TOWN OF SHARON

Affordable Housing Production Plan

June 2005, revised and resubmitted, November, 2005

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SHARON AFFORDABLE HOUSING PLAN

Plan Summary

Beginning with the state-funded EO418 process in 2002, leaders and citizens of the Town of Sharon have worked toward the goal of diversifying the town's housing stock, first, to meet the state mandate that all municipalities achieve 10% of their housing units as state-defined affordable; second, to provide affordable housing for seniors, residents' grown children, and town employees; and third, to provide market-rate options for seniors who want to "downsize," for instance, from larger single-family homes to age-qualified condominium units.

Sharon is a mature suburban community with an unusual combination of assets and liabilities. The community is rich in natural beauty, including within its borders a 345-acre lake, working farms, and a MassAudubon sanctuary and state park that contribute to the over 30% of the town's land area that is protected open space. It has a commuter rail station, but "smart growth" initiatives (housing density near town centers) are constrained because of town well/groundwater protection requirements and septic limitations around the town center.

Following nationwide trends, housing prices have continued to increase over the last five years (the median price of a Sharon single-family home in 2003 was $405,000), and the town has relatively little economic development to balance increasingly burdensome property taxes, making housing difficult for those in middle-income families, and out of reach for lower-income families.

While the town continues to look at other solutions to the problem, such as further economic development, this Housing Production Plan will give the town a solid path to diversifying our housing stock.

We would like to thank the many people who participated in this and the EO418 process that led to this plan, including over 100 citizens, the Board of Selectmen, the Sharon Housing Partnership, the Conservation Commission, the Council on Aging, the Water Management Advisory Committee, and the Metropolitan Area Planning Council. Much has been accomplished already in this effort as the result of everyone's determination to continue to improve the quality of life in Sharon for all our citizens.

The Sharon Housing Plan is based on seven key steps to reduce housing barriers:

1. **Provide local development capacity.** Increase capacity by forming a local development corporation, or municipal affordable housing trust fund, to work with nonprofit and private partners to develop affordable housing.

2. **Provide town land.** Identify and prioritize town-owned parcels that can be leased or sold to the local development corporation or other nonprofit groups such as Habitat for Humanity. Proceeds from sale or lease of town-owned land should be retained in the municipal affordable housing trust fund for reinvestment in other affordable housing initiatives. The trust fund should be created by the Town of Sharon based on the law signed January 7, 2005.

3. **Encourage Chapter 40B and LIP housing strategically.** In areas appropriate for higher-density housing, enlist participation from the local development corporation, nonprofits, and qualified private developers to build or redevelop units in those locations that will generate housing consistent with housing needs.

4. **Establish inclusionary zoning.** Adopt an inclusionary zoning bylaw requiring all new residential developments of 6 or more units to include a minimum of 15% affordable units in order to contribute their fair share to the regional affordable housing obligations of the town in which they are built.

5. **Encourage rental apartments with an overlay district.** At the October 2004 Town Meeting, Sharon passed a warrant article endorsing an overlay district enabling zoning incentives to encourage apartment development in business zones to stimulate new affordable housing production.

6. **Leverage special permit zoning to reward affordable housing construction.** Sharon has a Conservation Subdivision Design (CSD) bylaw that offers density bonuses for clustered housing, and affordable and market-rate age-qualified housing. In May 2004, Sharon Town Meeting reduced the size of the parcel required for a CSD from 10 to 5 acres.

7. **Capitalize on market opportunities.** Identify and prioritize older and/or obsolete residential and nonresidential buildings with redevelopment potential, and develop a shortlist of properties to acquire, reposition, and sell or rent. These types of projects could be carried out by the local development corporation on its own, in partnership with a nonprofit, or in conjunction with a selected private developer. Creative use of tax policies, such as obtaining home rule authority to lower or waive property taxes for elderly homeowners who grant the town a right of first refusal to purchase their home at a reduced price, could help to establish a small pipeline of properties that Sharon could convert to affordable dwellings in the future.

THE CONTEXT

A. Population Trends

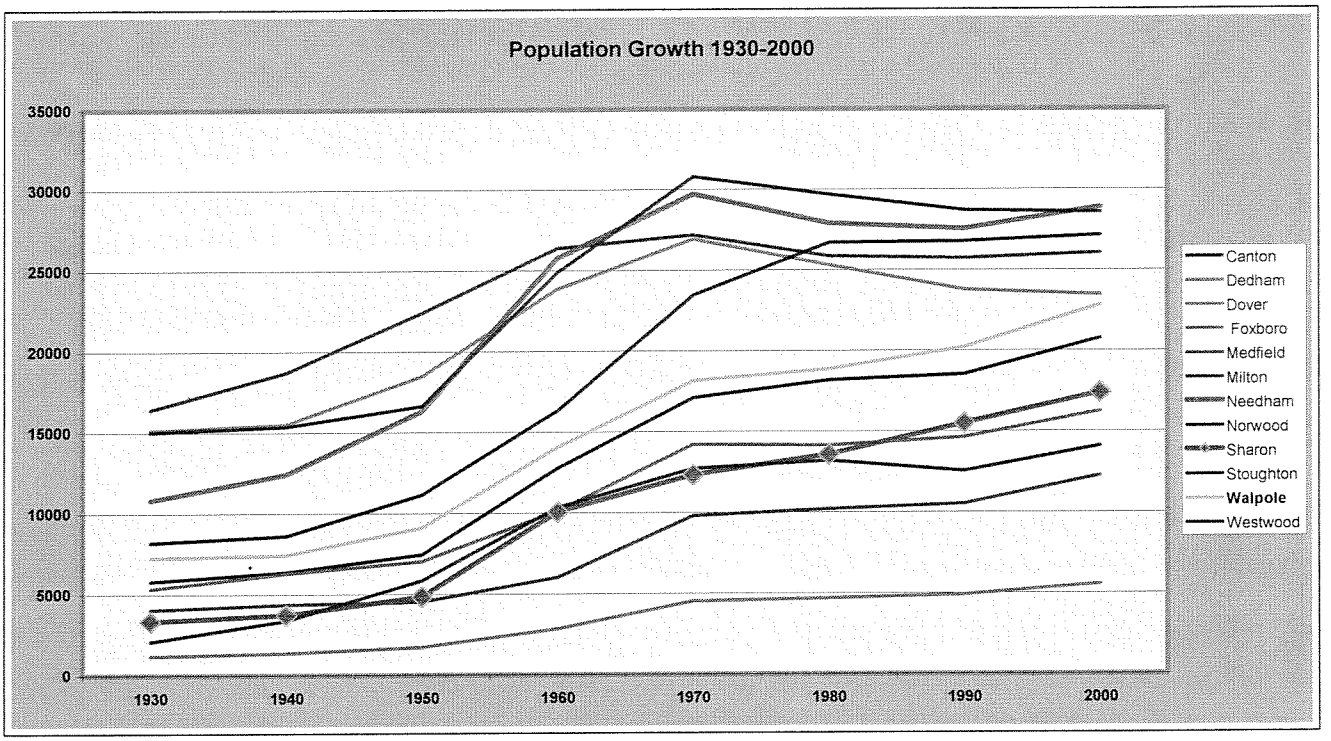
By the early twentieth century, Sharon was already in transition from a small farming and resort community to a commuter suburb. After World War II, Sharon's population grew rapidly during the postwar suburban boom. Between 1930 and 1970 the population tripled. While the growth rates have moderated since 1970, the population has continued to increase by 10 to 14 percent every decade. Sharon's population grew by 12 percent and 1, 891 people during the 1990s. Nearly half of that increase was accounted for by people under 20 years old. The number of households grew slightly faster than the population, 13 percent, reflecting a society-wide trend towards smaller households. The average household size declined slightly to 2.92 from 2.95 in 1990.

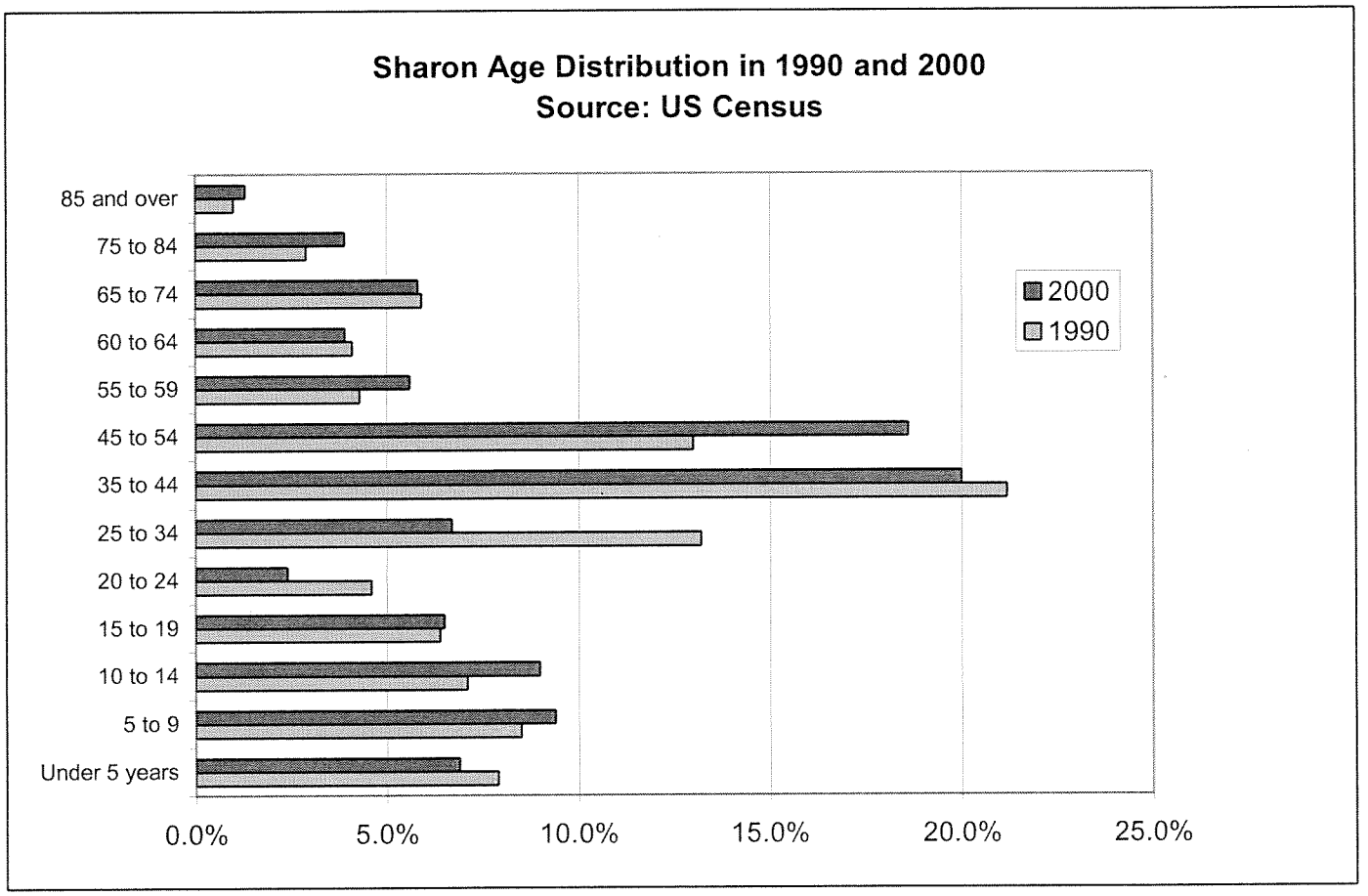
Population Change 1990-2000	
Town	**Change**
Canton	12%
Dedham	-1%
Dover	13%
Foxboro	11%
Medfield	17%
Milton	1%
Needham	6%
Norwood	0%
Sharon	***12%***
Stoughton	1%
Walpole	13%
Westwood	12%
	Source: US Census

Household and Age Composition

Sharon is a family community. Over 80 percent of households are family households (that is, persons related by blood or marriage) and 47 percent of households include persons under 18 years old. This is also reflected in the Town's average household size, 2.92 persons, and the average size of family households, which is 3.25 persons. Single person households make up 15 percent of all households and 8% of the total households are persons 65 years or older living alone.

The Town's population is concentrated in the prime earning years of 25 to 54, with a median age of 40. However, over the last decade there were substantial increases in the population under 18 years old (a 51% increase since 1990) and in the population 65 or older (an 11% increase since 1990). By contrast, the number of people in their twenties living in Sharon dropped 42% since 1990. These changes reflect both general demographic trends and conditions more specific to communities like Sharon. The baby boom generation is aging and as it passes through the child-rearing years there is a "baby boom echo." At the same time, the generation now in its twenties is the small "baby bust" generation born in the 1970s. Although communities with good school systems, like Sharon, tend to be particularly attractive to families with children, the increasing housing prices in Eastern Massachusetts during the last decade have made such communities more difficult to enter for young people in their twenties who are just beginning to start families. An increasing elderly population is also linked to general demographic trends, and all things being equal, should continue to grow.


Population Growth 1930-2000
35000
30000
25000
20000
15000
10000
5000
0
1930
1940
1950
1960
1970
1980
1990
2000
Canton
Dedham
Dover
Foxboro
Medfield
Milton
Needham
Norwood
Sharon
Stoughton
Walpole
Westwood


Sharon Age Distribution in 1990 and 2000
Source: US Census
85 and over
75 to 84
65 to 74
60 to 64
55 to 59
45 to 54
35 to 44
25 to 34
20 to 24
15 to 19
10 to 14
5 to 9
Under 5 years
2000
1990
0.0%
5.0%
10.0%
15.0%
20.0%
25.0%

Racial Composition

Ninety per cent (90.0%) of Sharon's population is white, according to the 2000 Census. Of the remaining population 3.4 are Black or African American and 4.9 per cent are Asian. Hispanics or Latinos, who can be of any race, accounted for 1.1 per cent of the population.

School Population

Sharon's school population grew an average of 2 per cent a year between the 1996-1997 enrollment of 3,116 and 2003-2004 enrollment of 3,562. Projections based on town census data of the school age population made by a Planning Board member suggest that the 2003-2004 enrollment will be the peak and that enrollments will slowly decline towards 3,000 by the 2014-2015 academic year. Approximately 90% of Sharon's children of school age go to the public schools. During 2003-2004, 3.8 per cent of the District was eligible for free or reduced priced lunch and 14.2 per cent were enrolled in special education programs.

Disabled Population

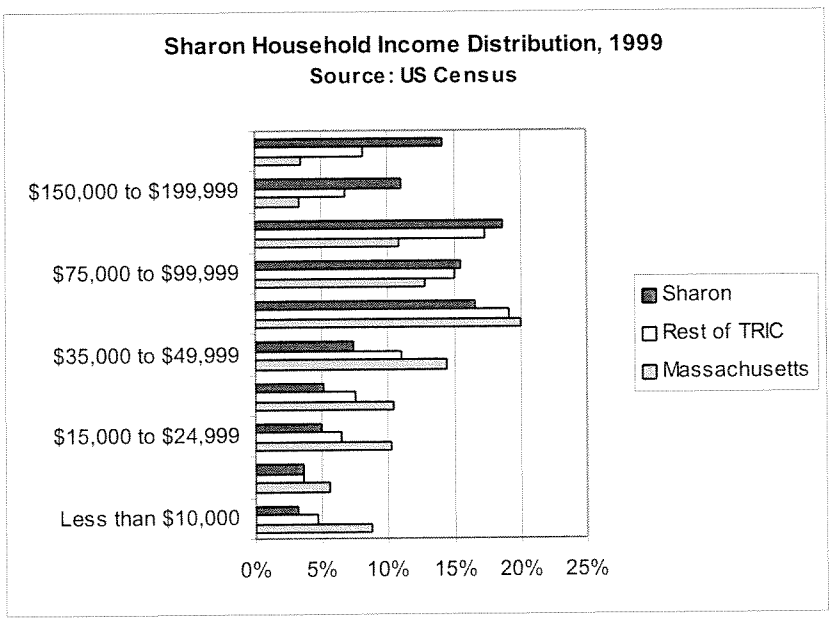
According to the 2000 Census, 37% of the population aged 65 years and over has a disability. In the population aged 5 to 20 years, 4.7 per cent had a disability, while among those age 21 to 64, 11.6% had a disability.

Sharon Household Income	1989 %	1999 %	% Change in Proportion of Total
<$25,000	17.7	11.7	-33.9
$25-49,999	20.9	12.6	-39.7
$50-74,999	25.7	16.6	-35.4
$75-99,999	17.6	15.5	-11.9
$100-149,999	11.8	18.7	58.5
$150,000+	6.3	25.1	298.4
	1989	**1999**	**Change**
Median household income	$61,692	$89,256	45%
Median family income	$66,415	$99,015	50%

Source: US Census 2000, 1990

Income Profile

Sharon residents did well financially during the 1990s. The median household income in 1999 was $89,256, giving Sharon the rank of 24 out of 351 cities and towns in Massachusetts. As is generally the case, median family income was higher at $99,015. The increase of 45 to 50% was slightly above the 44% increase in the Greater Boston Consumer Price Index for the region during the 1990s. Sharon has proportionally more upper income households than the state as whole or its subregional planning group, the Three Rivers Interlocal Council, which includes the towns of Dover, Needham, Medfield, Westwood, Milton, Sharon, Canton, Walpole, Foxboro, Dedham, Norwood, and Stoughton.



Demographic Trends

Projections of future population growth for Sharon envision a population that will stabilize and even decline slightly. The Massachusetts Institute of Social and Economic Research (MISER) projects a decline in Sharon's population as early as 2010, projecting that fewer people will be moving to Sharon and natural increase (births over deaths) will be cut in half compared to the last twenty years. Projections by the regional transportation planning agency, the Central Transportation Planning Staff (which is associated with MAPC), forsee a small increase by 2010 and a small decline by 2020.

These projections reflect certain demographic and land use realities about Sharon. Although Sharon will continue to be attractive to family households because of its excellent school system, there will be fewer family households in the next generation and some of the Sharon population will "age in place," increasing the number of smaller, empty-nester households. At the same time, the amount of land available for building is diminishing and is becoming more costly to develop. Even if the Chapter 40B housing projects that are now in the pipeline are built, it is likely that the average household size across all of these projects will be lower than the current average household size in Sharon.

Sharon Total Population and Projected Change	**Decennial Census**			**MISER Projection**		**MAPC/CTPS Projection**	
	1980	*1990*	*2000*	*2010*	*2020*	*2010*	*2020*
population	13,601	15,517	17,408	16,909	16,533	17,980	17,463
percent change		14.1	12.2	-2.9	-2.2	3.3	-2.9
net migration percent change		5.7	3.9	-6.2	-6.0		
natural increase		1,147	1,275	562	631		

CURRENT CONDITIONS

Existing Housing Stock And Residential Character

Sharon is a predominantly residential town and most of its housing is comprised of owner-occupied single family homes. According to the Assessor, there are a small number of two-family homes and a handful of 3 to 8 unit buildings in the Town Center and along the major roads. The Stony Brook Court complex, owned by non-profit South Norfolk Elderly Housing Services is the only single parcel with more than 8 units. In addition, according to assessor's data, there are 335 condominium units in Sharon. The condo complexes include MacIntosh Farms, a development with units costing in the range of $400,000 and up. Sharon Green, which used to be a rental complex, contains more modest two-bedroom condos.

Rental housing in Sharon is limited. The nearly 600 units that were estimated to be rented at the time of the census undoubtedly included some single family houses or condominiums that were leased while their owners were temporarily away from home. Judging from the distribution of building types,
there may be approximately 300 - 350 housing units in Sharon that are consistently managed as rental units, about 5 percent of the total number of housing units.

Trends in Residential Development

Creation of new housing. Before World War II, Sharon was a small community with an economy based on farming, small-scale manufacturing, and summer resort activities. Like so many other communities in metropolitan Boston, Sharon grew particularly fast during the 1950s, but it continued to add new housing at a steady rate until the end of the century. Over the course of the last 60 years, the town has added an average of about 83 housing units every year.

Judging from the somewhat lower number of units produced during the 1990s, the town may now be entering a period of slower growth in single family housing because the number of buildable parcels is dwindling. The annual average of single family building permits between 1995 and 2002 is 35. However, recent years have seen the construction of condominiums, which brings up the total number of new dwelling units.

Because Sharon has not reached the goal of 10% of housing units affordable to households making 80% of less of the regional median income, the Town is open to Chapter 40B comprehensive permit projects, which typically include higher densities than permitted by zoning.

Residential Character

Building Permits, 1995-2002 (number of units)		
Year	*Single Family*	*Multi-Family*
1995	48	0
1996	46	17
1997	42	20
1998	29	0
1999	37	0
2000	40	0
2001	25	0
2002	16	0
Source: US Census, Town Annual Reports		

Sharon's residential character reflects the layers of history and changing styles of building over many decades. There are two small Local Historic Districts, one near the town center and one at Cobb's Corner, and a Demolition Delay by-law that promotes adaptive reuse of structures over 100 years old that the Historical Commission deems preferably preserved. The smaller lots and intersecting streets around the Town Center reflect Sharon's historic village origins. Radiating out from the center, houses were built along the major

roads. Cul-de-sac subdivisions with larger lots are somewhat emore common in the eastern and southern parts of town. Thirty designated Scenic Roads give some protection to stone walls and trees within the road right of way, which cannot be demolished without a public hearing before the Planning Board. Anecdotal evidence, as well as the increasing cost of newly constructed homes, suggests that the size of single family homes has been increasing, especially since 1990.

Sharon Residential Building Types		
Building Type	*Number*	*Potential Rentals*
Single family	5,203	?
Condominium	335	?
Two-Family	116	58-116
Three-Family	5	10- 15
4-8 Unit	3	12 - 24
More than 8 units	1	192
	5,663	299-347+
Source: Sharon Assessor's Data		

Zoning and Land Use Regulation

Age of Housing Stock		
Build Year	*Number of Units*	*% of Total*
Pre-1940	922	15.5
1940- 1959	1,509	25.4
1960-1969	854	14.4
1970-1979	980	16.5
1980-1989	952	16.0
1990-2000	717	7.6
Source: US Census 2000		

Sharon has a complex zoning by-law that provides for alternatives to conventional development and, to a limited degree for multi-family development. There are eight residential zoning districts and five non-residential zoning districts, all of which permit residential uses except the Industrial District. In addition, the Zoning Bylaw provides for special residential uses and flexible development options. Single family homes are permitted in all zones except Industrial, and two-family homes are permitted in all the business zones as well as General Residence, which is the residential zone surrounding the Town Center's business district. Apartments are allowed by Special Permit in Business Districts, in conversion of municipal buildings, in Flexible Development projects, and in

Conservation Subdivision Developments (CSD). Conservation Subdivision Development (CSD) zoning is allowed in all residential zones except General Residence and the threshold for CSD projects was reduced in fall 2003 from 10 acres to 5 acres. A Water Resource Protection District overlays approximately half of the town.

In practice, the zoning bylaw combined with market forces has resulted in single family homes, several luxury condominium developments, and a handful of CSD or cluster-style subdivisions. The two Suburban zoning districts are built out in condominium projects. Flexible Development appears to have been superceded by CSD, but both by-laws persist side by side.

ZONE	LOT AREA (Sq. Ft)	LOT WIDTH	FRONTAGE	FRONT SET-BACK	REAR/SIDE SET-BACK	MAXIMUM HEIGHT	MAXIMUM STORIES	PERCENT OF BUILDING COVERAGE	PERCENT OF NATURAL COVERAGE
Rural 1	60,000	200' * 175' (Local)	133'-4" * 116'-8" (Local)	60' and 80' * 50' and 70' (Local)	30'	35'	2.5	15% (2)	50%
Rural 2	80,000	200' * 175' (Local)	133'-4" * 116'-8" (Local)	60' and 80' * 50' and 70' (Local)	30'	35'	2.5	15% (2)	50%
Suburban 1	40,000	150'	100'	40' and 70' * 30' and 50' (Local)	20'	35'	2.5	25%	n/a
Suburban 2	60,000	175'	116.7'	50' and 70'	30'	55'	2.5	15%	50%
Single Residence A	40,000	150'	100'	40' and 70' * 30' and 50' (Local)	20'	35'	2.5	25%	n/a
Single Residence B	20,000	100'	66'-8"	40' and 70' * 30' and 50' (Local)	20'	35'	2.5	25%	n/a
General Residence	8,000 single fam. 10,000 two family	70' single family 80' two family	46'-8" single fam. 53'-4" two family	40' and 70' * 30' and 50' (Local)	20'	35'	2.5	40%	n/a
Business A/C	8000 10,000 two family	80' two family	70'	10'	20' residential 10' all other	40' residential 60' commercial	3 residential 4 commercial	To be determined by Planning board	30% (3)
Business B	8000 10,000 two family	80' two family	70'	10' 30' two family	20' residential 10' all other	40' residential 60' commercial	3 residential 4 commercial	40% residential 20% all other	n/a
Professional	20,000 10,000 two family	80' two family	70'	10'	20' residential 10' all other	40'	3	n/a	n/a

Light Industrial	40,000	150'		75' and 100'	100' residential 30' all other	80'	4	60%	20% (landscaped or openspace)
Housing Authority	40,000	n/a	n/a	30' and 50'	20'	35'	2.5	25%	n/a
	5,000 (1)								

Note: Lots located within the Groundwater Protection District have a minimum lot size of 60,000 sf.
Note: Lots located within the Surface Water Protection District have a minimum lot size of 80,000 sf.
Note: Lot Width is measured at the front set-back line.
* State or County
Layout
(1) Per dwelling unit (4 persons in a group
arrangement = dwelling unit)
(2) Includes paving and
walks
(3) See 2463, Minimum
Landscaped Open Space Coverage

Special Permit Residential Uses

- *Accessory apartments.* Accessory apartments are allowed in owner-occupied houses as long as the occupant is related to the owner and there is a common entrance.
- *Conversion to two-family.* Single family houses in existence before the zoning by law became effective may be converted to two-family homes.
- *Municipal buildings.* Municipal buildings may be converted to multifamily housing.
- *Apartments in business districts.* Apartments over non-residential uses cannot have more than 16 bedrooms per acre and must meet requirements for usable open space and on-site parking.

Flexible development and Conservation Subdivision Development (CSD) allow multifamily units, with some constraints. CSD also provides for density bonuses for age-qualified units, below-market rate units, and public access to permanently protected open space.

Development Capacity / Buildout Potential

The buildout study prepared by state and regional agencies with town assistance in 2000 found that Sharon had approximately 2,500 acres of developable land that could produce another 1,480 single family housing units under current zoning and an additional 4,000 residents and 814 school children. At current single family housing growth rates and under existing zoning, the residential zones could be built out within 25 years. This analysis does not take into account potential multifamily housing or Chapter 40B projects.

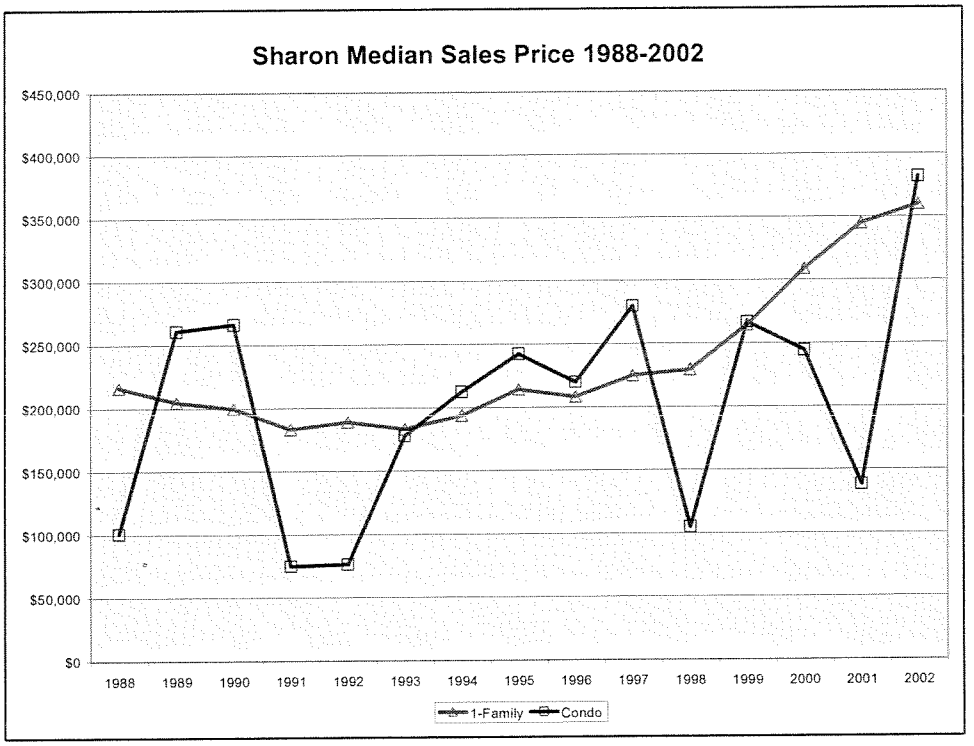
The Town's most recent analysis found 2,530 acres of potentially developable land, 16% of the town, in January 2004. A significant portion of the developable land cited above is made up of country club and camp properties that are not currently expected to be offered for development. In addition, this land includes approximately 400 acres that are the subject of five different Chapter 40B housing development proposals with the potential of 552 housing units (of which 262 would be single family units).0 The assessor classifies open parcels as developable, potentially developable and undevelopable. Land assembly, new wastewater technology and other circumstances can sometimes make undevelopable land into developable land, but because Sharon has so much wetland area, that is not likely to make a big difference. Taking the developable and potentially developable land that is owned by private, non-institutional owners (i.e., not club, camp or nonprofit institution land), we find that there are 77 parcels over one acre in size totaling 779 acres of which only 14 parcels are over 10 acres in size. These 14 parcels account for 75% of this open land and a single 317347-acre parcel owned by the Rattlesnake Corporation accounts for 44% of this open land. This area is the subject of one of the Chapter 40B proposals – in this case for single-family housing. Recently, the town approved a $7.5 million dollar Proposition 2 ½ override to buy Rattlesnake Hill land for conservation. Another $7.5 million must be raised through public or private funds, so this issue is unresolved. -- as well as an appropriation by Town Meeting for a part of the acquisition cost of this land.

Median Sales Price ($)		
Year	**1-Family**	**Condo**
2002	359,900	382,000
2001	345,000	138,450
2000	308,900	244,500
1999	264,800	267,000
1998	229,500	105,000
1997	225,000	279,900
1996	208,250	220,000
1995	214,500	242,500
1994	193,950	212,450
1993	183,500	178,000
1992	189,000	76,500
1991	183,500	75,000
1990	200,000	266,400
1989	205,000	261,050
1988	216,500	100,750
Source: The Warren Group		

Housing Costs

During the 1990s, the median income of Sharon households increased somewhat more slowly than the rising cost of housing. Median household income rose 44.6% while the median sales price of a single family home increased 54 percent between 1990 and 2000. Over the course of the 1990s, the Boston metropolitan Consumer Price Index grew 44.7%. A recent study of 2001 housing costs in metropolitan Boston found that a family with the estimated Sharon median income in 2001 could still afford to buy a single family home at the median price.

There are signs that this balance between median incomes and median single family home prices may not persist. Single family home prices increased 16% between 2000 and 2002. Sales price data for January through November 2003 show a median of $405,000. In January 2004, of the 47 single family homes listed for sale, the lowest listed price was $289,000. A quarter of the houses (12) were priced under $350,000, 32% were listed between $350,000 and $500,000 and 42% were priced at over $500,000 (including four for over $1 million). Condominiums, which in some communities are entry-level housing, are now as expensive as single family homes in Sharon. The median price for a condo over the period between January and November in 2003 was $408,750 – slightly higher than the corresponding single family house price. In January 2004, of the nine condos listed for sale, only one, at $220,000, was priced below $400,000.


Sharon Median Sales Price 1988-2002
$450,000
$400,000
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
1988
1989
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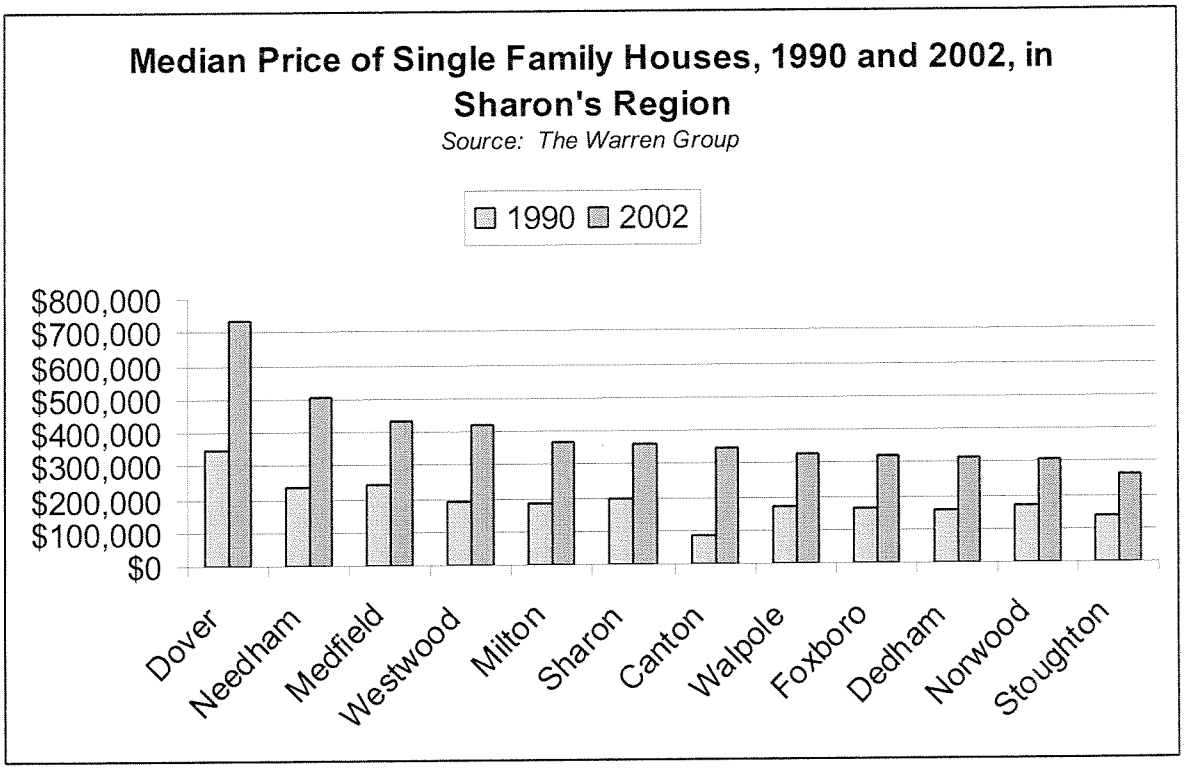
2001
2002
1-Family
Condo



C. Housing Demand

Population and Housing Unit Changes 1990-2000:

- Total growth in population: +12%
- Total growth in number of households: +13%
- Total growth in number of year-round housing units: +12%
- Growth in owner-occupied year-round units: +16%

Vacancy rates in Sharon reflect a tight housing market. At the time of the 2000 Census, the vacancy rate for ownership housing was 0.3% and for rental housing it was 2.8%. Although the housing market has softened somewhat since 2000, there is no reason to believe that vacancy rates in Sharon have changed significantly and housing prices are continuing to rise, indicating strong demand. The housing market appears to be quite stable, with moderate turnover. According to the 2000 census, 70 percent of the population was living in the same house in 1995.

Household Incomes

The income of Sharon residents kept pace with inflation over the course of the 1990s. The median household income increased 44% between 1989 and 1999, compared to the 44.7% increase in the Consumer Price Index. Families did slightly better, with median family incomes up 49% during the decade. Of course, income varies with age and the median household income in 1999 for people 65 and older was less than half ($46,210) of what it was for people ages 35-54 ($ 107,569). Median income is even lower for people 75 and older ($25,511). In 2002, 23 seniors participated in the Town's property tax work-off program. Only three percent of Sharon's population (including 105 families) in 1999 lived below the poverty line, but that still accounted for 527 people of whom one third were under 18 years old and over a quarter were 65 years old and older. The US Department of Housing and Urban Development has estimated that 19% of Sharon's population in 1999 lived in households with incomes at 80% or below median.

Spending on Housing

Although mortgage lenders often allow housing to account for 33% or sometimes more of the household budget, the standard used for affordable housing is that households should not spend more than 30% of their income on housing. Despite the fact that Sharon household incomes generally kept up with inflation during the 1990s, by the end of the decade many Sharon homeowners and renters were paying over 30% of their household income for housing costs.

Sharon Housing Costs at 30% or More of Household Income – 1999		
Percent of Income Spent on Housing	**Owner Occupied**	**Renter Occupied**
30 to 34 percent	7.5	3.2
35 percent or more	15.2	20.4
Total	*22.7*	*23.6*
		Source: US Census 2000

Sharon and Its Neighborhood: Renter Cost Burden (Paying 30% or More of Household Income for Housing) - 1999						
	Renter Households	**% Cost Burdened**	**Elderly Renters**	**% Cost Burdened**	**Income Below $35,000**	**% Cost Burdened**
Dover	94	10.6%	7	0.0%	14	71.4%
Foxborough	1,722	13.8%	503	42.5%	766	67.1%
Medfield	558	36.6%	112	50.0%	256	69.1%
Milton	1,422	33.8%	517	52.8%	644	63.5%
Norwood	4,975	30.8%	862	47.1%	1893	67.0%
Sharon	***599***	***23.2%***	***241***	***30.3%***	***311***	***42.8%***
Walpole	1,159	36.2%	355	48.5%	542	66.2%
Westwood	553	44.1%	395	49.1%	304	59.2%
						Source: US Census 2000

Sharon's age composition also potentially tells a story about housing costs. Between 1990 and 2000 the proportion of 20 to 34 year olds declined in all communities, as the "baby bust" arrived at the stage when many people form families. However, Sharon lost a disproportionate percentage of the young adult group compared both to its subregion and to the Greater Boston region. Another striking characteristic of Sharon's change in age composition from 1990 to 2000 is the decline in the proportion of people 60 to 75. In both cases, these changes may be related to the relative lack of housing choice in Sharon. Young people find it too expensive to enter the Sharon housing market while older people who wish

to downsize cannot find suitable living space in town and end up leaving Sharon.

AGE GROUP	Sharon Age Composition			% of total Three Rivers Region population in 2000	*Sharon % Above / Below TRIC in 2000*	% of MAPC Region in 2000	*Sharon % Above / Below MAPC in 2000*
	% of total population in 1990	% of total population in 2000	% change in proportion of total 1990-2000				
<5	7.9	7.0	-11.4	6.7	*4.5*	6.1	*14.8*
5-9	8.5	9.2	8.2	7.3	*26.0*	6.4	*43.8*
10-14	7.1	9.0	26.8	7.4	*21.6*	6.2	*45.2*
15-19	6.4	6.7	4.7	5.8	*15.3*	6.1	*9.8*
20-24	4.6	2.3	-50.0	3.8	*-39.5*	6.9	*-66.7*
25-34	13.2	7.5	-43.2	11.5	*-34.8*	16.2	*-53.7*
35-44	21.1	19.0	-10.0	17.6	*8.0*	16.7	*13.8*
45-54	13	18.8	44.6	15.2	*23.7*	13.6	*38.2*
55-59	4.3	5.8	34.9	5.3	*9.4*	4.8	*20.8*
60-64	4.1	3.8	-7.3	4.1	*-7.3*	3.7	*2.7*
65-74	5.9	5.8	-1.7	7.5	*-22.7*	6.7	*-13.4*
75-84	2.9	3.9	34.5	5.6	*-30.4*	4.8	*-18.8*
85+	1.0	1.3	30.0	2.3	*-43.5*	1.8	*-27.8*
	100.0	100.1		100.1		100	
Source: U.S. Census; MAPC							

A recent analysis of housing production and affordability in the 161 cities and towns of the Greater Boston area found that the median income household in Sharon in 2003 could afford the median-priced single family home. However, a first-time homebuyer household, assumed to make 80% of median income and able to put down only 10% rather than the standard 20% of the sales price, would not be able to afford the median-priced single family home.[1]

[1] Bonnie Heudorfer et al., *The Greater Boston Housing Report Card 2003* (Boston: CURP, Northeastern University, April 2004), 28, Appendix B.

One way to evaluate Sharon's role in the regional housing market is to compare its share of population in the Three Rivers region with its share of currently listed Chapter 40B-eligible housing units. Sharon's population accounts for 6.61% of the regional population but only 4.64% of the total number of Chapter 40B affordable units currently listed for all the towns in the region. None of the towns in the region has attained the 10% affordable Chapter 40B goal.

Constraints To Development

Over a third of Sharon is permanently protected land. Sharon also has significant wetland areas outside permanently protected parcels and two Areas of Critical Environmental Concern are partially within Sharon. At the northern end of town, the Fowl Meadow ACEC covers 505 acres in Sharon and to the far south the Canoe River ACEC covers 1,585 acres. ACEC designation does not prevent development but provides a higher standard of review. The lack of a public sewer system and the fact that water resource protection districts overlay a substantial part of the town also function as constraints on the potential to increase density.

Wastewater Issues

There are no public sewers or wastewater treatment in Sharon. The Sharon Woods subdivision is tied into the Foxboro sewer system, with the wastewater treated in Mansfield and the large condominium complexes have package wastewater treatment plants. The Town's Board of Health Regulations are more stringent than the state's Title 5 regulations. Failing systems have been rebuilt to Board of Health standards. The Board is also open to the use of alternative septic systems. In addition, discussions are beginning over possible

solutions to the wastewater constraints on additional development in the Town Center.

School Population and Capacity

Sharon is a family-oriented community and nearly half of the households counted in the 2000 Census included persons under 18 years old. In 2002, 87 percent of school-aged children attended public schools. Because of the high proportion of schoolchildren in the population and the high proportion who attend public schools, residents are concerned about the potential impacts of new development on school costs. Improvements have been funded at two elementary schools and the high school, and the School Committee is planning for repair and renovation of the Middle School. The School Committee expects a demographic "bulge" in the middle school years in the near future, but there is no expectation that this will put the school over capacity.

Areas suitable for higher density housing, considering existing and future sewer connections and capacity

Because there is no public sewer system in Sharon and significant portions of the town are in water resource protection districts, higher density housing will depend on private solutions or communal systems. This particularly true in the Town Center, where new housing could be advantageously located because of the proximity to the commuter rail station.

Production Goals

Sharon seeks to increase its inventory of state-certified affordable units at a pace generally consistent with the following production schedule. Since the town has a considerable Chapter 40B gap to fill, Sharon will need approximately 10 years to achieve the 10% goal. All affordable housing will carry restrictions "in perpetuity" to prevent built affordable units from expiring out of the inventory. The Sharon Board of Selectmen adopted language on October 6, 2005 recommending "in perpetuity" language.

Sharon has approximately 600 employees, and has a goal of providing about 60 affordable housing units for this segment of people needing affordable residences.

SHARON AFFORDABLE HOUSING GOALS (APPROXIMATE)

Sharon Affordable Housing Goals (Approximate)							
Calendar Year	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Total year-round homes	6,026	6,056	6,131	6,207	6,284	6,361	6439
Cumulative state-certified affordable units	228	228	273	319	366	413	461
10% requirement	603	606	613	621	628	636	644
Chapter 40B gap	375	378	340	302	262	223	183
Required # for 0.75% of total homes	45	45	46	47	47	48	48
Build-out Targets							
New market-rate units	30	30	30	30	30	30	30
Cumulative new market-rate units	30	60	90	120	150	180	210
New state-certified affordable units	0	45	46	47	47	48	48
Cumulative state-certified affordable units	0	45	91	138	185	233	281
Sharon Affordable Housing Goals (Approximate)							
Calendar Year	**2011**	**2012**	**2013**	**2014**	**2015**		
Total year-round homes	6,517	6,596	6,675	6755	6833		
Cumulative state-certified affordable units	509	558	607	657	708		
10% requirement	652	660	668	676	683		
Chapter 40B gap	143	102	61	19	0		
Required # for 0.75% of total homes	49	49	50	51	51		
Build-out Targets							
New market-rate units	30	30	30	30	30		
Cumulative new market-rate units	240	270	300	330	360		
New state-certified affordable units	49	49	48	48	4		
Cumulative state-certified affordable units	330	379	427	475	479		

C. INCOMES AND SPENDING

Household Incomes

The income of Sharon residents kept pace with inflation over the course of the 1990s. The median household income increased 44% between 1989 and 1999, compared to the 44.7% increase in the Consumer Price Index. Families did slightly better, with median family incomes up 49% during the decade. Of course, income varies with age, and the median household income in 1999 for people 65 and older was less than half ($46,210) of what it was for people ages 35-54 ($107,569). Median income is even lower for people 75 and older ($25,511). In 2004, 73 seniors participated in the Town's property tax work-off program. Only 3% of Sharon's population (105 families) in 1999 lived below the poverty line, but that still accounted for 527 people, of whom one third were under 18 years old and over a quarter were 65 years and older. The U.S. Department of Housing and Urban Development (HUD) has estimated that 19% of Sharon's population in 1999 lived in households with incomes at 80% or below median.

Spending on Housing

Although mortgage lenders often allow housing to account for 33% or sometimes more of the household budget, the standard used for affordable housing is that households should not spend more than 30% of their income on housing. Despite the fact that Sharon household incomes generally kept up with inflation during the 1990s, by the end of the decade many Sharon homeowners and renters were paying over 30% of their household income for housing costs.

Sharon Housing Costs at 30% or More of Household Income – 1999

% of Income Spent on Housing	*% Owner Occupied*	*% Renter Occupied*
30 to 34 percent	7.5%	3.2%
35 percent or more	15.2%	20.4%
Total	***22.7%***	***23.6%***

Sharon's age composition also potentially tells a story about the availability of housing. Between 1990 and 2000 the proportion of 20–34-year-olds declined in all communities, as the "baby bust" arrived at the stage when many people form families. However, Sharon lost a disproportionate percentage of the young adult group compared both to its subregion and to the Greater Boston region. Another striking characteristic of Sharon's change in age composition from 1990 to 2000 is

the decline in the proportion of people 60–75. In both cases, these changes may be related to the relative lack of housing choice in Sharon. Young people find it too expensive to enter the Sharon housing market while older people who wish to downsize cannot find suitable living space in town and end up leaving Sharon.

Sharon Age Population

Age Group	% of Total Population in 1990	% of Total Population in 2000	% change in proportion of total 1990 - 2000	% of total Three Rivers Region population in 2000	Sharon % Above / Below TRIC in 2000	% of MAPC Region in 2000	Sharon % Above / Below MAPC in 2000
< 5	7.9	7	-11.4%	6.7	4.5%	6.1	14.8%
5 - 9	8.5	9.2	8.2%	7.3	26.0%	6.4	43.8%
10 - 14	7.1	9	26.8%	7.4	21.6%	6.2	45.2%
15 - 19	6.4	6.7	4.7%	5.8	15.5%	6.1	9.8%
20 - 24	4.6	2.3	-50.0%	3.8	-39.5%	6.9	-66.7%
25 - 34	13.2	7.5	-43.2%	11.5	-34.8%	16.2	-53.7%
35 - 44	21.1	19	-10.0%	17.6	8.0%	16.7	13.8%
45 - 54	13	18.8	44.6%	15.2	23.7%	13.6	38.2%
55 - 59	4.3	5.8	34.9%	5.3	9.4%	4.8	20.8%
60 - 64	4.1	3.8	-7.3%	4.1	-7.3%	3.7	2.7%
65 - 74	5.9	5.8	-1.7%	7.5	-22.7%	6.7	-13.4%
75 - 84	2.9	3.9	34.5%	5.6	-30.4%	4.8	-18.8%
85+	1	1.3	30.0%	2.3	-43.5%	1.8	-27.8%
	100	100		100		100	

Sources: U.S. Census; MAPC

A recent analysis of housing production and affordability in the 161 cities and towns of the Greater Boston area found that the median income household in Sharon in 2003 could afford the median priced single-family home. However, a first-time homebuyer household, assumed to make 80% of median income and able to put down only 10% rather than the standard 20% of the sales price, would not be able to afford the median-priced single-family home.[2]

One way to evaluate Sharon's role in the regional housing market is to compare its share of population in the Three Rivers region with its share of currently listed state-certified affordable housing units. Sharon's population accounts for 6.61% of the regional population but only 4.64% of the total number of state-certified affordable units currently listed for all the towns in the region. None of the towns in the region has attained the 10% affordable Chapter 40B goal.

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[2] Bonnie Heudorfer et al., The Greater Boston Housing Report Card 2003 (Boston: CURP, Northeastern University,

D. HOUSING AFFORDABILITY

What Is "Affordable Housing?"

State guidelines for affordable housing are discussed below. To strengthen the Town of Sharon's Housing Production Plan, the Sharon Board of Selectmen adopted language on October 6, 2005 further clarifying the Town's definition of affordable:

Affordable units must serve households with incomes no greater than 80% of the area median income for which the unit is located. ***The Town of Sharon requires that a term of perpetuity be encouraged for both new construction and completion of rehabilitation.*** Units are or will be subject to an executed Regulatory Agreement between the developer and the subsi8dizing agency unless the subsidy program does not require such an agreement. The units have be, or will be, marketed in a fair and open process consistent with state and federal fair housing laws.

The concept of affordable housing is based on three statistics: the median household income for an area, the appropriate percentage of household income that should be spent on housing, and the median cost of housing in the rental or ownership markets. Under most housing subsidy programs, the housing produced with government financial assistance is targeted to people whose household income is 80% or below the median household income for an area. (The median is the point at which half the households have higher incomes and half the households have lower incomes.) Median income levels by size of household are set by the U.S. Department of Housing and Urban Development (HUD) every year for entire metropolitan areas. Because Sharon is in the Boston Primary Metropolitan Statistical Area (PMSA), it is this median income amount that is used in affordable housing projects, not Sharon's local median. For FY 2004, the median income for all households was $82,700, and 80% of median for a family of four was $66,150. According to HUD standards, affordable housing for households with incomes at or below 80% of median should cost no more than 30% of total household income. An affordable home, therefore, could be one that a family of four making no more than $66,150 a year could buy or rent with 30% of their income going to rent or mortgage payments. HUD has estimated that

19% of Sharon's population is in households with incomes 80% or below the Boston Area Median Income.

At least 20% of the units in an MHP-financed ownership project must be affordable to households earning no more than 50% of the area median income, or at least 25% of the units must be affordable to households earning no more than 80% of the area median income. At least 25% of the units in each rental project must be rented to households earning less than 80% of the median area income, provided that the maximum allowable restricted rents are at least 10% below comparable market rents. The MHP Fund requires that tenants in affordable units meet income-eligibility guidelines and that the rents for the affordable units not exceed the Maximum Allowable Rents published annually by the MHP Fund. Below are the current income requirements for new tenants in affordable units:

AMI = Average Median Income. Income Limits set by HUD, 2004

30% AMI	$17,350	$19,850	$22,350	$24,800	$26,800	$28,800	$30,750	$32,750
50% AMI	$28,950	$33,100	$37,200	$41,350	$44,650	$47,950	$51,250	$54,600
60% AMI	$34,740	$39,720	$44,640	$49,620	$53,580	$57,540	$61,500	$65,520
80% AMI	$46,300	$52,950	$59,550	$66,150	$71,450	$76,750	$82,050	$87,350

Opportunities

Sharon owns a number of small parcels – defined here as four or fewer acres – which should be reviewed for suitability to support scattered-site, single-family or two-family affordable homes. The town also owns other unrestricted land, and if the town acquired it for no specific purpose ,then it should be reviewed for development suitability. A standard policy on the disposition of tax title parcels would also benefit Sharon. Generally, town-owned parcels that link protected open space or serve as small neighborhood parks should not be converted to housing (or any other use). However, parcels that are not essential to the town's protected open space or recreation plan, and particularly parcels in and adjacent to the town center, could be important to the success of a housing plan.

The legislature's Joint Committee on Housing and Urban Development is reviewing a bill with "rewards" for communities that produce new housing units affordable to lower- and moderate-income families. Partially echoing recommendations in the Commonwealth Housing Task Force report, *Building on Our Heritage: A Housing Strategy for Smart Growth and Economic Development (2003)*, the legislation calls for additional Chapter 70 aid (state aid for public schools) to communities that approve new lower- and moderate-income housing units, and bonus aid for communities that produce new lower- and moderate-income housing units pursuant to a "smart growth" zoning bylaw. Some examples of "smart growth" zoning techniques include transfer of development rights or zoning regulations that create new development or reinvestment opportunities in established areas, e.g., a downtown or older village neighborhoods. In Sharon, "smart growth" development regulations could include strategies such as mixed use redevelopment in the downtown area, if septic and groundwater protection can be assured.

Similar principles have already been embraced by Governor Romney, whose Office for Commonwealth Development recently issued guidelines that direct state agencies to give preference in the award of housing, open space, transportation, and economic development grants to communities with "smart growth" policies. In FY 2005 the administration consolidated virtually all state grant programs under the umbrella of "Commonwealth Capital," a unified grant award system that included not only the "smart growth" criteria but also bonus points to communities that have reached the 10% goal of state-certified affordable housing, adopted the Community Preservation Act (CPA), and reduced the development capacity of their remaining farmland. While Sharon has not reached the 10% affordable housing goal, the town has passed the CPA and has adopted very stringent guidelines in the future development of any agricultural land. As a matter of policy, Sharon should insist that prospective affordable housing developers approach the town about sponsoring an application for LIP (Local Initiative Program) project eligibility before they apply to MassHousing for site approval.

E. RECOMMENDATIONS

As our Plan Summary states, Sharon is committed to taking seven key steps to reduce housing barriers and implement a successful affordable housing plan. The following is our review to date:

1. Provide local development capacity.

Increase capacity by forming a local development corporation, or municipal affordable housing trust fund, to work with nonprofit and private partners to develop affordable housing. Sharon has a functional Housing Authority, but it has been very difficult for any housing authority to expand its public housing portfolio. The state has not made public housing construction funds available for a long time, and until the passage of the Municipal Affordable Housing Trust Fund Act (effective April 2005), towns could not create affordable housing trusts without prior approval from the legislature. Since the late 1980s state and federal housing programs have been targeted to nonprofit housing corporations and for-profit developers. With MAHTF authorization in place, communities that want to produce affordable housing now have a financial resource to work with the local housing partnership, nonprofit organizations, and private developers to build affordable housing.

Municipal Affordable Housing Trust Fund

The Municipal Affordable Housing Trust Fund Act was signed into law on January 7, 2005. This statute gives communities the local option to create a

Municipal Affordable Housing Trust Fund (MAHTF). The town can set up an MAHTF using guidelines from Department of Housing and Community Development. The statute permits a municipal housing trust fund to be used for such items as accept or purchase property; sell, lease or exchange property; employ consultants and other advisers; participate in a variety of real estate transactions such as recapitalization or mergers; borrow money; manage or improve real estate. The MAHTF will give communities like Sharon that have passed the Community Preservation Act (CPA) a streamlined way to spend a share of CPA dollars on housing.

Proceeds from transactions such as the sale or lease of town-owned land to nonprofits or private developers could be directed to a MAHTF.

Sharon Housing Partnership

The Sharon Housing Partnership (SHP) is charged with developing a housing strategy or action plan based on an evaluation of the affordable housing needs in the community. The SHP's task includes increasing the range of choices in housing available to local residents. The SHP's concept of affordability includes both a variety of housing type and range of housing costs in order to meet the needs of people in different stages of life. The housing strategy and action plan should be founded on how to best meet the town's housing needs and gaps. This plan will include production of affordable units to be built on town-owned land. The SHP will issue the Request for Proposals once criteria are set for proposed development. Much of this plan is outlined in this document.

Potential Nonprofit Partners

Sharon Affordable Housing Corporation

One of the nonprofit organizations that can partner with the MAHTF is the Sharon Affordable Housing Corporation, Inc., (SAHC), established as a nonprofit housing development corporation by some Sharon residents. Whether for projects authorized by the town or pursuing development opportunities on its own, this local nonprofit corporation can become Sharon's designee for land and funds to facilitate the development of affordable housing.

The SAHC is dedicated to providing housing opportunities to persons of low and moderate income within the community. This will be accomplished by acquiring, developing, and managing property through grants and loans made available to similar agencies. The SAHC can partner with other nonprofits or for-profit developers in order to access additional loans and other funds to build new housing units.

The SAHC can access low-income housing tax credits, deferred-payment or low-interest pre-development funds (such as MHP Fund), and resources from quasi-public lenders such as Massachusetts Housing Investment Corporation, MHP Fund, and MassHousing. Federal housing programs such as HUD "202" funds may also be leveraged by nonprofits. In addition, having a local nonprofit as the ownership partner in an affordable housing development will provide Sharon with more control over the kind of housing that is built, when, and where. Partnering with a regional nonprofit also helps to build local capacity and reduces (but does not eliminate) the need for local staff. A regional nonprofit can provide technical assistance and lend its knowledge of funding resources for project development. Depending upon the type of partnership, a regional nonprofit may ask for a separate fee and or a portion of the development fees.

The SAHC could also partner with a larger, experienced for-profit developer. In the Boston area, several for-profit developers have carried out affordable housing developments in partnership with nonprofit corporations large and small. The advantage of working with for-profit companies is that they have internal financial resources. The disadvantage is they have less incentive to partner (although land is a major incentive), and they are interested in a return on investment in addition to fees.

Massachusetts Housing Partnership

The Massachusetts Housing Partnership (MHP) Fund offers technical assistance to towns, local housing authorities (LHAs), and nonprofits through the Community Housing Initiatives program. The MHP Fund can provide assistance to groups at the early stages of forming a nonprofit entity as well as pre-development assistance to established nonprofits and LHAs that are pursuing affordable housing development. The Fund also provides assistance to towns reviewing Chapter 40B developments.

South Shore Habitat for Humanity, Inc.

South Shore Habitat for Humanity, Inc. (SSHH) is a nonprofit organization dedicated to building and rehabilitating simple, decent, affordable homes in partnership with families and towns. Since 1986, SSHH has built 37 homes, of which 27 were built on town-donated land. The town of Sharon partnered with SSHH in the late 1990s to rehabilitate the Ares House on Gunhouse Street.

The Community Builders, Inc.

The Community Builders, Inc. (TCB), formerly known as Greater Boston Community Development, Inc., has been in existence for 25-30 years. Although based in Boston, it has been active throughout the Northeast and Mid-Atlantic United States. Housing development corporations frequently will use TCB as a development consultant or a development (equity) partner. TCB's years of experience provide other nonprofits with tools to grow as they move toward building and managing developments.

South Shore Housing Development Corporation

South Shore Housing Development Corporation, Inc. (SSHDC), is a regional nonprofit working in the South Shore and on Cape Cod. It has active projects in the towns of Kingston and Plympton, and the cities of Brockton and Taunton. SSHDC can provide technical assistance and development consultant services, or it can act as development partner. The corporation has experience working with local housing authorities to develop LHA-owned land (land lease). SSHDC's primary interest is affordable family rental housing. However, it is currently involved in a homeownership development in Taunton, and it has also developed elderly housing. SSHDC will provide management services as well as development expertise.

B'Nai B'rith Housing Initiative:

B'Nai B'rith Housing Initiative (BBHI) has focused its development activities in Boston but is interested in expanding its focus to suburban communities. The organization's board is composed of representatives from banks, quasi-public lenders, real estate attorneys, and nonprofit and for-profit housing-related corporations. BBHI has recently hired its first full-time executive director. It is interested primarily in taking a lead role in working with a local nonprofit or housing partnership, and it has experience in developing affordable rental housing.

Community Preservation Act

The town of Sharon has passed the Community Preservation Act (CPA). The CPA allows towns to place a surcharge on the property tax in order to fund projects relating to historic preservation, open space, and affordable/community housing. Sharon will increase property taxes by 1% to fund the CPA. At least 10% of CPA funds must used for each of the three areas, but the remaining 70% can be used at the discretion of the town and the Community Preservation Committee. The state provides matching funds.

Opportunities Using Outside Resources

For-profit developers will most likely have less interest than regional or national nonprofits in providing technical assistance and other resources to build local capacity. In addition to partnerships with nonprofits or for-profit developers, the town's local development corporation could retain an independent development consultant. Local development corporations frequently hire development consultants for extra capacity, specialized knowledge, and project team credibility. Most development consultants working with municipalities are paid with consulting fees, not as equity partners. Many are in the business of providing technical assistance, and they could be key players in helping Sharon build local development capacity.

2. *Provide town land.*

Identify and prioritize small town-owned parcels that can be sold or leased to the local development corporation or nonprofit groups such as Habitat for Humanity, and used for scattered-site, single-family or two-family dwellings. Proceeds from the sale or lease of town-owned land should be retained in a municipal affordable housing trust fund for reinvestment in other affordable housing initiatives. The trust fund should be created by the Town of Sharon based on the Municipal Affordable Housing Trust Fund Act, which became effective in April 2005 (an Annual Town Meeting must approve opting into this statute).

A coalition of members of the Sharon Housing Partnership, the Sharon Housing Authority, the Sharon Planning Board, and the Sharon Board of Selectmen was formed several months ago to review town-owned land. Meetings were held with several other boards and commissions, including the Conservation Commission and the Water Management Advisory Committee, and public hearings were held to get input from the town residents. Eight (8) parcels have been identified as potentially developable.

From August 2003 through May 2005, the Planning Board worked with Peter O'Cain, Sharon Assistant Town Engineer, to identify and assess town or Conservation Commission land suitable for development. Over this period 43 parcels were identified and evaluated (see Appendix A), resulting in a current list of eight (8) proposed sites for consideration. The Production Planning Team of Jane Desberg, Gina Maniscalco, Alan Lury, Eli Hauser, and Robert Young, other members of the Sharon Planning Board, and the Board of Selectman conducted physical tours of all proposed locations.

The evaluation criteria included

1. Adjacency to existing roads and infrastructure
2. Current use
3. Wetlands considerations

Eight (8) town sites were identified that could be developed to provide affordable housing, with a total of 187 acres (61 buildable) and 23 lots, including two (2) Conservation Commission parcels with 44 acres (18 buildable) and 5 lots.

Source		Site	Address	Total Acreage	Build Acreage	No. Lots	CSD 2x
Town Sharon	1	121014001	1 Hixson Farm Rd.	11	10	6	12
	2	074019001 / 039076001 / 039076002	26 Oak Hill Dr.	26	9	4	8
	3	039095000	235R Wolomolopoag St	21	11	3	5
	4	063014000	156 Mountain St	35	6	2	4
	5	091252000	75 South Main St, Wilbur School	4	4	2	4
	6	091011000	25 Pleasant Park Rd	46	3	1	2
Cons. Comm.	7	029007000 / 029045000	000 Furnace St & 100 Gavins Pond Rd	27	15	4	8
	8	074074000	74 Aspen Rd	17	3	1	2
			Potential affordable	**units**		**23**	**46**

The parcels are located throughout the Town, which will allow development to occur in smaller, dispersed locations. We believe this is advantageous to maintaining the character of Sharon, minimizing disruption to the neighborhoods, and integrating the affordable housing and homeowners more naturally into the neighborhoods.

3. ***Encourage Chapter 40B and LIP housing strategically.***

In areas appropriate for higher-density housing, enlist participation from the town's housing development corporation and qualified private developers to build or redevelop units in those locations that will generate housing consistent with housing needs.

Sharon is currently engaged in a CSD development and three 40B developments, including a Local Initial Project, Avalon Bay, which is a rental complex. These four developments are scheduled to provide 182 affordable units.

Development Name	Houses	Affordable
Avalon Bay	156	156
Residence at Old Post	66	16
Glendale Village	32	8
Hunter Ridge	51	2
	305	182

We believe if these four developments are approved and developed, Sharon will make significant progress toward the 10% affordable housing goal.

Sharon's ability to manage Chapter 40B projects will be strengthened if the town implements a DHCD-approved housing production plan under 760 CMR 31.07 (1)(i). The plan should be composed of several strategies: zoning, financing, taxation policy, and comprehensive permits. It is important to point out that Sharon could never meet the state's annual planned production goal without issuing comprehensive permits because the goal is so large. A second way to help manage Chapter 40B projects is to provide developers with an affordable housing policy approved not only by the Housing Partnership but also by the Board of Selectmen and the Planning Board.

Affordable Housing Production Plan

Chapter 40B regulations encourage communities to adopt and implement a housing production plan. The plan must strive for an annual affordable housing increase equal to 0.75% of a community's total year-round housing inventory. DHCD has issued general guidelines for the content of a housing plan, but the regulations are more useful for understanding what communities must do to protect themselves from large, unwanted 40B proposals:

- A community that produces new state-certified affordable units equal to 0.75% of its year-round housing stock may deny a comprehensive permit for up to 12 months.
- A community that produces new state-certified affordable units equal to 1.5% of its year-round housing stock in a one-year period may deny a comprehensive permit for up to 24 months.

The housing plan may not be used as a basis to deny a comprehensive permit unless a community has already met the 0.75% threshold. In Sharon, the housing production plan requirement is a minimum of 45 state-certified affordable units per year, but permitting 90 affordable units would be the equivalent of a two-year window to plan for future affordable housing developments.

The production target of 45 units per year assumes a Census 2000 "base" of 6,026 year-round housing units. Pending amendments to Chapter 40B may change the

planned production threshold from 0.75% to 0.5% in Sharon. The amendments would also allow a three-year relief period (instead of 2).

Since Chapter 40B creates possibilities for negotiated development, it differs significantly from conventional permitting. A comprehensive permit policy could help Sharon establish a consistent framework for community-developer negotiations. While Chapter 40B places constraints on town officials, it does not prevent them from exploring trade-offs, issuing conditional permits that preserve a project's feasibility, or working with applicants to reduce the scale of a proposed development without making it uneconomic to build.

To negotiate effectively, however, communities have to be realistic, reasonable, and clear about what they want from a Chapter 40B development. When they adopt a comprehensive permit policy, they should anticipate the ways that it may be used, and by whom. From a municipality's point of view, the policy should establish for everyone—town boards, developers, funding agencies, and appellate jurisdictions—the boundaries of negotiation. This means that local officials must be equally clear about negotiable and non-negotiable considerations and that town boards should not work at cross-purposes.

A comprehensive permit policy should include, at minimum,

- A summary description of local housing needs and priorities
- A statement of the comprehensive permit policy's relationship to community planning goals and other community needs
- A clear description of local development preferences: housing types, scale, architectural design, and site plan standards, and public benefits in addition to affordable dwellings
- A map that identifies preferred areas for higher-density housing development, whether through new construction or reuse and expansion of existing buildings
- Desired income targets, percentages of affordability and accessible dwelling units
- A definition of "local preference," so that developers can tailor their marketing plans to meet local needs.

Last, Sharon, through its Board of Selectmen, is looking for an additional 175 units through LIPs. We believe this, in conjunction with inclusionary zoning (recommendation 4) and sponsored development on town land

(recommendation 2), will enable the town to satisfy the state's mandated 10% affordable housing requirement.

4. *Establish inclusionary zoning.*

Amend the zoning bylaws to require all new residential developments of 6 or more units to include a minimum of 15% affordable units in order to contribute their fair share of the regional affordable housing obligations of the town in which they are built.

Sharon is planning for a number of zoning changes that will help the town produce affordable units at a density and scale appropriate for a suburban community:

- Moving to an inclusionary framework is consistent with the town's plan to diversify its housing stock to meet the needs of all income levels. It will allow dispersal of affordable units throughout the town's neighborhoods. Inclusionary zoning should apply to all new residential developments of 6 or more units, including overlay districts and other special permits. Inclusionary zoning is expected to be put on the Special Town Meeting agenda by the Planning Board in fall 2005.
- The town should also retain existing special-permit density bonuses as an option for meeting diverse housing needs (single-family or attached multifamily) such as affordable age-qualified housing, general affordable housing, market-rate age-qualified units, and "below-market" homes
- "Below-market" homes might be priced for purchase or rent by households with incomes between 81 and 110% of area median income.
- Sharon could modify its existing accessory apartment bylaw to allow by right non-related occupants of separate-entrance accessory apartments if house owners agreed to place a state-certified-affordable restriction on the apartment in perpetuity. Unrestricted accessory apartments would continue to be allowed only per the current bylaw (related occupants, common entrance).
- The "Scheduled Rate of Development" bylaw should be modified to exempt all affordable housing units that are eligible for listing on the Subsidized Housing Inventory, not only those created with comprehensive permits.

5. *Encourage rental apartments with an overlay district.*

At the October 2004 Special Town Meeting, Sharon passed a warrant article endorsing an overlay district enabling zoning incentives to encourage apartment development in business zones to stimulate new affordable housing production.

The Multiple Use Overlay District (MUOD) zoning bylaw permits affordable housing units above the ground floor of downtown commercial buildings. It is hoped that this new MUOD will induce new unit creation according to "smart growth" guidelines and enhance the taxable value of commercial properties that are not fully occupied today. At least one developer has come to the Planning Board with preliminary plans to date.

6. Leverage special permit zoning to reward affordable housing construction.

Sharon has a Conservation Subdivision Design (CSD) bylaw that encourages higher- density, clustered housing to allow larger areas of protected open space within a project. This CSD bylaw includes individual bonus incentives for conservation land allocation, and affordable and market-rate age-qualified housing. In May 2004, Sharon Town Meeting reduced the size of the parcel required for a CSD from 10 to 5 acres.

Other changes to the CSD were made at the May 2005 Town Meeting to encourage attached housing in age-restricted CSD developments to increase both density and open space.

7. Capitalize on market opportunities.

Identify and prioritize older and/or obsolete residential and nonresidential buildings with redevelopment potential, and develop a shortlist of properties to acquire, reposition and sell or rent. These types of projects could be carried out by the local development corporation on its own, in partnership with nonprofits, or in conjunction with selected private developers. Creative use of tax policies, such as obtaining home rule authority to lower or waive property taxes for elderly homeowners who grant the town a right of first refusal to purchase their homes at a reduced price, could help to establish a small pipeline of properties that Sharon could convert to affordable dwellings in the future.

Sharon's housing stock includes small, older homes that have traditionally offered young homebuyers an affordable pathway into the community. However, major alterations, expansions, and demolition/rebuild projects have put Sharon's "market affordability" at risk. A visual inspection of local neighborhoods and an analysis of assessment data suggest that the likelihood of demolition or substantial reconstruction is greatest among houses built between 1920 and1945, for in many cases the value of the buildings is much lower than

the value of the lots they occupy. To preserve a mix of both prices and residential uses, Sharon should consider taking several actions, because one approach alone is generally ineffective:

- Adopt a Demolition Delay bylaw that applies to whole or partial demolition of any building over a certain age, except structures that present a public health or safety hazard as determined by the building inspector.
- Focus local resources and state or federal grants on a program of acquiring small homes and substandard or obsolete residential and nonresidential buildings, renovating them, and restricting them for low- and moderate-income occupancy. Each assisted unit, whether sold or rented, could easily be made eligible for the Subsidized Housing Inventory through an appropriate use restriction and an application to DHCD through the Local Initiative Program (LIP). A limited program such as this is ideal for a small or emerging nonprofit corporation.
- Institute property tax incentives that encourage elderly or very-low-income homeowners to grant the town a right of first refusal to purchase their homes at below-market value. A few Cape Cod communities have successfully used the home rule petition process to establish a tax exemption program for landlords who rent to low-income tenants. A similar model could be developed that benefits not only present homeowners but also the town: in exchange for reducing or waiving property taxes for housing-cost-burdened residents, Sharon would gradually create a pool of homes that the town can purchase inexpensively and sell for affordable housing.

APPENDIX A

Maps remain the same from last submission.