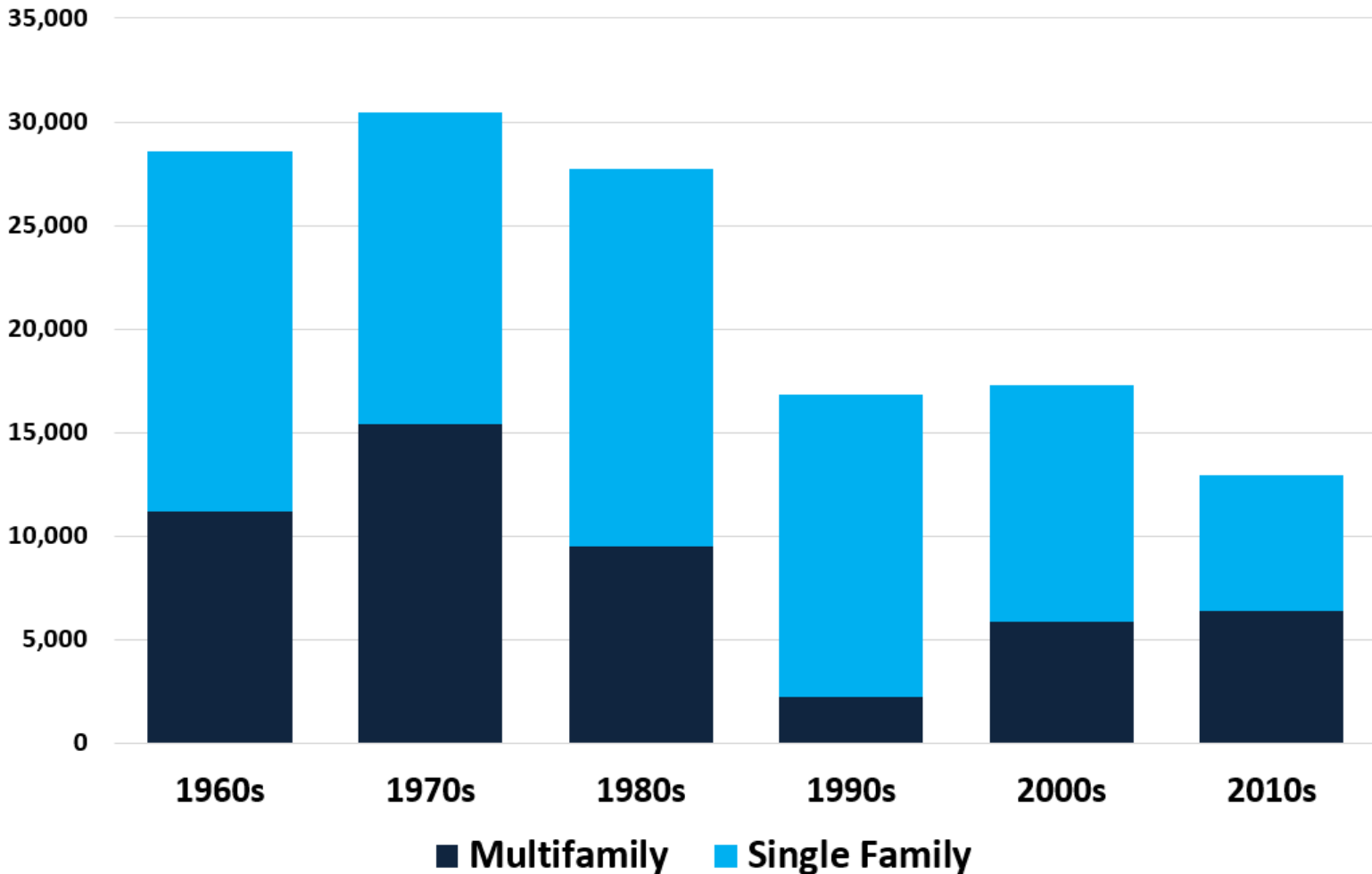
Photos source: Regional Shared Housing Office

Does the state have the housing stock needed to accommodate changing needs?



State producing fewer units

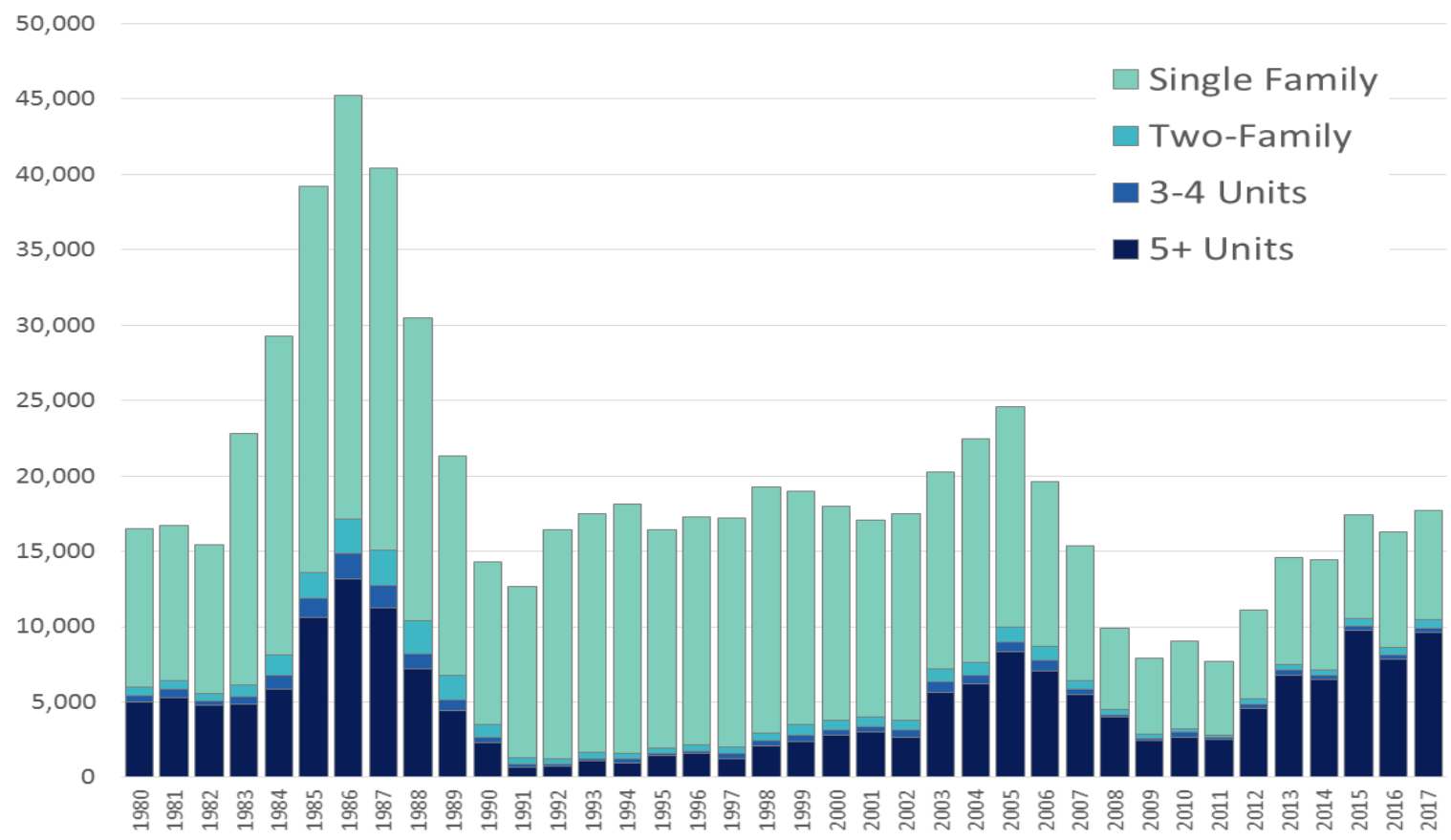
Annual Housing Production in Massachusetts by Decade (through 2016)



Data from U.S. Census Bureau, Building Permit Survey. Note: in this and in all subsequent graphics, multifamily is defined as a structure with 2+ units and permits are as reported by cities and towns with imputed data by the Census Bureau for communities that fail to report.

State producing fewer units

Units permitted by building type Massachusetts, statewide 1980-2017



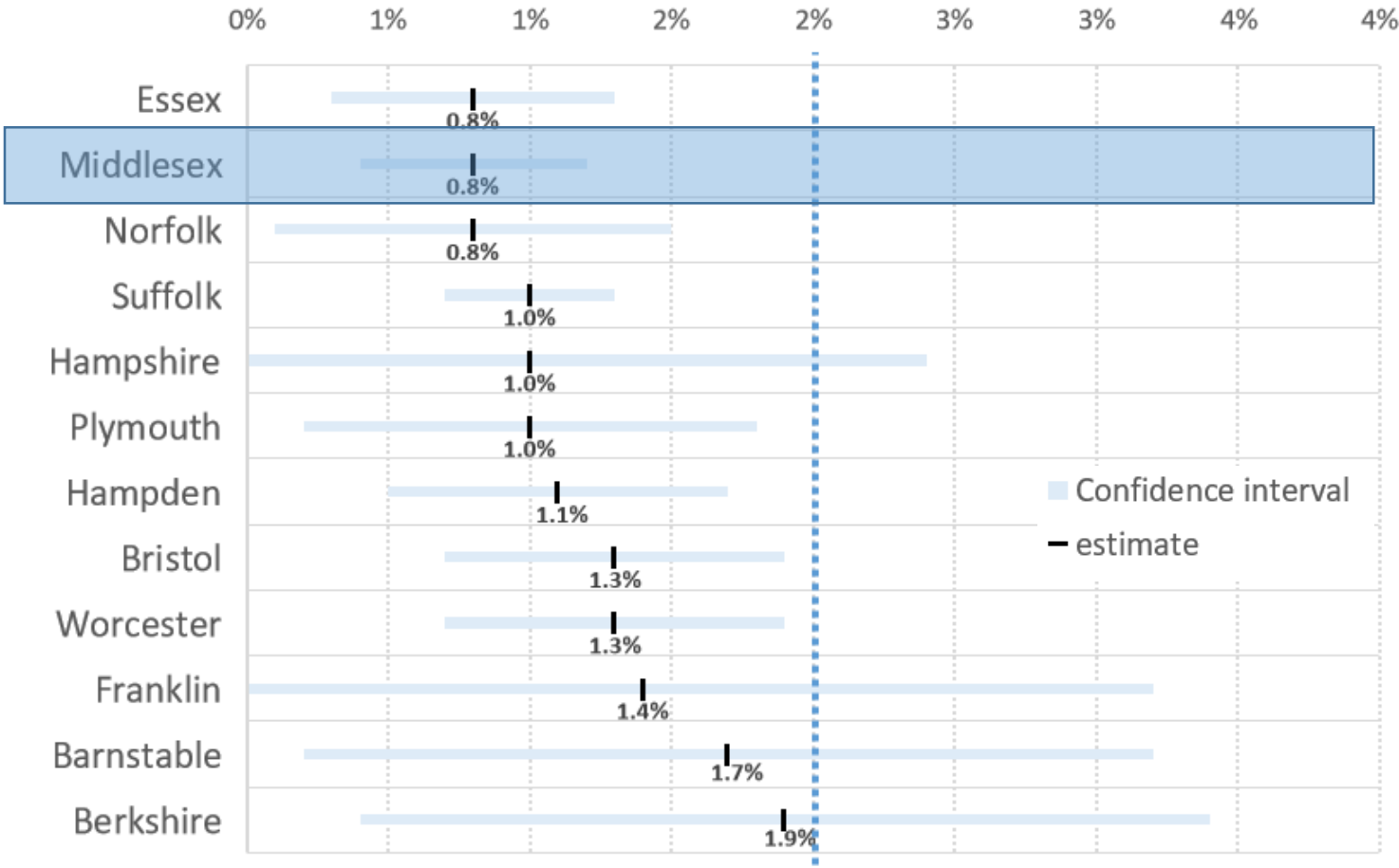
Data from U.S. Census Bureau, Building Permit Survey. Note: permits are as reported by cities and towns with imputed data by the Census Bureau for communities that fail to report.

Low vacancy rates, tight markets

Ownership vacancy rate estimates

County, 2013-2017

stable vacancy rate

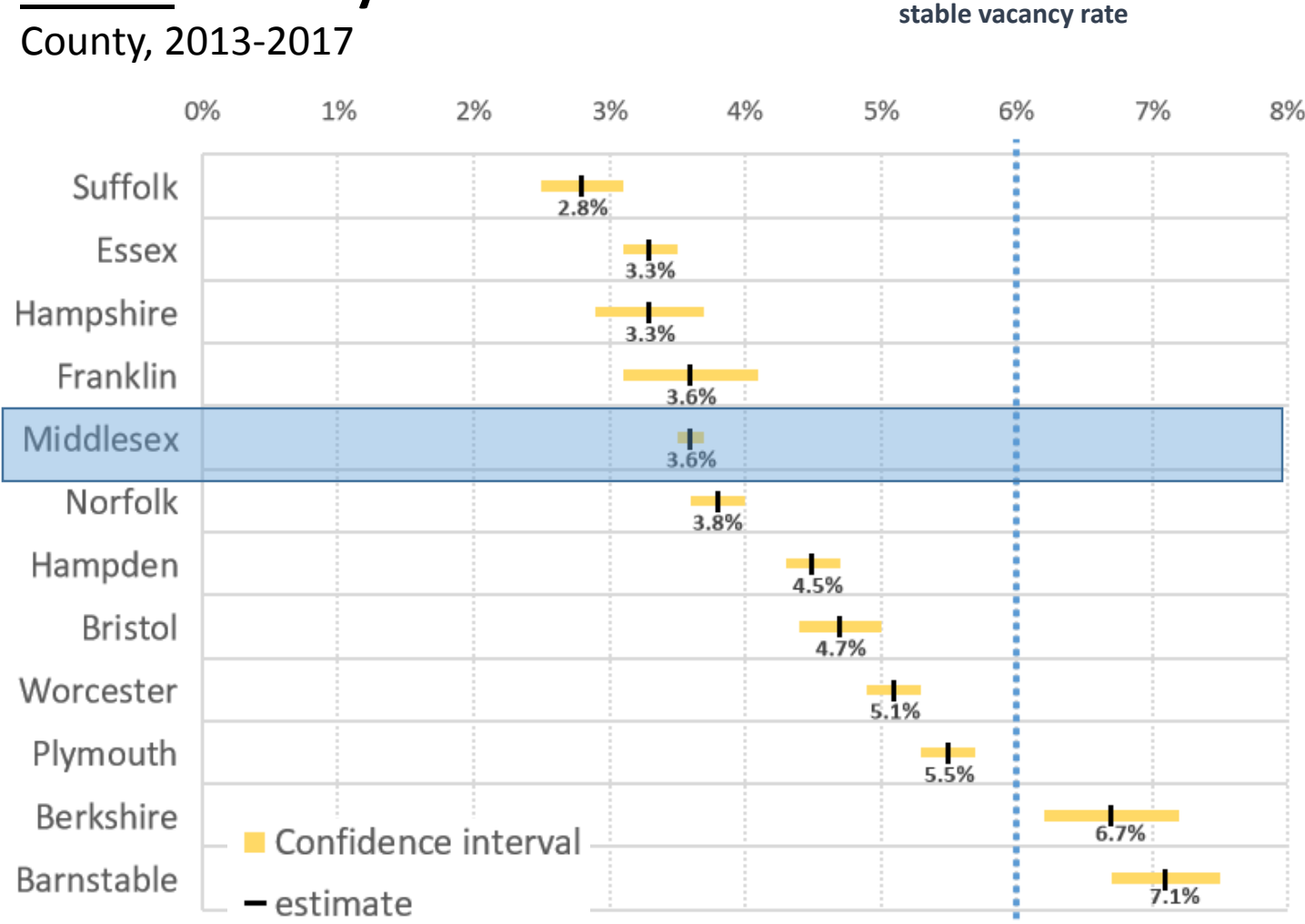


Data source: U.S. Census Bureau, American Community Survey 2013-2017
Calculations adjust out seasonal, occasional, and off-market units

Low vacancy rates, tight markets

Rental vacancy rate estimates

County, 2013-2017

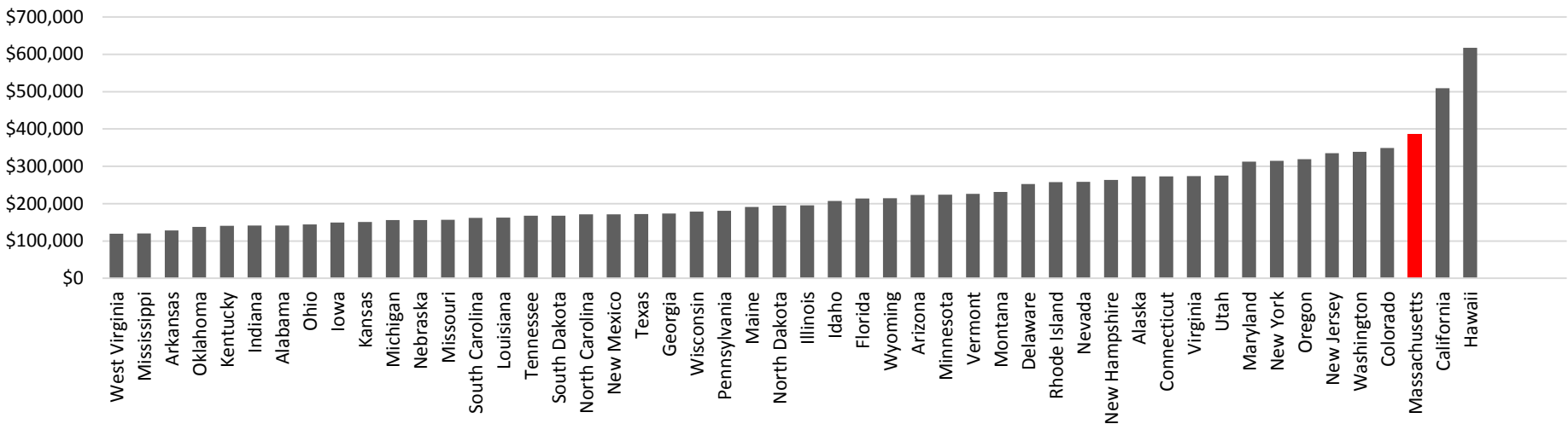


Data source: U.S. Census Bureau, American Community Survey 2013-2017
Calculations adjust out seasonal, occasional, and off-market units

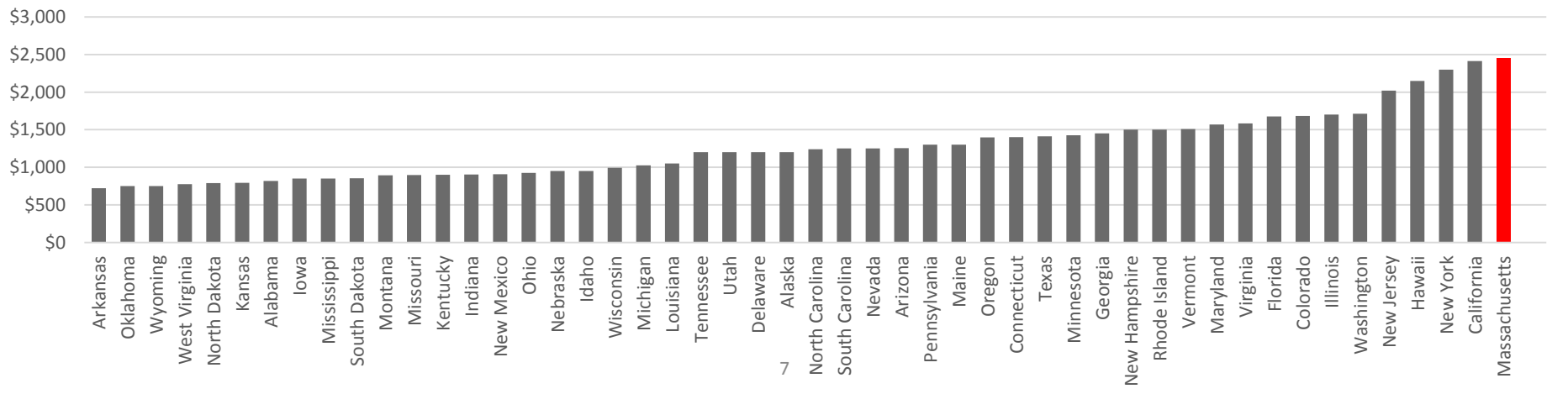


Housing costs among the highest in the nation

Median Home Value (2017)



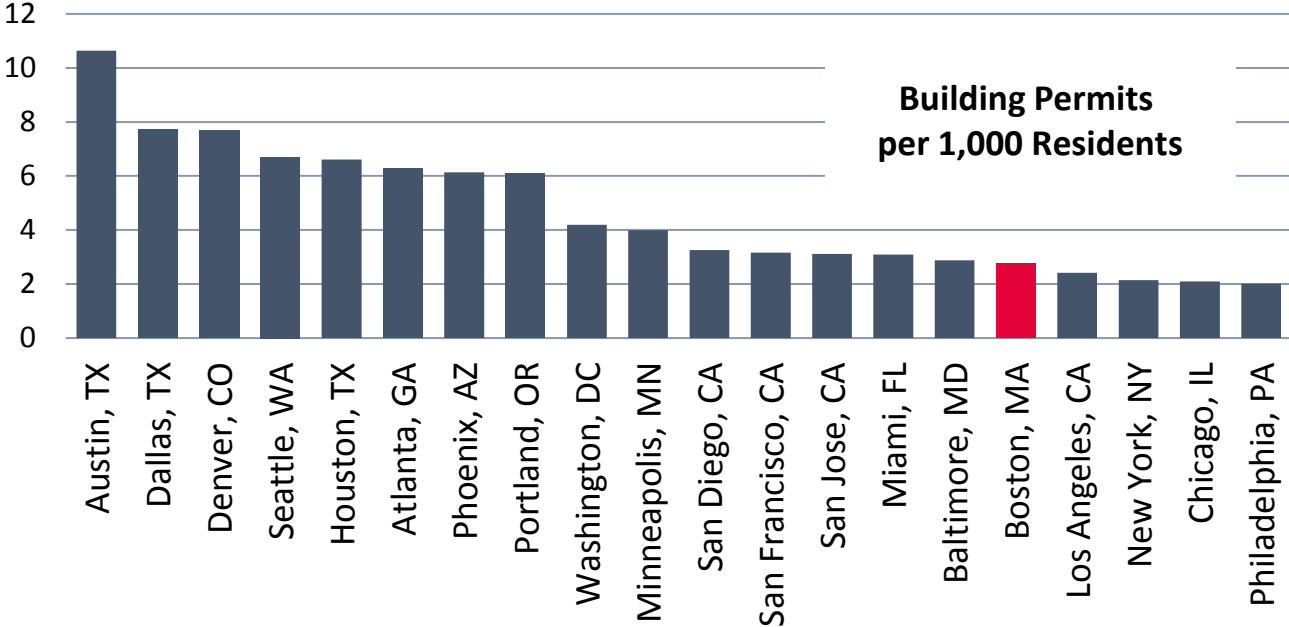
Median 2 Bedroom Rent (Feb. 2019)



Losing skilled workers to other U.S. regions

Building Permit Rates of the 20 Largest Innovation Economy Metros

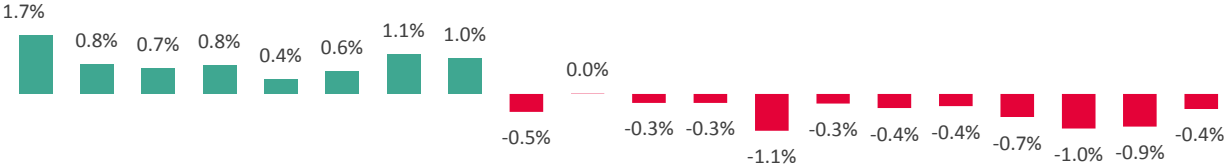
Source: U.S. Census Bureau, 2016 Building Permits Survey and 2016 Population Estimates



Most of the metros with the largest innovation economies are permitting a lot more housing per capita than we are.

Competitor metros that permitted more than 6 units per thousand residents saw net gains in population from domestic migration.

Net metro-to-metro migration, 2015-2016



Businesses are concerned about housing

Over **2/3 of employers** claim home prices and rental costs have affected their ability to recruit **qualified candidates.**

Northeastern University survey of businesses in Greater Boston, April 2017



“**High housing costs** and housing availability are a **major concern** of businesses looking to expand or relocate in Massachusetts.”

MassEcon report, March 2017

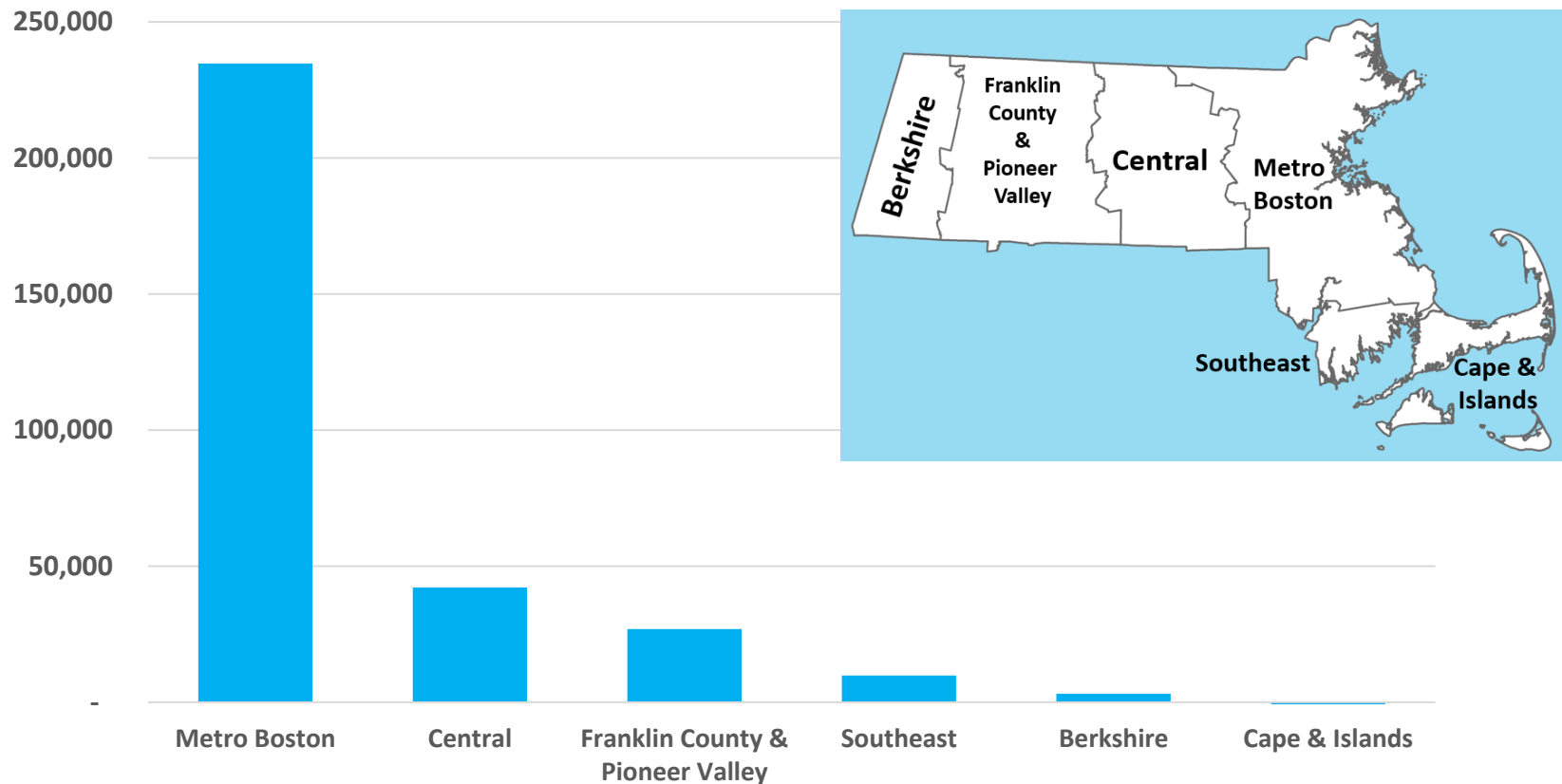
“The things that keep me up at night about other tech companies considering Boston are **transportation and housing** [challenges], less so about a fight for talent.”

HubSpot chief people officer as quoted in the Boston Globe, 9/21/2017



The projected future need for new housing by 2030 is heavily concentrated in metro Boston

Projected Net New Households 2015 to 2030



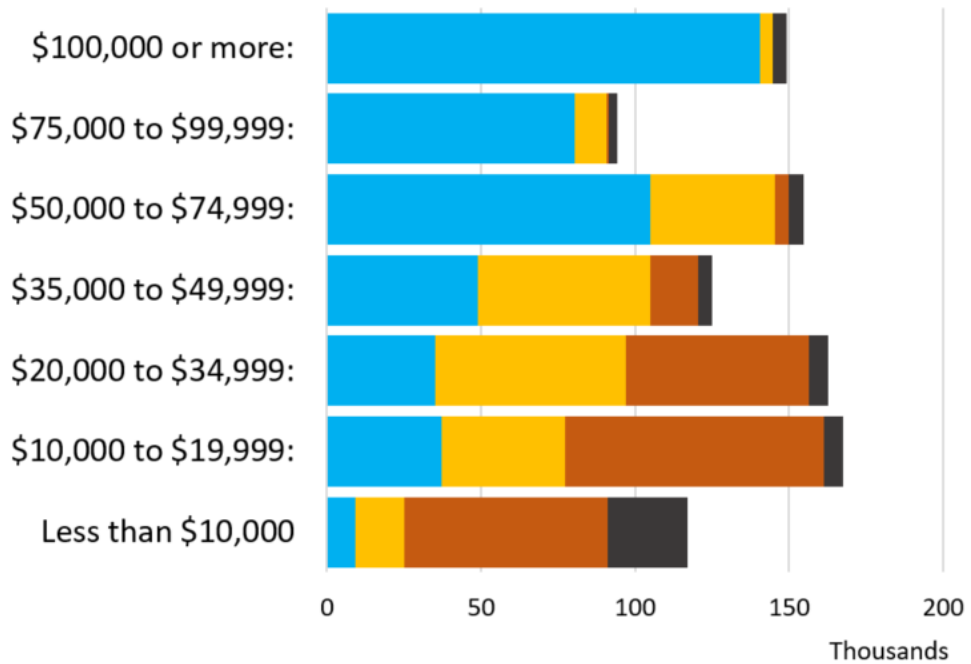
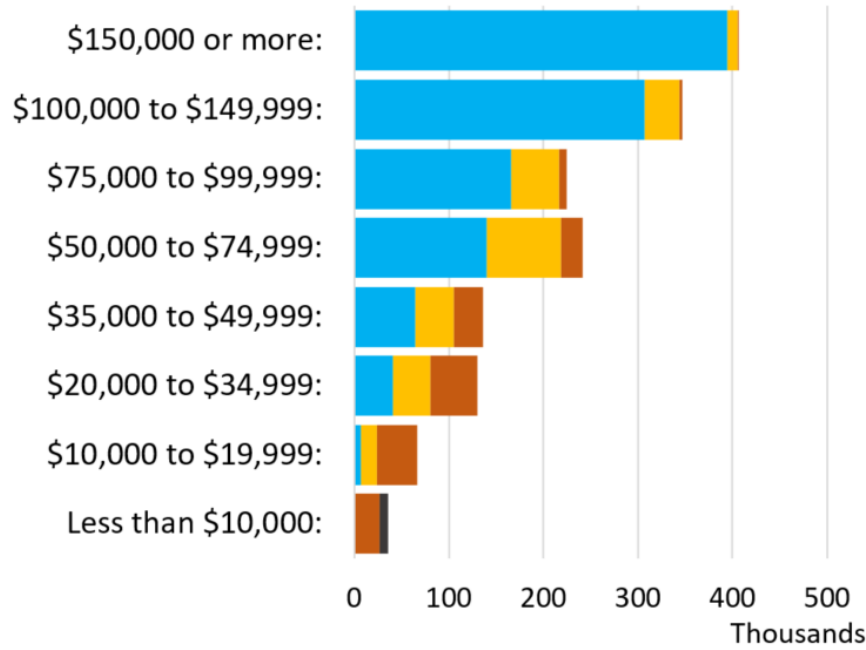
Many households are struggling with affordability

182,801
Severely burdened owner households

230,585
Severely burdened renter households

Households by ownership cost burden

Households by rent burden



■ Not Burdened ■ Burdened
■ Severely Burdened ■ Not computed

Data source: U.S. Census Bureau, American Community Survey 2012-2016

Does the state have the housing stock needed to accommodate changing needs?

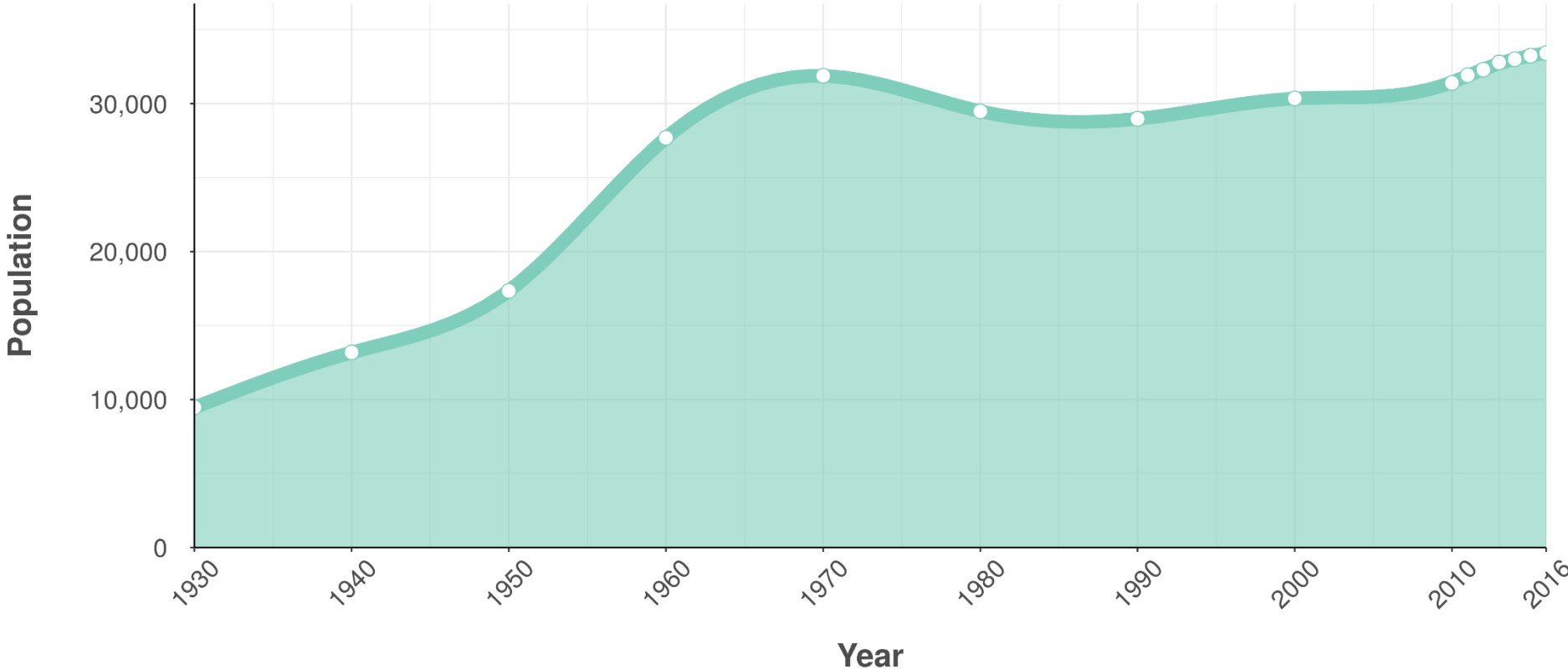


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Recent moderate population increases

Population change Lexington

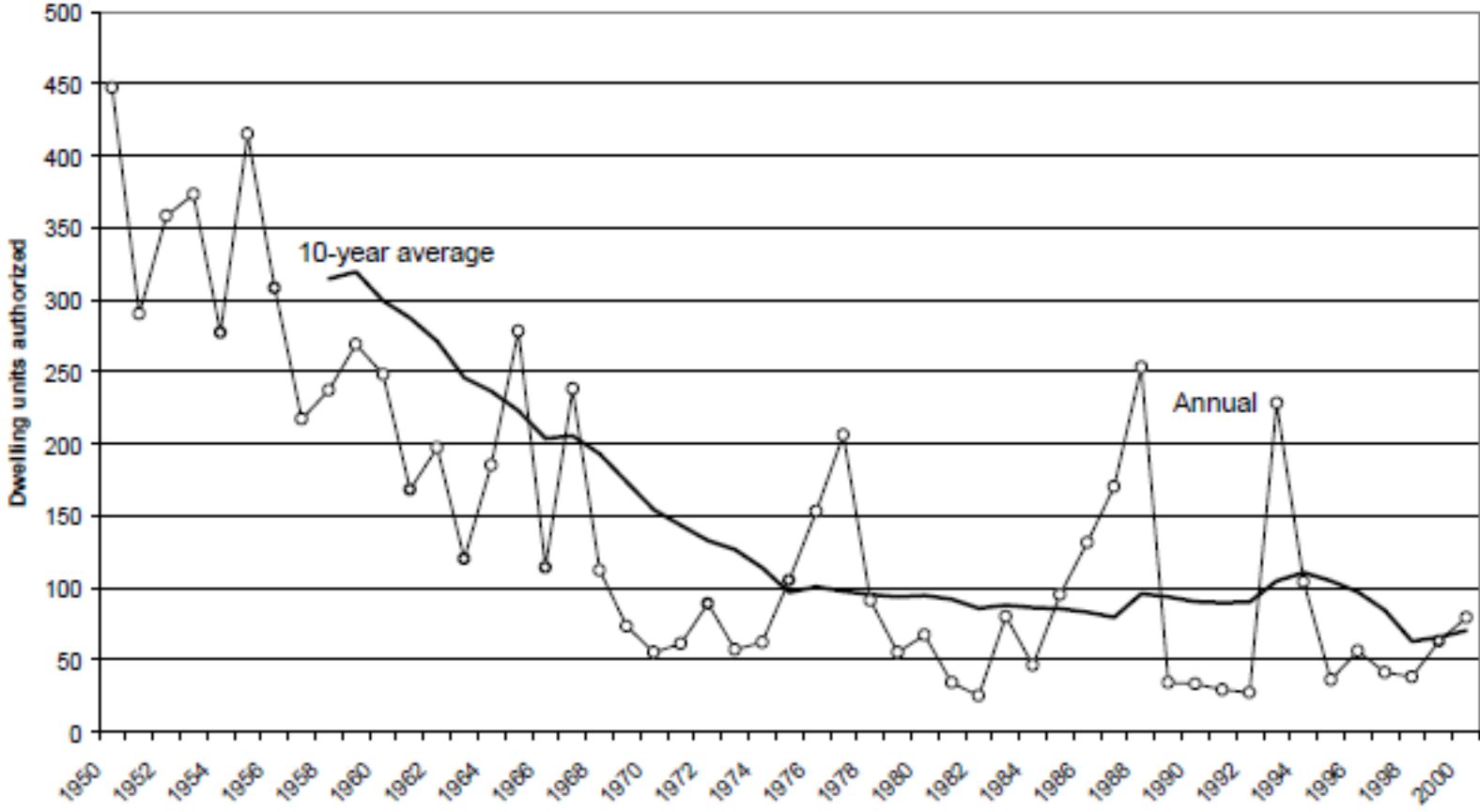


Source: U.S. Census Bureau Population Estimates Program



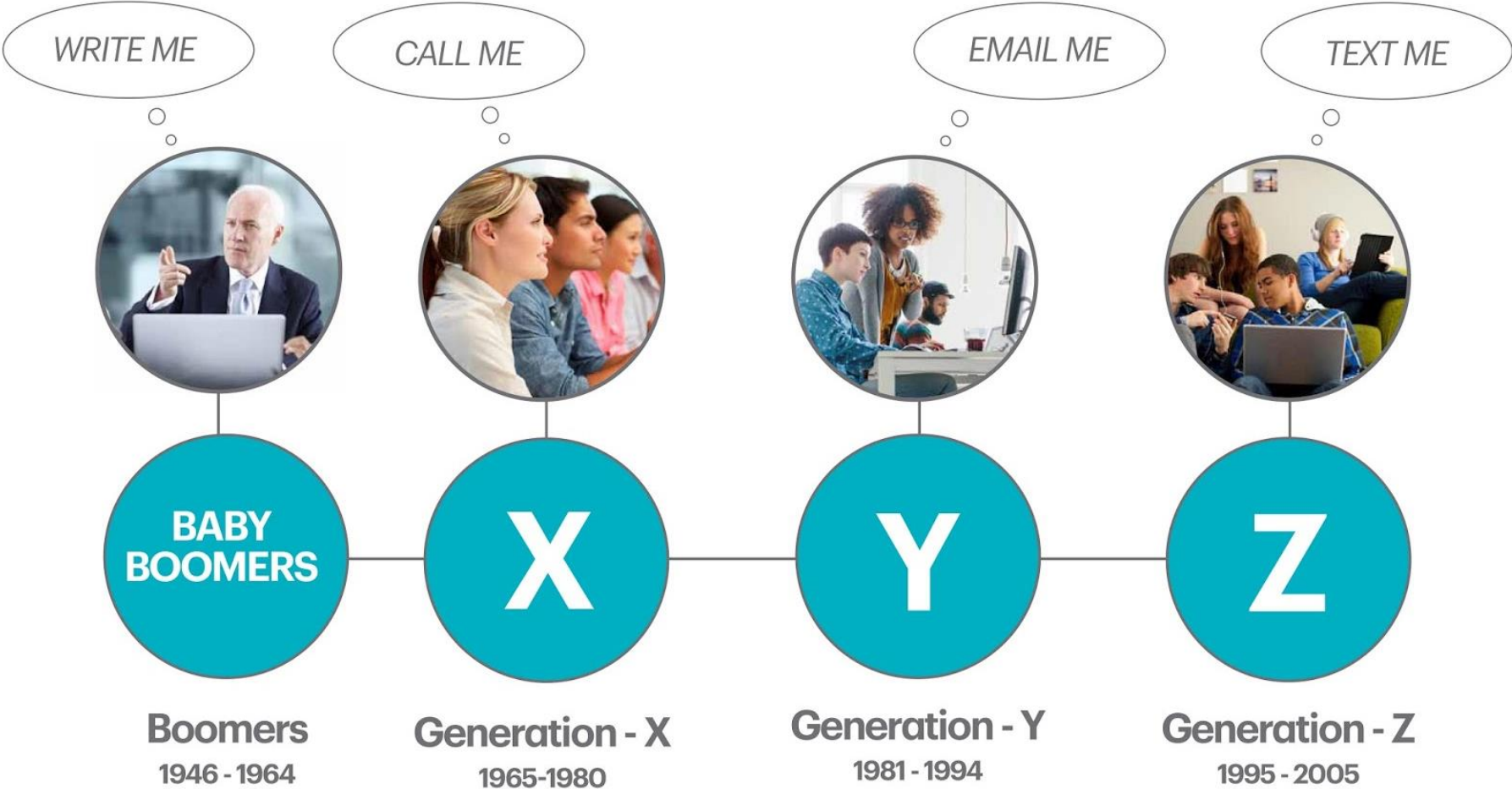
Lexington is building fewer units

Chart H1
HOMEBUILDING
Lexington 1950-2000



Source: 2002 Housing Element of Lexington Master Plan

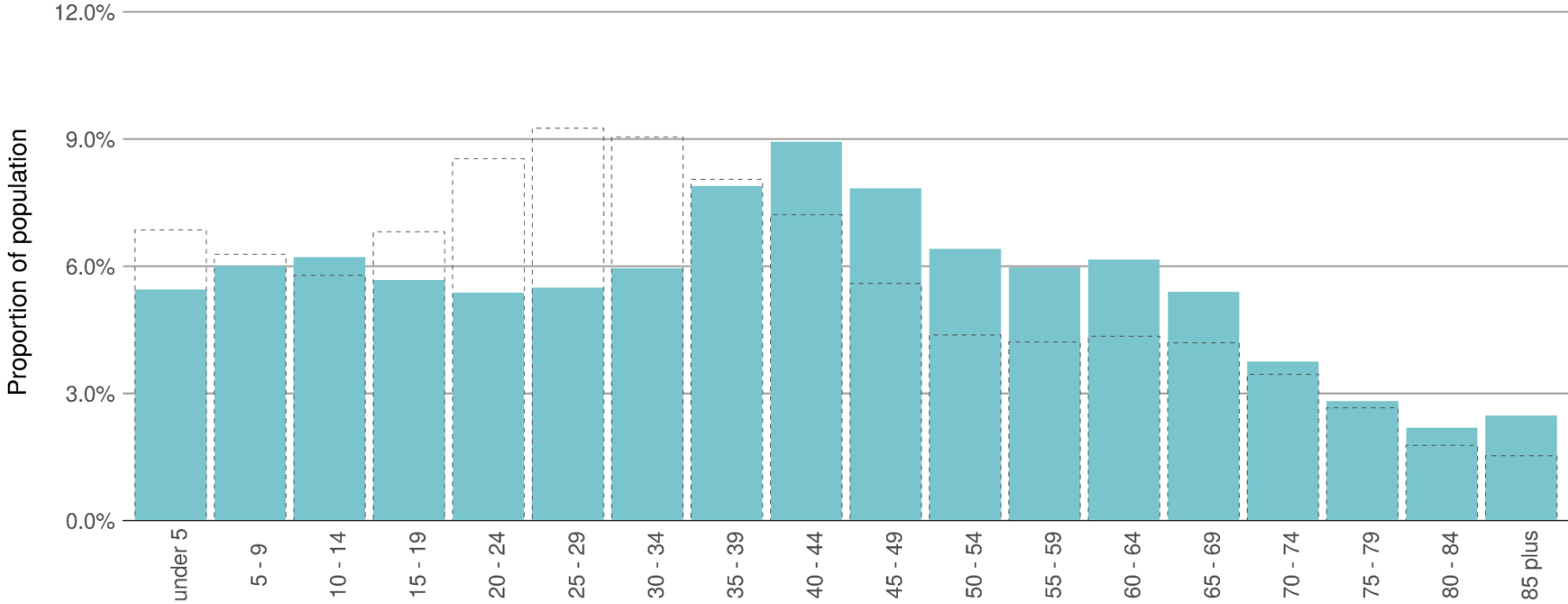
Different generations have different needs



In 1990 population was older than state averages

Age distribution of population Lexington v. State 1990

Massachusetts Confidence interval Lexington



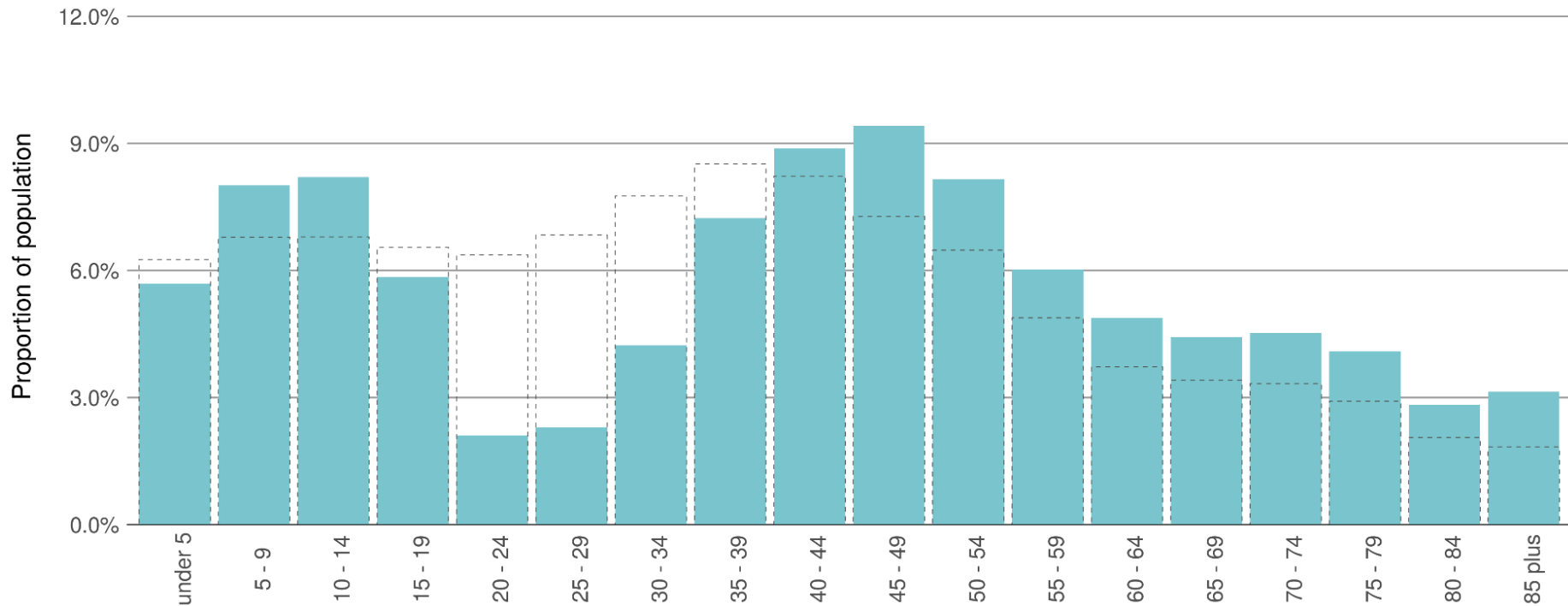
Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey, 2013-2017 5-year estimates. Table S0101: Age and Sex



Between 1990 and 2000, the number of young adults plummeted, baby boom dominates

Age distribution of population Lexington v. State 2000

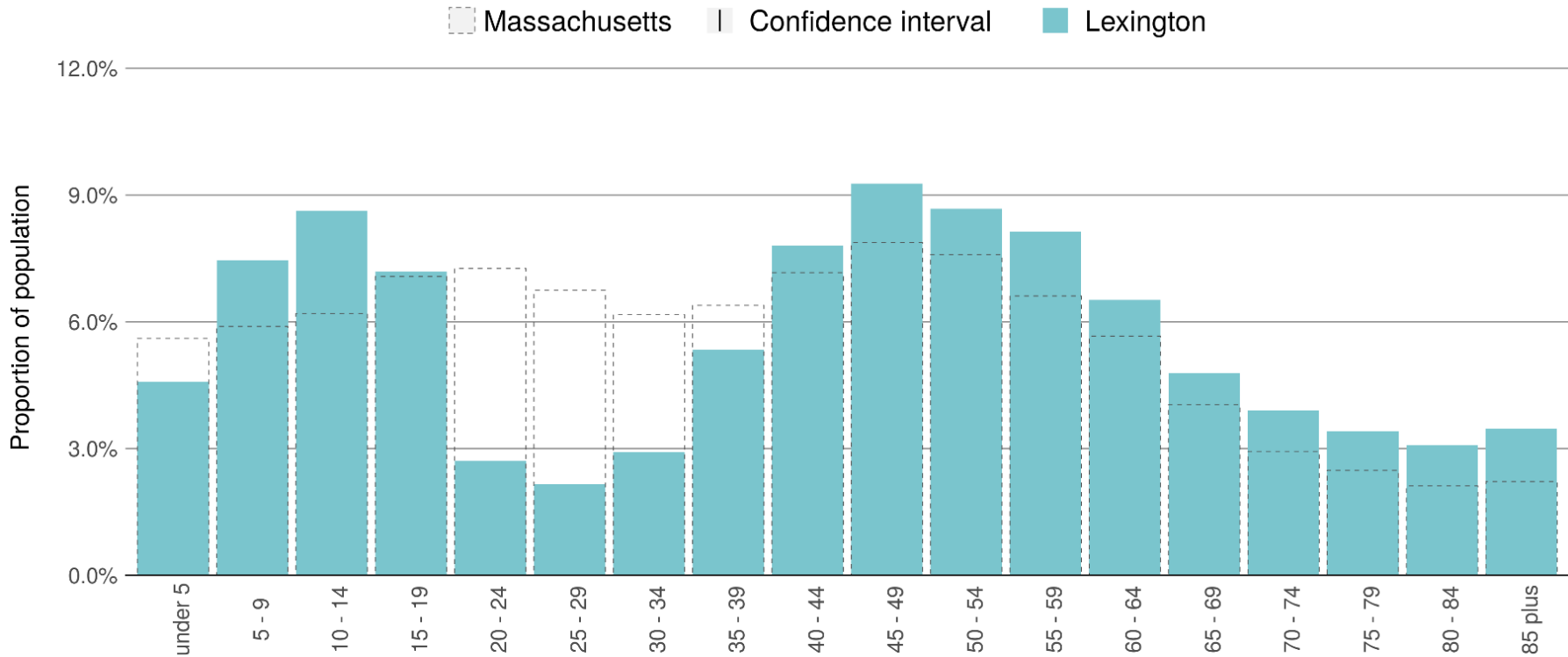
Massachusetts Confidence interval Lexington



Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey, 2013-2017 5-year estimates.
Table S0101: Age and Sex

Between 2000 and 2010 population aged and percent of school aged children grew

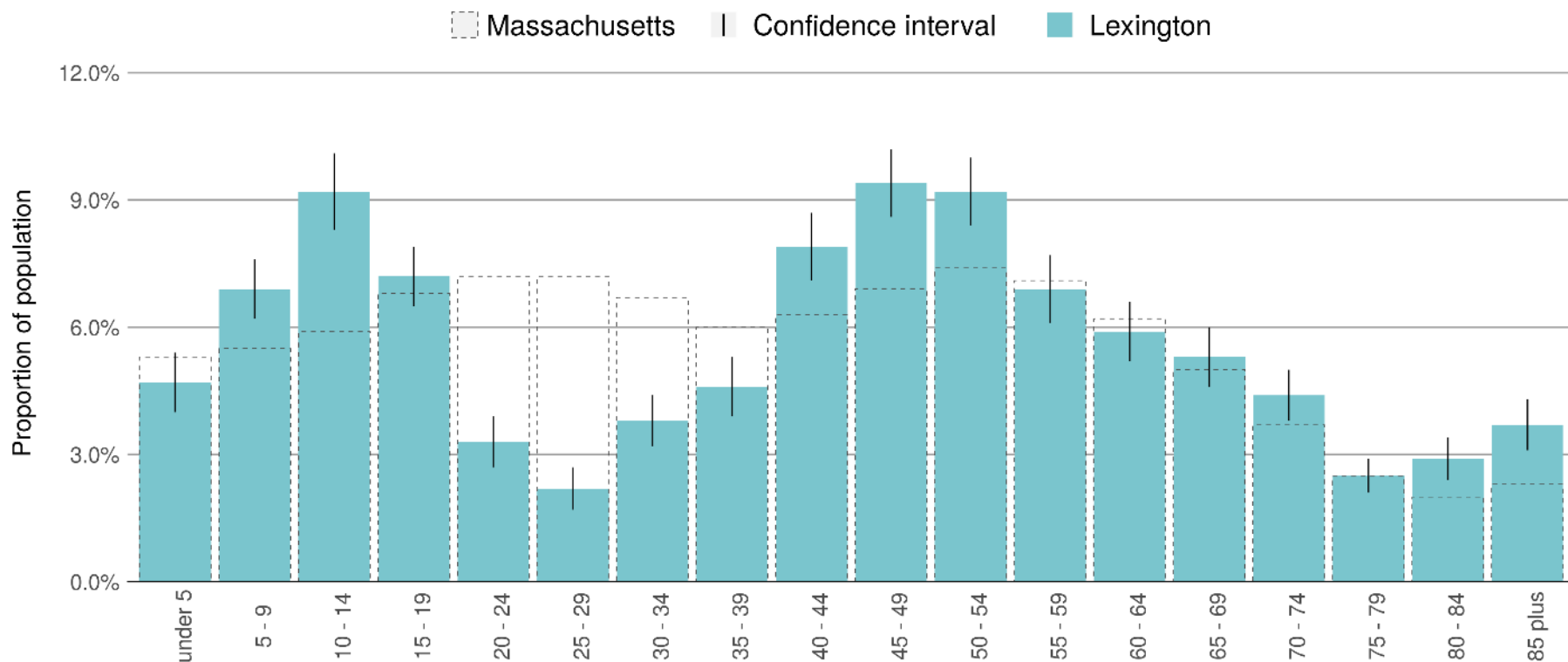
Age distribution of population Lexington v. State 2010



Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey, 2013-2017 5-year estimates. Table S0101: Age and Sex

Between 2010 and 2017, Lexington is getting younger and baby boomers decline

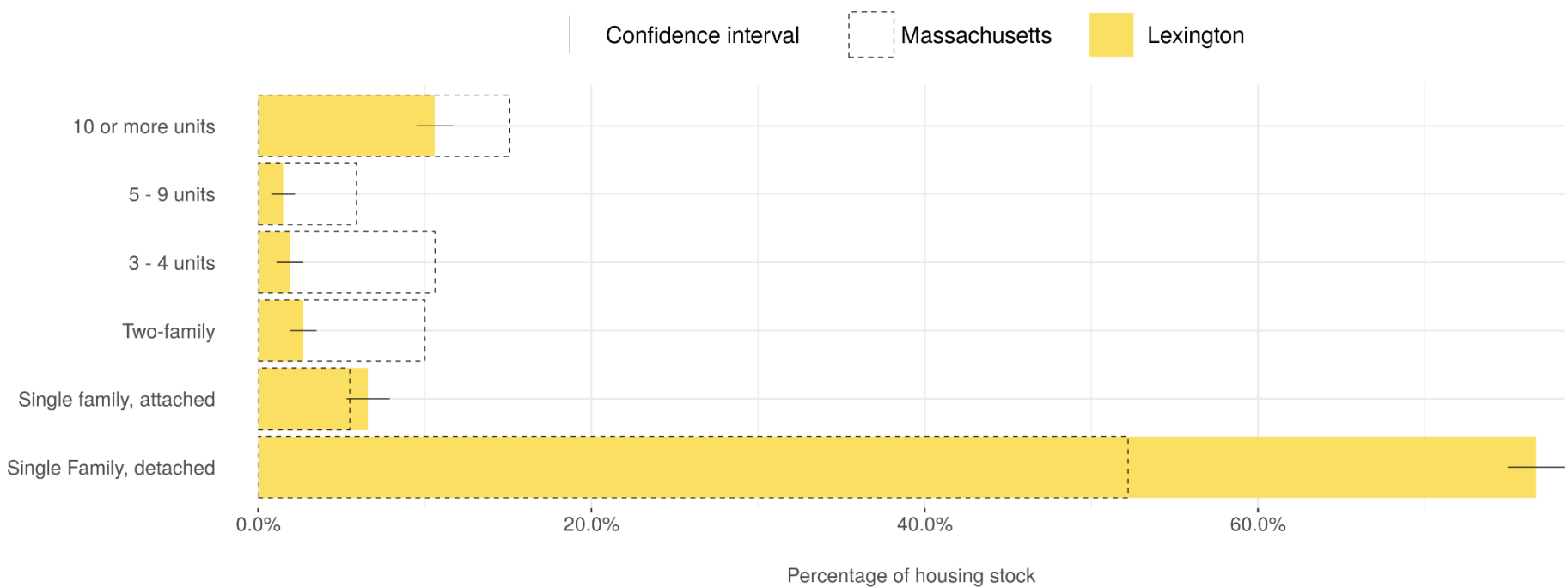
Age distribution of population
Lexington v. State
2013-2017 ACS



Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey, 2013-2017 5-year estimates. Table S0101: Age and Sex

Lexington housing almost all single family

Housing units by building type Lexington v. State

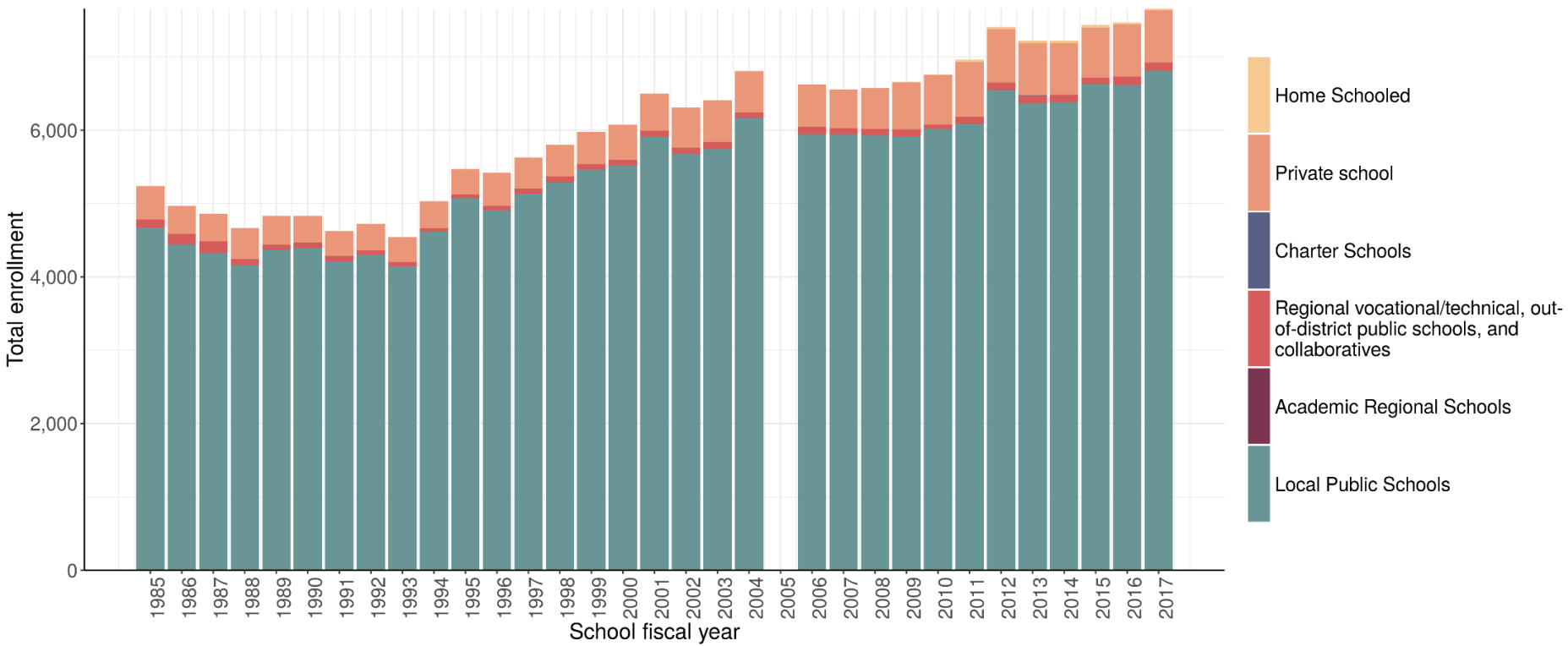


Source: U.S. Census Bureau American Community Survey, 2013-2017 5-year estimates
Table S2504: Physical Housing Characteristics for Occupied Housing Units

Lexington's school enrollment reflects population growth even though not much housing has been built



School aged children by enrollment type
Lexington



Source: Massachusetts Department of Elementary and Secondary Education

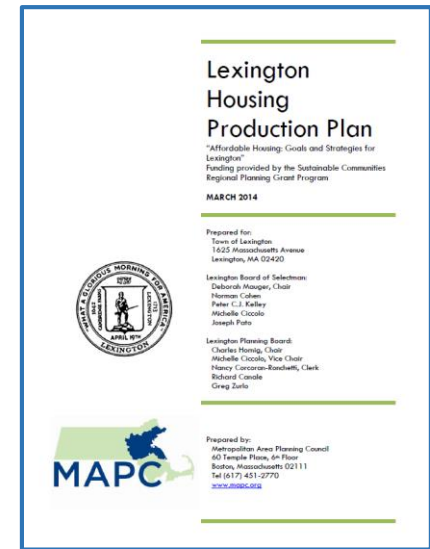
What can Lexington do about it?

Housing Production Plan (2014)

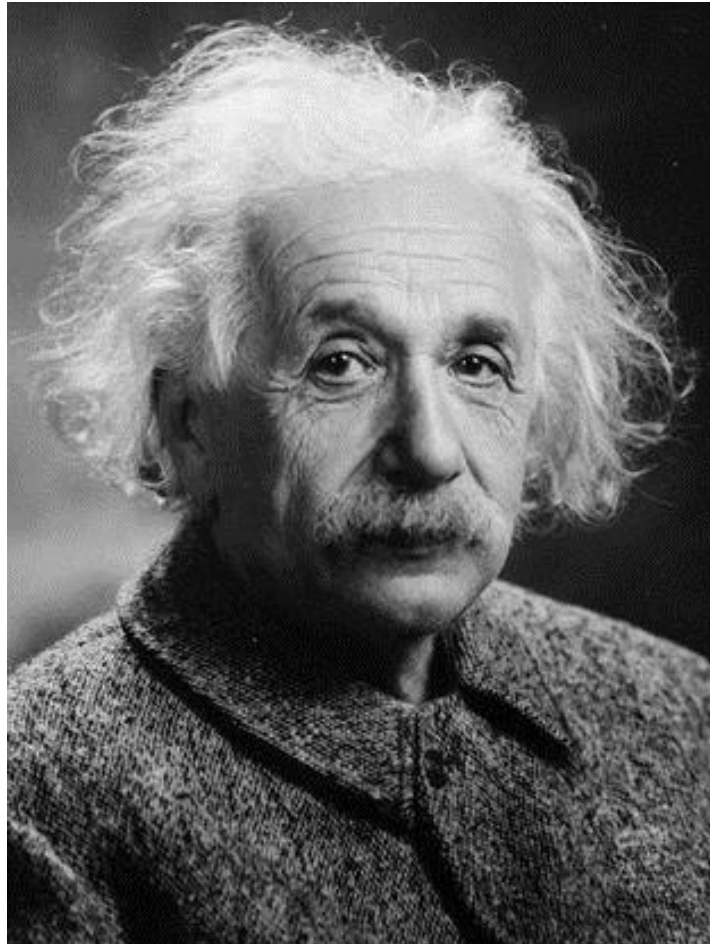
- Reconsider Inclusionary Zoning
- Allocate no less than \$500,000 from CPA for community housing
- Consider zoning changes including by-right overlay districts such as Compact Neighborhoods to encourage low- middle income housing in existing residential zones

2002 – 2003 Master Plan – Housing Element

- **“Explore allowing higher residential densities near retail and good transportation.** The logic is clear: those are locations where compact development can really result in somewhat lower auto trip generation per dwelling unit and per job, and more compact development is inherently lower in cost, making affordability somewhat easier to achieve.”
- **“Facilitate conversion of existing non-residential structures to residential use** through a careful, but not onerous special permit procedure. School conversions to such use, authorized under Zoning Section 9.8, have been widely accepted as compatible with existing neighborhood fabric. More opportunities for compatible reuse may exist with other types of structures, but zoning designed to facilitate that doesn't exist.”



Solving the Problem: Housing Choice Initiative



We cannot solve our problems

with the same thinking we used

when we created them.

- Albert Einstein

- ◆ Legislative Fix to c. 40A
- ◆ Incentives and Rewards
- ◆ Data and Tracking
- ◆ Coordinated Technical Assistance
- ◆

Summary: Housing Choice Initiative

Housing Goal: 135,000 new units by 2025

1. Rewards/Incentives: Housing Choice Designation

- a. Capital Grant Program,
- b. Small Town Capital Grants (less than 7,000 population)
- c. Consideration for 9 state capital grant programs

2. New and Better Coordinated Grants & Technical Assistance

3. Legislation – An Act to Promote housing Choices

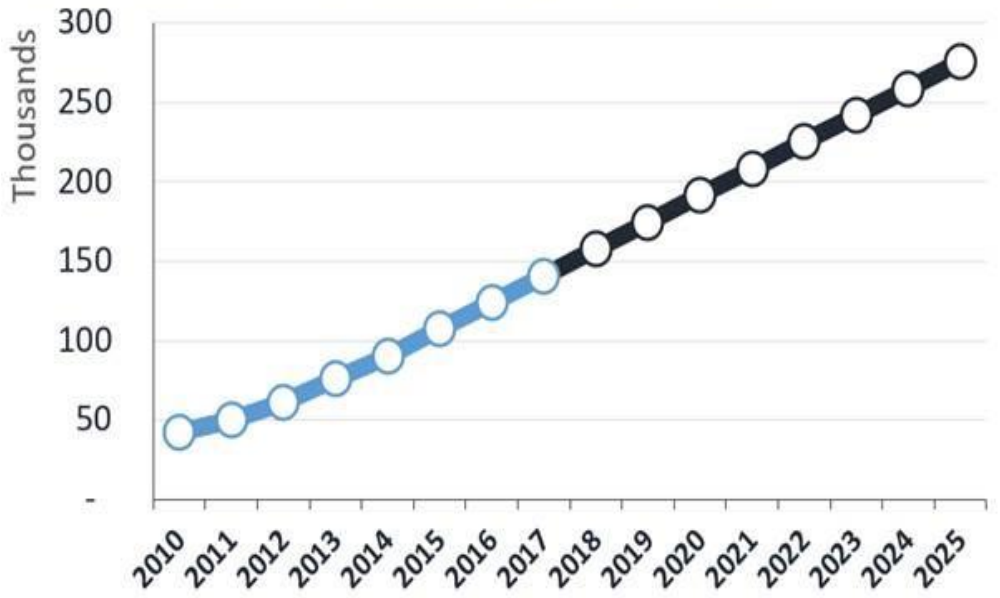


Establish a Housing Goal

The Housing Choice Initiative will track progress towards the Goal of 135,000 new units by 2025 and improve data systems.

- Goal is achievable because production in the last 3 years has been strong, but it needs to be sustained.
- Represents a 26 percent increase in housing production compared to the last eight years.
- Keeps pace with projected increases in housing demand.
- Is closely aligned with the housing production goals required for designation as a Housing Choice community.

Cumulative Housing Units Permitted 2010-2025
PAST PERFORMANCE: 107,000 new units 2010-2017 (last 8 years)
GOAL: 135,000 new units 2018-2025 (next 8 years)



Housing Choice Best Practices

*Affordable Best Practices marked with an **

- 1. * Designated local resources for housing such as established an Affordable Housing Trust, donated land, or spent substantial Community Preservation Act (CPA) funds for community housing over the last 5 years**
- 2. Selected a housing best practice as part of a Community Compact**
- 3. * Have units currently eligible for inclusion in the Subsidized Housing Inventory (SHI) that equal or exceed 10% of total year round housing stock according to the DHCD subsidized housing inventory**
- 4. Have zoning that allows mixed use or cluster / Open Space Residential development by right (or can demonstrate a pattern of approving such developments over the last 5 years)**
- 5. Have zoning that allows for accessory dwelling units by right (or can demonstrate a pattern of approving ADUs over the last 5 years)**
- 6. *Have Inclusionary Zoning that provides for reasonable density increases so that housing is not unreasonable precluded**

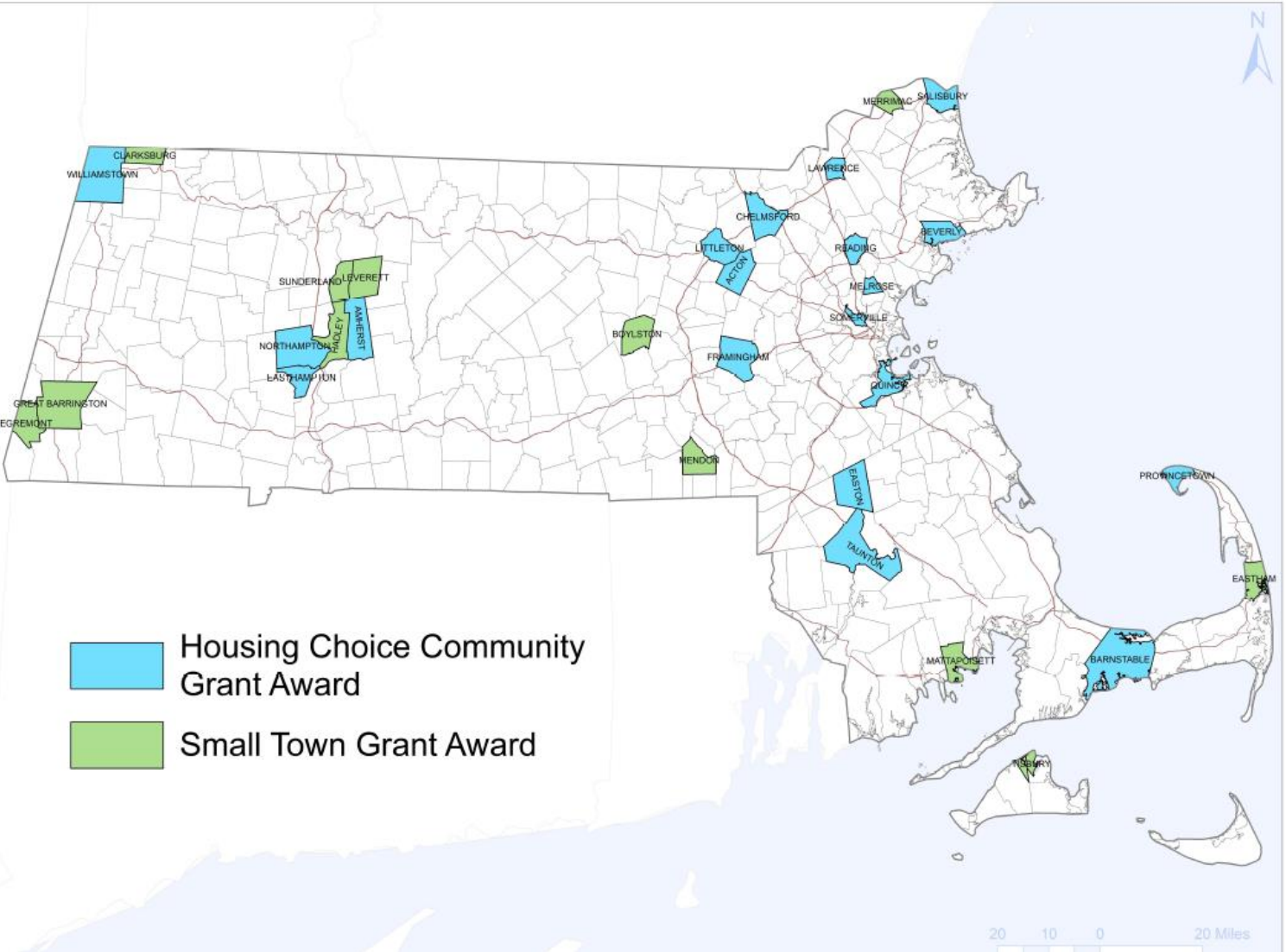
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Housing Choice Best Practices

*Affordable Best Practices marked with an **

7. *** Have an approved 40R Smart Growth or Starter Homes district**
8. *** Participate in the Housing Development Incentive Program, have adopted an Urban Center Housing Tax Increment Financing district, approved District Improvement Financing (DIF) related to housing, have adopted an Urban Renewal Plan that includes a significant Housing element, or have adopted property tax relief programs either as provided for by statute (MGL c. 59 section 5) or through a home rule petition.**
9. **Have at least one zoning district that allows multifamily by right with capacity to add units and that allows for family housing (does not restrict units with more than 2 bedrooms)**
10. *** Have a CERTIFIED Housing Production Plan which means that you have an DHCD approved Housing Production Plan and have subsequently seen an increase of 0.5% or 1% in your year round housing units (see <https://www.mass.gov/service-details/chapter-40-b-housing-production-plan> for more information)**
11. **Reduced parking requirement for Multi-Family units within the last 5 years, or require no more than 1 parking space per unit for multifamily units.**

Housing Choice Grant Recipients



Housing Choice Community Grant Awards

Acton	\$	165,000
Amherst	\$	190,000
Barnstable	\$	250,000
Beverly	\$	150,000
Chelmsford	\$	225,000
Easthampton	\$	225,000
Easton	\$	225,000
Framingham	\$	250,000
Lawrence	\$	206,500
Littleton	\$	250,000
Melrose	\$	168,000
Northampton	\$	225,300
Provincetown	\$	250,000
Quincy	\$	250,000
Reading	\$	50,000
Salisbury	\$	225,000
Somerville	\$	200,000
Taunton	\$	245,200
Williamstown	\$	250,000
Total	\$	4,000,000

Small Town Grant Awards

Boylston	\$	83,500
Clarksburg	\$	21,500
Eastham	\$	100,000
Egremont	\$	100,000
Great Barrington	\$	100,000
Hadley	\$	95,000
Leverett	\$	100,000
Mattapoissett	\$	88,426
Mendon	\$	26,500
Merrimac	\$	100,000
Sunderland	\$	71,438
Tisbury	\$	98,500
Total	\$	984,864

An Act to Promote Housing Choices: H.3507

H. 3507 changes MGL c. 40A to **reduce the threshold of votes needed to adopt certain zoning changes** that promote housing production **from 2/3 to simple majority**.

1. Reducing residential dimensional requirements.
2. Reducing required residential parking ratios.
3. Creating mixed-use zoning in town centers, and creating multi-family and starter home zoning in town centers, near transit, and in other smart growth locations.
4. Adopting “Natural Resource Protection Zoning” and “Open Space Residential Development” by right.
5. Adopting provisions for Transfer of Development Rights (TDR).
6. Adopting 40R “Smart Growth” or “Starter Home” zoning.
7. Allowing accessory dwelling units or “in-law” units by right.
8. Allowing for increased density through a Special Permit process promoting more flexible development.

In Practice

A city wants to adopt a 40R district allowing multi-family residential units in its downtown near a commuter rail station. This 40R district would be a new Zoning Overlay, and would require a housing density of 20 units per acre. Instead of needing 8 of 11 city council votes under the current law, only 6 of 11 votes would be required.



An Act to Promote Housing Choices: H.3507 (cont.)

H. 3507 also makes three other changes to increase housing development.

9. Where communities already allow transit oriented multi-family and mixed-used projects by Special Permit, the bill reduces the 2/3 vote for special permit approval to a simple majority for projects with at least 10% affordable units.
10. Requires DHCD to report on progress towards 135,000 new units and Housing Choice designations and grants.
11. Allows municipalities to enter into revenue sharing agreements for sites affecting more than one local government.

In Practice

A Town allows for multifamily projects to be approved by Special Permit in its Downtown District which has a commuter rail station, and the town's zoning requires that 15% of multifamily projects be affordable.

A developer submits a project located in the downtown for a 100 unit building with 15 affordable units 0.3 miles from the commuter rail station for review by the Planning Board.

Instead of requiring 4 out of 5 votes from the Planning Board, the project only needs 3 of 5 votes.



Positive Steps: Local Governments Leading



West Newbury added significant (50%) density bonus for affordable units and “starter homes” that are deed restricted to a maximum of 1,500 square feet. The attractive cottage style development created 30 units by the town’s OSRD bylaw.

Photo: Attorney Melissa Robbins

Devens Enterprise Commission wrote an illustrated “Innovative Residential Development” bylaw which led to Emerson Green, a mix of single family, duplex and apartment buildings

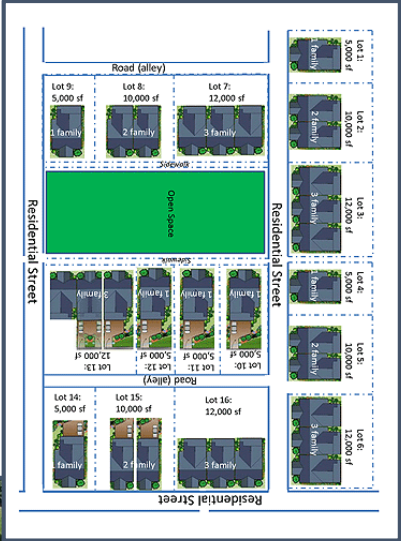


Photo: Dan Gainsboro, NOW Communities

Positive Steps: Local Governments Leading

REGIONAL HOUSING SERVICES OFFICE, ESTABLISHED 2011

Member Towns receive housing services for an annual fee per Inter-Municipal Agreement:

- Monitoring
- Inventory Management
- Program Administration
- Assessment Valuations
- Local Support, Website
- Regional Collaboration

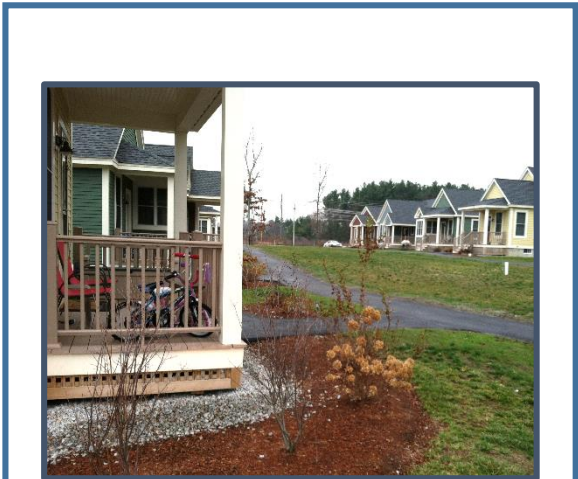
Town of Concord
Lead Community

RHSD Personnel deliver services through Lead Community.

Membership Fee covers all staffing, and administrative expenses, such as accounting, office support, mail, technology, etc.

Member Town Statistics (FY16)				
	Housing Units	Restricted Units	Restricted Ownership	SPH%
Acton	8,475	552	55	6.51%
Bedford	5,322	974	52	18.30%
Burlington	9,627	3008	59	10.47%
Concord	8,832	728	49	10.48%
Lexington	11,946	1337	33	11.18%
Sudbury	5,921	357	36	6.09%
Weston	3,952	149	27	3.77%
	52,065	5,095	311	9.78%

Acton, Bedford, Burlington, Concord, Lexington, Sudbury, Wayland, and Weston coordinate “shared housing services” for efficient staff resources.



Westford donated land for 100% affordable project; Affordable Housing Trust loans to mixed income projects, Mill Conversion Overlay and Senior Residential District in zoning bylaw

Chelmsford created a new zoning bylaw that allows multifamily near employment and also increased density in a commercial area in North Chelmsford. These tools allow the Town to better control its 40B destiny.

Positive Steps: Local Governments Leading

Andover created a Senior Residential Community Overlay District with a 15% affordability provision which resulted in **200 unit Riverside Woods** with a variety of housing choices for ages 62+



Acton is exploring ways to implement their Master Plan with the *Housing and Economic Development Implementation Program* funded by MassHousing in collaboration with CHAPA

Photo: RSHO



Beverly Established a 40R Smart Growth district near one of its Commuter Rail stations and adopted Inclusionary Zoning that has produced 50 affordable units

Positive Steps: Local Governments Leading



Northampton Allows ADUs, Mixed Use and Cluster subdivisions by right and provides significant funding to developers doing 100% affordable projects and permitted 125 new mixed use units in their downtown with infrastructure funding from MassWorks



Williamstown provided \$1.5 million in CPA funds towards the Cable Mills redevelopment and conducted public outreach and education about housing



Littleton changed zoning to add Inclusionary Zoning, allow ADUs by right, created a senior residential overlay district

Questions / Comments ?

www.mass.gov/housingchoice

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Other Resources

Planning for Production



www.masshousing.com – Planning & Programs

www.housingtoolbox.org – A great resource

www.mhp/datatown.net – Community info in one place



HOUSING TOOLBOX
for Massachusetts Communities 

