

# TOWN OF NORWELL, MASSACHUSETTS

## HOUSING PRODUCTION PLAN



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# TOWN OF NORWELL HOUSING PRODUCTION PLAN

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# TOWN OF NORWELL

## HOUSING PRODUCTION PLAN

### I. EXECUTIVE SUMMARY

Norwell continues to be a desirable place to move to, to work in, and to raise children. However, based on a continued affordability gap, largely outside of the Town's control due to demographic and economic conditions, the Town needs to strategically plan for future residential development. As indicated in Norwell's 2005 Master Plan, "by establishing a proactive affordable housing policy, Norwell can shape affordable housing to fit its own needs for more diversity in housing types and affordability, while still complementing the town's traditional development patterns and meeting state goals".

This Housing Production Plan identifies tools for making progress on reducing the affordability gap. Through a range of strategies including zoning changes, partnerships with developers and service providers, and subsidies, the Town can play a meaningful role in promoting housing options that match people to appropriately priced and sized units – producing housing that reflects the range of local needs!

#### A. Summary of Demographic and Housing Characteristics and Trends

Table 1-1 summarizes demographic characteristics in Norwell and compares this information to that of Plymouth County and the state. This information shows some notable demographic trends:

- **Population and Housing Growth – Slower by Steady Growth**

After the building boom years of 1950 to 1980, Norwell's population has been growing more slowly but steadily. According to Town records, Norwell added another 930 residents from 2000 through March 1, 2011, representing a 9.5% rate of growth for a total population of 10,695. This level of growth is significantly higher than the 1.1% growth rate from 1980 and 1990 and 5.2% between 1990 and 2000.

Housing growth outpaced total population growth significantly between 1980 and 2010, as the population increased by 16.5% while the number of housing units grew by 29.9%, largely reflective of a growing number of smaller households. All of the growth occurred in the owner-occupied housing stock.

- **Age of Population – Increases in Older Residents**

Those in the older age ranges are increasing in numbers and in proportion to the total population. For example, those 65 years of age or older increased from 12.6% to 15.9% of the population from 2000 to 2010 and the median age increased from 40.1 to 43.8 years. On the other hand, those in the early family formation years of 21 to 34 years and the somewhat older 35 to 44-age range decreased significantly over the last decade.

- **Types of Households – A Community of Families**

More households in Norwell involved families in comparison to Plymouth County and the state, and about 40% of all households included families with children under age 18. Non-

family households<sup>1</sup> increased substantially however, from 13.2% of all households in 1980 to 19.9% by 2010, reflecting both regional and national trends towards smaller and more non-traditional households, including more single individuals living alone.

Demographic Characteristics	Norwell		Plymouth County		Massachusetts	
	2000 Census	2010 Census	2000 Census	2010 Census	2000 Census	2010 Census
Total population /Town records as of 3/11	9,765	10,506/ 10,695	472,822	494,919	6,349,097	6,547,629
Population density (per square mile)	468	504	433	453	810	835
% Minority residents	1.9%	3.7%	11.3%	14.5%	15.5%	19.6%
% under 18 years	28.6%	28.5%	26.8%	24.1%	23.6%	21.7%
% 18 to 20 years	2.2%	2.6%	2.3% (18-19)	3.7%	4.1%	4.6%
% 21 to 34 years	10.6%	7.6%	17.7%	14.2%	21.0%	18.6%
% 35 to 44 years	17.1%	13.4%	17.5%	14.1%	16.7%	13.6%
% 45 to 54 years	17.4%	17.7%	14.7%	16.6%	13.8%	15.5%
% 55 to 64 years	11.6%	14.2%	9.2%	13.4%	8.6%	12.3%
% 65 years or more	12.6%	15.9%	11.8%	13.9%	13.5%	13.8%
Median age	40.1 years	43.8 years	36.8 years	41.1 years	36.5 years	39.1years
% Non-family households	16.1%	19.9%	27.3%	29.4%	36%	37.0%
% Single-person households	14.2%	17.1%	22.2%	23.8%	28.0%	28.7%
Average household size	2.94 persons	2.89 persons	2.74 persons	2.67 persons	2.51 persons	2.48 persons
Median household income *	\$87,397	\$108,944*	\$55,615	\$73,131*	\$50,502	\$63,961*
Individuals in poverty *	1.9%	1.7%	6.6%	7.0%*	9%	10.8%*
% earning less than \$25,000/\$35,000 *	10.3%/16.4	9.8%/15.1%*	20.5%	15.3%/22.4%*	24.6%/33.3%*	20.6%/28.5% *
% earning more than \$100,000 *	41.9%	54.1%*	18.8%	33.4%*	17.7%	29.9%*

Sources: Data for the above table is derived, for the most part, from 2000 and 2010 census figures. Asterisks (\*) note data from the US Census Bureau's American Community Survey, 2006-2010 estimates.

- **Substantially Higher Income Levels**

The 2010 median household income is estimated to have been \$108,944 for Norwell, and much lower for the Plymouth County and state, \$73,131 and \$63,961, respectively.

Table I-2 presents comparative data on housing characteristics for Norwell, Plymouth County and the state that suggest the following trends:

<sup>1</sup> Non-family households are defined by the census as those that include single or unrelated individuals.

- **High Level of Homeownership**

Out of 3,675 total housing units in 2010, 91% were owner-occupied while approximately 9% were rental units. This level of owner-occupancy is substantially higher than the county and state with 2010 levels of 76.1% and 62.3%, respectively.

- **Older Single-family Homes Predominate**

The 2010 census estimates indicate that a great majority of the existing housing stock was in single-family, detached structures, representing 92.5% of all housing units in Norwell as opposed to levels around 71% for the county and 52% for the state. Most of the new unit creation has involved single-family dwelling units. Also, 36.7% of Norwell's housing was built prior to 1960 with about the same amount built between 1960 and 1980. Consequently, a large segment of Norwell's housing stock is likely to have traces of lead-based paint, some with deferred maintenance needs given aging structures.

Housing Characteristics	Norwell		Plymouth County		Massachusetts	
	2000 Census	2010 Census	2000 Census	2010 Census	2000 Census	2010 Census
Total units	3,318	3,675	181,524	200,161	2,621,989	2,808,254
% Occupied housing units	98.0%	96.7%	92.7%	90.5%	93.2%	90.7%
% Owner-occupied units	92.1%	91.2%	75.6%	76.1%	61.7%	62.3%
% Renter-occupied units	7.9%	8.8%	24.4%	23.9%	38.3%	37.7%
% Single-family, detached structures *	93.0%	92.5%*	71.7%	70.9%*	52.4%	52.2%*
% Units in structures of 3 or more units *	4.9%	6.8%*	19.6%	19.7%*	31.0%	31.6%*
Median single-family sales price/As of end of 2010 (Banker & Tradesman)	\$321,800	\$525,500	\$179,000	\$274,000	\$185,000	\$295,000
Housing growth 2000 to 2010	10.8%		10.3%		7.1%	
Housing density 2000 to 2010	159 to 176 units per sq. mile		166 to 183 units per sq. mile		334 to 358 units per square mile	

Sources: Data for the above table is derived, for the most part, from 2000 and 2010 census figures. Asterisks (\*) note data from the US Census Bureau's American Community Survey, 2006-2010 estimates.

- **Decrease in persons per unit**

The average number of persons per unit dropped between 1980 and 2010 for owner-occupied units, from 3.4 to 3.0 persons, and decreased as well for rental units, from 1.81 to 1.75 persons. These decreases once again reflect local, regional and national trends towards smaller households and relate to the change in the average household size in Norwell from 3.30 persons in 1980 to 2.89 persons by 2010.

- **Housing Market Conditions – Prices Remain High**

The median sales price of a single-family home in Norwell was \$525,500 as of the end of 2010 and then fell to \$502,000 by the end of 2011. This median house price still continues to be substantially higher than the median prices for Plymouth County and the state. To afford the median sales price of \$525,000, a household would have to earn approximately \$121,700.<sup>2</sup> This is premised on the ability of the purchaser to come up with the 20% down payment that is now typically required by lenders in response to the financial crisis of the last several years. This up-front cash requirement, in addition to mortgage closing costs, exerts a substantial challenge to those who do not have equity from a previous purchase or sufficient income to put money aside for savings. Issues related to credit problems also hamper access to homeownership for many. High housing costs are also reflected in increased property taxes, energy bills and insurance costs.

The escalation of property values has increased the wealth of those who bought before the price run-up, but many residents of Norwell would not be able to purchase their homes today. Some long-time residents, particularly seniors living on fixed incomes, may even find themselves “cash-poor” as they struggle to pay the taxes on greatly appreciated property. Entry-level Norwell town employees would have a difficult time entering the local housing market even with two household incomes.

Rentals are scarce in Norwell with 113 of the community's 313 total rental units in the subsidized housing stock. The only actual listing was for a small three-bedroom ranch for \$1,700 per month. The combination of high rental costs and utility costs as well as up-front lease requirements (first and last months rent and a security deposit), create further barriers to renting in Norwell.

- **Limited Supply of Workforce Housing**

Recent sales data from the Multiple Listing Service for single-family homes indicated few if any single-family homes have been sold for under \$200,000 that would be affordable to low- and moderate-income households.

Additionally, the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory (SHI) states that Norwell had 3,652 year-round housing units<sup>3</sup>, of which 139 were counted as affordable, representing 3.8% of the year-round housing stock. Assuming future housing growth, the 10% state goal under Chapter 40B is a moving target and ultimately the required minimum number of year-round units will increase over time.

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<sup>2</sup> Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$13.87 per thousand and insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount (not needed for 80% financing). Also based on a household spending no more than 30% of its income on housing costs.

<sup>3</sup> The census calculates year-round units by subtracting seasonal units or second homes from the total unit count.

*The convergence of these trends – an aging population, fewer young adults, very high housing prices, lower housing production, little housing diversity, limited supply of rentals, very low vacancy rates, difficulty in obtaining financing, and large up-front cash requirements for homeownership and rentals – all point to a challenging affordability gap! If these demographic and housing trends are left to evolve unchecked, Norwell will lose ground on its ability to be a place where families across a range of economic and social strata can call home.*

## **B. Priority Housing Needs Require a Mix of Housing Choices**

Based on the 2010 US census, Norwell’s housing stock included a 91 to 9 percent ratio of homeownership units to rentals, representing only a subtle shift from the 92 to 8 percent ratio in 2000, but also showing some small increase in rentals from 257 to 313 units. At present, about 80% of the existing affordable units in the Subsidized Housing Inventory (SHI) are rentals, which has helped boost housing diversity. More housing options are still needed to meet the range of local needs, however, including:

### **Households with Limited Incomes**

Despite increasing household wealth, there still remains a population living in Norwell with very limited financial means. Given the high costs of rental housing, including sizable up-front costs (first and last months rent, a security deposit, and/or moving expenses), and relative lack of such housing in Norwell, more subsidized rental housing is necessary to make living in Norwell affordable, particularly for lower wage workers and their families as well as seniors on limited fixed incomes.

### **Gaps in Affordability and Access to Affordable Housing**

A wider range of affordable housing options, including first-time homeownership opportunities, is needed, especially for younger households entering the job market and forming their own families, municipal employees, as well as empty nesters and seniors. Efforts to help prevent foreclosures should also be bolstered.

### **Housing Conditions**

Programs to support necessary home improvements – including deleading, handicapped accessibility, and septic repairs for units occupied by low- and moderate-income households – are needed, particularly for the elderly living on fixed incomes.

### **Special Needs Housing**

There were approximately 913 residents in Norwell who claimed some type of disability, and given the aging of the population, greater emphasis will be needed for housing that includes supportive services and barrier-free improvements.

A summary of housing goals based on these priorities is provided in Table II-23, assuming an average of 18 affordable units per year reflective of production goals under the state Housing Production guidelines and a balance of about 75% to 25% rental versus homeownership units. At least 10% of the new units produced should include handicapped accessibility and/or supportive services for special needs populations and seniors. Goals for housing rehabilitation are premised on at least two (2) units per year and the ability to secure necessary subsidy funds.

### C. Housing Goals and Challenges

This Housing Production Plan will be submitted to the state for approval under Massachusetts General Laws Chapter 40B, 760 CMR 56.00. The Town is looking for opportunities to address the range of community housing needs under the following housing goals:

- Provide affordable housing alternatives to meet the range of housing needs
- Promote diversity and the stability of individuals and families living in Norwell
- Strive to meet state 10% affordability goal
- Preserve the existing affordable housing stock
- Leverage other public and private resources in the preservation and production of affordable housing to the greatest extent possible
- Insure that new housing creation is harmonious with the character of the existing community
- Plan within the context of Norwell's long-term development objectives
- Encourage the integration of smart growth principles in the development of housing

These goals provide a context for the strategies that are recommended in this Housing Plan, addressing the diverse housing needs in the community as summarized in Section B above.

Another goal with respect to affordable housing relates to Chapter 40B that dictates that if a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>4</sup>

This Housing Plan provides a blueprint to help Norwell further its progress towards meeting the state 10% affordable housing goal as well as local goals and priorities, presenting a proactive housing agenda of Town-sponsored initiatives. Also, if the Town meets the annual goal of producing 18 units, it will have the likely ability to deny unwanted Chapter 40B developments through state Housing Production regulations. Nevertheless, while there is a demonstrated commitment to producing affordable housing in Norwell, *obstacles to new development exist* that will challenge new initiatives such as a lack of public sewer services, substantial amount of wetlands, poor soils and protected land that limit development, municipal water services approaching capacity, as well as land use regulations that are not conducive to affordable housing development, among others.

In summary, gaps remain between what many current or new residents can afford and the housing that is available. Children who grew up in town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly,

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<sup>4</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

are finding themselves less able to maintain their homes and keep up with increased housing-related costs but also hard-pressed to find alternative housing that better meets their current lifestyles. Families are finding it more difficult to hold onto their homes given the faltering economy, as there have been some foreclosures. They have also been less able to “buy up,” purchasing larger homes as their families grow. Town employees and employees of the local businesses continue to be challenged in locating housing that is affordable in town. More housing options are required to meet these local needs.

#### **D. Summary of Housing Production Goals**

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>5</sup> Norwell would have to produce at least 18 affordable units, a formidable challenge, and housing growth will continue to drive-up the 10% goal.

If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications.<sup>6</sup> Production goals over the next five (5) years include the creation of 90 affordable units, 5 workforce units<sup>7</sup>, and 128 total housing units that includes some market rate units.

#### **E. Summary of Housing Strategies**

The strategies summarized in Table I-3 are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals, and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning Strategies, and Housing Development – and categorized according to priority as those to be implemented within Years 1 and 2 and those within Years 3 to 5. The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable.<sup>8</sup> Also, while a major goal of this Plan is to eventually meet the

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<sup>5</sup> The state has issued changes to Chapter 40B that included modifications to the Planned Production requirements. For example, the annual production goals are instead based on one-half of one percent of total housing units and plans are now referred to as Housing Production Plans (HPP).

<sup>6</sup> If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA’s assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA’s notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

<sup>7</sup> Workforce units are defined in this Plan as those earning between 80% and 120% of area median income who are still largely priced out of the existing housing market.

<sup>8</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

state's 10% goal under Chapter 40B, another important goal is to serve the range of local housing needs. Consequently, there are instances where housing initiatives might be promoted to meet community needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory.

*It is also important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels. Moreover, the proposed actions present opportunities to judiciously invest limited Community Preservation funding and the Housing Trust Fund to build local capacity, modify or create new local zoning provisions, and subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) that leverage other necessary resources.*

Table I-3 Summary of Housing Strategies	Priority for Implementation			
	In Years 1-2	In Years 3-5	# Affordable Units	Responsible Parties**
<b>V.A. Capacity Building Strategies</b>				
1. Conduct ongoing community education	X		*	AHP-AHT/NHA/COA
2. Insure sufficient SHI oversight	X		*	BOS/AHP
3. Explore merging the Housing Partnership and Housing Trust with expanded mission	X		*	BOS/AHP-AHT
4. Consider joining the Metro Boston Consortium for Sustainable Communities	X		*	BOS/AHP-AHT
<b>V.B. Zoning Strategies</b>				
1. Amend OSRD bylaw to encourage affordable housing	X		*	PB/AHP
2. Modify accessory apartment provisions	X		*	PB/AHP - BI
3. Adopt inclusionary zoning		X	*	PB/AHP
4. Promote affordable housing in mixed-use development		X	*	PB/AHP
<b>V.C. Housing Development Strategies</b>				
1. Make suitable public land available for affordable housing	X		11	BOS/AHP
2. Partner with private developers	X		52	AHP/ZBA and PB
3. Convert existing housing to affordability	X		8	AHT/AHP

*\* Indicates actions for which units are counted under other specific housing production strategies, have an indirect impact on production, do not add to the Subsidized Housing Inventory, or cannot be counted towards production goals.*

**\*\*Abbreviations**

- Affordable Housing Partnership = AHP
- Affordable Housing Trust = AHT
- Board of Selectmen = BOS
- Planning Board = PB
- Zoning Board of Appeals = ZBA
- Norwell Housing Authority = NHA
- Council on Aging = COA

## II. HOUSING NEEDS ASSESSMENT

This Housing Needs Assessment presents an overview of current demographic and housing characteristics and trends for the town of Norwell, providing the context within which a responsive set of strategies can be developed to address identified housing needs and meet production goals.

### A. Demographic Characteristics and Trends

In general, Norwell has been a growing residential community comprised predominantly of families. During recent decades demographic changes have produced the following trends:

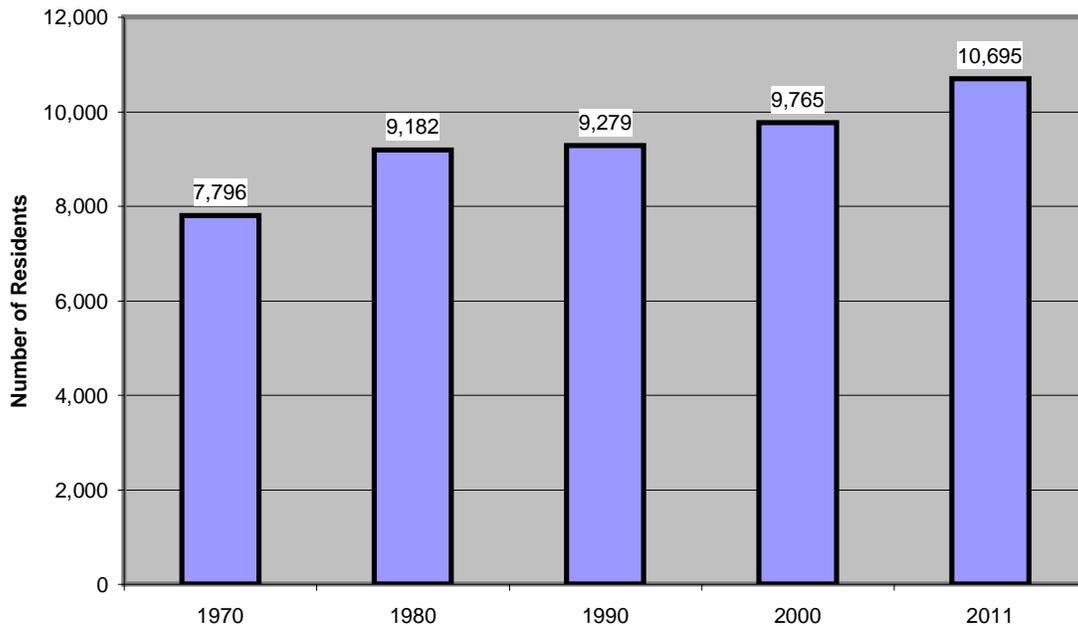
#### 1. Significant Population Growth

Following World War II, the Town of Norwell experienced a substantial building boom, changing from a relatively rural community to a more suburban town and growing from 2,515 residents in 1950 to 7,796 by 1970. Norwell's population has been growing more slowly but steadily since then as presented in Figure II-1. From 1970 to 2000, the population increased 25%, or by 1,969 residents, from a population of 7,796 residents to 9,765. The 2010 US Census records a population total of 10,506 residents.

According to Town records, Norwell added another 930 residents from 2000 through March 1, 2011, representing a 9.5% rate of growth. This level of growth is significantly higher than the 1.1% growth rate from 1980 and 1990 and 5.2% between 1990 and 2000.

Figure II-1

Norwell Population Growth 1970 to 3/1/2011



Population projections from the Massachusetts Institute for Social and Economic Research (MISER) at the University of Massachusetts suggest actual declines in growth since 2000, down to 9,502 residents by 2010 and down still further to 8,685 residents by 2020. These projections run significantly counter to what is actually occurring with Town records indicating a 9.5% growth rate since 2000 through March 2011.

## 2. Age Distribution – Decreases In Younger Adults and Increases In Older Ones

Census data regarding the changes in the age distribution from 1980 to 2010 is provided in Table II-1, visually presented in Figure II-2 for 1990 through 2010, and summarized below.

- *Children – fairly recent stability of this population*  
The data shows some fluctuation in the number and proportion of school-age children under age 18, from one-third of the population in 1980, down to one-quarter in 1990, and up again to over 28% in both 2000 and 2010.
- *College age residents – declining numbers*  
Those young residents in the 18 to 24-age range increased between 1980 and 1990 but decreased between 1990 and 2000, down to only 4.3% of all residents from 7.9% in 1980. This age range increased somewhat after 2000, up to 5.2% of all residents by 2010, but was still well below 1980 levels.
- *Young adults – decreasing population*  
Younger adults in the family formation stage of their lives, the 25 to 34-age range, decreased significantly between 1980 and 2010, dropping to 5.2% of the population in 2010 from 14.0% in 1980.

Age Range	1980		1990		2000		2010	
	#	%	#	%	#	%	#	%
Under 5 Years	542	5.9	573	6.2	705	7.2	583	5.5
5 – 17 Years	2,512	27.4	1,792	19.3	2,087	21.4	2,412	23.0
18 – 24 Years	724	7.9	885	9.5	419	4.3	534	5.1
25 – 34 Years	1,290	14.0	1,038	11.2	837	8.6	537	5.2
35 – 44 Years	1,510	16.4	1,739	18.7	1,667	17.1	1,410	13.4
45 – 54 Years	1,100	12.0	1,442	15.5	1,695	17.4	1,864	17.7
55 – 64 Years	775	8.4	847	9.1	1,128	11.6	1,491	14.2
65 – 74 Years	357	3.9	551	5.9	611	6.3	879	8.4
75 – 84 Years	285	3.1	279	3.0	388	4.0	512	4.9
85+ Years	87	0.9	133	1.4	228	2.3	284	2.7
<b>Total</b>	<b>9,182</b>	<b>100.0</b>	<b>9,279</b>	<b>100.0</b>	<b>9,765</b>	<b>100.0</b>	<b>10,506</b>	<b>100.0</b>
Under 18	3,054	33.3	2,365	25.5	2,792	28.6	2,995	28.5
Age 65+	729	7.9	963	10.4	1,227	12.6	1,675	15.9

Source: US Census Bureau, 1980, 1990, 2000 and 2010

- *Baby boomers – increases with more recent fall-off with the aging of this generation*  
Between 1980 and 2000, those in the 35 to 54-age range, the baby boomer generation, increased somewhat, going from 28.4% of the population in 1980 to more than one-third by 2000. By 2010 this population had decreased somewhat, to 31.1% of all residents,

with the baby boom generation spilling into the older age categories as those age 55 to 64 increased substantially, from 8.4% in 1980 to 14.2% by 2010, almost doubling in number.

- *Older adults – substantial increases*

The number of those 65 years of age and older grew by 130% between 1980 and 2010 while the population as a whole increased by only 14.4%. Of particular note were the frail elderly of at least age 85 who increased by 226% during these three decades.

**Figure II-2**

**Changes in Age Distribution: 1990 to 2010**

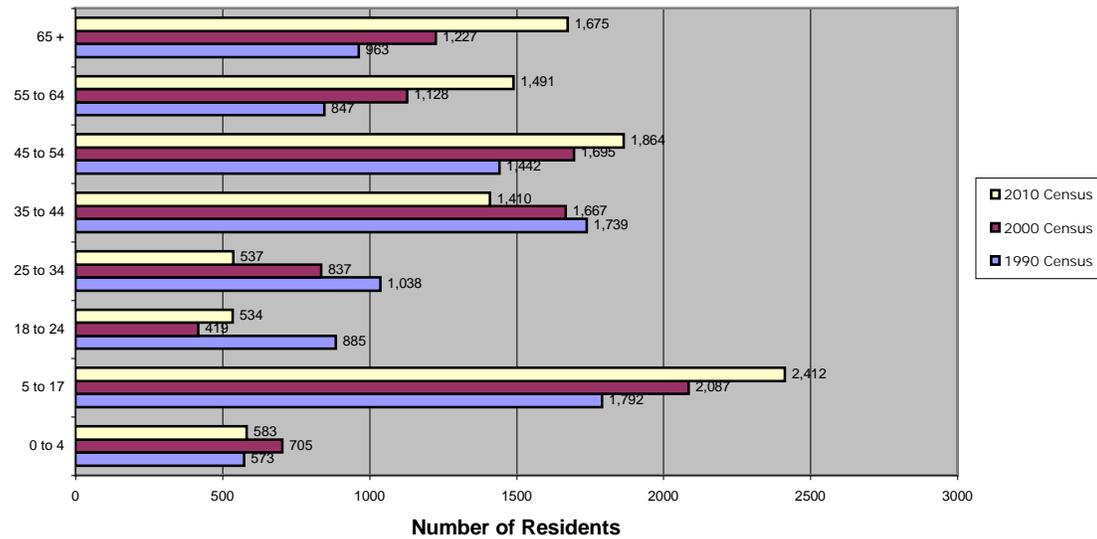


Table II-2 compares the age distribution from the 2000 and 2010 census figures to 2014 projections through the Nielsen Claritas, Inc. data source. This information suggests that children under age 18 will decline with those in the early adult age ranges increasing somewhat. Given past trends, it is questionable that the 18 to 34-age group will in fact increase given such limited housing opportunities for starter households.

On the other hand, those in the middle-age ranges are expected to decrease with those between the ages of 35 to 54 declining from 34.5% of the population in 2000, 31.1% in 2010, to 21.4% by 2014. The steepness of this decline represents another questionable future trend.

Those older adults 55 years of age and older are expected to increase substantially based on a continuation of recent trends. Baby boomers, now age 55 to 64, are projected to continue to increase from 11.6% in 2000, 14.2% by 2010, and then to 16.5% by 2014. Also those age 65 or older are expected to increase from 12.6% of all residents in 2000, 15.9% by 2010, to 16.7% by 2014.

Age Range	2000 Census		2010 Census		2014 Projections	
	#	%	#	%	#	%
Under 5 Years	705	7.2	583	5.5	706	6.7
5 – 17 Years	2,087	21.4	2,412	23.0	1,892	17.9
18 – 24 Years	419	4.3	534	5.1	977	9.2
25 – 34 Years	837	8.6	537	5.2	1,219	11.5
35 – 44 Years	1,667	17.1	1,410	13.4	701	6.6
45 – 54 Years	1,695	17.4	1,864	17.7	1,570	14.8
55 – 64 Years	1,128	11.6	1,491	14.2	1,742	16.5
65 – 74 Years	611	6.3	879	8.4	1,004	9.5
75 – 84 Years	388	4.0	512	4.9	484	4.6
85+ Years	228	2.3	284	2.7	280	2.6
<b>Total</b>	<b>9,765</b>	<b>100.0</b>	<b>10,506</b>	<b>100.0</b>	<b>10,575</b>	<b>100.0</b>
Under 18	2,792	28.6	2,995	28.5	2,598	24.6
Age 65+	1,227	12.6	1,675	15.9	1,768	16.7

Source: US Census Bureau, 2000 and 2010; Nielsen Claritas, Inc. data source, 2009 for 2014 projections

Table II-3 offers additional population projections by age category through 2020, prepared by the Massachusetts Institute for Social and Economic Research (MISER) of the University of Massachusetts.

Age Range	2000 Census		2010 Census		2020 Projections	
	#	%	#	%	#	%
Under 5 Years	705	7.2	583	5.5	448	5.2
5 – 19 Years	2,255	23.1	2,604	24.8	1,657	19.1
20 – 24 Years	251	2.6	342	3.3	440	5.1
25 – 34 Years	837	8.6	537	5.2	760	8.8
35 – 44 Years	1,667	17.1	1,410	13.4	863	9.9
45 – 54 Years	1,695	17.4	1,864	17.7	1,178	13.6
55 – 64 Years	1,128	11.6	1,491	14.2	1,303	15.0
65 – 74 Years	611	6.3	879	8.4	1,020	11.7
75 – 84 Years	388	4.0	512	4.9	655	7.5
85+ Years	228	2.3	284	2.7	361	4.2
<b>Total</b>	<b>9,765</b>	<b>100.0</b>	<b>10,506</b>	<b>100.0</b>	<b>8,685</b>	<b>100.0</b>
Under 20	2,960	30.3	3,187	30.3	2,105	24.2
Age 65+	1,227	12.6	1,675	15.9	2,036	23.4

Source: US Census Bureau 2000 and 2010, Massachusetts Institute for Social and Economic Research, MISER, University of Massachusetts, 2003.

These estimates, while significantly underestimating overall population growth, also suggest proportional decreases in all age categories less than 55 years of age with the exception of young adults age 20 to 34 who are projected to increase somewhat. The MISER figures also project substantial growth of all the older age cohorts, estimating an increase of those age 65 or older from 12.6% of all residents in 2000 to 23.4% by 2020.

Given the release of 2010 census data, population projections will be updated and should better reflect more recent demographic trends, which are likely to show a continued increase in older adults with corresponding reductions in younger ones. Clearly housing alternatives to accommodate this increasing population of seniors, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands, should be considered in housing planning efforts. Additionally, more affordable starter housing opportunities to attract young adults, including young families, should be promoted both as rentals and first-time homeownership.

### 3. Homogenous Racial Composition

As Table II-4 indicates, Norwell is not racially diverse but the number of minority residents has slowly been growing. In 2010, Norwell's racial composition remained substantially White, at 96.3%. However, minority residents almost doubled between 1980 and 2000, from 77 to 140 residents, and then almost tripled to 392 residents by 2010. About 62% of minority residents indicated they were of Asian descent or some combination of Asian derivation with another race, another third indicated they had some Hispanic or Latino background, and about 24% were counted as Black or African American, some in combination with another race.

### 4. Household Composition: A Community of Families

Norwell had a total of 3,553 households in 2010, 80.1% in family households as noted in Table II-4, lower than the 86.8% level in 1980. Average household size was 2.89 persons, down from 3.3 persons in 1980. About 40% of the family households included children under 18 years of age, down again from 42.2% in 2000.

Non-family households<sup>9</sup> increased from 13.2% of all households in 1980, to 16.6% by 2000, and then to 19.9% by 2010. The decreases in household size and increases in non-family households reflect both regional and national trends towards smaller and more non-traditional households. Of particular note were the single individuals who were living alone that included 607 or 17.7% of all households in Norwell, more than half of which were 65 years of age or older.

Characteristic	1980		1990		2000		2010	
	#	%	#	%	#	%	#	%
Minority Residents*	105	1.1	128	1.4	236	2.4	392	3.7
Total # Households	2,780	100.0	3,004	100.0	3,250	100.0	3,553	100.0
Family Households**	2,414	86.8	2,512	83.6	2,709	83.4	2,845	80.1
Non-family Households**	366	13.2	492	16.4	541	16.6	708	19.9
Average Household Size	3.3 persons		3.06 persons		2.94 persons		2.89 persons	

Source: US Census, 1980, 1990, 2000 and 2010

### 5. Higher Incomes

As Table II-5 indicates, the median household income, based on 2010 census estimates, was \$108,944, up 24.7% from the 1999 median income of \$87,397 and up 80.2% from the 1989 median of \$60,462, not adjusted for inflation. Income levels were considerably higher than both

<sup>9</sup> Non-family households are defined by the census as those that include single or unrelated individuals.

the county and the state where the 2010 median household income levels were \$73,131 and \$63,961, respectively. These income figures are also presented in Figure II-3.

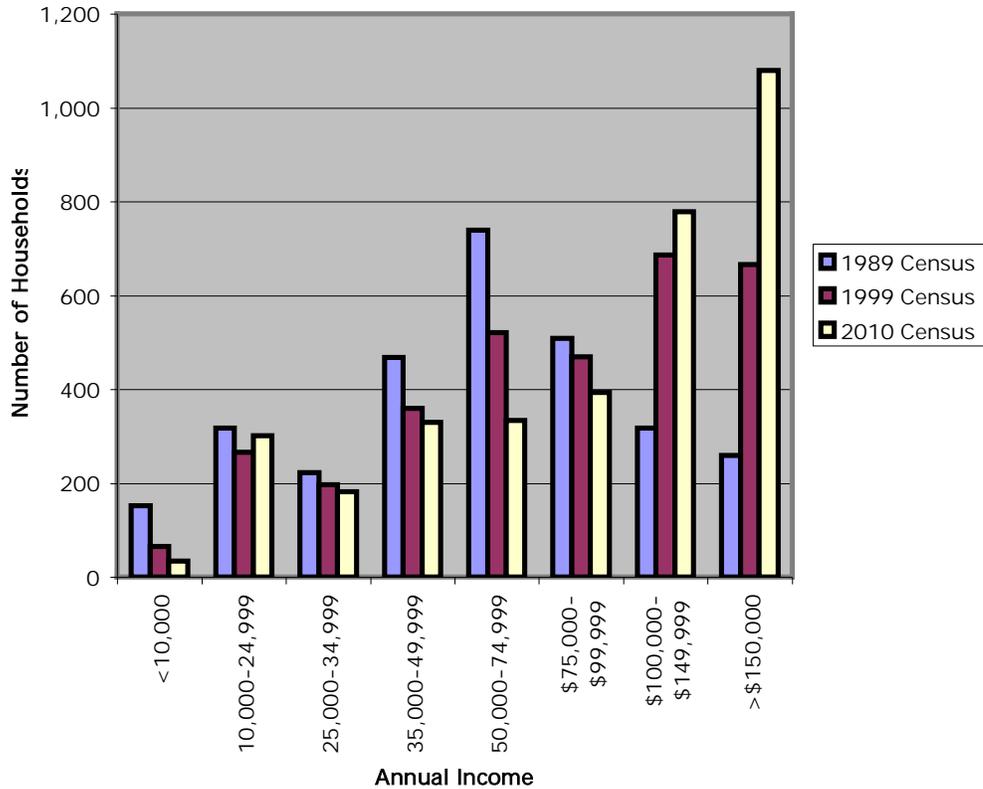
Between 1989 and 2010, there were decreases in the numbers of households in all of the income ranges below \$100,000 with the surprising exception of a small increase in those earning between \$10,000 and \$14,999. Those households earning more than \$100,000 increased from 19.3% in 1989, to 41.9% by 1999 and then up to more than half or 54.1% by 2010. The income distribution for those households that included children – families – is somewhat higher with a median family income in 2010 of \$115,391 with 1,679 families or 61.6% earning more than \$100,000.

Households	1989		1999		2010	
	#	%	#	%	#	%
Less than \$10,000	152	5.1	65	2.0	34	1.0
\$10,000 to \$14,999	71	2.4	57	1.8	116	3.4
\$15,000 to \$24,999	247	8.3	209	6.5	186	5.5
\$25,000 to \$34,999	223	7.5	197	6.1	182	5.3
\$35,000 to \$49,999	468	15.7	359	11.1	330	9.6
\$50,000 to \$74,999	740	24.8	521	16.1	334	9.7
\$75,000 to \$99,999	509	17.0	470	14.5	393	11.5
\$100,000 to \$149,999	318	10.6	687	21.3	778	22.7
\$150,000 to \$199,999			302	9.3	324	9.4
\$200,000 or more	260	8.7	364	11.3	755	22.0
<b>Total</b>	<b>2,988</b>	<b>100.0</b>	<b>3,231</b>	<b>100.0</b>	<b>3,432</b>	<b>100.0</b>
<b>Median Household Income</b>	<b>\$60,462</b>		<b>\$87,397</b>		<b>\$108,944</b>	
Source: 1990 and 2000 US Census, Table DP-3, Profile of Selected Economic Characteristics, and estimates from the Census Bureau's American Community Survey for 2006-2010. This data is based on census sample data and totals differ somewhat from final counts.						

Table II-6 provides 2010 census data that compares the income distribution of homeowners and renters. In addition to being significantly fewer renters, less than 10% of all households, the median income for renters is less than one-third of owners. Nevertheless, there were still owners with very limited incomes, about 7% earned less than \$25,000, most likely long-term owners on fixed incomes without mortgage payments. Some of these owners were also likely to be hard-pressed to pay increasing housing costs related to taxes, insurance and utilities. On the other hand, there were 93, or 28.2% of all renters, who were earning \$50,000 or more and might be able to afford a home if prices were not so high or if subsidies were available.

Figure II-3

Income Distribution 1989 to 2010



Households	Owners		Renters	
	Number	Percent	Number	Percent
Less than \$10,000	22	0.7	12	3.6
\$10,000 to \$14,999	84	2.7	32	9.7
\$15,000 to \$24,999	115	3.7	71	21.5
\$25,000 to \$34,999	134	4.3	48	14.5
\$35,000 to \$49,999	256	8.3	74	22.4
\$50,000 to \$74,999	322	10.4	12	3.6
\$75,000 to \$99,999	374	12.1	19	5.8
\$100,000 to \$149,999	734	23.7	44	13.3
\$150,000 or more	1,061	34.2	18	5.5
<b>Total</b>	<b>3,102</b>	<b>100.0</b>	<b>330</b>	<b>100.0</b>
<b>Median Household Income</b>	<b>\$113,364</b>		<b>\$37,611</b>	

Source: US Census, 2006-2010 American Community Survey

Table II-7 provides additional income information, comparing 1999 and 2010 census estimates to 2014 projections in regard to household income. This data suggests that the 2010 median household income of \$108,944 may increase still further to as much as \$121,963 by 2014,

among the highest in the state. In these figures, the proportion of residents in the income range above \$150,000 increased substantially between 1999 and 2010, and is projected to increase still more through 2014 to including almost 40% of all households.

Annual Income Ranges	1999 Census		2010 Census		2014 Projections	
	#	%	#	%	#	%
Less than \$15,000	122	3.8	150	4.4	89	2.5
\$15,000 to \$24,999	209	6.5	186	5.4	127	3.5
\$25,000 to \$34,999	197	6.1	182	5.3	148	4.1
\$35,000 to \$49,999	359	11.1	330	9.6	229	6.4
\$50,000 to \$74,999	521	16.1	334	9.7	455	12.6
\$75,000 to \$99,999	470	14.6	393	11.5	424	11.8
\$100,000 to \$149,999	687	21.3	778	22.7	749	20.8
\$150,000 or more	666	20.6	1,079	31.4	1,381	38.3
<b>Total</b>	<b>3,231</b>	<b>100.0</b>	<b>3,432</b>	<b>100.0</b>	<b>3,602</b>	<b>100.0</b>
<b>Median Household Income</b>	<b>\$87,397</b>		<b>\$108,944</b>		<b>\$121,963</b>	
Sources: US Census, Table DP-3, Profile of Selected Economic Characteristics, 2000; 2006-2010 Census Bureau estimates from the American Community Survey; and Nielsen Claritas, Inc. data source for 2014 projections.						

*Despite increasing household wealth, there still remains a population living in Norwell with very limited financial means.* Of all households counted in 1999, 122 or 3.80% had incomes of less than \$15,000 and another 209 or about 6.5% had incomes between \$10,000 and \$24,999 for a total of 331 households or 10.3% with incomes below \$25,000. By 2010, the number of households earning below \$25,000 was about the same, 336 households or almost 10% of all households. Moreover, the numbers of those earning between \$25,000 and \$50,000 did not change much between 1999 and 2010, from 556 to 512 households, respectively. Additionally, about 955 households, or approximately 28% of all households, might have qualified for housing assistance in 2010 as their incomes were approximately at or below 80% of area median income defined by the US Department of Housing and Urban Development (HUD) as \$58,000 for a family of three.<sup>10</sup>

## **6. Low Poverty Levels**

Table II-8 shows poverty data for Norwell based on 1989, 1999 and 2010 data from the US Census Bureau.<sup>11</sup> In general, poverty has been declining in Norwell over the years, going from 3.6% in 1979 to 1.7% by 2010 for individuals and from 2.5% to 0.8% for families. There were still 179 individuals who lived in poverty in the Norwell community in 2010, the same number as in

<sup>10</sup> While these households' incomes might be at or below 80% of area median income, many are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

<sup>11</sup> The 2011 federal poverty level from the US Department of Health and Human Services was \$10,890 for an individual and \$18,530 for a three-person household.

1999 despite increasing average income levels. Given the surge in the cost of living since then, including housing costs, it is likely that things have not improved for many of these individuals and families, and some may have left the community in search of more affordable living conditions.

Below the Poverty Level	1989		1999		2010	
	#	%	#	%	#	%
Individuals*	150	1.7	179	1.9	179	1.7
Families **	24	1.0	37	1.4	28	0.8
Related Children Under 18 Years***	34	1.5	27	1.9	0	0.0
Individuals 65 and Over ****	54	6.2	24	2.2	27	1.6

Source: US Census Bureau, 1990 and 2000 census and 2006-2010 American Community Survey data, also from the Census Bureau.  
 \*Percentage of total population for whom poverty status was determined  
 \*\*Percentage of all families for whom poverty status was determined  
 \*\*\*Percentage of all related children under 18 years \*\*\*\*Percentage of all individuals age 65+

**7. Increasing Local Employment Opportunities and Relatively High Wages**

The 2010 census indicated that of the 7,567 residents who were 16 years and older, 64.8%, or 4,907 residents, were in the labor force, 202 or 2.7% of whom were unemployed at the time. State labor statistics indicated a 4.5% unemployment rate in Norwell as of the end of 2011, with 237 residents unemployed, reflecting the effects of the economic recession. This rate is down from 6.3% at the end of 2010 and relatively low in comparison to other communities including Boston and Plymouth where the unemployment figures were 6.0% and 7.3%, respectively.

The 2010 census indicated that more than half, 56.5%, of Norwell’s workers were involved in management or professional occupations and another 26.5% were employed in sales and office work. While 77.7% were salaried workers, another 12.4% were government employees, and 9.9% were self-employed. Additional 2010 census information on employment patterns indicated that of those Norwell residents who were employed over the age of 16, 807 or 17.8% worked in the community. The mean travel time to work was about 37 minutes, suggesting that on average workers commuted a fair distance to their jobs, about 79% of whom drove alone by car, only 6.8% by public transportation.

Table II-9 presents more detailed information on employment patterns from the state Executive office of Labor and Workforce Development. This data shows an average employment of 7,932, up from 7,753 workers in 2009, with most workers employed in retail trade, finance and insurance, professional and technical services, administrative and waste services, and health care and social assistance. The average weekly wages in these industries varied considerably from \$1,769 in finance and insurance to only \$339 in accommodation and food services. There were 554 establishments in Norwell, up from 523 in 2009, which provided a total wage level of more than \$438 million, with an average weekly wage of \$1,062, up from \$1,046 the previous year. As a point of comparison, the average weekly wage for Boston was \$1,507 and \$828 for Plymouth.

<b>Industry</b>	<b># Establishments</b>	<b>Total Wages</b>	<b>Ave. Employment</b>	<b>Ave. Weekly Wage</b>
Construction	68	\$34,511,057	499	\$1,330
Manufacturing	13	\$14,585,936	254	\$1,104
Wholesale trade	39	\$24,993,901	270	\$1,780
Retail trade	47	\$22,101,179	723	\$588
Transportation and warehousing	5	\$1,453,678	35	\$799
Information	11	\$3,039,031	64	\$913
Finance & insurance	50	\$50,414,553	548	\$1,769
Real estate, rental and leasing	23	\$6,963,570	145	\$924
Professional and technical services	106	\$62,120,553	836	\$1,429
Management of companies/enterprises	65	\$15,315,886	261	\$1,128
Administrative and waste services	31	\$82,019,915	1,350	\$1,168
Education services	7	\$22,492,077	440	\$983
Health care and social assistance	45	\$55,759,260	1,303	\$823
Arts, entertainment and recreation	16	\$2,433,969	144	\$325
Accommodation and food services	26	\$8,245,468	468	\$339
Other services	49	\$22,583,357	455	\$954
Public administration	8	\$8,495,103	124	\$1,317
<b>TOTAL</b>	<b>554</b>	<b>\$438,220,194</b>	<b>7,932</b>	<b>\$1,062</b>

Source: Massachusetts Executive Office of Labor and Workforce Development, 2010

### **8. Significant Disabilities Among Seniors**

As indicated in Table II-10, a total of 739 residents or 7% of the population was disabled in 2009, which included sensory, physical and mental disabilities. Of the population age 5 to 20 years old, 47 claimed a disability and of those age 21 to 64, 287 claimed a disability. In regard to the population 65 years of age or older, 405 or almost 24.2% of those in this age range were disabled.

<b>Age Range</b>	<b># With Sensory Disabilities</b>	<b># With Physical Disabilities</b>	<b># With Mental Disabilities</b>	<b>Total</b>
5-15	5	NA	37	42
16-20	5	NA	0	5
21-64	94	121	72	287
65-74	36	54	8	98
75+	117	125	65	307
<b>Total</b>	<b>257</b>	<b>300</b>	<b>182</b>	<b>739</b>

**9. High Educational Attainment**

In 2010, almost all adults, or 97.6% of those 25 years and older, had a high school diploma or higher, and more than half, 56.5%, had at least a Bachelor’s degree. These levels are substantially higher than the figures for college completion of 32.5% for Plymouth County. These figures also represent some gains in overall educational attainment from 1990 when 92.5% had at least a high school degree and 39.2% had at least a college degree.

**10. Increasing Student Enrollment**

Those enrolled in school (nursery through graduate school) totaled 3,057 or 29.1% of the town’s population in 2010, up from 2,752 students in 2000 and from 2,422 in 1990. Those enrolled in kindergarten through high school totaled 2,331, 76.3% of those were enrolled in school and 22.2% of the total population. Since 2000, school enrollments have increased from 1,997 enrolled in Norwell schools to 2,336 students by the 2011–2012 school year.

**B. Housing Characteristics and Trends**

Table II-11 includes a summary of housing characteristics from 1980 through 2010.

Table II-11: Housing Characteristics, 1980-2010								
	1980		1990		2000		2010	
	#	%	#	%	#	%	#	%
Total # Housing Units	2,830	100.0	3,079	100.0	3,318	100.0	3,675	100.0
Occupied Units *	2,760	97.5	3,004	97.6	3,250	98.0	3,553	96.7
Occupied Owner Units **	2,478	89.8	2,748	91.5	2,993	92.1	3,240	91.2
Occupied Rental Units **	282	10.2	256	8.5	257	7.9	313	8.8
Total Vacant Units/ Seasonal, Recreational or Occasional Use*	42/0	1.5/0.0	75/15	2.4/0.5	68/19	2.0/0.6	122/23	3.3/0.6
Average House- Hold Size/Owner Occupied Unit	3.43 persons		3.16 persons		3.03 persons		3.00 persons	
Average House- Hold Size/Renter Occupied Unit	1.81 persons		2.04 persons		1.89 persons		1.75 persons	
Source: US Census Bureau, 1980, 1990, 2000 and 2010 * Percentage of total housing units ** Percentage of occupied housing units Note: The state counts 3,652 <i>year-round</i> housing units in its calculations under Chapter 40B based on subtracting seasonal units or second homes from the total unit count.								

In reviewing changes in the housing stock since 1980, a number of important trends become apparent including:

- **Continued housing growth**  
Housing growth outpaced total population growth significantly between 1980 and 2010, as the population increased by 16.5% while the number of housing units grew by 29.9%, largely reflective

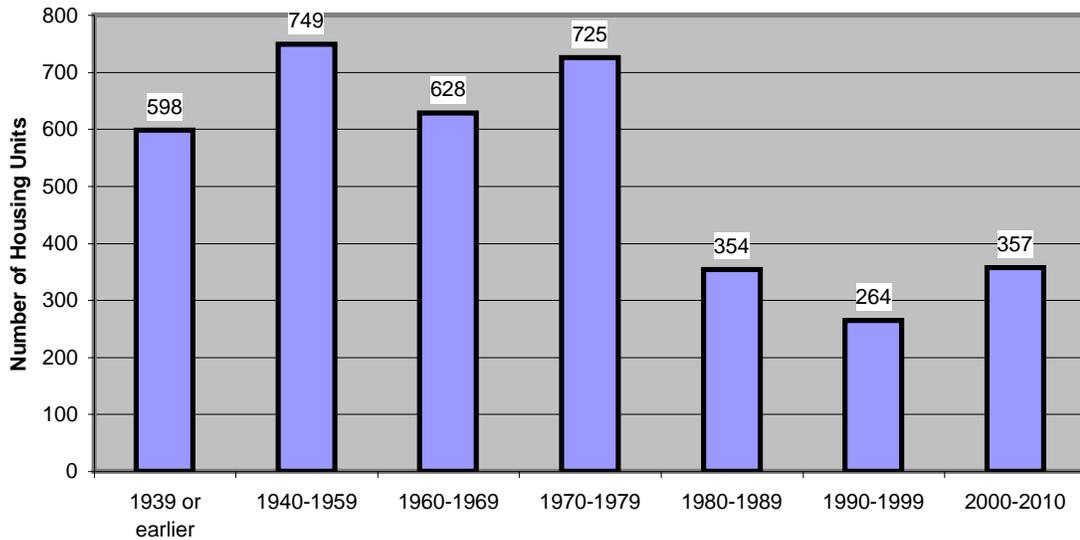
of a growing number of smaller households. All of the growth occurred in the owner-occupied housing stock.

Table II-12 charts housing growth, identifying that 36.7% of Norwell’s housing was built prior to 1960, with another 36.8% built between 1960 and 1980. Since that time development has slowed considerably, as shown in Figure II-4. However, since 2000 it has picked up a bit with a 10.8% rate of growth between 2000 and 2010 versus a 7.8% growth rate between 1990 and 2000.

Time Period	Number	Percent
2000 to 2010	357	9.7
1990 to 1999	264	7.2
1980 to 1989	354	9.6
1970 to 1979	725	19.7
1960 to 1969	628	17.1
1940 to 1959	749	20.4
1939 or earlier	598	16.3
Total	3,675	100.0

Source: US Census Bureau, 2010

**Figure III-4  
Housing Growth**



Based on building permit information, a total of 341 single-family housing units were built between 2000 and March 7, 2011, as presented in Table II-13. It should be noted that a considerable amount of building permit activity involved new additions or renovation work with owners deciding to invest in their current homes instead of “buying-

up". According to the Building Inspector, many of these additions have been substantial, costing \$150,000 to \$200,000 and transforming the character of the original home.

<b>Table II-13: Building Permit Activity, 2000 - March 7, 2011</b>		
<b>Year</b>	<b># New Units</b>	<b>Average Cost</b>
2000	65	\$156,700
2001	35	\$250,100
2002	57	\$245,600
2003	56	\$271,800
2004	28	\$323,700
2005	29	\$313,800
2006	22	\$315,600
2007	17	\$315,200
2008	10	\$315,300
2009	6	\$315,300
2010	15	\$372,200
As of March 7, 2011	1	\$500,000
Total	341	--
Average Number of Units/2000-2004		48
Average Number of Units/2005-2010		16
Source: University of Massachusetts Donahue Institute, Norwell Building Department, March 7, 2011		

The former Massachusetts Office of Environmental Affairs prepared buildout projections in 2000, estimating that remaining developable property might accommodate 2,395 additional units of housing over and above the 3,318 housing units at the time. These projections translate into a total number of units at buildout of 5,713. These projections also suggest a total population of 16,686 at buildout. It should be noted that these figures were based on the state's assessment of developable property and existing zoning without any indication of when buildout might be reached.

Using Assessor's data, the Master Plan consultants estimated approximately 1,794 potential building sites in 2002. Most of these are on land currently classified only as potentially developable or through the subdivision of parcels that already have a house on them. The real total development capacity under current zoning is most likely considerably lower and probably closer to 1,000 units.

- **High level of homeownership**  
Out of 3,675 total housing units in 2010, Norwell had 3,553 occupied units, of which 3,240, or 91.2%, were owner-occupied while the remaining 313 units, or 8.8%, were rental units. These figures represent a much higher level of owner-occupancy than that for Plymouth County as a whole with 76.1% and for the Boston region at 62.3%.
- **Loss of rental units with some recent gains**  
While owner-occupied units increased by 515 units or 20.8% between 1980 and 2000, the rental housing stock declined by 25 units or 8.9% during this same time period. In 2000, 112 or 43.6% of Norwell's rental units were located in single-family homes and thus mostly indistinguishable

from owner-occupied units. Between 2000 and 2010, Norwell gained 237 owner-occupied units but also 56 rental units, most likely as existing ownership units were converted to rentals.

- **Substantial portion of rentals are subsidized**

About 36% of Norwell’s rental units are subsidized, 80 units for seniors and disabled adults of less than 60 years as well as 33 units of special needs rental housing. There are no subsidized rentals for families.

- **Decrease in persons per unit**

The average number of persons per unit declined between 1980 and 2010 for owner-occupied units, from 3.43 to 3.00 persons, and from 1.81 to 1.75 persons for rentals. This overall decrease reflects local, regional and national trends towards smaller households and relates to the change in the average household size in Norwell from 3.30 persons in 1980 to 2.89 by 2010.

- **Very low vacancy rates**

The homeowner vacancy rate in 2010 was 1.3% while the rental vacancy rate was 5.1%, both considerably less than state and national levels. It is important to note that any vacancy rate below 5% is considered to represent very tight market conditions (see Table II-14).

	<b>2000</b>	<b>2010</b>	<b>MA 2010</b>	<b>Nation 2010</b>
Rental	1.5	5.1	6.5%	9.2%
Homeowner	0.3	1.3	1.5%	2.4%

Source: US Census Bureau, 2000 and 2010

- **Single-family units predominate**

The US Census Bureau’s 2006-2010 American Community Survey indicated that the great majority of the existing housing units were in single-family, detached structures totaling 3,295 units or 92.5% of all Norwell’s housing units, much higher than the 71% level for the county. There was an increase of 438 single-family units between 1990 and 2010, involving 90% of the 485 net gain in housing units during that period. All other dwelling types had some modest increases with two exceptions. First, census estimates indicate that single-family attached units have been eliminated as part of the housing stock. Second, the census also shows a decrease in the number of mobile homes, from 84 in 1990 to 68 by 2010. While not eligible for counting as part of the Town’s Subsidized Housing Inventory (SHI), mobile homes do provide relatively affordable units and this vulnerable segment of the housing stock should be preserved to the greatest extent possible.

Information for 2010 from the Town Board of Assessors indicates that there were 3,282 single-family properties in Norwell (95% of all properties), 136 condominiums (3.9% of all properties), and just 28 multi-family buildings (0.8%) for a total number of 3,446 residential structures.

**Table II-15: Units in Structure, 1990, 2000 and 2010**

Type of Structure	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
1 Unit Detached	2,857	92.8	3,085	93.0	3,295	92.5
1 Unit Attached	13	0.4	32	1.0	0	0.0
2 to 4 Units	77	2.5	76	2.2	89	2.5
5 to 9 Units	14	0.5	33	1.0	43	1.2
10 or More Units	34	1.1	49	1.5	69	1.9
Mobile Homes/ Other*	84	2.7	43	1.3	68	1.9
Total	3,079	100.0	3,318	100.0	3,564	100.0

Source: US Census Bureau, 1990 and 2000 and 2006-2010 American Community Survey

\* Mobile homes, boats, RV's, etc.

- **Larger housing units with some "mansionization" and "teardowns"**

Information from the Town's Master Plan indicate that between the decades of the 1950s and 2000s, the average living space more than doubled in size, from 1,571 to 3,530 square feet. This trend towards "mansionization" is not just occurring by new residential development on vacant parcels, but also by the teardown of older, smaller homes replaced with much larger ones as well as by substantial additions to existing homes.

The 2010 census reports that the median number of rooms per dwelling unit was 7.5 rooms in Norwell, much higher than the 6-room median for Plymouth County. In fact, about 92% of all units in Norwell had five (5) rooms or more and 70% had seven (7) rooms or more. There were no single room units and only 52 with two rooms. On the other end of the range, there were 1,019 homes with nine (9) rooms or more.

- **Older housing stock**

As noted earlier and in Table II-12 and Figure II-4, 36.7% of Norwell's housing was built prior to 1960 with about the same amount built between 1960 and 1980. Consequently, a large segment of Norwell's housing stock is likely to have traces of lead-based paint and some deferred maintenance needs given aging structures.

### **C. Housing Market Conditions**

#### **1. Homeownership**

Census data also provides information on housing values, as summarized in Table II-16. The census indicated that the 2010 median house value was \$606,200, up from the \$321,800 median in 2000 and the 1990 median of \$222,800. In 2010, only 56 homes were valued at less than \$150,000 and only another dozen were valued between \$150,000 and \$199,999, making up the bulk of the more affordable housing stock or about 2.2% of all owner-occupied units at the time, down from 11% in 2000. The majority of housing units, 52.8%, were valued between \$500,000 and \$999,999, with another 399 homes, or 13%, valued above that.

Value	Number of Units	Percent of Units
Less than \$100,000	46	1.5
\$100,000 to \$149,999	10	0.3
\$150,000 to \$199,999	12	0.4
\$200,000 to \$299,999	130	4.2
\$300,000 to \$499,999	866	27.9
\$500,000 to \$999,999	1,639	52.8
\$1 million or more	399	12.9
Total	3,102	100.0
Median (dollars)	\$606,200	

Source: 2006 - 2010 US Census Bureau American Community Survey data

More updated market data for all sales is tracked by The Warren Group from Multiple Listing Service data based on actual sales. This market information is summarized in Table II-17, providing median sales prices for Norwell from 2000 through the end of 2011. The median price is the midpoint of a range of values for a given time period with half of the homes selling above the median price and half below. This data includes all properties that are listed on the housing market including newly constructed units. While the data does not include private sales or renovation work, it does provide important insights into the dynamics of the housing market, including most sales transactions.

Year	Months	Single-family/#	Condo/#	All Sales	# All Sales
2011	Jan – Dec	\$502,000/95	\$445,000/5	\$500,000	127
2010	Jan – Dec	525,500/104	209,000/9	\$480,500	124
2009	Jan – Dec	515,000/97	235,000/13	508,000	125
2008	Jan – Dec	560,000/115	332,000/17	546,000	148
2007	Jan – Dec	604,400/112	425,000/15	529,900	145
2006	Jan – Dec	636,500/150	319,500/8	605,000	185
2005	Jan – Dec	548,000/101	344,838/12	530,000	148
2004	Jan – Dec	560,000/189	450,000/28	520,000	284
2003	Jan – Dec	496,500/146	393,308/29	498,000	213
2002	Jan – Dec	481,000/153	465,600/22	460,000	199
2001	Jan – Dec	408,000/135	397,350/25	403,500	208
2000	Jan – Dec	390,000/137	209,000/21	355,250	194

Source: The Warren Group, March 2012

As of the end of 2011, the median sales price of a single-family home in Norwell was \$502,000, down somewhat from \$525,500 as of the end of 2010. These prices were down considerably from the median of \$636,500 at the end of 2006, at the height of the housing market in Norwell, reflective of the recent housing crisis.

The number of single-family home sales in 2011 was 95, not much higher than the total number of single-family home sales in 2009 of 97. The greatest number of such sales in any particular year was in 2004 with 189 sales.

The condominium market in Norwell is relatively small, only 136 units according to Town Assessor's data. Median condo prices ranged from a high of \$465,600 in 2002 to \$209,000 in 2010, a 55% fall-off in the median price. While only five (5) sales were involved, the median condo price more than doubled between 2010 and 2011, going up to \$445,000.

As Table II-18 indicates, very few housing units were valued in the more affordable ranges. There were 50 properties assessed at less than \$200,000, almost all of which were condominiums, and another 260 properties were assessed between \$200,000 and \$300,000. These 310 properties, or about 9% of the total housing stock, would be natural targets for any initiative the Town might consider to convert existing housing to long-term affordability through the state's Local Initiative Program (LIP). More than half of the properties, 52.4% were assessed between \$300,000 and \$400,000. The table also suggests that Norwell has a significant luxury market with 1,330 properties, or almost 40% of all residential properties, valued over \$500,000, 601 or 17.4% valued over \$700,000.

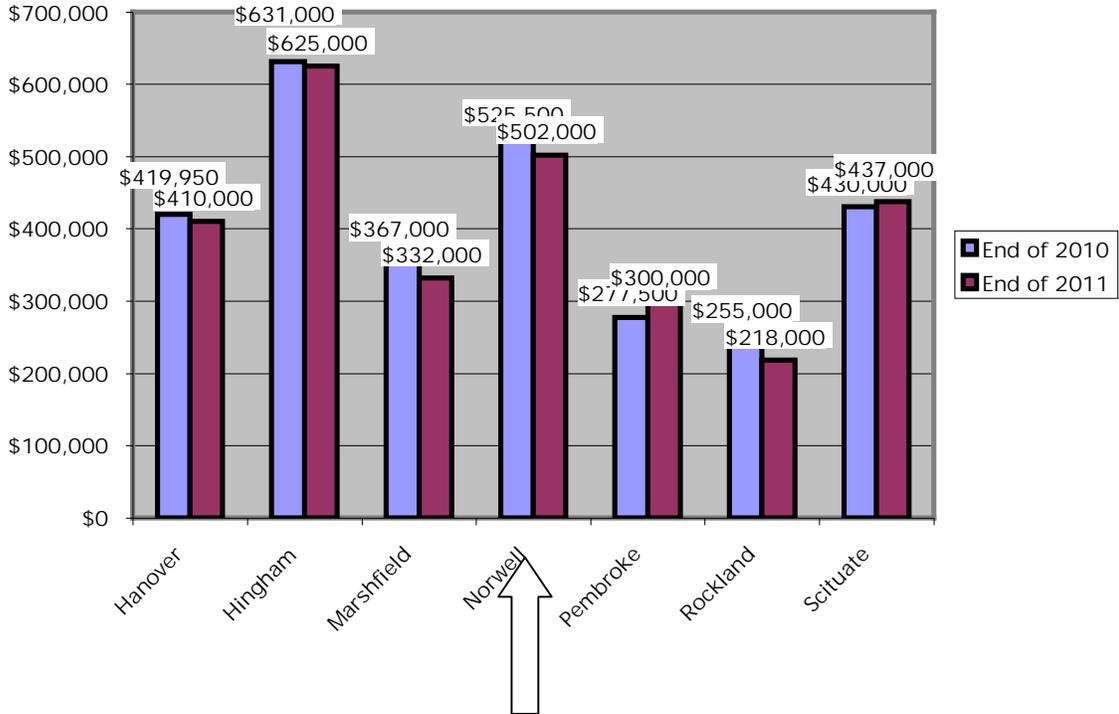
Assessment	Single-Family Dwellings		Condominiums		Multi-Unit Dwellings		Total	
	# Units	% Units	# Units	% Units	# Units	% Units	# Units	% Units
0-\$199,000	1	0.03%	49	36.0%	0	0.0%	50	1.4%
\$200,000 - \$299,000	248	7.6%	11	8.1%	1	3.6%	260	7.5%
\$300,000 - \$399,000	905	27.6%	9	6.6%	4	14.3%	918	26.6%
\$400,000 - \$499,000	836	25.5%	45	33.1%	7	25.0%	888	25.8%
\$500,000 - \$599,000	412	12.6%	22	16.2%	6	21.4%	440	12.8%
\$600,000 - \$699,000	284	8.6%	0	0.0%	5	17.9%	289	8.4%
\$700,000 - \$799,000	195	5.9%	0	0.0%	2	7.1%	197	5.7%
\$800,000 - \$899,000	129	3.9%	0	0.0%	1	3.6%	130	3.8%
\$900,000 - \$999,000	84	2.6%	0	0.0%	1	3.6%	85	2.5%
Over \$1 Million	188	5.7%	0	0.0%	1	3.6%	189	5.5%
<b>Total</b>	<b>3,282</b>	<b>100.0%</b>	<b>136</b>	<b>100.0%</b>	<b>28</b>	<b>100.0%</b>	<b>3,446</b>	<b>100.0%</b>

Source: Norwell Assessor's Office, April 2011

Figure II-5 compares median single-family home price as of the end of 2010 and 2011 for Norwell in comparison to neighboring communities. In some cases, median prices increased somewhat between 2010 and 2011, such as for Pembroke and Scituate. For the other communities, including Norwell, the median sales prices decreased with Norwell showing the greatest decrease in terms of the difference in total dollar amount.

Figure II-5

Median Sales Prices for Norwell and Neighboring Communities -- 2010 and 2011



Another analysis of housing market data is presented in Table II-19, which includes a breakdown of sales data from the Multiple Listing Service (MLS) from the beginning of 2010 through February 2012, broken down into most of 2010 versus 2011. There were five (5) sales below \$200,000 in 2010 and ten in 2011, including several which sold below \$100,000 and appear to be special below market transactions. There were nine (9) other homes in 2010 and eight more in 2011 that sold between \$200,000 and \$300,000, most of which were relatively small and likely needed repairs.

Table II-19: Summary of Sales, January 2010 Through February 2012

Price Range	1/10 Through 1/11		2/11 Through 2/12		Total	
	# Sales	% Sales	# Sales	% Sales	# Sales	% Sales
Less than \$199,999	5	4.8	10	9.4	15	7.1
\$200,000-299,999	9	8.7	8	7.5	17	8.1
\$300,000-399,999	16	15.4	15	14.2	31	14.8
\$400,000-499,999	23	22.1	21	19.8	44	21.0
\$500,000-599,999	19	18.3	18	17.0	37	17.6
\$600,000- \$699,999	11	10.6	8	7.5	19	9.0
\$700,000-\$799,999	6	5.8	8	7.5	14	6.7
\$800,000-\$899,999	1	1.0	7	6.6	8	3.8
\$900,000-999,999	2	1.9	7	6.6	9	4.3
Over \$1 million	12	11.5	4	3.8	16	7.6
Total	104	100.0	106	100.0	210	100.0

Source: The Warren Group, March 13, 2012

More than half of the sales, or 53.4%, were in the mid-price ranges of \$300,000 to \$600,000, with about 31% of the sales above that range including 16 properties, or 7.6%, that sold above \$1 million.

During 2010 through early 2011, four (4) of these sales were condominiums that included two-bedrooms and two baths, three (3) selling between \$172,500 and \$209,000 and a fourth that sold for \$475,000. From February 2011 through 2012, there were also four condo sales recorded, all with two bedrooms and two baths but selling in the higher range, between \$430,000 to \$527,500.

## 2. Rental Housing

Data on the costs of rental units, for 1990 through 2010, is included in Table II-20. The 2010 census indicated a gain of 93 units since 1990 and an increasingly expensive rental housing stock. The 2010 median gross rental was \$1,355, more than double the median rent of \$619 in 2000 and triple the 1990 median rent of \$453. In 2010, most of the rents, almost 60%, were more than \$1,000 a month.

Rental units remain a relatively small segment of Norwell’s housing market, about 8%, much smaller than that for Plymouth County and the state at 24.4% and 38.3%, respectively. Because 113 units of Norwell’s Subsidized Housing Inventory are rental units, about 44% of the Town’s existing occupied rental stock is publicly assisted and as such has restricted below market rents, thus skewing gross rental figures somewhat. Most of the other rental units are in single-family homes, small multi-family properties or mobile homes.

Monthly Rent	1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent
Under \$200	58	24.5	20	7.7	0	0.0
200-299	19	8.0	7	2.7	42	12.7
300-499	53	22.4	44	17.0	43	13.0
500-749	22	9.3	72	27.8	40	12.1
750-999	28	11.8	60	23.2	0	0.0
1,000-1,499	52	21.9	19	7.3	65	19.7
1,500 +			4	1.5	132	40.0
No cash rent	5	2.1	33	12.7	8	2.4
Total	237	100.0	259	100.0	330	100.0
Median rent	\$453		\$619		\$1,355	

Source: US Census Bureau, 1990 and 2000 (Summary Table 3 – sample data) and 2006-2010 data from the American Community Survey

Like housing values for homeownership units, rental values tend to be underestimated in the census data and actual market rents are typically much higher. In March 2011, there was only one local listing on Craigslist for a rental unit in Norwell that included a three-bedroom ranch with one bath for \$1,700 per month. In March 2012, a year later, only one apartment was listed in Norwell, a small two-bedroom home with 1,000 square feet for \$1,900 a month.

There were some listings for neighboring communities that further suggests that it is difficult to obtain a two-bedroom apartment for less than \$1,300. Examples of these listings for early March 2011 included the following:

*Scituate*

- \$1,900 for a 2-bedroom house
- \$2,000 for a 2-bedroom home with 1,000 square feet of living space
- \$2,350 for a 3-bedroom unit with a view of the harbor

*Hingham*

- \$1,950 for a 4-bedroom duplex unit

*Pembroke*

- \$1,450 for a 2-bedroom townhouse

*Marshfield*

- \$980 1-bedroom apartment in a new over 55, age-restricted, community and \$1174 for a 2-bedroom in the same subdivision
- \$1,000 for a 2-bedroom condo
- \$1,304 to \$1,400 for other 2-bedroom units
- \$1,350 to \$1,650 for 3-bedroom units
- \$2,300 for a 4-bedroom unit with an option to purchase

In early March 2012, the following listings were included on Craigslist that demonstrated that rents have remained about the same in comparison to the year before:

*Scituate*

- \$1,000 for a furnished 1-bedroom apartment
- \$1,150 for an 800 square foot 1-bedroom unit
- \$1,400 for a small 1-bedroom house
- \$1,200 for a 1-bedroom unit in the Scituate Harbor area
- \$1,550 for a small 2-bedroom ranch house
- \$1,750 for a 3-bedroom house near the train station
- \$1,900 for a 3-beach house at Humarock Beach for the winter season
- \$2,300 for a 4-bedroom house near the Wampatuck School
- \$2,600 for a 4-bedroom house at Third Cliff
- \$3,100 for a 4-bedroom house at Humarock Beach for the winter

*Hingham*

- \$1,225 for a 1-bedroom condo for rent with 732 square feet of living space
- \$1,750 for a 2-bedroom unit by the harbor

*Pembroke*

- \$1,283 for a 1-bedroom apartment at Alexan Pembroke Woods development
- \$1,350 for a 2-bedroom ranch on Oldham Pond
- \$1,300 for a small 2-bedroom apartment

\$1,500 for a 2-bedroom house  
\$1,567 for a 2-bedroom apartment at Alexan Pembroke Woods

*Marshfield*

\$1,000 for a 2-bedroom condo near the intersection of Routes 3 and 139  
\$1,304 to \$1,400 for other 2-bedroom units  
\$1,350 to \$1,650 for 3-bedroom units  
\$2,300 for a 4-bedroom unit with an option to purchase

Most rental opportunities are passed on by word of mouth and not formally advertised in Norwell. It is also important to note that typically tenants are required to pay utilities, which add considerably to monthly housing costs. Additionally, renters are asked to pay first and last months rent plus a security deposit when they sign the lease. Consequently, in addition to sizable monthly housing expenses, there are large up-front cash requirements on renters creating barriers for many of limited financial means.

**D. Affordability Analysis of Existing Market Conditions**

**1. Homeownership**

As more homes emerge on the market with sale tags of more than \$500,000, fewer existing longer-term residents will be able to afford them without substantial savings and clean credit. To afford the median sales price of a single-family home in Norwell of \$525,500, based on The Warren Group information as of the end of 2010, a household would have to earn approximately \$121,700,<sup>12</sup> substantially more than the estimated median income of \$108,944 in 2010,<sup>13</sup> and 33% higher than the Boston area median income in 2010 of \$91,800. Based on the lower median single-family house price of \$502,000 as of the end of 2011, the estimated required income would be about \$116,500.

These income levels are also premised on the ability of the purchaser to come up with the 20% down payment, or more than \$100,000, that is now typically required by lenders in response to the financial crisis of the last several years. This up-front cash requirement, in addition to mortgage closing costs, exerts a substantial challenge for those who do not have equity from a previous purchase or sufficient income to put money aside for savings. Issues related to credit problems also hamper access to homeownership for many.

The affordability gap is often defined as the difference between what a household earning at median income can afford to purchase and the median priced home. In the case of Norwell, a household earning \$108,944, the estimated median income for Norwell in 2010, can afford a home priced at about \$475,000, assuming 80% financing. Consequently, the affordability gap is \$50,500 based on the 2010 median house price and \$27,000 based on the 2011 median price.

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<sup>12</sup> Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$13.87 per thousand and insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount (not needed for 80% financing), and estimated monthly condo fees of \$300. Also based on a household spending no more than 30% of its income on housing costs.

<sup>13</sup> Based on the US Census Bureau's 2006-2010 American Community Survey.

This gap is in fact widened by the likely need for at least \$100,000 in cash for the down payment and closing costs.

The affordability gap widens to \$292,000 for those who are earning at or below 80% of area median income, a requirement for units to count towards the Chapter 40B 10% affordability goal or annual production goals under the Housing Production program. Those earning at the very top of the affordability limit, at 80% AMI or \$58,500 for a family of three, could afford a home costing no more than approximately \$210,000, assuming they could get 95% financing through a subsidized mortgage program offered by the state (Soft Second Loan Program, MassHousing programs).

## **2. Rentals**

In regard to rentals, the gross median rent of \$1,355, according to the 2010 census, required an income of almost \$60,000, factoring in some utility costs. This income is outside of HUD's income limit for those earning at 80% of area median income based on the average household size for Norwell of three person. While market rentals are rarely listed, current market rents are actually much higher with no two-bedroom units on the market in the area for less than about \$1,000. It is difficult to find a two-bedroom unit listed for less than \$1,300. Based on 2010 income estimates from the US Census Bureau, almost 40% of Norwell's households would have been unable to afford to rent at this level based on spending no more than 30% of household income on housing costs.

To put these rentals into another context, someone earning the minimum wage of \$8.00 for 40 hours per week and every week during the year would still only earn a gross income of \$16,640. Households with two persons earning the minimum wage would still fall very short of the needed \$60,000 income. Moreover, the entry costs of rental housing – including first and last month's rent and a security deposit – make accessing private rental housing a serious challenge for cash-strapped, lower-wage earning households.

## **3. Cost Burdens**

It is also useful to identify numbers of residents who are living beyond their means due to the extent of their housing costs. The 2010 census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing or encountering housing affordability problems. Households paying more than 30% of their incomes for housing are defined by HUD as being cost burdened, and when paying more than 50% of their incomes they are said to be severely cost burdened.

Table II-21 shows 2000 and 2010 US Census data for housing burdens in Norwell. Over 2,000 housing units had mortgages in 2000 and the median mortgage was \$1,813 per month. The number of those with mortgages increased by 37 to 2,109 by 2010, but the median monthly mortgage payment increased by 55.3% to \$2,815. Not surprisingly, those who were spending at least 35% of their household income on housing expenses also increased by 52.6%, from 407 to 621 households.

For renters, the median gross monthly rent in 2000 was \$619 per month, and there were 37 renter households who were spending at least 35% of their income on housing or about one-quarter of those renters not living in subsidized housing. Because rental costs increased so markedly, to a median gross rent of \$1,355 by 2010, those paying more than 35% for housing also increased from 37 to 143 households or by 286%.

Additionally, 121 owners and 46 renters paid between 30% and 34.9% of their income on housing, still more than the 30% affordability threshold. Consequently, 528 owners (16.3% of all owners) and 83 renters (26.5% of all renters), for a total of 611 households, were by common definition living in housing that was not affordable to them, which is 17% of all Norwell households.

	<b>2000</b>	<b>2010</b>	<b># Change</b>	<b>% Change</b>
# Owners with Mortgage, # Units	2,070	2,109	39	1.9
Monthly Cost of Mortgage (Median)	\$1,813	\$2,815	1,002	55.3
# Owners with Housing Costs of >= 35% of Household Income	407	621	214	52.6
# Renters with Rental Payments	226	322	96	42.5
Renter Gross Monthly Rent (Median)	\$619	\$1,355	736	119
Gross Rent >=35% of Household Income	37	143	106	286%

Source: US Census, 2000 and 2006-2010 American Community Survey

### **E. Subsidized Housing Inventory (SHI)**

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, the federal government identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household’s net or adjusted income (with a small deduction per dependent, for child care, extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. If households are paying more than these thresholds, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems or cost burdens.

Affordable housing is also defined according to percentages of median income for the area, as established by the US Department of Housing and Development (HUD), and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. *Extremely low-income* housing is directed to those earning at or below 30% of area median income as defined by the US Department of Housing and Urban Development (\$26,450 for a family of three for the Boston area)<sup>14</sup> and *very low-income* is defined as households earning between 31% and 50% of area median income (\$44,050 for a family of three). *Low-income* generally refers to the range between 51% and 80% of area median income (\$58,500 for a family of three at the 80% level). These income levels are summarized in Table II-22.

In general, programs that subsidize rental units are targeted to households earning within 50% or 60% of median income, often including units for those earning below 30% of the area median. First-time homebuyer programs typically apply income limits of up to 80% of area median income.

<sup>14</sup> The average household size is 2.89 persons in Norwell based on the 2010 census.

The Community Preservation Act allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as “community housing” units. Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, moderate-income units for those earning between 80% and 120% of median income, often referred to as “workforce” units, and even some market rate units to help cross-subsidize the more affordable ones. A rental project might include a couple of tiers below the 60% level in addition to workforce and/or market rate units.

# in Household	30% of Median Income	50% of Median Income	80% of Median Income
1	\$20,550	\$34,250	\$45,500
2	23,500	39,150	52,000
3	26,450	44,050	58,500
4	29,350	48,900	65,000
5	31,700	52,850	70,200
6	34,050	56,750	75,400
7	36,400	60,650	80,600
8+	38,750	64,550	85,800

In counting a community’s progress toward the 10% threshold, the state counts a housing unit as affordable if it is subsidized by state or federal programs that support households earning at or below 80% of area median income under Chapter 774 of the Acts of 1969, which established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). To be included in the Subsidized Housing Inventory (SHI), thus making progress towards the 10% affordability goal, the housing units must also be subject to long-term deed restrictions that limit occupancy to income-eligible households for a specified period of time (at least 30 years or longer for newly created affordable units and at least 15 years for rehabilitated units) and be marketed through the implementation of a state-approved Affirmative Fair Housing Marketing Plan.

**I. Current Inventory**

The Department of Housing and Community Development counts 139 units in Norwell that meet affordability requirements under Chapter 40B and are eligible for inclusion in the Subsidized Housing Inventory as summarized in Table II-23. Chapter 40B mandates that the town should have 10% of its year-round housing stock as affordable housing which would total 365 units out of its 3,652 year-round housing units (2010 US Census)<sup>15</sup>. With a current inventory of 139 (3.8%) affordable housing units, Norwell currently has a deficit of 226 affordable units.

The Norwell Housing Authority (NHA) owns and manages the 80 units for seniors and younger disabled adults at Norwell Gardens. The development had a wait list of 35 applicants as of early March 2011, about half being seniors and the other half young disabled residents. There are currently no vacancies and a typical wait for a unit is about a year and a half. There are four (4) handicapped accessible units and a number of residents in second-floor units are seeking transfers to more easy to get to units on the first floor.

<sup>15</sup> Figure calculated by subtracting seasonal units and second homes from the total unit count.

The Housing Authority also owns three (3) group homes that are managed by Road to Recovery, a service provider. One particular property is in substandard condition and the Housing Authority is working with the Town and DHCD to resolve the problem. NHA is also a designated monitoring agent for enforcing the continued affordability of units at two (2) homeownership developments, Jacobs Pond Estate and Silver Brook Farm, with technical support from South Shore Housing Development Corporation, the region's non-profit housing organization.

<b>Project Name</b>	<b># Affordable Units</b>	<b>Project Type</b>	<b>Use of a Comp Permit</b>	<b>Affordability Expiration Date</b>
Norwell Gardens/Housing Authority	80	Rental/seniors and Young disabled	Yes	Perpetuity
NA	8	Rental/special needs	No	Perpetuity
NA	8	Rental/special needs	No	Perpetuity
West End Way	1	Ownership	Yes	Perpetuity
Jacobs Pond Estate	11	Ownership	Yes	2098
Silver Brook Farm	8	Ownership	Yes	2098
DDS Group Homes	17	Rental/special needs	No	NA
Damon Farms	6	Ownership	Yes	Perpetuity
Total	139	113 rentals and 26 ownership units	106 or 76% used the comp permit	

Source: Massachusetts Department of Housing and Community Development, February 9, 2011.

**2. Recent or Proposed Housing Developments**

There are a number of housing developments that are in the planning or predevelopment phases or pending appeal/lawsuits that include the following:

- *Circuit Street*  
The Town of Norwell has conveyed a lot on Circuit Street to South Shore Habitat for Humanity for a single-family home, which is now in development. CPA funding of \$80,000 was approved at the 2011 Town Meeting.
- *Prospect Street Group Home*  
The Town issued a Request for Proposals to solicit interest in developers to build a five-bedroom group home on this one-acre Town-owned parcel. The Town also approved \$600,000 in CPA funding to help finance the project.
- *Assinippi Avenue Group Home*  
The Town is working with the Norwell Housing Authority on the demolition of an existing group home in substandard condition, replacing it with another five-bedroom group home. The existing occupants will be moved to another facility during construction.
- *The Glen*  
This 36-unit mobile home park has been providing affordable homes for over 50 years, although units are not eligible for inclusion in the Subsidized Housing Inventory (SHI). It

has been brought to the Town's attention that due to substantial increases in the ground lease rental rates by the present owners of the land, these units are becoming increasingly unaffordable. Consequently, the Norwell Housing Partnership and Housing Trust are discussing possible options to help keep the units as affordable as possible through the long-term.

- *Washington Woods*  
This Chapter 40B homeownership development received approval but the comprehensive permit expired in October 2009 before building permits were pulled and thus the ten (10) affordable units were removed from the SHI. Since then three (3) of the buildings have been completed including three (3) affordable units, which are eligible for inclusion in the SHI.
- *White Barn Lane*  
The developer of this Chapter 40B homeownership development proposed 44 total condominiums and eleven (11) affordable ones and agreed to reduce the density to 40 units (10 affordable). The ZBA approved the comprehensive permit with a number of conditions and the project has been held up in litigation.
- *Tiffany Hill*  
This 24-unit comprehensive permit project (six two-bedroom units and 18 three-bedroom units), with six (6) affordable condo units, has also been held-up by litigation, most recently a lawsuit filed by an abutter.
- *Autumn Woods*  
Four (4) affordable units were proposed as part of a 12-unit single-family home development using the Chapter 40B comprehensive permit process, also delayed by a lawsuit. The comprehensive permit has expired.
- *Simon Hill Village*  
This 80-unit 40B development, with 20 affordable units, was approved by the ZBA with conditions and is currently in litigation.
- *Tiffany Road*  
The Affordable Housing Partnership has met with a local developer to discuss the prospects of developing a 25-acre property he owns off of Tiffany Road as a multi-family housing development through the "friendly" 40B process.<sup>16</sup> The developer has initially

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<sup>16</sup> The "friendly" 40B process is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality's chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.

proposed a project of approximately 40 units. This project is well buffered from abutters, would help meet the town's priority housing need for rental housing (see Section II.F), and would enable the Town to be "certified" under Housing Production guidelines for two (2) years after the comprehensive permit was approved, meaning that The Town would likely be able to deny the approval of unwanted 40B developments within that period without the developer's ability to appeal the decision. The conceptual proposal has generated significant local concerns regarding the appropriateness of the site particularly in regard to drainage, traffic, and neighborhood character issues.

## **F. Priority Housing Needs**

As the affordability analysis indicates in Section II.D above, significant gaps remain between what most current residents can afford and the housing that is available. In addition to sizable income requirements, both purchasers and renters are confronted with substantial up-front cash requirements and credit checks when seeking housing. Also, long-term residents encounter difficulties keeping up with housing expenses including taxes, utilities and insurance. It is no wonder that in 2010 approximately 17% of all households were spending too much on housing (spending more than 30% of their income on housing), including 83 renters and 528 owners.

In 2010, Norwell's housing stock included a 91 to 9 percent ratio of homeownership units to rentals. Also, 80% of existing affordable units in the SHI have boosted rentals in an effort to continue to diversify the housing stock and to serve those most in need. In fact, the 113 rentals represent 36% of all rentals in Norwell.

To further diversify housing and present a range of affordable housing options in Norwell, the Town will need to pay particular attention to the following housing needs:

### **1. Households with Limited Incomes – Need Affordable Rental Housing**

Despite increasing household wealth, there still remains a population living in Norwell with very limited financial means. Given the high costs of rental housing, including sizable up-front costs (first and last months rent, a security deposit, and/or moving expenses), and relative lack of such housing in Norwell, more subsidized rental housing is necessary to make living in Norwell affordable, particularly for the community's most vulnerable residents.

- Based on 2010 estimates from the Census Bureau's American Community Survey, an estimated 336 households or almost 10% of all households had incomes below \$25,000 and thus had very limited financial resources.
- An estimated 955 households, or approximately 28% of all households, might have qualified for housing assistance in 2010 as their incomes were approximately at or below

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3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
  4. Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.
  5. Developer's profits are restricted per Chapter 40B requirements.

80% of area median income defined by the US Department of Housing and Urban Development (HUD) as \$58,500 for a family of three.<sup>17</sup>

- There were still 179 individuals who lived in poverty in the Norwell community in 2010, the same number as in 1999 despite increasing average income levels. Given the surge in the cost of living since then, including housing costs, it is likely that things have not improved for many of these individuals and families, and some may have left the community in search of more affordable living conditions.
- The gross median rent of \$1,355, according to the 2010 census, required an income of almost \$60,000, factoring in some utility costs. This income is outside of HUD's income limit for those earning at 80% of area median income based on the average household size for Norwell of three persons. While market rentals are rarely listed, current rental listings are actually much higher with no two-bedroom units on the market in the area for less than about \$1,000. It is difficult to find a two-bedroom unit listed for less than \$1,300. Based on 2010 income estimates from the US Census Bureau, almost 40% of Norwell's households would have been unable to afford to rent at this level based on spending no more than 30% of household income on housing costs.
- There were 83 renters (26.5% of all renters) who were by common definition living in housing that was not affordable to them.
- There are no subsidized units available to families in Norwell.
- Waits are approximately 1½ year for a small one-bedroom unit at the Housing Authority's Norwell Gardens development.

## **2. Gaps in Affordability and Access to Affordable Housing – Need Affordable Homeownership Opportunities**

A wider range of affordable housing options is needed, particularly for younger households entering the job market and forming their own families, municipal employees, as well as empty nesters and seniors. Efforts to help prevent foreclosures should also be bolstered.

- In 2010, there were 528 homeowners (16.3% of all owners) who were spending more than 30% of their household income on housing expenses and thus paying too much for housing.
- There are few if any homes available in the private market for under \$200,000 that would be affordable to low- and moderate-income households. For example, there were five (5) sales below \$200,000 in 2010 and ten in 2011, including several of which sold below \$100,000 and appear to be special below market transactions.
- There were only 50 properties assessed at less than \$200,000, almost all of which were condominiums.
- Based on the median single-family house price of \$502,000 as of the end of 2011, a purchaser would have to earn approximately \$116,500,<sup>18</sup> substantially more than the

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<sup>17</sup> While these households' incomes might be at or below 80% of area median income, many are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

<sup>18</sup> Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$13.87 per thousand and insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount (not needed for 80% financing), and estimated monthly condo fees of

estimated median income of \$108,944 in 2010, <sup>19</sup> and 33% higher than the Boston area median income in 2010 of \$91,800.

- Increasingly rigorous mortgage lending criteria, including down payments of 20% of the purchase price (more than \$100,000 for the median priced home) exert a substantial challenge for those who do not have equity from a previous purchase or sufficient income to put money aside for savings. Issues related to credit problems also hamper access to homeownership for many.
- The affordability gap is \$50,500 based on the 2010 median house price and \$27,000 based on the 2011 median price, typically defined as the difference between the median priced home (\$502,000) and what a household earning median income can afford (\$475,000). This gap is in fact widened by the likely need for at least \$100,000 in cash for the down payment and closing costs.
- The affordability gap widens to \$292,000 for those who are earning at 80% of area median income, a requirement for units to count towards the Chapter 40B 10% affordability goal or annual production goals under the Housing Production program. Those earning at the very top of the affordability limit, at 80% AMI or \$58,500 for a family of three, could afford a home costing no more than approximately \$210,000, assuming they could get 95% financing through a subsidized mortgage program offered by the state (Soft Second Loan Program, MassHousing programs).
- Norwell has confronted increasing numbers of foreclosures.
- Demographic trends suggest that high housing costs may be pricing younger individuals and families out of the housing market as those entering the labor market and forming new families have been dwindling in numbers, reducing the pool of entry level workers and service employees as well as forcing the grown children who were raised in town to relocate outside of Norwell. For example, the population age 18 to 34 was 22% of the population in 1980 and decreased to approximately 10% by 2010.
- There are few housing options, particularly affordable ones, for seniors looking to downsize to units that require less maintenance.

### **3. Housing Conditions – Need Home Improvement Resources**

Programs to support necessary home improvements – including deleading, handicapped accessibility, and septic repairs for units occupied by low- and moderate-income households – are needed, particularly for the elderly living on fixed incomes.

- Almost 37% of Norwell's housing was built prior to 1960, with about the same amount built between 1960 and 1980. Some of these aging units are also likely to have deferred maintenance needs.
- Those homes built prior to 1978 are likely to have traces of lead-based paint, posing safety hazards to children.
- Because properties in Norwell are totally reliant on septic systems, it is likely that there are homes with failing systems that require repair or replacement, which is particularly worrisome given the town's water supply.

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\$300. Also based on a household spending no more than 30% of its income on housing costs.

<sup>19</sup> Based on the US Census Bureau's 2006-2010 American Community Survey.

**4. Special Needs Housing – Need Barrier-Free Units and Supportive Services**

There were approximately significant numbers of residents who claimed some type of disability, and given the aging of the population, greater emphasis should be place on housing that includes supportive services and barrier-free improvements.

- A total of 739 residents or 7% of the population was disabled in 2009,<sup>20</sup> which included sensory, physical and mental disabilities. Of the population age 5 to 20 years old, 47 claimed a disability and of those age 21 to 64, 287 claimed a disability. In regard to the population 65 years of age or older, 405 or almost 24.2% of those in this age range were disabled.
- Those older adults 55 years of age and older are expected to increase substantially. Baby boomers age 55 to 64 are projected to increase from 14.2% in 2010 to 16.5% by 2014. Also those age 65 or older are expected to increase from 15.9% of all residents in 2010 to 16.7% by 2014.
- Only four (4) of the units at the Norwell Housing Authority’s Norwell Gardens development are handicapped accessible.
- There are two (2) nursing homes in Norwell but no assisted living options for more active seniors needing some level of supportive services or wanting a different setting from their high maintenance single-family.

A summary of housing goals based on these priorities is provided in Table II-24, premised on producing an average of 18 affordable units per year, reflective of production goals under the state Housing Production guidelines, and a balance of about 75% to 25% rental versus homeownership units. At least 10% of the new units produced should include handicapped accessibility and/or supportive services for special needs populations and seniors. Goals for housing rehabilitation are based on at least two (2) units per year and the ability to secure necessary subsidy funds.

<b>Type of Units</b>	<b>1-Year Goals</b>	<b>5-Year Goals</b>
Rental Housing	13 units	65 units
Homeownership Units	5 units	25 units
Total	18 units	90 units
Handicapped accessibility and/or supportive services/about 10% of new units produced	2 units	10 units
Promote housing assistance for property improvements	2 participants in improvement programs	10 participants in improvement programs

<sup>20</sup> More updated disability statistics have not yet been released from the US Census Bureau.

### III. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

It will be a challenge for the town of Norwell to create enough affordable housing units to meet local needs and the 10% state goal, particularly in light of current constraints to new development including the following:

#### A. Environmental Constraints

Over a quarter of Norwell's area is composed of water and wetlands. With a topography that ranges from rugged hilltops to tidal flats, Norwell has a great diversity of wetland types, from salt marshes and wooded swamps to natural and cranberry bogs. Both streams and wetlands are distributed evenly across the landscape and throughout town, with the largest percentage within the First, Second and Third Herring Brook watersheds and along the North River into which they ultimately flow. A series of large wooded swamps in the northwest part of town form the slow-draining headwaters of these three stream systems. Drainage problems are pervasive throughout town, which any development must successfully resolve.

*Mitigation Measures:* The Town has a Permanent Drainage Committee, which has identified public drainage projects townwide and established regulations regarding drainage calculation methodologies and design standards. The Town will continue to identify land without environmental constraints that will be suitable for affordable housing.

#### B. Public Water Supply

Norwell is served by a municipal water supply system. The system, with eleven groundwater wells, has over 3,200 customers who use an average of 1 million gallons of water per day. In total the system pumps approximately 337,000,000 gallons per year, with peak demand coming in June when an average of 2 million gallons of water have been pumped. The town has a permit from the MADEP to pump a maximum of 1.35 million gallons per day from the Boston Harbor and South Coastal Aquifers. The town recently developed Well Eleven, a new 800-gallon/minute-water source and purchased 275 acres to create Well Eleven's well field, its associated buffer zone and the contiguous tract of land for the new service line

Because the town's wells are located in relatively shallow aquifers, they are more susceptible to contamination. Nitrates have been found in the town's water, indicating areas of failed septic systems or fertilizer runoff. The town has mapped its wells and associated wellhead protection areas and established an Aquifer Protection Overlay District ordinance that restricts uses over Zone 2 and Zone 3 of the aquifer.

A past study found that the Weir River Watershed was taxed as a water supply source and an aquatic habitat. The town of Norwell has four wells that draw from this watershed. The Weir River is under pressure to provide adequate drinking and aquatic water supply. The town is currently withdrawing less than its permitted volume from this sub-basin, however, the lack of conservation or improvement in the water recovery efforts of other users could have an adverse impact on Norwell's ability to use the Weir River watershed as a water supply.

The Water System Master Plan, completed in 2002, states that current sources are inadequate to meet present and projected demands through 2020. Major recommendations include development of Well No. 11 (completed); water audit and conservation programs; and

identification of new water supplies and development of wells and pumping stations.

*Mitigation Measures:* The Town needs to implement pertinent sections of its Master Plan as summarized above. Moreover, as the State Department of Environmental Protection (DEP) has recognized that Norwell’s multiple groundwater wells are vulnerable to contamination because of geological conditions as well as proximity to heavily traveled roads, DEP recommends that there be more coordination among Hingham, Hanover and Norwell regarding necessary controls and protection of their water supply.

**C. Wastewater Issues**

The Town of Norwell does not have a public sewer system, and properties must rely on septic systems if special treatment facilities are not integrated into new development. Moreover, the prevalence of wetlands and proximity to water supply sources makes siting and the design of septic systems in Norwell critically important. Many Norwell septic systems were found to be failing in 1995 when Title V regulations were implemented. However, changing technologies and the use of local communal septic systems may make previously undevelopable land open for development.

Norwell has historically had an abundance of poor draining soil. There were problems with failed septic systems and percolation tests in the 1960s, long before the state became concerned with the issue. Prior to the 1995 Title V septic system regulations, Norwell had more stringent regulations than the new state standards, generally requiring separate leaching fields for laundry and other waste. Much of Norwell's land area is either unbuildable due to poor soil or wetlands, or due to proximity to aquifer protection zones. During the 1960s and 1970s, Norwell was also still building its town water system.

*Mitigation Measures:* It will be important for any new affordable housing development to address septic issues and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment. Also, the Town will need to consider providing municipal sewer services in some areas of town where growth could better be directed at some point in the future.

**D. Land Use Regulation**

As presented in Table II-24, almost all of Norwell is zoned for residential use. In addition to its two (2) residential zoning districts and three (3) business districts, Norwell has five (5) overlay districts – for salt marsh protection; floodplain, watershed and wetlands protection; wireless facilities; aquifer protection; and village-style (cluster) development for people 55 or over.

<b>Table II-24: Zoning Districts</b>				
<b>Zoning Code</b>	<b>Zoning District</b>	<b>Area (Sq. Miles)</b>	<b>Acreage</b>	<b>Percent</b>
RA	Residence A	18.04	11,526	85.1%
RB	Residence B	2.08	1,329	9.8%
BA	Business A	0.05	30	0.2%
BB	Business B	0.40	255	1.9%
BC	Business C	0.64	410	3.0%
Total		21.20	13,570	100.0%

The base zoning for the residential districts permits only single-family homes, with two exceptions: 1) conversion to two-family dwellings of houses in existence before the 1952 adoption of the bylaw; and 2) accessory dwellings occupied by relatives by blood, marriage or adoption or by persons 60 years old or more. A special permit from the Board of Appeals is required for occupation of the accessory housing unit.

The town's cluster overlay district (VOD or Village Overlay District) was created as part of a limited development strategy to preserve important open space parcels known as the Donovan Fields. The bylaw requires a two-thirds vote of Town Meeting to include land in a VOD, 40 contiguous upland acres, and one acre of upland for each dwelling unit. The only form of development allowed is a Village Residence Development with over-55 housing by Special Permit of the Planning Board.

Relatively recently, in 2008, the Town adopted an Open Space Residential Design (OSRD) bylaw that encourages a more efficient and flexible approach to cluster development that allows for the preservation of open space of not less than 50% of the upland of the subject property. The Planning Board serves as the Special Permit Granting Authority. Major dimensional requirements related to area, setback and frontage are reduced for developments under this bylaw. This bylaw represents a major step forward in promoting smart growth development in Norwell, but unlike many comparable bylaws in other communities, there are no incentives for the inclusion of affordable housing.

The Town has relatively little commercial activity. Nevertheless, the Town was able to locate an area just off Route 3 for an office park, zoned Business C, that allows light manufacturing and other business uses. This area, the Assinippi Park, has added substantially to Norwell's tax base without the traffic, congestion, and demand for services attendant to large-scale retail commercial growth.

*Mitigation Measures:* This Housing Production Plan includes a number of strategies that are directed to reforming local zoning regulations, making them "friendlier" to the production of affordable housing and smart growth development. These include amending the OSRD and accessory apartment provisions, adopting inclusionary zoning, and promoting affordable housing in mixed-use development, (see Section V.B).

## **E. Development Capacity**

Almost 19% of Norwell's land area is permanently protected, including part of Wompatuck State Park and land owned by the Nature Conservancy, the Trustees of Reservations, Mass Audubon, the Conservation Commission and Norwell Water Department, and other entities. These permanently protected lands overlap with the large areas of wetland in town and substantially reduce the amount of property that is suitable for development.

The state's buildout analysis estimated that 2,395 dwelling units could be added under existing zoning. This estimate was completed without benefit of parcel data. Using Assessor's data, the Master Plan consultants estimated approximately 1,794 potential building sites. Most of these however, would be on land currently classified only as potentially developable or through

subdivision of parcels that already have a house on them. The real total development capacity under current zoning is considerably lower and probably nearer to 1,000. Although Norwell's development capacity is limited, creation of affordable units on a clustered or multi-unit structure model is still possible.

*Mitigation Measures:* Because of the limited amount of developable property, it is all the more important that the new units that are created help diversify the housing stock, including greater affordability. This Plan suggests several zoning mechanisms to mandate and incentivize affordable units (see Section V.B) as well as strategies to promote greater housing choices (see Section V.C).

## **F. School Population and Capacity**

Like all family-oriented communities, Norwell is experiencing the consequences of the "baby boom echo" as the children of the baby boom generation go through their school years. Almost all children attend the public schools. Norwell's school enrollments peaked in the 1970s during the first baby boom and then declined to their lowest levels in 1992. Since then enrollments have been rising. Enrollment in 2002-2003 was 2,020, up to 2,128 students by 2005, and then to 2,343 in the 2010-2011 school year, higher than expected and pushing planned capacity. As long as Norwell's general demographic composition remains more or less the same, another cycle of rising enrollments is anticipated to peak a generation from now in about 2030. It is somewhat surprising to see these increases in enrollments despite the estimated decreases in school-age children by various data sources.

*Mitigation Measures:* The Town relatively recently completed a \$54 million school construction and renovation program for the first time in 25 years. There are now four (4) school buildings (two elementary schools, one middle school and one high school) with a total enrollment capacity of 2,290 students. Despite this investment, this total capacity is still lower than existing enrollment.

## **G. Transportation**

Norwell's main thoroughfare is Route 123 that connects west to east from Route 53 to Route 3A in Scituate. The major highways, Routes 3 and 53, which run north to south, are located on the western edge of the community. Norwell does have some access to the public commuter rail transportation with a station at the intersection of Routes 123 and 3A in Scituate, on the Greenbush line. Nevertheless, given the lack of any bus service, riders must rely on the car to get to the train station unless they can find someone to drive them or use taxi service. The reliance on the automobile presents an additional cost burden for those with limited incomes, particularly those on fixed incomes. It should be noted that the Norwell Council on Aging does provide van transportation for seniors to help them get to important appointments or the Senior Center, for example.

*Mitigation Measures:* One of the strategies included in this Housing Plan is to explore mixed-use development in appropriate areas of town that has the potential for reducing at least some reliance on the automobile (see Section V.B.5). Opportunities to direct development to areas that are most conducive to higher densities in that they are closer to commercial areas may serve to reduce transportation problems somewhat but the lack of public transportation virtually requires residents to have cars. Continued outreach on the availability of the COA van (see strategy V.A.1) might also be helpful in alleviating some transportation challenges for seniors.

## H. Availability of Subsidy Funds

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. State subsidies for homeownership developments have been cut almost entirely for example. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Having local resources to leverage other public and private financing is often critical.

Norwell is fortunate to have passed the Community Preservation Act (CPA) in March 2002, which provides an important local resource with a state match for open space preservation, historic preservation and affordable housing. The Town approved the maximum property tax surcharge of 3%, exempting lower income owners as well as the first \$100,000 in property value. While in the past the state was able to match the community's surcharge on a one-on-one basis, based on the depressed economy and the fall-off in Registry of Deed fees that support the program, the state's match has decreased in recent years. In 2010, Norwell was projected to raise about \$751,000 in surcharge funding with a state contribution of about \$250,000 for a total availability of about \$1 million.

Norwell has committed funding for affordable housing purposes towards the development of two Town-owned properties including \$600,000 for Prospect Street and \$80,000 for a parcel on Circuit Street to be developed by Habitat for Humanity of the South Shore. See Section II.E.2 for more information on these projects.

*Mitigation Measures:* This Housing Plan provides guidance on the use of Community Preservation Funds and Norwell's Affordable Housing Trust Fund for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources. In an effort to better manage and coordinate funding for affordable housing purposes, this Plan recommends that the Town secure additional professional housing support (see Section V.A.2).

## I. Community Perceptions

In every community, the Not in My Backyard (NIMBY) response to affordable housing can be more the norm than the exception. However, community perceptions have been tilting towards the realization that greater housing affordability is needed to meet the needs of those who are priced out of the existing housing market. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, impending 40B developments, and some appreciation that affordable housing can be well designed and integrated into the community, which are spurring communities such as Norwell to take a more proactive stance in support of affordable housing initiatives. Also, once residents understand that the Town can potentially reserve up to 70% of the affordable units in any new development for those who have a connection to Norwell, referred to as "community preference", greater local support is typically more forthcoming.<sup>21</sup>

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<sup>21</sup> "Community preference" units are allowed pursuant to submission of an Affirmative Fair Housing Marketing Plan, the requirements of which are promulgated by the state and last updated on June 25, 2008. These requirements include the following allowable preference categories:

- Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.

*Mitigation Measures:* Norwell proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy in Section V.A.1). This Housing Production Plan also offers an excellent opportunity to showcase the issue of affordable housing, providing information to the community on local needs and proactive measures to meet these needs.

It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have opportunities for real input. Moreover, this Plan proposes that the Town hold at least annual housing summits to provide opportunities for local leaders to share information about the status of affordable housing initiatives to better promote municipal communication and cooperation in the implementation of various strategies as well as for local leaders to obtain ongoing training related to affordable housing. Better communication through an enhanced Town website and cable access programming are also proposed.

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- Municipal employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
  - Employees of local businesses: Employees of businesses located in the municipality.
  - Households with children attending the locality's schools, such as METCO students.

## IV. AFFORDABLE HOUSING PRODUCTION GOALS

The Town of Norwell submitted an Affordable Housing Plan under the state's Planned Production Program in November 2006, which expires in November 2011. The Planned Production Program was introduced in December 2002 with the intention of providing municipalities with greater local control over housing development. Under the Program, cities and towns were required to prepare and adopt a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory, 25 and 49 units for Norwell, respectively.<sup>22</sup> If DHCD certified that the locality had complied with its annual goals or met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.<sup>23</sup>

Changes to Chapter 40B established some new rules.<sup>24</sup> For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50%, meaning that Norwell will have to now likely produce at least 18 affordable units annually to meet annual production goals through 2010, still a challenge for a small community. Moreover, future housing growth will continue to drive-up the 10% goal. It should be noted, however, that all units in Chapter 40B rental developments count as part of annual production goals and the 10% state goal as opposed to only 25% for homeownership projects.

Using the strategies summarized under Section V and priority needs established in Section II.F, the Town of Norwell has developed this Housing Production Program to chart affordable housing activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income – the **affordable units** – and at least another 10% affordable to those earning up to 120% of area median income – **moderate-income "workforce" units** – depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- Projections are based on no fewer than four (4) units per acre of upland, averaging about eight (8)

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<sup>22</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

<sup>23</sup> If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

<sup>24</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.00.

total bedrooms. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.

- Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible.
- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section II.F) where about three-quarters of the units are directed to rentals. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

<b>Table IV-1: Norwell Housing Production Program</b>			
<b>Strategies by Year</b>	<b>Affordable Units &lt; 80% AMI</b>	<b>Workforce Units 80%- 120% AMI or ineligible for SHI</b>	<b>Total # units*</b>
<b>Year 1 – 2012</b>			
Circuit Street/Development on Town-owned property/Homeownership – Habitat for Humanity	1	0	1
<i>Subtotal</i>	<i>1</i>	<i>0</i>	<i>1</i>
<b>Year 2 – 2013</b>			
Prospect Street/Development on Town-owned property/Special needs rental	5	0	5
Buy-down Program/Homeownership	2	0	2
<i>Subtotal</i>	<i>7</i>	<i>0</i>	<i>7</i>
<b>Year 3 – 2014</b>			
Private development/"Friendly 40B"/Rental	40	0	40
Buy-down Program/Homeownership	2	0	2
Promote accessory apartments/Rental	0	1	1
<i>Subtotal</i>	<i>42</i>	<i>1</i>	<i>43</i>
<b>Year 4 – 2015</b>			
<b>Covered under Year 3</b>			
Buy-down Program/Homeownership	2	0	2
Promote accessory apartments/Rental	0	1	1
<i>Subtotal</i>	<i>2</i>	<i>1</i>	<i>3</i>
<b>Year 5 – 2016</b>			
Buy-down Program/Homeownership	2	0	2
Promote accessory apartments/Rental	0	2	2
Assinippi Ave./Development on publicly-owned property/Special needs rental	5	0	5
Private development/Mixed-use bylaw/Rental	2	0	12
Private development/OSRD or VOD Bylaw/Rental	10	0	40
<i>Subtotal</i>	<i>19</i>	<i>2</i>	<i>67</i>
<b>Total</b>	<b>76</b>	<b>4</b>	<b>115*</b>

\* The totals include 39 market rate units in addition to the affordable and workforce units.

It should also be noted that the Norwell Affordable Housing Partnership is working with DHCD to determine the feasibility of acquiring a mobile home park and converting units to long-term affordability. If successful in accomplishing this, the Town should be able to claim some of these units towards annual production goals as they turnover and qualify for the SHI.

## V. HOUSING STRATEGIES

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning Reforms, and Housing Development – and categorized according to priority – those to be implemented within Years 1 and 2 and those within Years 3 to 5. A summary of these actions is included in the Executive Summary.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:<sup>25</sup>

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*
  - Promote affordable housing in mixed-use development (see strategy V.B.4)
  
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
  - Make suitable public land available for affordable housing (strategy V.C.1)
  - Partner with private developers on privately owned sites (strategy V.C.2)
  
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
  - Amend OSRD bylaw to encourage affordable housing (strategy V.B.1)
  - Modify accessory apartment provisions (strategy V.B.2)
  - Adopt inclusionary zoning (strategy V.B.3)
  - Partner with private developers on privately owned sites (strategy V.C.2)
  - Consider joining the Metro Boston Consortium for Sustainable Communities (strategy V.A.4)
  - As indicated in strategies V.C.1 and C.2, the Town should work with developers to create affordable housing in line with smart growth principles including:
    - The redevelopment of existing nonresidential structures that might become available in the future,
    - Conversion of existing housing to long-term affordability,
    - Infill site development including small home development as starter housing such as a Habitat for Humanity project,
    - Development of housing in underutilized locations with some existing or planned infrastructure,
    - Parcels large enough to accommodate clustered housing through the OSRD bylaw for example,
    - Mixed-use properties in appropriate areas;
    - Buffer between adjacent properties, and

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<sup>25</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- Located along a major road.
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
  - Make suitable public land available for affordable housing (strategy V.C.1)
- *Participation in regional collaborations addressing housing development*
  - Consider joining the Metro Boston Consortium for Sustainable Communities (strategy V.A.4)
  - Promote homebuyer counseling as well as other assistance programs and services offered by regional organizations (strategy V.A.1)

*It should be noted that a major goal of this Plan is not only to strive to meet the state's 10% goal under Chapter 40B, but to also to serve local needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments or mixed-income housing that includes "community housing" or "workforce housing" units)<sup>26</sup>.*

Within the context of these compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section I.C of this Plan, the following housing strategies are proposed. ***It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.***

#### **A. Capacity Building Strategies**

Norwell is a small town and, unlike most cities or larger communities, does not receive substantial state or federal funding to support local housing initiatives on an ongoing basis. Nevertheless, Norwell has been making considerable progress in building a local structure to better coordinate housing activities that includes the following:

- *CPA funding*  
As noted earlier, Norwell is fortunate to have passed the Community Preservation Act (CPA) in March 2002, which provides an important local resource with a state match for open space preservation, historic preservation and affordable housing. The Town approved the maximum property tax surcharge of 3%, exempting lower income owners as well as the first \$100,000 in property value. Estimates indicate that the surcharge will raise approximately \$751,000 in fiscal year 2010, expected to be matched by the state at about a 35% level for a total of about \$1 million.
- *Norwell Affordable Housing Partnership (AHP)*  
In 1988 the Board of Selectmen established the Norwell Affordable Housing Partnership Committee to guide its efforts in promoting affordable housing. This Committee was disbanded some time later and replaced in 2004 by the Norwell Affordable Housing

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<sup>26</sup> "Community housing" generally refers to units directed to those earning between 80% and 100% AMI, whereas "workforce housing" refers to units directed to those earning between 80% and 120% AMI, but still typically priced out of the private housing market.

Partnership. Specifically, the Partnership's responsibilities include, but are not limited to, the following:

- Study the need for affordable housing, develop an affordable housing policy, and recommend a plan and procedures for the implementation of that policy.
- Act as the initial contact and negotiating entity with developers of proposed affordable residential projects.
- Initiate actions intended to create affordable housing.
- Raise public awareness of the need for affordable housing.
- Pursue and apply for grants and other resources in support of affordable housing.
- Work closely with the Community Preservation Committee to identify parcels of Town owned land that may be suitable for affordable housing and prepare proposals for development.
- Assist the Planning Board in reviewing zoning bylaws to remove impediments and encourage the development of affordable housing.

In fulfilling its mission, the Affordable Housing Partnership is obligated to not only work closely with the Board of Selectmen but to also forward project-specific preliminary recommendations for review and comment to other Town representatives including the Town Administrator and appropriate boards and committees such as the Planning Board, Zoning Board of Appeals and Conservation Commission. Following this review process, the Partnership will issue, by majority vote, specific recommendations towards the implementation of affordable housing initiatives. In pursuit of its mission, the Affordable Housing Partnership has been responsible for overseeing the preparation of this Housing Production Plan.

- *Norwell Affordable Housing Trust (AHT)*  
At the 2007 Annual Town Meeting, the Town approved the establishment of another affordable housing entity, the Norwell Affordable Housing Trust, which was authorized to perform the following activities:
  1. Issue secured, short-term loans<sup>27</sup> so that existing affordable housing units can be acquired from their existing owners (including bidding at a foreclosure auction) and to make arrangements to return the unit to its status as affordable housing.
  2. In fulfilling the short-term lending described above, the Trust is allowed to enter into an agreement where the resale price may ultimately be less than the initial purchase price causing loan forgiveness or a buy down of the units and a net expenditure of the Trust's short-term loan.
  3. Acquire existing single-family residences and sell them to those earning at or below 80% of area median income, attaching a permanent housing deed restriction. The Trust cannot incur a net expenditure of more than \$85,000 per affordable unit. The subsidy can take the form of a permanent, non-interest bearing, non-amortizing second mortgage or an outright reduction in purchase

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<sup>27</sup> Short-term is defined as six months not to exceed one year.

price as a grant. The Trust may also rehabilitate units as it deems necessary as long as the net expenditure per unit does not exceed \$85,000.

The Trust may investigate other projects but cannot expend Trust Fund assets outside of the above purposes. Given the high costs of housing in Norwell, any “buy-down” of units will likely require additional resources beyond the \$85,000 per unit Trust Fund maximum (see strategy V.C.3 for details on how such a buy-down initiative might be structured).

- *Planning*

The Town has also engaged in a number of housing planning efforts. The Town updated its Master Plan in 2005 that includes a housing element, and in 2006, it completed an Affordable Housing Plan under previous state Planned Production guidelines, due to expire in November 2011 as noted above. This Housing Production Plan will update and augment the 2006 Plan, also insuring compliance with new state requirements. This Plan also boost the Town’s capacity to promote affordable housing as it provides the necessary blueprint for prioritizing and implementing affordable housing initiatives based on updated local needs, community input and existing resources. The Plan also provides important guidance on how to invest funding from the Housing Trust Fund and CPA and will be helpful in making Norwell more competitive for state discretionary funding under the MassWorks Infrastructure Capital Program (see Appendix 2 for details). The Plan also provides the Town with a comprehensive resource on housing issues in Norwell that can be readily updated as necessary.

- *Norwell Housing Authority (NHA)*

The Norwell Housing Authority owns and manages the 80 units for seniors and younger disabled adults at Norwell Gardens. The Housing Authority also owns and/or manages three (3) group homes with services provided by the Road to Recovery, an area service provider. NHA is also the designated monitoring agent for enforcing the continued affordability of units at two (2) homeownership developments, Jacobs Pond Estate and Silver Brook Farm, with technical support from South Shore Housing Development Corporation, the region’s non-profit housing organization. NHA which owns a group home on Assinippi Avenue, is working on plans to replace the existing substandard structure.

- *Recent Activities*

The Town, through its Affordable Housing Partnership, has been pursuing several housing developments in partnership with other entities. For example, the Town approved the conveyance of surplus municipal property on Circuit Street as well as \$80,000 in CPA funding for a home to be built by South Shore Habitat for Humanity. Additionally, the Town has issued a Request for Proposals to build special needs housing on a parcel it owns and approved \$600,000 in CPA funding to help finance this project. The Town is also working with the Norwell Housing Authority to replace a distressed group home it currently owns on Assinippi Avenue.

The following strategies are offered to further build local capacity to meet local housing needs and production goals, enabling the Town to augment its ability to implement this Housing Plan. While such

activities do not directly produce affordable units, they will help build Norwell's ability to promote and support new affordable housing initiatives.

## 1. Conduct Ongoing Community Education

*Timeframe:* Years 1-2

*Responsible Party:* Norwell Affordable Housing Partnership in coordination with the Norwell Affordable Housing Trust and other entities involved in affordable housing-related initiatives such as the Zoning Board of Appeals, Planning Board, Council on Aging and Norwell Housing Authority

*Current Status:* Because most of the housing strategies in this Housing Plan rely on local approvals, including those of Town Meeting, community support for new initiatives has and will continue to be essential. Strategic efforts to better inform residents and local leaders on the issue of affordable housing and specific new initiatives can build local support by generating a greater understanding of the benefits of affordable housing, reducing misinformation and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on community concerns and suggestions.

The Affordable Housing Partnership has held several meetings that have been open to the public in regard to this Housing Plan. Meetings to present the Housing Needs Assessment and obtain input on how best the Town should move forward in regard to promoting affordable housing were held on May 25<sup>th</sup> and June 8, 2011 at Town Offices. An additional meeting to present the draft Housing Plan to local leaders and the community was held on October 24, 2011.

*Next Steps:* The presentation of this Housing Production Plan will continue to offer an opportunity to bring attention to the issue of affordable housing, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education-related opportunities will be pursued such as:

- *Forums on specific new initiatives*  
As the Town develops new housing initiatives (e.g., special programs, new zoning, development projects, etc.), the sponsoring entity will hold community meetings to insure the inclusive and transparent presentation of these efforts to other local leaders and residents, providing important information on what is being proposed and opportunities for feedback before local approvals are requested.
- *Annual housing summits*  
Most communities lack an effective mechanism for promoting regular communication among relevant Town boards and committees on issues related to affordable housing. Having a forum to share information on current housing issues would help foster greater communication and coordination among these entities. Additionally, inviting residents can help build community interest, improve communication and garner support. Many communities are sponsoring such events, at least on an annual basis. For example, Truro organized a panel discussion on housing issues, inviting representatives of other towns on the Cape and organizations involved in affordable housing. Yarmouth held a spaghetti dinner and offered an update on their affordable housing initiatives with opportunities for feedback from local leaders and the public.

- *Public information on existing programs and services*

Despite a sluggish housing market, high housing costs are still creating problems for lower income residents. For example, renters continue to confront difficulties finding safe and decent rental units. Owners, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements, and increasingly some are faced with foreclosure. Additionally, some seniors and those with special needs require handicapped adaptations, home repairs and special services to help them remain in their homes. Norwell residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues.

The Town will get the word out about existing programs and services that support homeownership, property improvements or help reduce the risk of foreclosure including first-time homebuyer and foreclosure prevention counseling from South Shore Housing Development Corporation, Neighborhood Housing Services of the South Shore, South Shore Community Action Council, and others. For example, South Shore Housing and NHS of the South Shore offer education courses for first-time homebuyers. Financial management and foreclosure prevention workshops are also available for homeowners interested in better managing their finances to avoid financial hardship and to better understand and avoid foreclosure. Additional housing rehab and counseling programs that are available to qualifying local residents are summarized in Appendix 2. The Town of Carver prepared a brochure that described such programs and services that Norwell might consider developing as well.

- *Educational opportunities for board and committee members*

Local boards such as the Board of Selectmen, Affordable Housing Partnership, Affordable Housing Trust, Zoning Board of Appeals, Planning Board and other interested local leaders should be able to receive ongoing training on affordable housing issues. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation. Moreover, requirements keep changing and local leaders must keep up-to-date. Funding for the professional development of staff, including the Town Planner and Town Administrator, would also help keep key staff up-to-date on important new developments, best practices and regulations.

The University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC) offers classes periodically throughout the year and will even provide customized training sessions to individual communities. The Massachusetts Housing Partnership conducts its Massachusetts Housing Institute at least annually, which is "an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices". Local leaders have found these workshops helpful and several representatives from Norwell attended the recent Housing Institute. Moreover, there would also be opportunities for further training if the Town joined the Metro Boston Consortium for Sustainable Communities (see strategy V. A. 4).

Other organizations and agencies, such as DHCD, MHP, CHAPA, and the Community Preservation Coalition, also provide conferences and training sessions on a wide variety of housing issues that

would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural “how to” booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

- *An Enhanced Website*  
The Town of Norwell has a website that offers an excellent opportunity to provide additional information and links on affordable housing issues, programs and services. For example, the Town of Lexington’s website includes a special section on its Affordable Housing Partnership that includes information on the organization, local housing needs, Partnership activities, special events, available housing, etc., which could serve as a model for a Norwell website.
- *Cable Programming*  
The Town of Norwell has local cable access, and the Affordable Housing Partnership could sponsor regular programming to showcase the issue of affordable housing, highlighting new initiatives as well as ongoing programs and services. For example, the Town of Harwich’s Housing Partnership sponsors a monthly program to showcase the issue of affordable housing in the community.
- *Outreach on State Affordability Requirements*  
It will be helpful for the Housing Partnership to insure that developers of affordable housing fully understand all necessary local and state affordability requirements, and where appropriate, advocate for changes in such requirements to allow for greater flexibility in local affordable housing initiatives.

*Resources Required:* Donated time from the members of the Affordable Housing Partnership to organize the necessary forums, track training opportunities and inform appropriate local leaders, and conduct special outreach activities. The Affordable Housing Partnership would coordinate public meetings on zoning-related efforts involving affordable housing in concert with the Planning Board. It may also be necessary for the Partnership to obtain Information Technology (IT) support to enhance the Town’s website and access special programming on the local cable channel. The Affordable Housing Trust would oversee any public process involved in promoting buy-down efforts given the Trust’s current mandate.

## 2. Insure Sufficient SHI Oversight

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen with support from the Housing Partnership and Affordable Housing Trust

*Current Status:* If the Town of Norwell wants to assume a more proactive role in promoting affordable housing and effectively implement actions included in this Housing Plan, it will have to augment its capacity to coordinate these activities. It will be important to insure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state’s Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used. In addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a

Town's Subsidized Housing Inventory that are being developed through some local action including:

- Zoning-based approval, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the town; and/or
- Provision of land or buildings that are owned or acquired by the town and conveyed at a substantial discount from their fair market value.

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria:

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions approved by DHCD.

Some of the important tasks for insuring that the affordable units, now referred to as Local Action Units (LAU's), meet the requirements of Chapter 40B/LIP include:

- Meet with the developer to discuss requirements for insuring that the unit(s) meets the requirements for inclusion in the Subsidized Housing Inventory through the state's Local Initiative Program (LIP).
- Contact DHCD to discuss the project and determine the purchase price/rent based on LIP Guidelines.
- Prepare a LIP Local Action Units application submitted by the municipality (chief elected official), working with the developer, including an Affirmative Fair Housing Marketing Plan and if appropriate, a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
- Insure that the Marketing Plan is appropriately implemented including affirmative marketing, information sessions, determination of eligibility, lottery, etc.
- Insure that necessary documentation is obtained including the deed rider, resale price certificate and disclosure statement from DHCD as well as loan commitment letters, purchase and sale agreements, and contact info for the closing attorneys on ownership projects.
- Monitor progress to insure timely closing of the units and occupancy.
- Submit necessary documentation to DHCD to have the unit(s) counted as part of the Subsidized Housing Inventory including a New Units Request Form.
- Annually recertify the continued eligibility of affordable units.

It should be noted that the Town might be able to reserve up to 70% of the affordable units in any new development for those who have a connection to Norwell as defined by the state and referred to as

"community preference" units.<sup>28</sup> State guidelines require that the Town must document the need for such community preference in the Affirmative Fair Housing Marketing Plan, approved by DHCD.

The affordability restrictions for all units produced through the Local Initiative Program will be monitored by DHCD, but it is the premise of LIP that the municipality and DHCD work together to create affordable housing and fulfill the obligations of the affordability restrictions. The monitoring functions of some affordable units have been assigned to the Norwell Housing Authority as it was identified as the monitoring agent for two (2) homeownership developments, Jacobs Pond Estate and Silver Brook Farm. NHA has entered into an agreement with South Shore Housing Development Corporation, the region's non-profit housing organization, for technical support. This arrangement appears to be working and could be applied to future developments. These monitoring functions involve the resale of affordable units, maintaining a Ready Buyers List created through an Affirmative Fair Housing Marketing and lottery process or affirmatively advertising units as they become available and qualifying applicants on a first-come, first served basis.

Various municipalities have handled the need for oversight on housing issues differently. Many communities have hired part-time consultants to do this work based on a specific scope of services itemized in a Request for Proposals (RFP) process, often including oversight for special initiatives. Communities such as Chatham rely heavily on their effective Housing Authority for program support related to affordable housing and hire consultants for specific initiatives. Grafton brought on an Assistant Planner to coordinate housing activities among other planning-related work. Marshfield has divided its affordable housing oversight between two consultants, each charged with specific tasks.

*Next Steps:* The Board of Selectmen, working with the Town Administrator and the Housing Partnership, will identify and train an existing Town employee to undertake this oversight or bring on a part-time consultant to effectively coordinate this work, including perhaps support for the implementation of various components of this Housing Plan. There may be opportunities to share a housing professional with another nearby community.

After determining a scope of services for the work, the Housing Partnership should work with the Town Administrator to either train an existing staff person to do this work, to hire a part-time staff person, or issue a Request for Proposals for a part-time consultant and select the most qualified respondent.

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<sup>28</sup> "Community preference" units are allowed pursuant to submission of an Affirmative Fair Housing Marketing Plan, the requirements of which are promulgated by the state and last updated on June 25, 2008. These requirements include the following allowable preference categories:

- Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- Municipal employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
- Employees of local businesses: Employees of businesses located in the municipality.
- Households with children attending the locality's schools, such as METCO students.

*Resources Required:* The costs of a part-time consultant would depend upon the experience and work required and CPA funding could be used to support these activities.

### **3. Merge the Housing Partnership into the Affordable Housing Trust with an Expanded Mission**

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen with support from the Housing Partnership and Affordable Housing Trust

*Current Status:* As noted above, the Town of Norwell established the Norwell Affordable Housing Partnership in 2004 to coordinate affordable housing activities. The Town then created the Norwell Affordable Housing Trust in 2007, based on a very specific mandate to acquire existing housing units and convert them to long-term affordability with a subsidy of no more than \$85,000 per unit. Both entities have been meeting separately and jointly to support each others missions and to guide the Town's future housing agenda, including guidance and support for this Housing Production Plan.

On June 7, 2005, the Municipal Affordable Housing Trust Fund Act was enacted, which simplified the process of establishing funds that are dedicated to affordable housing. Previously, cities could create trusts through their own resolution, but towns had to get approval from the state legislature through a home rule petition. The law, Massachusetts General Law Chapter 44, Section 55C, provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, most trusts opt to dispose of property through a sale or long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction project.

As noted in the introduction to this section, Norwell decided to very narrowly define the authority of its Affordable Housing Trust, limiting it to the acquisition and resale of existing units with the maximum subsidy per unit of \$85,000.

Many small communities are finding it difficult to attract sufficient numbers of volunteers to serve on multiple local housing boards and committees. Moreover, the Housing Trust legislation offered communities the opportunity to enhance the powers of their local housing entity, giving them greater flexibility to raise and disburse funds, receive and convey property, react to local market prospects, etc. Marion and Grafton, among others, have disbanded their Housing Partnerships or Housing Committees and have, to the greatest extent possible, folded these members into more newly established affordable housing trusts.

*Next Steps:* Norwell's Board of Selectmen should seek approval of Town Meeting to revise the authority of the Norwell Affordable Housing Trust, reflecting the broader language in the state statute with respect to the powers of the board (Section 55C(c)(1-16). These changes could also increase the \$85,000 per unit subsidy maximum as this amount is currently insufficient to fill the gap between market prices and affordable ones. The community could then rely on the Housing

Trust as the local facilitator of its affordable housing agenda, disbanding the Housing Partnership and where possible, folding members of the Housing Partnership into the Housing Trust. The Housing Trust would serve as the Town's permanent committee for overseeing housing issues and the implementation of the Housing Production Plan, managing the Affordable Housing Trust Fund, defining policy issues that are in the public interest, working with the Planning Board on regulatory reforms related to affordable housing, guiding developers on affordable housing projects, sponsoring local initiatives, etc.

*Resources Required:* The donated time of volunteers from the Housing Partnership and Housing Trust to prepare the warrant for Town Meeting and advocate for its passage.

#### 4. **Explore Joining the Metro Boston Consortium for Sustainable Communities**

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen with support from the Affordable Housing Partnership and Affordable Housing Trust

*Current Status:* The Metro Boston Consortium for Sustainable Communities is a broadly-based coalition of municipalities, community based organizations, state agencies, advocacy groups, academic institutions, business interests, foundations, public housing authorities and other partners that are committed to implementing the regional plan, *MetroFuture: Making a Greater Boston Region*, to improve the lives of people who live and work in the region through 2030. This work is being funded by the US Department of Housing and Urban Development (HUD) and staffed by the Metropolitan Area Planning Council (MAPC), the regional planning agency.

Key activities include the following:

- Provide additional regional analysis, planning and data collection to update and augment the MetroFuture Plan.
- Undertake intensive local planning and zoning efforts in a number of communities, including multi-jurisdictional initiatives. These efforts will be informed by existing tools and best practices but adapted to the needs of individual communities.
- Establish new tools and models for promoting equitable and sustainable development from the place-based efforts.
- Conduct regional and state-level policy development to promote smart growth.
- Build the capacity of local leaders through education and cross-regional networking.
- Track progress and report back to participants.

Only members of the Consortium are eligible to submit proposals for special projects and receive project benefits that include the following:

- Direct technical assistance for new place-based projects including information on planning and zoning tools, models, best practices, and capacity-building programs;
- Access to tools, models and best practices that will be developed through the Sustainable Communities grant; and

- Access to working groups, caucuses, full Consortium meetings, Steering Committee meetings, and networking opportunities with other members.

In exchange for these benefits, members of the Consortium agree to make a good faith effort to advance the goals of the regional MetroFuture Plan and federal Livability Principles where feasible including:

- Promote equitable, affordable housing
- Enhance economic competitiveness
- Support existing communities
- Coordinate and leverage federal policies and investment
- Value communities and neighborhoods
- Provide more transportation choices

Some communities in close proximity to Norwell are participating in the Consortium including Cohasset, Marshfield, Weymouth, Hull, and most recently Hingham.

*Next Steps:* MAPC’s South Shore Liaison is available to provide more information to the community about the Consortium. Just recently this Liaison made a presentation to Hingham Town officials concerning their possible participation in the Consortium, which they ultimately decided to do. The Board of Selectmen should invite the Liaison to an upcoming meeting. They might also wish to contact other participating communities to obtain additional information on the work of the Consortium.

To join the Consortium, municipalities must sign the Consortium Agreement that asks members to make a good faith effort to advance the goals listed above.

*Resources Required:* Donated time of local leaders as well as some likely Town staff time, however no local resources are required to join and participate in the Consortium.

## **B. Zoning Strategies**

To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town’s Zoning Bylaw, and new tools will be required to capture more affordable units and better guide new development to “smarter” locations. It should also be noted that because Norwell does not have substantial amounts of subsidy funds available for affordable housing, zoning becomes the Town’s most powerful tool for “incentivizing” affordable unit production.

The Zoning Bylaw includes a minimum lot requirement of at least one acre as well as frontage, setback and other requirements that are not typically conducive to affordable housing, which typically relies on some economies of scale and some density. This creates the likely need for regulatory relief for most residential development that includes affordable units, possibly through the “friendly” comprehensive permit process.

With respect specifically to affordable housing, the Town of Norwell will consider the following zoning-related strategies for adoption. These actions can be considered as tools that the Town will have available to promote new housing opportunities, each applied to particular circumstances. (Units created through the use of these bylaws are counted as part of housing development strategies included in Section V.C.)

## 1. Amend OSRD Bylaw to Encourage Affordable Housing

*Timeframe:* Years 1-2

*Responsible Party:* Planning Board with support from the Affordable Housing Partnership

*Current Status:* Relatively recently, in 2008, the Town adopted an Open Space Residential Design (OSRD) bylaw that encourages a more efficient and flexible approach to development that allows for clustered housing and the preservation of open space of not less than 50% of the upland of the subject property. The Planning Board serves as the Special Permit Granting Authority. Major dimensional requirements related to area, setback and frontage are reduced for developments under this bylaw. While this bylaw represents a major step forward in promoting smart growth development in Norwell, unlike many comparable bylaws in other communities, there are no incentives for the inclusion of affordable housing.

*Next Steps:* More incentivized density bonuses and affordability requirements should be integrated into the OSRD bylaw to encourage this kind of mixed-income development and to support project feasibility. Typically the density bonuses would allow more density than the current half acre per unit when affordable units are included. For example, Wenham's bylaw includes a 15% density bonus if at least 10% of the units are affordable and a 33% bonus if at least 15% of the units are affordable. Consideration should also be given to allowing smaller multi-family dwellings. Associated design guidelines and inclusionary requirements can insure that goals are met in ways appropriate and beneficial to the Town.

In addition to density bonuses, the bylaw should include provisions to allow developers to pay cash in lieu of actual units with such funding deposited into the Norwell Affordable Housing Trust and available to subsidize other affordable housing units. It will be important, however, to insure that the formula for determining the amount of cash is reflective of market conditions and sufficient to actually fully subsidize the difference between market prices and affordable ones. The Housing Partnership and Planning Board may also want to explore the option of allowing the developers to build actual affordable units on an off-site location.

The Planning Board, with support and input from the Affordable Housing Partnership, will review model bylaws with respect to zoning incentives for including affordable housing and create a bylaw that is best suited to Norwell. Model bylaws have been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, and adopted by many Massachusetts communities. Several examples are offered on the Citizen Planner Training Collaborative website ([www.umass.edu/masscptc/examplebylaws.html](http://www.umass.edu/masscptc/examplebylaws.html)) and the state's Smart Growth Toolkit ([www.mass.gov/envir/smart\\_growth\\_toolkit/pages/SG-bylaws.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html)).

*Resources Required:* The professional support of the Town Planner as well as the donated time of members of the Planning Board and Affordable Housing Partnership in coordination with other appropriate local officials in drafting the zoning amendment and obtaining the necessary approvals towards implementation.

## 2. Modify Accessory Dwelling Provisions

*Timeframe:* Years 1-2

*Responsible Party:* Planning Board in coordination with the Affordable Housing Partnership with input from the Building Inspector

*Current status:* The Norwell Zoning Bylaw only allows single-family homes in residential districts with two exceptions: 1) conversion to two-family dwellings of houses in existence before the 1952 adoption of the bylaw; and 2) accessory dwellings occupied by relatives by blood, marriage or adoption or by persons 60 years old or more. A special permit from the Board of Appeals is required for occupation of the accessory housing unit. It is generally recognized, however, that there are illegal accessory apartments in town that do not have the necessary permits and may in fact possibly pose health and safety hazards.

Accessory units are helpful in meeting a number of public policy objectives including the following:

- Enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, some young families or moderate-income households might be able to afford homeownership if they could count on income from an accessory apartment.
- Provide appropriately sized units for growing numbers of smaller households.
- Offer inexpensive ways of increasing the rental housing stock at lower cost than new construction and without the loss of open space, without significant impact on the surrounding neighborhood, and without additional Town services such as streets or utilities. There are, however, issues regarding the adequacy of the existing septic system when a new bedroom is added.
- Tenants in accessory apartments can also provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent.
- As recognized by the current bylaw and often referred to as “in-law” apartments, they have offered good opportunities for keeping extended families in closer contact.
- New accessory units typically generate tax revenue in a locality because accessory units add value to existing homes.

Changes to state requirements for counting accessory apartments as part of the Subsidized Housing Inventory (SHI) over the past several years have dampened the enthusiasm of many localities for adding an affordable accessory apartment component to their local bylaws. The major change affected the tenant selection process, requiring owners of such units to fill their units from a pre-qualified list established by the municipality in conformance with state requirements including Fair Housing laws. Additionally, deed restrictions are required but now can be revoked upon the discretion of the owner, in which case the unit is removed from the Subsidized Housing Inventory.

Some communities, such as the Town of Carlisle, are pursuing an affordable accessory apartment program in conformance with these requirements. Other communities have determined to put their efforts on hold, while others have decided to promote affordability outside of state requirements acknowledging that their accessory apartments, while affordable, will not be eligible for counting in the SHI. For example, Wellfleet has an affordable accessory apartment bylaw that promotes the development of accessory units where tenants must meet income requirements but owners are not required to enter into deed restrictions nor

pick tenants from a Ready Renters List (produced through affirmative marketing and a lottery). The Town has also initiated a new pilot initiative, the Affordable Accessory Dwelling Unit (AADU) Loan Program, to provide qualifying local property owners with assistance in creating affordable accessory rental units. Wellfleet has also passed special legislation to offer tax exemptions on the portion of the property rented affordably.

*Next Steps:* Because accessory apartments provide small rental units that diversify the housing stock within the confines of existing dwellings or lots, the Town will consider amending the bylaw to better promote such units even if they are not eligible for inclusion in the Subsidized Housing Inventory. Promoting accessory apartments, whether eligible for counting in the SHI or not, provides another housing choice for Norwell's elder residents and young people who cannot yet afford to buy a home or who could benefit greatly from some rental income. In order to promote new accessory units, the Town will consider amending its Zoning Bylaw as follows:

- Eliminate the requirement that the occupant be a family member or age 60 or over,
- Extend use to detached structures or separate additions, and
- Explore an amnesty program to allow illegal apartments to receive the appropriate permitting.

There are many variations of accessory apartment bylaws that have been adopted in other communities. Norwell's Planning Board, working in conjunction with the Affordable Housing Partnership, will explore other bylaws and prepare an amendment that will best meet the needs of the community. For example, the bylaw might promote housing affordability based on Wellfleet's Program that does not require deed restrictions, thus the units would still be affordable although ineligible for inclusion in the Subsidized Housing Inventory. Wellfleet has established the following process for approving Affordable Accessory Dwelling Units:

- Property owner applies for a special permit.
- Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the special permit. Those whose incomes are below 100% of area median are eligible for participation in Wellfleet's Affordable Accessory Dwelling Unit Loan Program that provides no interest loans to support necessary improvements.
- The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the special permit.
- The Building Inspector issues a Certificate of Occupancy prior to the unit being occupied.
- Prospective tenants must submit income information to the Assistant Town Administrator that documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents. A list of qualified tenants is available to property owners or owners may be able to select their own.
- The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process (this requires state legislative approval).
- The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.

If a property owner decides at some point to opt out of the special permit, they must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a “private guest house” or office.

*Resources Required:* Staff time from the Town Planner and Building Inspector as well as donated time of local officials including members of the Planning Board and Affordable Housing Partnership. If the Wellfleet model was adopted, the Town would need to designate an existing staff person to coordinate the program, hire a part-time staff person, or select a consultant (see strategy V.A.2).

### 3. **Adopt Inclusionary Zoning**

*Timeframe:* Years 3-5

*Responsible Party:* Planning Board with support from the Affordable Housing Partnership

*Current Status:* Inclusionary zoning, not currently included in Norwell’s Zoning Bylaw, is a zoning provision that requires a developer to include affordable housing as part of a development or potentially contribute to a fund for such housing. This incentive zoning mechanism has been adopted by more than one-third of the communities in the state to insure that any new development project over a certain size includes a set-aside in numbers of affordable units or funding from the developer to support the creation of affordable housing elsewhere. Many of the municipalities that have inclusionary zoning in place are reaping the rewards of these actions through the creation of actual affordable units and/or cash contributions to the locality for investment in affordable housing production. Most of the bylaws include mandated percentages of units that must be affordable, typically 10% to 25%, provisions for the developer to provide cash in lieu of actual units, and density bonuses<sup>29</sup>. Some also allow the development of affordable units off-site.

*Next Steps:* The Norwell Planning Board will explore other inclusionary zoning models and with input and support from the Affordable Housing Partnership prepare a zoning amendment that is best suited to supporting affordable housing in the community. The bylaw will require Town Meeting approval for adoption.

Inclusionary zoning bylaws have been adopted in localities throughout the state but requirements vary considerably. The Executive Office of Environment and Energy’s Smart Growth Toolkit includes a model inclusionary zoning bylaw that highlights key local decisions and makes some commentary for consideration throughout ([www.mass.gov/envir/smart\\_growth\\_toolkit/pages/SG-bylaws.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html)). The Citizen Planner Training Collaborative’s website has a model bylaw with commentary as well ([www.umass.edu/masscptc/examplebylaws.html](http://www.umass.edu/masscptc/examplebylaws.html)).

It is important that the bylaw incorporate density bonuses that will contribute to the financial feasibility of the affordable units. The bylaw should also include a formula for cash in lieu of actual units that can be deposited into the Housing Trust and adequately cover the costs of producing a comparable number of affordable units through another initiative. As mentioned in strategy V.B.1, it will be very important for the bylaw to include a formula that will insure that any cash obtained through this bylaw in lieu of units be sufficient to fully cover the affordability gap, securing enough funding to produce affordable units

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<sup>29</sup> Density bonuses allow increased densities beyond what is allowed under the Zoning Bylaw.

elsewhere. Provisions for the developer to build affordable units at an off-site location might also be considered.

*Resources Required:* It will be important to also insure that all affordable units produced through the bylaw get counted as part of the Subsidized Housing Inventory, applied through the Local Initiative Program (LIP) administered by DHCD if another housing subsidy is not used. The major tasks for insuring that the affordable units, now referred to as Local Action Units (LAUs), meet the requirements of Chapter 40B are summarized under strategy V.A.2. Some professional support will be required to oversee this work (see strategy V.A.2), the costs of which can be supplemented by the specific project budget. The monitoring of projects to insure continued affordability based on use restrictions would be the responsibility of a designated monitoring agent, DHCD in the case of LIP units, however towns also have a significant role in this monitoring process. Technical assistance from South Shore Housing in the monitoring of affordability, which has the demonstrated capacity in this area, should be considered.

#### **4. Promote Affordable Housing in Mixed-Use Development**

*Timeframe:* Years 3-5

*Responsible Party:* Planning Board with support from the Affordable Housing Partnership

*Current Status:* Norwell has very limited commercial area with only about 5% of the town's land area zoned for business use or approximately 700 acres. Norwell's Zoning Bylaw also does not allow mixed residential and commercial uses. The Town Center is predominated by churches, Town facilities and historic homes, while small businesses are typically located in pockets in proximity to Routes 3 and 53.

*Next Steps:* As local leaders plan for Norwell's future growth, some consideration will be given to how best to guide new commercial development to serve the community's growing population, including the promotion of particular areas of town where greater density will be allowed and housing can be integrated. This rural village concept is meant to direct growth and somewhat higher density to appropriate areas that already are zoned for commercial uses. Clearly the lack of sewer services makes this denser development far more challenging.

*All relevant Town entities need to work together to plan for Norwell's future, including the Affordable Housing Partnership.* The Planning Board, with support from the Affordable Housing Partnership, will explore bylaws for promoting mixed-use development in appropriate locations in close proximity to Routes 3 and 53 that can incorporate some housing. With support from the Town Planner, they will prepare a zoning amendment that best meets the town's needs, potentially creating an overlay district or districts, even a possible Smart Growth Overlay District through the state's 40R and 40S programs that would help finance the development through several subsidies (see Appendix 2 for more information on these programs). Any zoning amendment would necessarily be submitted to Town Meeting for approval. Additional DHCD approvals would be required for 40R and 40S. Some housing affordability will be required and design guidelines met in return for allowing the density that will make high quality development economically feasible. Efforts will be made to insure that new development continues to reflect Norwell's small town character.

There are bylaws that have been adopted in other communities that offer models on how to integrate housing, including affordable housing, in town or village centers and other commercial areas. Both

Chatham and Harwich, for example, have a bylaw to promote “above the shop” housing with funding to cover some predevelopment expenses. The Town of Marion is hoping to pass a Neighborhood Overlay District (NOD) to promote mixed-use village development, including affordable housing, in a key intersection of commercial streets. The Town of Eastham has embarked on a planning effort to create a traditional mixed-use village center in North Eastham at the intersection of Route 6 and Brackett Road, involving the surrounding private and public properties. This effort, involving rezoning through a Village Overlay District, is the centerpiece of the Town’s new development efforts, involving a comprehensive development strategy. The Town hired a consultant to refine the vision for the area and prepare the necessary land use regulations and planning tools to appropriately address the issues and opportunities while respecting the needs of the property owners and other community stakeholders.

The Metropolitan Area Planning Council (MAPC) has prepared a report entitled, “Mixed Use Zoning: A Planner’s Guide” that can be referenced. Additionally, the Citizen Planner Training Collaborative offers several models including one adopted by the Town of Dennis. It should be noted again that the Town’s lack of sewer services significantly constrains density unless special treatment facilities are available. At some point in the future the Town might consider limited adding sewer services to its Town Center to better promote its vitality and follow “smart growth” principles.

Other communities have rezoned industrial areas to allow housing, mandating some amount of affordable housing. Most notably, the Town of Bedford that went from an affordability level of approximately 4% about a decade ago to over 18%, with affordable units created through this zoning.

Another option would be to develop policy and design guidelines on mixed-use development and process acceptable projects through the “friendly” 40B process as established under the state’s Local Initiative Program (LIP) or use the Affordable Housing Bylaw proposed in strategy V.B.4.

*Resources Required:* This strategy will require volunteer time from the Planning Board and Affordable Housing Partnership with support from the Town Planner and/or a consultant.

### **C. Housing Development Strategies**

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Norwell to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to involve joint ventures with developers – for profit and non-profit – to create affordable units, which the Town has been pursuing over the past several years.

Over and above the participation of the development community, it will be important for Norwell to actively seek continued financial assistance from state and federal agencies. In addition to the state’s Department of Housing and Community Development (DHCD), other state and quasi-public agencies that have resources to support affordable and special needs housing include MassHousing, MassDevelopment, Department of Developmental Services, Department of Mental Health, Community Economic Development Assistance Corp. (CEDAC), Massachusetts Housing Partnership Fund, and Massachusetts Housing Investment Corporation (MHIC). Regional resources, both financial and technical, will be sought as well including South Shore Housing Development Corporation, NHS of the South Shore, South Shore Community Action Program, and South Shore Habitat for Humanity. Because affordable housing is rarely

developed without private financing, developments remain reliant on private lenders as well.

The following strategies provide the basic components for the Town to meet its housing production goals:

1. **Make Suitable Public Property Available for Affordable Housing**

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen with support from the Affordable Housing Partnership

*Current Status:* Providing Town owned property for affordable housing development is not a new concept in Norwell as the Town approved the conveyance of surplus municipal property on Circuit Street as well as \$80,000 in CPA funding for a home to be built by South Shore Habitat for Humanity. The Town also owns property on Prospect Street that Town Meeting designated for affordable housing. The Town has issued a Request for Proposals to solicit interest in developers to build special needs housing on the parcel and approved \$600,000 in CPA funding to help finance the project.

The Affordable Housing Partnership will continue to identify and pursue other possible Town owned properties that might be suitable for some amount of affordable housing. In the 1980's, a Town committee interested in affordable housing in fact explored a number of possibilities including a two-acre parcel at the junction of Lincoln and Grove Streets. Since then a list of Town-owned properties has been updated and compiled but more information is required to determine what, if any, of these sites can accommodate residential or mixed-use development, including affordable units.

The Town of Norwell may also decide to acquire privately owned sites at some time in the future for the purposes of protecting open space, providing for some municipal use, and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Smaller sites may be available as well to build affordable new starter homes on an infill basis. Additionally, there may be opportunities for the Town to preserve existing unsubsidized but affordable housing through acquisition, perhaps even using the tax foreclosure process.

As the Town becomes alert to opportunities for acquiring property that would be suitable for some amount of affordable housing, such properties would ideally meet a number of "smart growth" principals such as:

- The redevelopment of existing nonresidential structures that might become available in the future,
- Conversion of existing housing to long-term affordability,
- Infill site development including small home development as starter housing such as a Habitat for Humanity project,
- Development of housing in underutilized locations with some existing or planned infrastructure,
- Parcels large enough to accommodate clustered housing through the OSRD bylaw for example,
- Mixed-use properties in appropriate areas;
- Buffer between adjacent properties, and
- Located along a major road.

The Affordable Housing Partnership has been exploring how the Town might acquire *The Glen*, a mobile home park that includes 36 manufactured homes or find another means of helping maintain some level of affordability. Over the years residents have faced continuing increases in the rental costs of property lots, rendering them less and less affordable. Recently, residents were notified of a pending sale of the development to out-of-state real estate investors, which would only likely further increase rentals and property values. While the Housing Partnership understands that such homes are not currently eligible for inclusion in the SHI, discussions have commenced on how the Town and DHCD might work together to retain some level of affordability at The Glen.

*Next Steps:* The Affordable Housing Partnership will work with other Town boards and committees to continue to identify and pursue surplus municipal property. Where feasible, the Town will investigate the suitability of various Town-owned sites for development based on the knowledge and expertise of various Town staff and preliminary feasibility analyses where appropriate. Such analyses could potentially be funded through some state funding for predevelopment work or CPA funds. For Town owned properties, approval will be required from both the Board of Selectmen and Town Meeting to designate and convey them for housing development that includes affordable housing and perhaps other uses as well.

In addition to the two-acre parcel at Lincoln and Grove and already approved Town owned properties (Circuit Street Habitat site, Prospect Street) mentioned above, other potential publicly owned properties that might be considered include:

- Norwell Housing Authority property adjacent to its Norwell Gardens development
- Town-owned property adjacent to the above NHA parcel
- Redevelopment of the Assinippi group home property that is currently owned by the state and managed by the Norwell Housing Authority but in seriously distressed condition

As was the case with the selection of Habitat for Humanity for the Circuit Street parcel, a Request for Proposals is required to select a developer. Following the necessary approvals for the conveyance of Town owned properties, the Affordable Housing Partnership, working in concert with the Town's Chief Procurement Officer and potentially a housing professional, will prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town's specific project requirements. They will then select a developer based also on identified criteria included in the RFP. Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and this might be obtained through normal regulatory channels or potentially the "friendly" comprehensive permit process through DHCD's Local Initiative Program (LIP).

Because this strategy involves the use of publicly owned property, it would be appropriate to maximize the public benefits by setting aside at least 50% of the units as affordable. This is likely to require multiple sources of public subsidies. Consequently, the Town will need to select a developer that has substantial experience and expertise in this type of development. Additionally, the Town will need to be involved in attracting the necessary financial, technical and political support. Evidence of municipal support is often critical when seeking financial or technical assistance from regional, state or federal agencies.

In regard to The Glen, the Housing Partnership has developed a conceptual proposal that it hopes will be a starting point for discussion about next steps towards insuring The Glen's long-term affordability and

eventual inclusion in the SHI.

*Resources Required:* Resources will be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the “friendly” comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system.

Other developments require direct public subsidies to cover the costs of affordable or mixed-income residential development and need to access public subsidies through the state and federal government and other financial institutions to accomplish these objectives. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often required to fill the gaps. Even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover. A mix of financial and technical resources will be required to continue to produce affordable units in Norwell. Appendix 2 includes summaries of most of these programs.

These activities will require the donated time of members of the Affordable Housing Partnership and other Town boards and committees (such as Assessing, ZBA, the Planning Board, etc.) as well as the potential involvement of a housing consultant to prepare the RFP’s.

*Projected # Affordable Units Produced:* 11 units

## 2. Partner with Private Developers on Privately Owned Sites

*Timeframe:* Years 1-2

*Responsible Party:* Affordable Housing Partnership in cooperation with the Zoning Board of Appeals or Planning Board

*Current Status:* Continuing to work cooperatively with private developers, non-profit and for profit, is a major component of this Housing Production Plan. With incentives created in the zoning bylaw to promote affordable housing (see Section V.B) and with the availability of the “friendly 40B” option, the Town is in a good position to work cooperatively with developers to guide new development that incorporates affordable units. Moreover, when the Town obtains certification under Housing Production guidelines by meeting its annual production goal, it will be in an even better position to negotiate with private developers on project terms and conditions since it will be able to likely deny what it considers inappropriate comprehensive permit projects without the developer’s ability to appeal. Nevertheless, the lack of Town sewer services does create challenges to new development, increasing costs and lowering densities unless special treatment facilities can be feasibly integrated into the development.

*Next Steps:* The Town will focus on the following approaches to creating new affordable units on privately owned parcels in line with “smart growth” principles:

- *Zoning Changes:* The zoning strategies included in Section V.B should provide the necessary framework and incentives to attract new development that will include affordable housing. In

addition to allowing mixed-uses, these zoning changes offer greater incentives for the inclusion of affordable or workforce housing in new development, including small year-round rentals through accessory apartments.

- *Infill development:* The Town will continue to look for opportunities to build affordable housing on vacant or undeveloped parcels in existing neighborhoods that promote “smarter” more compact development, which in turn allows undeveloped land to remain open and green. For example, small Habitat for Humanity homes, group homes, or small mixed-income clusters of housing in existing neighborhoods would satisfy local needs and, with good design, blend in well with the architectural context of the area. Infill development also provides an excellent opportunity for creating starter housing.

Given high land and housing values, Norwell no longer has homes available for those without equity from a former home or with limited income. This is the case despite the fact that many houses that were built decades ago tended to be more modest in size and popular with first-time homebuyers. There still remains a substantial market for smaller, starter housing of about 1,000 square feet in Norwell.

- *Chapter 40B:* Comprehensive permits, particularly the “friendly” 40B process through the state’s Local Initiative Program (LIP), have proven to be a useful tool in many communities for projects that require significant waivers of local zoning but meet local needs and priorities. Locations where the “friendly” 40B process make the most sense include areas in proximity to Norwell’s commercial corridors that are closest to transportation and services, possible nonresidential properties that might be converted to residential use, cluster developments that maintain some amount of open space, and sites that are sufficiently buffered from abutters.

The Town will continue to reach out to local developers who have been active in producing affordable housing in the area to discuss the Town’s interest in promoting these types of development, possible areas and opportunities for new development, and local guidelines and priorities. To effectively guide development, the Town has established a formal process for reviewing local housing proposals in their early conceptual stages through its Affordable Housing Partnership, providing useful feedback to developers on preliminary plans.

*Resources Required:* The Affordable Housing Partnership will take the lead in reaching out to affordable housing developers and in providing early input into development proposals in their conceptual stages as well as supporting developers on the “friendly” 40B process where appropriate.

*Projected # Affordable Units Produced:* 52 units

### **3. Convert Existing Housing to Affordability**

*Timeframe:* Years 1-2

*Responsible Party:* Affordable Housing Trust with support from the Affordable Housing Partnership

*Current Status:* Norwell should not overlook the potential of working on strategies to not only preserve the affordability of the existing housing stock but to, when possible, convert existing market units to

state-defined “affordable” ones, thus insuring the long-term affordability of existing units. The Norwell Affordable Housing Trust was in fact established to coordinate such buy-down efforts as described in Section V.A. Such work has been complicated by the interpretation of Chapter 30B public procurement regulations that would require the Housing Trust to issue a Request for Proposals to notify local owners of its interest in acquiring properties based on a description of program terms and conditions, including the type of properties it was interested in acquiring.

The focus of such an initiative will be those housing units that are most affordable in Norwell’s private housing market to minimize the amount of subsidy required to fill the gap between the purchase price and any costs of improvements and the affordable rents or purchase prices. Smaller homes or condominiums<sup>30</sup> are reasonable targets. There are a variety of program approaches that insure long-term affordability by focusing on existing dwelling units rather than building new ones including:

- Homebuyer Assistance Programs: Homebuyer Assistance Programs (also referred to as Mortgage Assistance Programs) provide subsidies to qualified first-time homebuyers to fill the gap between the market purchase price and the affordable price that is allowed under the state’s Local Initiative Program (LIP). Such programs have been adopted in a number of towns and cities in the state. For example, the Town of Chatham has introduced the First Time Homebuyers Assistance Program that uses up to \$60,000 in CPA funds per household to fill the gap. The Sudbury Housing Trust established \$200,000 as the maximum per unit subsidy for its program, and has also subsidized additional units in private comprehensive permit projects to create more affordable units. Other comparable programs are also available in Marshfield, Acton, Cambridge, Newton, Yarmouth, and Bourne, largely subsidized through Community Preservation funding.
- Buy-down Programs: This approach involves the purchase of one or two-family structures or other housing types, renting or reselling one (or possibly both/several) of the units subject to a deed restriction that insures permanent affordability. Buy-down programs have proven to be viable strategies in a number of communities. The Sandwich Home Ownership Program (SHOP), for example, produced seven (7) affordable housing units under the coordination of the Housing Assistance Corporation (HAC), the Cape’s regional non-profit housing organization. Buy-down programs in fact are usually coordinated by a non-profit housing organization and have also been implemented in Cambridge, Newton, Bedford and Arlington, for example. A number of communities – including Sandwich, Barnstable and Lexington – have had their Housing Authorities or another non-profit organization acquire properties that they continue to own and manage as rentals.

*Next Steps*: Each of these approaches implies a somewhat different implementation process, which are summarized below.

#### Homebuyer/Mortgage Assistance Program Approach

- *Funding approval*: The Housing Trust is currently authorized to spend no more than \$85,000 per unit and therefore would have to request additional funding through CPA or other source to make the program financially feasible. Assuming a maximum purchase price of \$350,000, representing approximately the top of the lowest quartile of all Norwell residential property values, a maximum

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<sup>30</sup> The affordability of condominiums is affected by condo fees that are calculated as part of mortgage underwriting criteria.

- subsidy of \$170,000 would be reasonable, \$85,000 that could come directly through the Housing Trust (see strategy V.A.3 for information on expanding the Housing Trust's current authorization that would enable it to go beyond this per unit limit). This recommendation assumes that the program would serve those earning up to 80% AMI, however in order to have a marketing window, the estimated price of the house to be purchased is based on what a household of three (3) earning 70% AMI could afford or no more than about \$180,000.
- *Preparation of marketing materials:* An Affirmative Fair Housing Marketing Plan must be prepared that includes the marketing process that will be used as well as the application package, marketing flyers, advertisements, etc. These marketing materials will fully describe the outreach activities (information sessions, advertising, flyers and notices to appropriate local and regional agencies and organizations), the application process, the type of subsidy, all eligibility requirements, how participants will be selected, and requirements for selecting a property, obtaining mortgage financing, and finally obtaining the subsidy.
  - *Submit LAU application:* The Housing Trust would prepare the Local Action Unit (LAU) application, which would be formally submitted by the Board of Selectmen to DHCD for approval and ultimately the inclusion of the units in the Subsidized Housing Inventory (SHI).
  - *Implementation of the marketing plan:* The Housing Trust, with technical assistance from a designated staff person or consultant, will be responsible for implementing the marketing plan, including outreach, the application process, determination of eligibility, lottery, matching of purchasers to available units, and coordination of closings with lenders.
  - *RFP process:* The Housing Trust would prepare and issue a Request for Proposals to Norwell property owners, asking those owners who might be interested in selling their properties in line with stated terms and conditions to respond. Notice of this RFP would be included in local and regional papers, the state's Central Registry, real estate agents, etc. The RFP would ask prospective sellers to provide basic information on their property. The Trust would then evaluate homes based on price and needed repairs, selecting the most advantageous homes available and matching them with purchasers in the order of ranking and household size from the lottery.
  - *Inspect properties:* The program should enter into a professional services contract with a certified inspector who will be available as needed to inspect properties and indicate what, if any, improvements are necessary to bring the property into compliance with HUD Housing Quality Standards. The costs for these inspections should not be substantial in any single year. If improvements are necessary, the inspector should estimate their costs and work with the Housing Trust and prospective purchaser to put the work out to bid, select a contractor, and enter into a contract for the work to commence following closing of the property and before occupancy.
  - *Prepare documents:* The Housing Trust should work with DHCD and the lender on the necessary closing documents including the deed rider, resale price certificate, disclosure statement, and mortgage and promissory note.
  - *Coordinate closings with lender:* Working with the purchaser's closing attorney, DHCD and the lender, the Housing Trust should help schedule and attend the closing, when it will execute the necessary documents and provide the subsidy.
  - *Record documents:* The Housing Trust should record the mortgage and promissory note for the subsidy at the Registry of Deeds.
  - *Insure inclusion of units in SHI:* The Housing Trust should follow-up with DHCD, providing the necessary documentation to insure that the units get included in the SHI.

### Buy-down Program Approach

In this approach, the Housing Trust would have to also obtain CPA funding approval and then would issue a Request for Proposals to solicit interest from potential program administrators, such as a non-profit organization or a consultant, to coordinate program operations. The RFP would clearly state the amount of subsidy available as well as other program terms and conditions that the Housing Trust wants to insure become part of the program design (e.g., eligibility requirements, type of subsidy, inclusion in SHI, etc.). The respondents would prepare proposals based on the submission requirements included in the RFP, including stating what fees they will require to administer the program. The Housing Trust would enter into a formal agreement with the selected program administrator that states the obligations of all parties.

The Housing Trust will review these models and determine which makes the most sense in Norwell. It will then prepare an implementation plan that outlines program procedures and the respective roles and responsibilities of various municipal staff persons, boards and committees and outside consultants as appropriate.

*Resources Required:* The Town will have to use CPA funding in addition to Housing Trust funds to make this housing production approach financially feasible. A per unit subsidy of up to \$170,000 is a reasonable expectation to make this program work in Norwell based on high housing costs. Necessary program resources will also include the donated time of members of the Housing Trust as well as time from a designated staff person, an outside organization, or a consultant, to oversee the implementation process and ongoing program operations.

*Projected # Affordable Units Produced:* 8 units

## **APPENDIX 1**

### **Glossary of Housing Terms**

#### **Affordable Housing**

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

#### **Area Median Income (AMI)**

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as "MFI" or median family income.

#### **Chapter 40B**

The state's comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

#### **Chapter 44B**

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds' fees.

#### **Comprehensive Permit**

Expedited permitting process for developers building affordable housing under Chapter 40B "anti-snob zoning" law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers.

#### **Department of Housing and Community Development (DHCD)**

DHCD is the state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

#### **Fair Housing Act**

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

**Inclusionary Zoning**

A zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

**Infill Development**

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

**Local Initiative Program (LIP)**

A state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income.

**MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)**

A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

**Metropolitan Statistical Area (MSA)**

The term is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

**Mixed-Income Housing Development**

Development that includes housing for various income levels.

**Mixed-Use Development**

Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

**Overlay Zoning**

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

**Public Housing Agency (PHA)**

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

### **Regional Non-Profit Housing Organizations**

Regional non-profit organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. South Shore Housing Development Corporation serves as Norwell's regional non-profit organization.

### **Regional Planning Agencies (RPAs)**

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Metropolitan Area Planning Council (MAPC) serves as Norwell's regional planning agency.

### **Request for Proposals (RFP)**

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

### **Section 8**

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

### **Smart Growth**

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

### **Subsidy**

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the "layering" of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, "internal subsidies" refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to "cross subsidize" the affordable ones.

**Subsidized Housing Inventory (SHI)**

This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

**US Department of Housing and Urban Development (HUD)**

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

## APPENDIX 2

### Summary of Housing Regulations and Resources

#### I. SUMMARY OF HOUSING REGULATIONS

##### A. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the US Department of Housing and Urban Development.
- Affordability restrictions must be in effect in perpetuity unless there is a justification for a shorter term that must be approved by DHCD.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met<sup>31</sup>:

- The community has met the “statutory minima” by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community’s land area.
- The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Planned Production.

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<sup>31</sup> Section 56.03 of the new Chapter 40B regulations.

- The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>32</sup> Recently approved regulations add a new requirement that ZBA’s provide early written notice (within 15 days of the opening of the local hearing) to the applicant and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

If the applicant appeals the use of these “appeals proof” grounds, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA’s position). Either the ZBA or applicant can appeal DHCD’s decision by filing an interlocutory appeal with the Housing Appeals Committee (HAC) within 20 days of receiving DHCD’s decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these “appeal-proof” grounds.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*  
Units receiving zoning approval under 40R count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a comprehensive permit project.
- *Certificate of Occupancy*  
Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued within 18 months.
- *Large Phased Projects*  
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15

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<sup>32</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- *Projects with Expired Use Restrictions*  
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- *Biennial Municipal Reporting*  
Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined under state guidelines including current residents, municipal employees, or employees of businesses located in town. It is also worth noting that the Town, through its Affirmative Fair Housing Marketing Plan, must demonstrate the associated local need for the community preference and insure that there will be no discriminatory impacts with the use of community preference.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local Board of Selectmen for a 30-day comment period. The Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the Board of Selectmen for their endorsement of the project, and the Selectmen can submit an application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.

- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant requests otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

New Chapter 40B regulations now add a number of requirements related to the hearing process that include:

- The hearing be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).

- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that these rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and cannot require an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lacks minimum required qualifications.
- Specifies and limits the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or require a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes

negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.

#### **B. Housing Production Regulations**

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (14 units and 28 units, respectively, for Norwell until the new census figures are available in 2011) for *approval* by DHCD.<sup>33</sup>
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure based on future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
  - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
  - Identification of specific sites on which comprehensive permit applications will be encouraged.
  - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
  - Municipally owned parcels for which development proposals will be sought.
  - Participation in regional collaborations addressing housing development.

Plans must be adopted by the Board of Selectmen and Planning Board, and the term of an approved plan is five (5) years.

#### **C. Chapter 40R/40S**

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates

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<sup>33</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.<sup>34</sup>

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”<sup>35</sup> The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

<b>Incentive Payments</b>	
<b>Incentive Units</b>	<b>Payments</b>
Up to 20	\$10,000
21 - 100	\$75,000
101 - 200	\$200,000
210 - 500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and

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<sup>34</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

<sup>35</sup> Massachusetts General Law, Chapter 40R, Section 11.

in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be "able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood."<sup>36</sup>

The principal benefits of 40R include:

- Expands a community's planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet planned production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

#### **D. Local Initiative Program (LIP) Guidelines**

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

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<sup>36</sup> "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," p. 4.

There are two types of LIP projects, those using the comprehensive permit process, the so-called “friendly” 40B’s, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

#### *Income and Assets*

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

#### *Allowable Sales Prices and Rents<sup>37</sup>*

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area’s utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees<sup>38</sup>, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

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<sup>37</sup> DHCD has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/dhcd](http://www.mass.gov/dhcd).

<sup>38</sup> DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

### *Allowable Financing and Costs*

- Allowable development costs include the “as is” value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the “as is” market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner’s equity in the project. Owner’s equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer’s obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

### *Marketing and Outreach*

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws and the state’s Affirmative Fair Housing Marketing Plan Guidelines.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of up to 70% of the units may be local preference units for those who have a connection to the community as defined by the state under Section III.C of the Comprehensive Permit Guidelines.
- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s) and must demonstrate the need for local preference as well as insure that there will be no discriminatory impacts as a result of using local preference criteria.
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

*Regulatory Requirements*

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath  
2 bedrooms – 900 square feet/1 bath  
3 bedrooms – 1,200 square feet/ 1 ½ baths  
4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.
5. Developer’s profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

**1. *Application process***

- Developer meets with Town
- Developer and Town agree to proposal
- Town chief elected officer submits application to DHCD with developer's input

**2. *DHCD review involves the consideration of:***

- Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
- Number and type of units,
- Pricing of units to be affordable to households earning no more than 70% of area median income,
- Affirmative marketing plan,
- Financing, and
- Site visit.

**3. *DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.***

**4. *Zoning Board of Appeals holds hearing***

- Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
- Developer forms a limited dividend corporation that limits profits.
- The developer and Town sign a regulatory agreement.

**5. *Marketing***

- Marketing plan must provide outreach to area minority communities to notify them about availability of the unit(s).
- Local preference is limited to those who live/work in the community with a maximum of 70% of the affordable units.
- Marketing materials must be available/application process open for a period of at least 60 days.
- Lottery must be held.

**6. *DHCD approval must include***

- Marketing plan, lottery application, and lottery explanatory materials
- Regulatory agreement (DHCD is a signatory)
- Deed rider (Use standard LIP document)
- Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for "friendly" 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD's web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: [janice.lesniak@state.ma.us](mailto:janice.lesniak@state.ma.us)). For legal questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: [elsa.campbell@state.ma.us](mailto:elsa.campbell@state.ma.us)).

#### **E. MassWorks Infrastructure Program**

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:

- Public Works Economic Development (PWED)
- Community Development Action Grant (CDAG)
- Growth Districts Initiative (GDI) Grant Program
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

## **II. SUMMARY OF HOUSING RESOURCES**

Those programs that may be most appropriate to development activity in Norwell are described below.<sup>39</sup>

#### **A. Technical Assistance**

##### **1. *Priority Development Fund*<sup>40</sup>**

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and

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<sup>39</sup> Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

<sup>40</sup> Description taken from the state's program description.

willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges

that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as "Initiatives of Exceptional Merit," in order to increase the amount of assistance and scope of services for certain projects.

## ***2. Peer to Peer Technical Assistance***

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the

peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

### **3. *MHP Intensive Community Support Team***

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

### **4. *MHP Chapter 40B Technical Assistance Program***

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development "uneconomic".
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

### **5. *Smart Growth Technical Assistance Grants***

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and

- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices and implement a specific Community Development or Master Plan action. Additional preference will be offered those that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

## **B. Housing Development**

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

### **1. *HOME Program***

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the

HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

Because Norwell is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the Town would need to join a consortium of other smaller towns and cities to receive funding or submit funding applications to DHCD on a project by project basis through its One Stop Application. Norwell is not part of a Consortium so would have to apply directly to DHCD for this funding at this time.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Those communities that do not receive HOME or CDBG funds directly from HUD, like Norwell, can apply for up to \$65,000 per unit. Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

## **2. *Community Development Block Grant Program (CDBG)***

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

The **Housing Development Support Program (HDSP)** provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There are no per unit maximums or recommended maximum total development costs. Funding is distributed through Notices of Funding Availability that occur once or twice a year. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high "statistical community-wide needs", however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. This may be the best source of CDBG funding for Norwell besides HDSP described above. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

### **3. *Housing Stabilization Fund (HSF)***

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

### **4. *Low Income Housing Tax Credit Program***

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

### **5. *Affordable Housing Trust Fund***

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

**6. *Housing Innovations Fund (HIF)***

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

**7. *Federal Home Loan Bank Board's Affordable Housing Program (AHP)***

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

**8. *MHP Permanent Rental Financing Program***

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000

to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

#### **9. *OneSource Program***

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

#### **10. *Section 8 Rental Assistance***

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

#### **11. *Massachusetts Preservation Projects Fund***

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

**12. *District Improvement Financing Program (DIF)***

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

**13. *Urban Center Housing Tax Increment Financing Zone (UCH-TIF)***

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

**14. *Community Based Housing Program***

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of \$750,000 per project.

**C. Homebuyer Financing and Counseling**

**1. *Soft Second Loan Program***

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Norwell is already a participating community in the Program.

**2. American Dream Downpayment Assistance Program**

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

**3. Homebuyer Counseling**

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organizations that offer these workshops in closest proximity to Norwell include the following:

Fall River Affordable Housing Corporation  
Bob Landry  
(508) 677-2220

Plymouth Redevelopment Authority  
Plymouth  
Patty Roy  
(508) 747-1620 x147

Pro-Home, Inc.  
Taunton  
(508) 821-1092

South Shore Housing Development Corporation  
Kingston  
Sharon Hurley  
(781) 422-4200

**4. Self-Help Housing**

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

**D. Home Improvement Financing**

**1. *MassHousing Home Improvement Loan Program (HLP)***

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

**2. *Get the Lead Out Program***

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

**3. *Septic Repair Program***

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

**4. *Home Modification Program***

This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible. The area's regional non-profit organization, South Shore Housing, administers these funds for the state. The Norwell Council on Aging also is available to help seniors complete application materials.