

TOWN OF NORWELL, MASSACHUSETTS HOUSING PRODUCTION PLAN



Herring Brook Hill at 40 River Street

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TOWN OF NORWELL HOUSING PRODUCTION PLAN

Table of Contents

| | Page |
|--|-----------|
| I. Executive Summary | 1 |
| A. Summary of the Housing Needs Assessment | 1 |
| B. Priority Housing Needs | 6 |
| C. Housing Goals and Challenges | 7 |
| D. Summary of Housing Production Goals | 8 |
| E. Summary of Housing Strategies | 9 |
| II. Housing Needs Assessment | 11 |
| A. Demographic and Economic Characteristics and Trends | 11 |
| B. Housing Characteristics and Trends | 27 |
| C. Housing Market Conditions | 32 |
| D. Affordability Analysis | 37 |
| E. Subsidized Housing Inventory | 43 |
| F. Priority Housing Needs | 48 |
| III. Challenges to Producing Affordable Housing | 53 |
| IV. Housing Production Goals | 60 |
| V. Housing Strategies | 63 |
| A. Capacity Building Strategies | 64 |
| B. Zoning Strategies | 73 |
| C. Housing Development and Preservation Strategies | 83 |
| Appendix 1 – Glossary of Housing Terms | 94 |
| Appendix 2 – Summary of Housing Regulations/Resources | 98 |

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 widening 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 updates the Plan that was approved by the state in 2012 by obtaining information on current demographic, economic and housing conditions and revisiting the Town's approach for addressing identified priority housing needs. Through a range of strategies including zoning changes, partnerships with developers and service providers, and subsidies, the Town continues to promote housing options that match people to appropriately located, priced and sized units – producing housing that reflects the range of local needs.

This plan was approved by the Norwell Planning Board and the Norwell Board of Selectmen.

A. Summary of the Housing Needs Assessment

The 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 affordable housing and smart growth strategies can be developed.

1.1 Summary of Significant Demographic and Economic Characteristics and Trends

During recent decades, demographic changes have produced the following trends:

Slower but Steady Population Growth

After the building boom years of 1950 to 1980, Norwell's population has been growing more slowly but steadily. From 1970 to 2000 the population increased by 25%, or by 1,969 residents, from a population of 7,796 residents to 9,765. The 2010 U.S. Census records a population total of 10,506 residents with 2017 census estimates indicating a 3.7% population increase after that to 10,897 residents.

Population projections from the Metropolitan Area Planning Council (MAPC), Norwell's regional planning agency, estimate that the population will grow to 10,938 residents by 2030, not much higher than the 2017 census estimate and representing growth of 4.1% since 2010. This is based on their more conservative growth scenario. Their "Stronger Region" projections predict somewhat higher growth to 11,063 residents by 2030 with growth of 5.3%.

Increases in Older Residents³

Those in the older age ranges are increasing in numbers and in proportion to the total population. For example, the number of those 65 years of age and older grew by 176% between 1980 and 2017 while the population as a whole increased by 18.7%. This population also increased from 7.9% of all residents to 18.5% during this period, higher than county and state growth levels of 16.7% and 15.5%, respectively.

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 decades. Children under age 18 have remained about 28% of all residents although school enrollments in Norwell Public Schools have been decreasing over the years.

MAPC's "Stronger Region" projections estimate that those under age 20 will decrease from 3,187 or 30.3% of the population in 2010 to 2,579 or 23.3% of all residents by 2030. On the other end of the age range, **those 65 years of age or older are estimated to grow from 1,675 residents in 2010 to 3,055 by 2030 to comprise 27.6% of all residents with growth of 82.4%.** Other more modest demographic shifts include some increases in 25 to 34 year olds and declines in the middle aged 35 to 44 and 45 to 54 age ranges.

These projected population changes suggest the need for housing alternatives to accommodate the increasing population of seniors such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands. Additionally to maintain a diverse population, more affordable starter housing opportunities to attract young adults, including young families, should be promoted both as rentals and first-time homeownership.

Increasing Numbers of Smaller Households

Norwell had a total of 3,553 households in 2010, up from 2,780 in 1980. The 2017 census estimates suggest continued household growth to 3,632 households.

While the population grew by 14.4% between 1980 and 2010, the number of households was double at 27.8%. This suggests the growth of increasing numbers of smaller households, reflected in the decrease in average household size from 3.3 to 2.89 persons.

MAPC forecasts continued growth in the number of households to 3,883 by 2020 and 4,110 by 2030 according to their "Status Quo" scenario and 3,921 and 4,172 in 2020 and 2030, respectively, based on the "Stronger Region" scenario. These projections suggest further increases in smaller households as the "Status Quo" scenario estimates a 4.1% population increase between 2010 and 2030 with a 15.7% increase in households while the "Stronger Region" estimates indicate a 5.3% population increase accompanied by a 17.4% increase in households.

-
- Younger households (born after 1980) will be more inclined toward urban living than their older counterparts and less likely to choose to live in single-family homes; and
 - An increasing share of older adults will choose to downsize from single-family homes to apartments or condominiums.

³ While this Housing Plan typically uses the definition of seniors as those 65 years of age or older, as does the federal government in many instances, it should be noted that various entities define seniors differently. For example, the Norwell Council on Aging uses 60 years of age as older as also applied in state-supported public housing.

Higher Income Levels but Growing Income Disparities

Norwell's median household income was \$128,563 based on 2017 census estimates, up from \$108,944 in 2010, and more than double the 1989 median of \$60,462. The 47% change in median income from 1999 to 2017 was exactly the same as the rate of inflation during this period however. Income levels were still considerably higher than both the county and the state with 2017 median household income levels of \$82,081 and \$74,167, respectively.

Despite increasing household wealth, there still remains a population living in Norwell with very limited financial means. Of all households counted in 2017, 483 or 13% had incomes of less than \$35,000, including 289 or 8% earning less than \$25,000. Moreover, the 2017 census estimates suggest an upsurge in those living below the poverty level, to 392 individuals, representing 3.6% of all residents, and 49 or 1.6% of all families. These figures also include 61 children under age 18 and 95 seniors 65 years of age or older. Poverty levels are still far lower than county and state levels at 8% and 11%, 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 (AMI) defined by the U.S. Department of Housing and Urban Development (HUD) as \$58,000 for a family of three.⁴ Extrapolating from the 2017 census estimates, those earning at or below 80% AMI, or \$70,350, would have increased to approximately 1,040 households but about the same percentage of all households, at 28.6%.

Between 2010 and 2017, the census estimates indicate that the median income of owners increased by 22% to \$138,462 while that of renters decreased by 45%, to \$20,714, demonstrating significant income disparities and reflective of so many renters living in subsidized housing.

1.2 Summary of Significant Housing Characteristics and Trends

During recent decades, changes in the local housing dynamic have produced the following trends:

Housing Growth Higher than Population 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%, from 2,830 to 3,675 units. This growth was largely reflective of a growing number of smaller households.

The 2017 census estimates suggest continued housing growth to 3,799 units with 124 units added since 2010 at a 3.4% level. Building permit data indicates a higher growth of 192 units or 5.2% during this period although some of the new units likely involved teardown activity. This growth is higher than estimated population growth of 3.7% during this period.

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%,

⁴ 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. Also, a three-person household is offered here as the average household size was 2.89 persons.

were owner-occupied. The 2017 census estimates suggest even further growth in owner-occupancy to 94.2% with a gain of 182 such units. These figures represent a much higher level of owner-occupancy than Plymouth County as a whole with 76.2% and for the state at 62.4%.

Loss of Rental Units

The number of rental units has fluctuated over time from 282 units in 1980 and then to 256 and 257 units in 1990 and 2000, respectively. The 2010 decennial census suggested an increase to 313 rental units but the 2017 figures indicate another decline to only 210 units or 8.8% of the housing stock, which may be questionable.

Substantial Portion of Rentals are Subsidized

About half of Norwell's rental units are subsidized including 80 units for seniors and disabled adults of less than 60 years at the Norwell Housing Authority's Norwell Gardens as well as 33 units of special needs rental housing.

Additional affordable rental units are being built as part of the Town-sponsored Herring Brook Hill at 40 River Street development, involving redevelopment of the former Police Station property into 18 units of senior housing. Another 126 rental units at the Simon Hill 40B development have also been permitted but not built. The proposed project has been redesigned and is undergoing environmental permitting in 2019.

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. These decreases reflect regional, state 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 by 2010.

The 2017 census estimates suggest no change in the average household size of owners but some increase in the average for renter households, to 1.98 persons, also reflective of the upturn in overall average household size from 2.89 to 2.94 persons from 2010 and 2017 according to these estimates.

Extremely Low Vacancy Rates

The homeowner vacancy rate was 1.3% in 2010 while the rental vacancy rate was 5.1%, declining still further to 0.2% and 0.0%, respectively, in 2017. These rates are not only well below county and state levels, but are also so low as not to acknowledge much if any normal housing turnover. It is important to note that any vacancy rate below 5% is considered to represent very tight market conditions.

Limited Housing Diversity with Notable Growth in Multi-family Housing Units

Single-family detached home are predominant at about 92% of all housing units since 1980. Additionally, small multi-family dwellings of two to four units remain limited at only about 2% of Norwell's housing stock, and there are also very few five to nine-unit structures, representing no more than 1.2% of all units and perhaps as few as 16 units. On the other hand, there have been notable increases in larger multi-family units with units in properties of ten or more units increasing from 34 in 1980, doubling to 69 in 2000 and 2010, and then growing to 101 units according to 2017 census estimates with more multi-family development underway from the 40 River Street project for example.

Rising Housing Costs are Increasing Affordability Gaps

There are very few housing units valued in the more affordable ranges including only 35 properties assessed for less than \$200,000, down from 50 in 2011. Almost all of these units were condominiums. Another 33 properties were assessed between \$200,000 and \$300,000, down considerably from 260 in 2011.

To afford the median sales price of a single-family home of \$620,000, based on The Warren's Group's compilation of Multiple Listing Service data as of the end of 2018, a household would have to earn an estimated \$152,375 assuming 80% financing, good credit and the ability to come up with down payment and closing costs of about \$134,000.⁵ Such upfront costs would be a huge challenge for many homebuyers, first-time purchasers in particular.

The average household with a median household income of \$128,563 could likely afford a home costing about \$523,000 based on 80% financing and \$447,000 with 95% financing. **There is therefore an affordability gap of \$97,000 with 80% financing and \$173,000 based on 95% financing** computed by the difference between the median-priced home and what a median-income earning household can afford. It should also be noted that the upfront cash involved in obtaining 80% financing, of approximately \$115,000, effectively increases the affordability gap, particularly for first-time homebuyers who do not have equity in a current home.

The affordability gap widens considerably when focusing on those earning at the 80% AMI level of \$73,000 for a household of three, increasing to \$357,000 based on an affordable purchase price of \$263,000 and the median sales price of \$620,000. This gap also assumes that a household earning at this level could qualify for 95% financing through a subsidized mortgage through the state's ONE Mortgage Program, MassHousing offerings or other government mortgage insurance programs.

While the escalation of property values has increased the wealth of those who bought their homes years ago, many Norwell residents 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.

Market rentals, while very limited, are also expensive. To afford the median rent of \$2,771 that was identified by the Trulia website, a realistic market rent, a household would have to earn approximately \$117,840, based on spending no more than 30% of household income on housing costs with average monthly utility bills of \$175. This income is lower than Norwell's median household income of \$128,563 but 5.7 times the median renter household income and more comparable to the \$116,424 income level for a household of three earning at the 120% AMI limit.

⁵ Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of \$16.40 per thousand, and insurance costs of \$6 per \$1,000 for single-family homes and \$4 per thousand for condos. Also based on the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. The figures for 95% financing assume private mortgage insurance (PMI) of 0.3125% of the mortgage amount. Estimated condo fee of \$250.

Increasing Cost Burdens

A HUD report estimated that of the 3,625 total households living in Norwell, 34% or 1,239 were spending too much on their housing including 15% or 535 households spending more than half their income on housing costs.

The report further identified 985 total households earning at or below 80% of area median income that included 639 or 65% were spending more than 30% of their income on housing with 365 or 37% spending more than half on housing costs. A total of 600 households or 17% of all households earning more than the 80% median level were spending too much on their housing as well.

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, increasing cost burdens, and large up-front cash requirements for homeownership and rentals – all point to a challenging affordability gap for the Norwell community!

B. Priority Housing Needs Require a Greater Diversity of the Housing Stock

Based on input from a wide variety of sources including updated census data, market information, interviews with local and regional stakeholders, community meetings, as well as prior planning efforts, the following housing needs have been identified:

Households with Limited Incomes Need More Affordable Rentals

Despite increasing household wealth, there is a population living in Norwell with very limited financial means. Affordable rentals can reach lower income groups and almost all state and federal subsidies are directed to rental development. Moreover, all rental units in a Chapter 40B project count towards the SHI or annual housing production goals as opposed to only the affordable units for homeownership.

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 affordable rental housing is necessary, particularly for younger families, lower wage earners, as well as seniors on limited fixed incomes. Norwell is making progress on such development but more units will still be needed.

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. Starter housing is no longer being provided by the private sector and must be subsidized to become effectively affordable. CPA funds become an important resource for these subsidies.

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. The Community Housing Trust's Small Repair Grant Program has been helpful to address some of the health and safety needs of the seniors.

Special Needs Housing

There are an estimated 916 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 modifications. It is worth noting that since the 2012 Housing Production Plan was completed another 13 units of special needs housing have been produced and another group home sponsored by the Norwell Housing Authority and state Department of Mental Health (DMH) should be ready for occupancy in Spring 2017. Although these units serve a valuable regional need, most of the new residents were not existing residents.

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 annual production goals under the state Housing Production guidelines with 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 units per year, however, these units might not be eligible for inclusion under the Subsidized housing Inventory as CPA funding can only be used for housing rehab if the property was acquired or built with CPA funds.

C. Summary of 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 wide range of community housing needs under the following housing goals that provide the context for the strategies that are recommended as part of this Housing Plan:

- 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

This Housing Plan provides a blueprint to help Norwell further its progress towards meeting the state 10% affordable housing goal, presenting a proactive housing agenda of Town-sponsored initiatives. Progress during the past few years has included the creation of 158 additional affordable units, enabling the Town to move from an affordability level of 3.8% to 8.13% although a large portion of these units are related to the Simon Hill development and have not been constructed in the 10 years since receiving a Comprehensive Permit. Eleven additional units are also eligible for inclusion in the SHI which will bring the affordability percentage to 8.4%. A particular highlight has been the Herring Brook Way 40 River Street development

that the Town spearheaded by conveying its former Police Station through a Request for Proposals (RFP) process, creating 18 affordable rental units for seniors age 60 or over.

While there is a demonstrated commitment to producing affordable housing in Norwell, *obstacles to new development exist* that will challenge new initiatives including 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 in many cases 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 especially given rising housing costs and property taxes. 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, 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 or “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 0.50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (SHI). Norwell would have to produce at least 18 affordable units annually, 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 goal, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications without the developer's ability to appeal the decision or conditions.⁶ Production goals over the next five years include the creation of an estimated 94 affordable units and 149 total housing units, of which 99 are market rate units. Housing production goals also include 29 units, including accessory dwelling units and properties participating in the Senior Small Grant Program, that cannot be counted as part of the Subsidized Housing Inventory or towards annual housing goals but still serve local housing needs.

⁶ 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 trigger the requirement to terminate the hearing within 180 days.

E. Summary of Housing Strategies

The strategies summarized in Table I-1 are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals, community meetings, and the experience of Norwell to date and 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.⁷ Also, while a major goal of this Plan is to eventually meet the state’s 10% goal under Chapter 40B, another important goal is to serve the wide 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 Community 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-1 Summary of Housing Strategies | Priority for Implementation | | # Affordable Units | Responsible Parties** |
|---|-----------------------------|--------------|--------------------|-----------------------|
| | In Years 1–2 | In Years 3–5 | | |
| V.A. Capacity Building Strategies | | | | |
| 1. Conduct ongoing community education | X | | * | CHT/NHA/COA |
| 2. Hire a part-time Housing Coordinator | X | | * | BOS/CHT |
| V.B. Zoning Strategies | | | | |
| 1. Promote affordable housing in mixed-use development | X | | * | BOS/PB/CHT |
| 2. Modify accessory apartment provisions | X | | * | PB/CHT |
| 3. Amend OSRD bylaw to encourage affordable housing | | X | * | PB/CHT |
| 4. Adopt inclusionary zoning | | X | * | PB/CHT |
| 5. Allow more diverse housing types | | X | * | PB/CHT |
| V.C. Housing Development and Preservation Strategies | | | | |
| 1. Make suitable public land available for affordable housing | X | | 42 | BOS/CHT |
| 2. Partner with private developers | X | | 46 | CHT/ZBA/PB |
| 3. Convert existing housing to affordability | | X | 6 | AHT/CHT |
| 4. Continue to administer the Senior Small Grant Program | X | | * | CHT |

** 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.*

⁷ Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

****Abbreviations**

Community Housing Trust = CHT

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 and Economic 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. Population Growth – Continuing growth

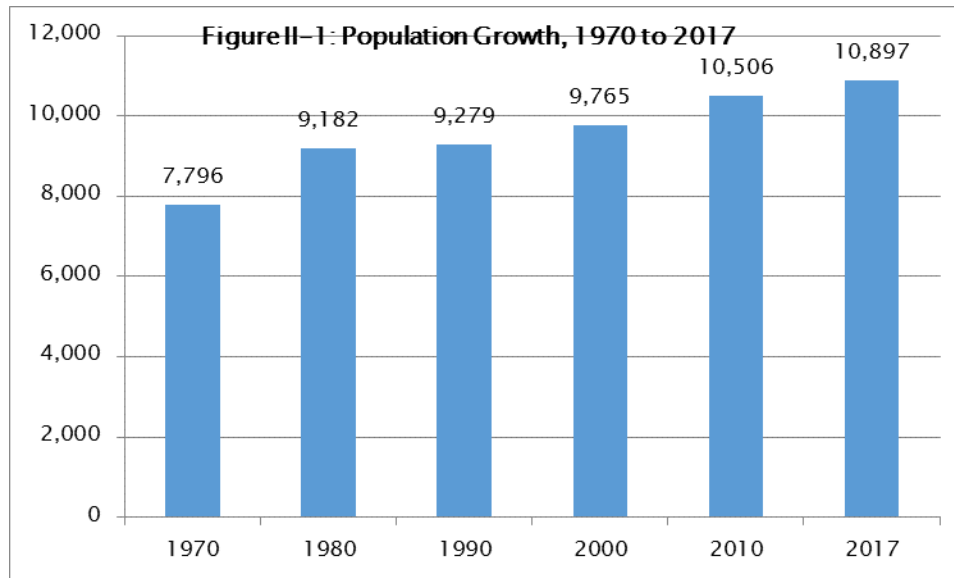
Following World War II, the Town of Norwell experienced a substantial building boom, changing from a relatively rural community to a more suburban town and growing from 2,515 residents in 1950 to 7,796 by 1970. Norwell's population has been growing more slowly but steadily since then as shown in Table II-1 and Figure II-1. From 1970 to 2000, the population increased by 25%, or by 1,969 residents, from a population of 7,796 residents to 9,765. The 2010 U.S. Census records a population total of 10,506 residents with 2017 census estimates indicating a 3.7% population increase after that to 10,897 residents.

The Town census figure was 11,280 as of January 14, 2019. The disparity between the federal and local figures is largely because federal census counts students as living at their colleges and universities while the Town counts students as living at the home of their parents. Some of those counted are also inactive voters that might have moved but cannot be eliminated from the census for two biennial state elections if they do not return a confirmation notice.

Table II-1: Population Change, 1930–January 14, 2019

| Year | Total Population | Change in Number | Percentage Change |
|-------------------------------|------------------|------------------|-------------------|
| 1930 | 1,519 | -- | -- |
| 1940 | 1,871 | 352 | 23.2% |
| 1950 | 2,515 | 644 | 34.4% |
| 1960 | 5,207 | 2,692 | 10.0% |
| 1970 | 7,796 | 2,589 | 49.7% |
| 1980 | 9,182 | 1,386 | 17.8% |
| 1990 | 9,279 | 97 | 1.1% |
| 2000 | 9,765 | 486 | 5.2% |
| 2010 | 10,506 | 741 | 7.6% |
| 2017 | 10,897 | 391 | 3.7% |
| Town Records As of 1-14-19 | 11,280 | | |

Source: U.S. Census Bureau, Census Summary File 1 and University of Massachusetts Donahue Institute State Data Center for decennial counts. The 2017 estimate is from the U.S. Census Bureau's American Community Survey, 5-Year Estimates, 2013–2017, and the Town census figure from the Norwell Town Clerk's Office.



Population projections from the Metropolitan Area Planning Council (MAPC) estimate that the population will reach 10,671 residents by 2020 under their “Status Quo” scenario which bases estimates on the continuation of rates of births, deaths, migration and housing occupancy. This figure is less than the 2017 census estimate of 10,897 residents. MAPC projections further indicate continued growth to 10,938 residents by 2030, about 4% more than the 2010 census figure and only 41 residents above the 2017 census figure.

MAPC’s “Stronger Region” scenario projects greater population growth to 10,739 residents by 2020, still under the 2017 census estimate, and 11,063 by 2030. These “Stronger Region” projections are based on the following assumptions:

- The region will attract and retain more people, especially young adults, than it does today;
- Younger households (born after 1980) will be more inclined toward urban living than their older counterparts and less likely to choose to live in single-family homes; and
- An increasing share of older adults will choose to downsize from single-family homes to apartments or condominiums.

The State Data Center at the University of Massachusetts’ Donahue Institute predicts lower population levels in 2020 and 2030 of 10,464 and 10,517 residents, respectively, both below the 2017 census estimate. Given that all of the population projections for 2020 are below the 2017 census estimate, it may be likely that the census figure overestimates actual growth.

2. Age Distribution – High but fluctuating population of children and increasing older residents⁸

Census data regarding the changes in the age distribution from 1980 to 2017 is provided in Table II-2 and visually presented in Figure II-2 for 2000 through 2017. The data identifies the following demographic shifts:

⁸ While this Housing Plan typically uses the definition of seniors as those 65 years of age or older, as does the federal government in many instances, it should be noted that various entities define seniors differently. For example, the Needham Council on Aging uses 60 years of age as older as also applied in state-supported public housing.

- Children – Relatively high proportion of children at about 28% of all residents*

The data shows some fluctuations in the number and proportion of children under age 18, from one-third of the population in 1980, down to one-quarter in 1990, and up again to about 28% after that, which is still **much higher than county and state levels of 22.2% and 20.4%, respectively.**
- College-age residents – Declining numbers*

Those young residents in the 18 to 24-age range increased between 1980 and 1990 to a high of 9.5% of all residents but decreased to between 4% and 5% of the population after that.
- Young adults – Decreasing population*

Young 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. The 2017 census estimates show an increase to 6.5%, still less than half of the 1980 level.
- Younger middle-age residents – Net decreases over recent decades*

Residents in the 35 to 44 age range increased somewhat in the 1980s and then decreased after that from 18.7% of the population in 1990 to 12.5% by 2017.
- Middle-age residents – Significant increases*

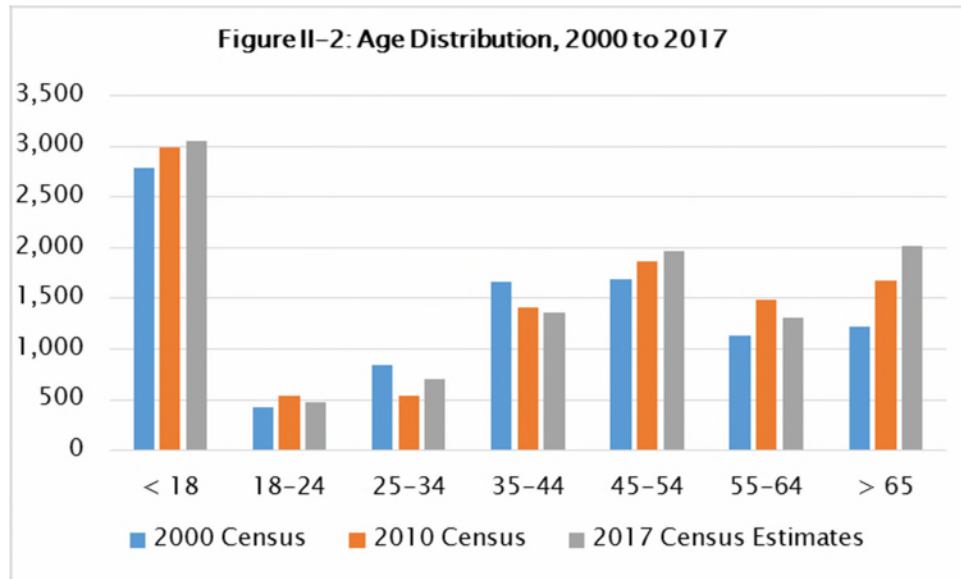
Residents age 45 to 54 have continued to increase from 12% of the population in 1980 to about 18% by 2017, representing growth of 79% during this period compared to total population growth of 18.7%.
- Older middle-age residents – Steady increases followed by a recent estimated decline*

The population of those in the 55 to 64 age range steadily increased between 1980 and 2010, from 8.4% of all residents to 14.2%. The 2017 census estimates show some decrease, however, to 12.1% of the population.

| Table II-2: Age Distribution, 1980–2017 | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|--------|-------|--------|-------|
| Age Range | 1980 | | 1990 | | 2000 | | 2010 | | 2017 | |
| | # | % | # | % | # | % | # | % | # | % |
| Under 5 Years | 542 | 5.9 | 573 | 6.2 | 705 | 7.2 | 583 | 5.5 | 668 | 6.1 |
| 5 – 17 Years | 2,512 | 27.4 | 1,792 | 19.3 | 2,087 | 21.4 | 2,412 | 23.0 | 2,391 | 21.9 |
| 18 – 24 Years | 724 | 7.9 | 885 | 9.5 | 419 | 4.3 | 534 | 5.1 | 476 | 4.4 |
| 25 – 34 Years | 1,290 | 14.0 | 1,038 | 11.2 | 837 | 8.6 | 537 | 5.2 | 707 | 6.5 |
| 35 – 44 Years | 1,510 | 16.4 | 1,739 | 18.7 | 1,667 | 17.1 | 1,410 | 13.4 | 1,357 | 12.5 |
| 45 – 54 Years | 1,100 | 12.0 | 1,442 | 15.5 | 1,695 | 17.4 | 1,864 | 17.7 | 1,968 | 18.1 |
| 55 – 64 Years | 775 | 8.4 | 847 | 9.1 | 1,128 | 11.6 | 1,491 | 14.2 | 1,315 | 12.1 |
| 65 – 74 Years | 357 | 3.9 | 551 | 5.9 | 611 | 6.3 | 879 | 8.4 | 1,137 | 10.4 |
| 75 – 84 Years | 285 | 3.1 | 279 | 3.0 | 388 | 4.0 | 512 | 4.9 | 572 | 5.2 |
| 85+ Years | 87 | 0.9 | 133 | 1.4 | 228 | 2.3 | 284 | 2.7 | 306 | 2.8 |
| Total | 9,182 | 100.0 | 9,279 | 100.0 | 9,765 | 100.0 | 10,506 | 100.0 | 10,897 | 100.0 |
| Under 18 | 3,054 | 33.3 | 2,365 | 25.5 | 2,792 | 28.6 | 2,995 | 28.5 | 3,059 | 28.1 |
| Age 65+ | 729 | 7.9 | 963 | 10.4 | 1,227 | 12.6 | 1,675 | 15.9 | 2,015 | 18.5 |
| Source: U.S. Census Bureau, 1980, 1990, 2000 and 2010 and American Community Survey 5-Year Estimates 2013–2017 | | | | | | | | | | |

- **Older adults – Substantial increases and highest amount of growth**

The number of those 65 years of age and older grew by 176% between 1980 and 2017 while the population as a whole increased by 18.7%. This population increased from 7.9% of all residents to 18.5% during this period, higher than county and state levels of 16.7% and 15.5%, respectively, for 2017.



Population Projections – Slowing growth with continuing losses of children and major gains in older residents

This Housing Plan presents three sets of projections, two from the Metropolitan Area Planning Council (MAPC), Norwell’s regional planning agency, and the other from the State Data Center at the University of Massachusetts Donahue Institute. The MAPC projections forecast relatively low population growth with significant declines in children and increases in older residents. The State Data Center estimates lower levels of growth. All suggest that the 2020 population totals will be less than the 2017 census estimates with the State Data Center predicting a 2030 population well close to the 2010 one. This means that the MAPC and State Data Center forecasts significantly underestimate the level of population growth between 2010 and 2020 or that the census estimates are too high. Because these census estimates involve survey data and are subject to sample error and because all three projections are below the census figure, it is likely that the 2017 census overestimates actual growth.

MAPC “Status Quo” Projections

Table II-3 offers population projections by age category for 2020 and 2030, comparing these figures to 2010 census results. Prepared by the Metropolitan Area Planning Council (MAPC) these projections assume a continuation of rates of births, deaths, migration and housing

These projected population changes suggest the need for housing alternatives to accommodate the increasing population of seniors, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands. Additionally to maintain a diverse population, more affordable starter housing opportunities to attract young adults, including young families, should be promoted both as rentals and first-time homeownership.

occupancy and estimate population growth of 4.1% between 2010 and 2030 with a gain of 432 residents to a population of 10,938.

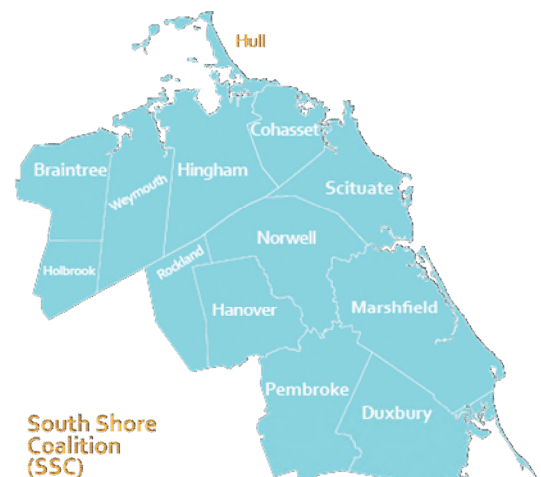
These projections also indicate some significant age distribution changes. For example, those under age 20 are predicted to decrease from 30.3% to 23.7% of the total population, representing a 19% population loss of about 600 residents. The projections further suggest little change in the 20 to 24 age range and a net increase of 190 residents in the 25 to 34 age category by 2030, or by 35%. Those in the 35 to 44 range are projected to decrease by 6%, from 1,410 to 1,323 residents between 2010 and 2030, while those in the 45 to 54 age range are projected to decrease still more, by 23%. Alternatively, the population of older middle-aged residents in the 55 to 64 range is expected to remain at about the same level, at about 1,500 residents or 14% of the population, following some increase to about 16% in 2020.

Those over age 65 are estimated to increase from 15.9% of all residents in 2010 to 27.6% by 2030, representing a gain of 1,340 residents in this age category and growth of 80%.

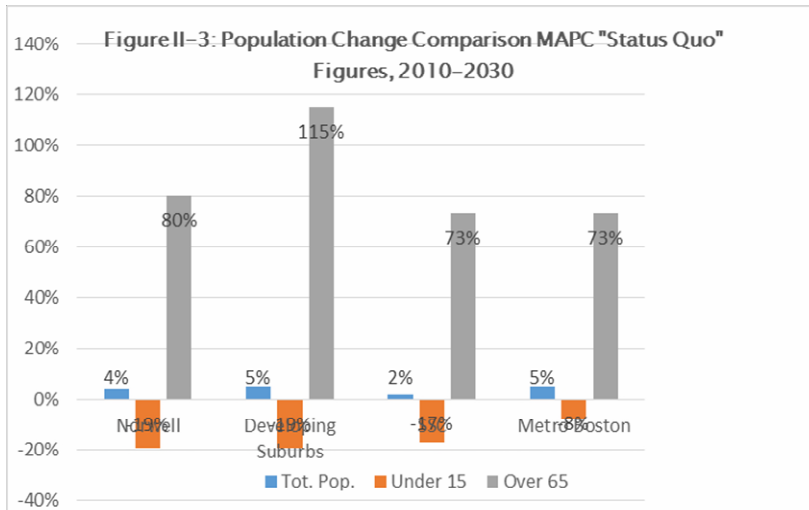
| Age Range | 2010 Census | | Projections | | | |
|-----------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | # | % | # | % | # | % |
| Under 5 Years | 583 | 5.5 | 454 | 4.3 | 486 | 4.4 |
| 5 – 19 Years | 2,604 | 24.8 | 2,305 | 21.6 | 2,103 | 19.1 |
| 20 – 24 Years | 342 | 3.3 | 405 | 3.8 | 347 | 3.2 |
| 25 – 34 Years | 537 | 5.2 | 638 | 6.0 | 727 | 6.6 |
| 35 – 44 Years | 1,410 | 13.4 | 1,179 | 11.0 | 1,323 | 12.1 |
| 45 – 54 Years | 1,864 | 17.7 | 1,642 | 15.4 | 1,437 | 13.1 |
| 55 – 64 Years | 1,491 | 14.2 | 1,699 | 15.9 | 1,500 | 13.7 |
| 65 – 74 Years | 879 | 8.4 | 1,230 | 11.5 | 1,417 | 13.0 |
| 75 – 84 Years | 512 | 4.9 | 753 | 7.1 | 1,038 | 9.5 |
| 85+ Years | 284 | 2.7 | 365 | 3.4 | 560 | 5.1 |
| Total | 10,506 | 100.0 | 10,671 | 100.0 | 10,938 | 100.0 |
| Under 20 | 3,187 | 30.3 | 2,759 | 25.9 | 2,589 | 23.7 |
| Age 65+ | 1,675 | 15.9 | 2,348 | 22.0 | 3,015 | 27.6 |

Source: Metropolitan Area Planning Council (MAPC), January 2014

These projected demographic shifts are further presented in Figure II-3, comparing projections for Norwell to other developing suburbs in the state, the South Shore Coalition subregion,⁹ and Metro Boston from 2010 to 2030. Estimates suggest that Norwell will experience relatively comparable growth patterns with respect to population increase and changes in those under 15 and over 65 with the exception of a higher level of increase for seniors on average that is projected statewide for developing suburbs at 115% compared to Norwell at 80%.



⁹ In addition to Norwell, MAPC’s South Shore Coalition subregion includes the communities of Braintree, Cohasset, Duxbury, Hanover, Hingham, Holbrook, Hull, Marshfield, Pembroke, Rockland, Scituate and Weymouth.



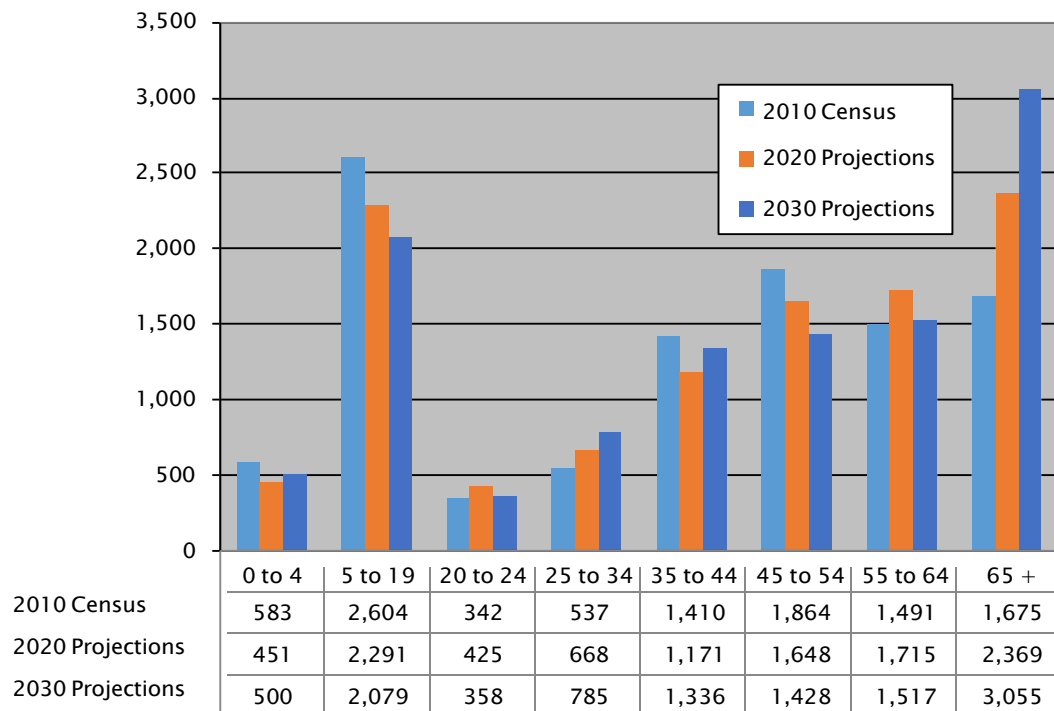
MAPC "Stronger Region" Projections

MAPC also provides "Stronger Region" projections based on the assumptions listed under Section II.A.1 above which are presented in Figure II-4. These projections suggest an increase in total population to 10,739 residents by 2020, still lower than the 2017 census estimate of 10,897 residents, and then to 11,063 by 2030. This scenario represents

growth of 5.3% between 2010 and 2030, slightly higher than the 4.1% level under the "Status Quo" projections.

The "Stronger Region" figures estimate that those under age 20 will decrease from 3,187 or 30.3% of the population in 2010 to 2,579 or 23.3% of all residents by 2030. On the other end of the age range, **those 65 years of age or older are estimated to grow from 1,675 residents in 2010 to 3,055 by 2030 to comprise 27.6% of all residents with growth of 82.4%.** Other more modest demographic shifts include some increases in 25 to 34 year olds and declines in the middle aged 35 to 44 and 45 to 54 age ranges.

Figure II-4: Age Distribution, 2010 Census and MAPC "Stronger Region" Projections for 2020 and 2030



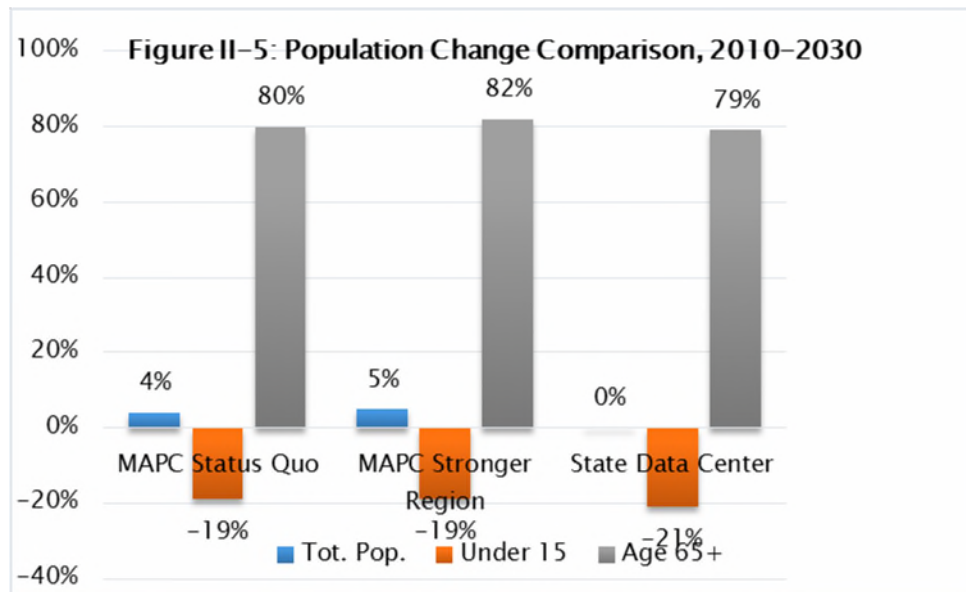
State Data Center Projections

The State Data Center at the University of Massachusetts Donahue Institute also prepares population projections, as summarized in Table II-4. These estimates indicate a decline in population between 2010 and 2020 to 10,464 residents and then some growth to 10,517 residents, back up to the 2010 level. Like the MAPC estimates, the State Data Center indicates that those under age 20 will comprise almost 24% of all residents, down from 30.3% in 2010. On the other end of the age range, also like the MAPC projections, the State Data Center projects major increases in those age 65 or older to about 3,000 residents or approximately 28% of the population. The age cohorts in between demonstrate some similar fluctuations with increases in 25 to 34 year olds and declines in middle-age residents.

| Table II-4: Age Distribution, 2010 Census and State Data Center Projections, 2020 and 2030 | | | | | | |
|---|--------------------|--------------|-------------------------|--------------|-------------------------|--------------|
| Age Range | 2010 Census | | 2020 Projections | | 2030 Projections | |
| | # | % | # | % | # | % |
| Under 5 Years | 583 | 5.5 | 442 | 4.2 | 570 | 5.4 |
| 5 – 19 Years | 2,604 | 24.8 | 2,239 | 21.4 | 1,882 | 17.9 |
| 20 – 24 Years | 342 | 3.3 | 421 | 4.0 | 382 | 3.6 |
| 25 – 34 Years | 537 | 5.2 | 739 | 7.1 | 908 | 8.6 |
| 35 – 44 Years | 1,410 | 13.4 | 928 | 8.9 | 1,236 | 11.8 |
| 45 – 54 Years | 1,864 | 17.7 | 1,635 | 15.6 | 1,135 | 10.8 |
| 55 – 64 Years | 1,491 | 14.2 | 1,606 | 15.3 | 1,401 | 13.3 |
| 65 – 74 Years | 879 | 8.4 | 1,215 | 11.6 | 1,291 | 12.3 |
| 75 – 84 Years | 512 | 4.9 | 769 | 7.3 | 1,034 | 9.8 |
| 85+ Years | 284 | 2.7 | 470 | 4.5 | 678 | 6.4 |
| Total | 10,506 | 100.0 | 10,464 | 100.0 | 10,517 | 100.0 |
| Under 20 | 3,187 | 30.3 | 2,681 | 25.6 | 2,452 | 23.3 |
| Age 65+ | 1,675 | 15.9 | 2,454 | 23.5 | 3,003 | 28.6 |
| Source: University of Massachusetts, Donahue Institute, State Data Center. | | | | | | |

Table II-5 and Figure II-5 compare the two MAPC projections and the State Data Center figures. While the State Data Center predicts little or no total population growth, similarities in the proportionate shifts of both the younger and older age groups among all three projections are notable.

| Table II-5: Comparison of Population Projections, 2030 | | | | | | |
|--|--------------------------|--------------|-------------------------------|--------------|--------------------------|--------------|
| Age Range | MAPC "Status Quo" | | MAPC "2030 Projection" | | State Data Center | |
| | # | % | # | % | # | % |
| < Age 15 | 1,990 | 18.2 | 1,988 | 18.0 | 1,939 | 18.4 |
| < Age 20 | 2,589 | 23.7 | 2,579 | 23.3 | 2,452 | 23.3 |
| Age 65+ | 3,015 | 27.6 | 3,055 | 27.6 | 3,003 | 28.6 |
| Total Pop | 10,938 | 100.0 | 11,063 | 100.0 | 10,517 | 100.0 |
| Sources: MAPC and the State Data Center at the UMass Donahue Institute | | | | | | |



3. Racial Composition – Very little racial diversity

As Table II-6 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%, increasing only modestly to 96.5% according to 2017 census estimates. The number of minority residents almost doubled between 1980 and 2000, from 77 to 140 residents, and then almost tripled to 392 residents by 2010, down only slightly to 383 in 2017. In 2010, about 44% of minority residents indicated they were of Asian descent, down to 27% by 2017. Also, in 2010, 71 residents claimed Black or African American heritage and 78 indicated that they were from two or more racial backgrounds, compared to 45 and 169 in 2017, respectively. Also in 2010, 189 residents were counted as having an Hispanic or Latino heritage compared to 202 in 2017.

4. Household Composition – Growing numbers of smaller households

Norwell had a total of 3,553 households in 2010, up from 2,780 in 1980. The 2017 census estimates suggest an increase to 3,632 households.

While the population grew by 14.4% between 1980 and 2010, the number of households was double the rate at 27.8%. This suggests the growth of increasing numbers of smaller households, reflected in the decrease in average household size from 3.3 to 2.89 persons.

MAPC forecasts continued growth in the number of households to 3,883 by 2020 and 4,110 by 2030 according to their “Status Quo” scenario and 3,921 and 4,172 in 2020 and 2030, respectively, based on the “Stronger Region” scenario. These projections suggest further increases in smaller households as the “Status Quo” scenario estimates a 4.1% population increase between 2010 and 2030 with a 15.7% increase in households while the “Stronger Region” estimates indicate a 5.3% population increase accompanied by a 17.4% increase in households.

Family households have decreased as a percentage of all households from 86.8% in 1980, down to 83.4% by 2000, and then declining further to 80.1% in 2010. The 2017 census estimates suggests a reversal of this trend however, to 83.8%. About 40% of the family

households included children under 18 years of age in 2010, down from 42.2% in 2000. The 2017 census estimates indicate a small decrease to 39.5%.

Non-family households¹⁰ 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 in 2010 that included 607 or 17.7% of all households, more than half of which were 65 years of age or older. One would expect that with the projected increases in older residents, many more residents will be living alone, further decreasing average household size.

The 2017 census estimates indicate a decrease in non-family households to 16.2%, a surprising reversal of past trends, with a corresponding increase in average household size to 2.94 persons. These estimates also identify a decrease to 538 individuals who were living alone, including 290 or 54% who were 65 years of age or older. These older single residents represent 8.0% of all households compared to 11.4% and 11.6% for the county and state, respectively.

Table II-6: Types of Households, 1980–2017

| 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 | | | | ersons | | 2 | 2.94 persons |

Source: U.S. Census, 1980, 1990, 2000 and 2010; American Community Survey 5-Year Estimates 2013–2017.

Table II-7 examines the types of households by household size for 2000, 2010 and 2017, all from census sample data, with the following findings that demonstrate the continuing growth of smaller households:

- Single-person households comprised 14.2% of all households and 92.2% of the non-family households in 2000, increasing to 16.9% of all households and 81.9% of non-family households by 2010, and then down to 14.8% in 2017, representing 91.3% of all non-family households. This level of single-person households is much lower than county and state levels of 24.0% and 28.5%, respectively, however.
- About half of Norwell households involved only two or three members, ranging from 49.5% of all households in 2000, to 46.0% in 2010, and then up to 54.9% according to 2017 census estimates.
- On the other hand, there was a net decrease in four-person households from 22.6% of all households in 2000 to 17.5% in 2017.
- Large families of five or more persons represented only 12.8% of all households in 2017, down from 13.8% in 2010 and 13.6% in 2000.

¹⁰ Non-family households are defined by the census as those that include single or unrelated individuals.

- A total of 178 or 12.4% of the households with children were headed by one parent (79% of these involved single mothers) based on 2017 census estimates.

This data further suggests a need for a greater number of smaller units to accommodate a growing population of single-person households and smaller families.

| Table II-7: Types of Households by Size, 2000-2017 | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Households by Type and Size | 2000 | | 2010 | | 2017 | |
| | # | % | # | % | # | % |
| Nonfamily households | 499 | 15.4 | 708 | 20.6 | 589 | 16.2 |
| 1-person household | 460 | 14.2 | 580 | 16.9 | 538 | 14.8 |
| 2-person household | 34 | 1.1 | 118 | 3.4 | 35 | 1.0 |
| 3-person household | 5 | 0.2 | 10 | 0.3 | 8 | 0.2 |
| 4-person household | 0 | 0.0 | 0 | 0.0 | 8 | 0.2 |
| 5-person household | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 6-person household | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| 7 or more person household | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Family households | 2,732 | 84.6 | 2,724 | 79.4 | 3,043 | 83.8 |
| 2-person household | 968 | 30.0 | 938 | 27.3 | 1,206 | 33.2 |
| 3-person household | 593 | 18.4 | 513 | 14.9 | 746 | 20.5 |
| 4-person household | 730 | 22.6 | 800 | 23.3 | 626 | 17.2 |
| 5-person household | 348 | 10.8 | 347 | 10.1 | 351 | 9.7 |
| 6-person household | 84 | 2.6 | 80 | 2.3 | 84 | 2.3 |
| 7 or more person household | 9 | 0.3 | 46 | 1.3 | 30 | 0.8 |
| Total | 3,231 | 100.0 | 3,432 | 100.0 | 3,632 | 100.0 |
| Source: U.S. Census Bureau, 2000 Census Summary File 3 and 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates | | | | | | |

5. Incomes – High but growing income disparities

As Table II-8 indicates, the median household income was \$128,563 based on 2017 census estimates, up from \$108,944 in 2010, and more than double the 1989 median of \$60,462. The 47.1% change in median income from 1999 to 2017 was exactly the same as the rate of inflation during this period however. Income levels were still considerably higher than both the county and the state where the 2017 median household income levels were \$82,081 and \$74,167, respectively.

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 2017 census estimates indicated still higher increases in these higher-income earning households to 61.6%.

The distribution of incomes over the past several decades is visually presented in Figure II-6 as well, clearly showing the major shift in higher earning households, particularly those earning more than \$150,000.

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, the same for all households based on 2017 census estimates. The 2017 census estimates further suggest that the median income of families increased to \$143,605 and 2,085 or 68.5% of all families were earning more than \$100,000. The median family income level for the county and state were once again significantly lower at \$100,207 and \$94,110, respectively.

Despite increasing household wealth, there still remains a population living in Norwell with very limited financial means. Of all households counted in 2017, 483 or 13.3% had incomes of less than \$35,000, including 289 or 8.0% earning less than \$25,000.

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 (AMI) defined by the U.S. Department of Housing and Urban Development (HUD) as \$58,000 for a family of three.¹¹ Extrapolating from the 2017 census estimates, those earning at or below 80% AMI, or \$70,350, would have increased to approximately 1,040 households but about the same percentage of all households, at 28.6%.

| Table II-8: Household Income Distribution, 1989-2017 | | | | | | | | |
|---|----------|-------|----------|-------|-----------|-------|-----------|-------|
| Income Range | 1989 | | 1999 | | 2010 | | 2017 | |
| | # | % | # | % | # | % | # | % |
| Less than \$10,000 | 152 | 5.1 | 65 | 2.0 | 34 | 1.0 | 86 | 2.4 |
| \$10,000 to \$14,999 | 71 | 2.4 | 57 | 1.8 | 116 | 3.4 | 65 | 1.8 |
| \$15,000 to \$24,999 | 247 | 8.3 | 209 | 6.5 | 186 | 5.5 | 138 | 3.8 |
| \$25,000 to \$34,999 | 223 | 7.5 | 197 | 6.1 | 182 | 5.3 | 194 | 5.3 |
| \$35,000 to \$49,999 | 468 | 15.7 | 359 | 11.1 | 330 | 9.6 | 185 | 5.1 |
| \$50,000 to \$74,999 | 740 | 24.8 | 521 | 16.1 | 334 | 9.7 | 457 | 12.6 |
| \$75,000 to \$99,999 | 509 | 17.0 | 470 | 14.5 | 393 | 11.5 | 270 | 7.4 |
| \$100,000 to \$149,999 | 318 | 10.6 | 687 | 21.3 | 778 | 22.7 | 683 | 18.8 |
| \$150,000 to \$199,999 | 260 | 8.7 | 302 | 9.3 | 324 | 9.4 | 458 | 12.6 |
| \$200,000 or more | | | 364 | 11.3 | 755 | 22.0 | 1,096 | 30.2 |
| Total | 2,988 | 100.0 | 3,231 | 100.0 | 3,432 | 100.0 | 3,632 | 100.0 |
| Median Household Income | \$60,462 | | \$87,397 | | \$108,944 | | \$128,563 | |
| Source: 1990 and 2000 U.S. Census, Table DP-3, Profile of Selected Economic Characteristics, and estimates from the Census Bureau's American Community Survey for 2006-2010 and 2013-2017. This data is based on census sample data and totals differ somewhat from final counts. | | | | | | | | |

¹¹ 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.

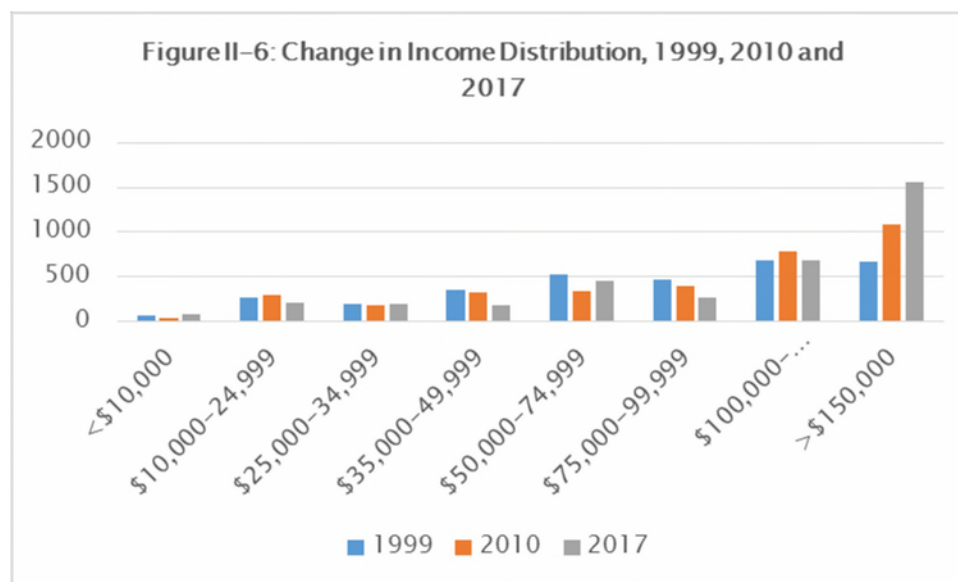


Table II-9 provides median income levels for various types of households in 2017. Not surprisingly, incomes were highest for men, families, and homeowners. One surprise was that the median income of those in the 25 to 44 age range was higher than those of older workers age 45 to 64 in the prime of their careers. It suggests that these somewhat younger households are likely newer residents who can afford Norwell's high housing costs. Moreover, the median income of seniors 65 years of age or older was \$70,250, less than half of the median for households with heads in the 45 to 64 age range and 39% of those age 25 to 44.

The Town's per capita income was \$58,318, considerably higher again than the county and state levels of \$39,247 and \$39,913, respectively. The median income of families was substantially higher than non-families, \$143,605 versus \$34,653, a finding highly correlated with the greater prevalence of two worker households in families and seniors living on fixed incomes.

| Table II-9: Median Income by Household Type, 2017 | |
|---|---------------|
| Type of Household/Householder | Median Income |
| Individual/Per capita | \$58,318 |
| Households | \$128,563 |
| Families | \$143,605 |
| Non-families* | \$34,653 |
| Male full-time workers | \$117,647 |
| Female full-time workers | \$78,714 |
| Renters | \$20,714 |
| Homeowners | \$138,462 |
| Householder less than age 25 | * |
| Householder age 25 to 44 | \$178,750 |
| Householder age 45 to 64 | \$144,710 |
| Householder age 65 or more | \$70,250 |

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2013-2017.*Includes persons living alone and unrelated households members.
*Sample size too small.

Additionally, 1,038 or 28.6% of households were obtaining Social Security benefits with an average annual benefit of \$23,289 based on 2017 census estimates. These census figures also identify 812 households as receiving some other retirement income, representing an average of \$27,202 in income. There were only 28 recipients of public assistance, averaging only \$5,654 in annual payments, and 75 households were receiving Food Stamps/SNAP benefits.

Between 2010 and 2017, the census estimates indicate that the median income of owners increased by 22% to \$138,462 while that of renters decreased by 45% to \$20,714, demonstrating significant income disparities.

Table II-10 provides 2010 and 2017 census data that compares the income distribution of homeowners and renters. In addition to being significantly fewer renters, less than 6% of all households, the median income for renters is only 15% of that for owners. Nevertheless, there were still owners with very limited incomes including 221 or 6.5% earning 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. In comparison, 110 or 52.4% of renter households earned below this \$25,000 level.

There were also 39 renters with incomes above \$100,000 who were likely renting single-family homes.

| Table II-10: Household Income Distribution by Tenure, 2010 and 2017 | | | | | | | | |
|---|-----------|-------|-----------|-------|----------|-------|----------|-------|
| Income Range | Owners | | | | Renters | | | |
| | 2010 | | 2017 | | 2010 | | 2017 | |
| | # | % | # | % | # | % | # | % |
| Less than \$10,000 | 22 | 0.7 | 67 | 2.0 | 12 | 3.6 | 19 | 9.0 |
| \$10,000 to \$14,999 | 84 | 2.7 | 9 | 0.3 | 32 | 9.7 | 56 | 26.7 |
| \$15,000 to \$24,999 | 115 | 3.7 | 103 | 3.0 | 71 | 21.5 | 35 | 16.7 |
| \$25,000 to \$34,999 | 134 | 4.3 | 157 | 4.6 | 48 | 14.5 | 37 | 17.6 |
| \$35,000 to \$49,999 | 256 | 8.3 | 168 | 4.9 | 74 | 22.4 | 17 | 8.1 |
| \$50,000 to \$74,999 | 322 | 10.4 | 450 | 13.2 | 12 | 3.6 | 7 | 3.3 |
| \$75,000 to \$99,999 | 374 | 12.1 | 270 | 7.9 | 19 | 5.8 | 0 | 0.0 |
| \$100,000 to \$149,999 | 734 | 23.7 | 644 | 18.8 | 44 | 13.3 | 39 | 18.6 |
| \$150,000 or more | 1,061 | 34.2 | 1,554 | 45.4 | 18 | 5.5 | 0 | 0.0 |
| Total | 3,102 | 100.0 | 3,422 | 100.0 | 330 | 100.0 | 210 | 100.0 |
| Median Household Income | \$113,364 | | \$138,462 | | \$37,611 | | \$20,714 | |

Source: U.S. Census, 2006–2010 and 2013–2017 American Community Survey 5–Year Estimates

6. Poverty – Low but increasing

Table II-11 shows poverty data for Norwell based on data from the US Census Bureau.¹² In general, poverty declined 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 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.

¹² The 2018 federal poverty levels from the US Department of Health and Human Services were \$12,140 for an individual and \$20,780 for a three-person household.

In fact, the 2017 census estimates suggest an upsurge in those living within the poverty level, to 392 individuals, representing 3.6% of all residents, and 49 or 1.6% of all families. These figures also include 61 children under age 18 and 95 seniors 65 years of age or older. Poverty rates are still far lower than county and state levels at 8% and 11%, respectively.

| Table II-11: Poverty Status, 1989-2017 | | | | | | | | |
|--|-------------|----------|-------------|----------|-------------|----------|-------------|----------|
| Below the Poverty Level | 1989 | | 1999 | | 2010 | | 2017 | |
| | # | % | # | % | # | % | # | % |
| Individuals* | 150 | 1.7 | 179 | 1.9 | 179 | 1.7 | 392 | 3.6 |
| Families ** | 24 | 1.0 | 37 | 1.4 | 28 | 0.8 | 49 | 1.6 |
| Related Children Under 18 Years*** | 34 | 1.5 | 27 | 1.9 | 0 | 0.0 | 61 | 2.0 |
| Individuals 65 and Over **** | 54 | 6.2 | 24 | 2.2 | 27 | 1.6 | 95 | 4.7 |
| Source: U.S. Census Bureau, 1990 and 2000 and 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates | | | | | | | | |
| *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 Wage Levels

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. The 2017 census estimates suggest an expanding labor force with 8,172 residents 16 years of age or older and 5,531 in the labor force with 293 who were unemployed at 3.6%. State labor statistics indicated a 2.2% unemployment rate as of November 2018, down from an average unemployment rate of 3.3% in 2017, and as high as 6.8% in 2010, which reflected the effects of the economic recession.

The 2017 census estimates indicated that more than half, 56.5%, of Norwell's workers were involved in management or professional occupations and another 22.2% were employed in sales and office work. Another 10.6% were employed in service-related occupations. While 77.7% were private salaried or wage workers, another 12.5% were government employees, and 4.7% were self-employed. The mean travel time to work was about 37 minutes, suggesting that on average workers commuted a fair distance to their jobs with about 77% driving alone by car, 4.7% carpooling, and 8.9% using public transportation.

Table II-12 presents more detailed information on employment patterns from the state Executive Office of Labor and Workforce Development, comparing 2010 and 2017 information. This data shows an average employment of 8,749 workers, up from 7,932 in 2010, with many workers employed in retail trade, finance and insurance, professional and technical services, administrative and waste services, education services, and health care and social assistance. The average weekly wages by industry varied considerably from \$2,326 in finance and insurance to only \$405 in accommodation and food services. There were 592 establishments in Norwell, up from 544 in 2010, which provided a total wage level of more than \$595 million, with an average weekly wage of \$1,308, up from \$1,062 in 2010. As a point of comparison, the average weekly wage for Boston was \$1,878, \$1,240 for Quincy, and \$967 for Plymouth. **Norwell's average weekly wage translates into an annual wage of about \$68,000, almost half of Norwell's median**

household income of \$128,563, indicating that it is likely that those who work in Norwell cannot afford to live in the community, particularly given a median home price of \$620,000.

| Table II-12: Average Employment and Wages By Industry in Norwell, 2010/2017 | | | | |
|--|-------------------------|---|------------------------|-------------------------|
| Industry | # Establishments | Total Wages | Ave. Employment | Ave. Weekly Wage |
| Construction | 68/60 | \$34,511,057/ \$59,986,199 | 499/700 | \$1,330/\$1,648 |
| Manufacturing | 13/10 | \$14,585,936/ \$15,472,442 | 254/203 | \$1,104/\$1,466 |
| Wholesale trade | 39/39 | \$24,993,901/ \$19,454,855 | 270/171 | \$1,780/\$2,188 |
| Retail trade | 47/52 | \$22,101,179/ \$29,396,458 | 723/843 | \$588/\$671 |
| Transportation and warehousing | 5/6 | \$1,453,678/ \$2,168,589 | 35/44 | \$799/\$948 |
| Information | 11/16 | \$3,039,031/ \$29,723,167 | 64/281 | \$913/\$2,034 |
| Finance & insurance | 50/55 | \$50,414,553/ \$65,670,687 | 548/543 | \$1,769/\$2,326 |
| Real estate, rental and leasing | 23/24 | \$6,963,570/ \$9,869,620 | 145/137 | \$924/\$1,385 |
| Professional and technical services | 106/103 | \$62,120,553/ \$82,941,183 | 836/877 | \$1,429/\$1,819 |
| Management of companies/enterprises | 65/5* | \$15,315,886/ \$24,330,744 | 261/333 | \$1,128/\$1,405 |
| Administrative and waste services | 31/35 | \$82,019,915/ \$81,527,788 | 1,350/885 | \$1,168/\$1,772 |
| Education services | 7/9 | \$22,492,077/ \$31,501,925 | 440/505 | \$983/\$1,200 |
| Health care and social assistance | 45/73 | \$55,759,260/ \$95,083,449 | 1,303/1,951 | \$823/\$947 |
| Arts, entertainment and recreation | 16/12 | \$2,433,969/ \$3,274,342 | 144/171 | \$325/\$368 |
| Accommodation and food services | 26/27 | \$8,245,468/ \$10,294,215 | 468/489 | \$339/\$405 |
| Other services | 49/56 | \$22,583,357/ \$20,681,104 | 455/445 | \$954/\$894 |
| Public administration | 8/7 | \$8,495,103/ \$10,847,701 | 124/131 | \$1,317/\$1,592 |
| TOTAL | 554/592 | \$438,220,194/ \$595,245,733 | 7,932/8,749 | \$1,062/\$1,308 |
| Source: Massachusetts Executive Office of Labor and Workforce Development, 2010 and January 14, 2019 | | | | |
| *There is likely an error in this figure. Shaded industries involve average employment of more than 500 workers. | | | | |

8. Disabilities – Significant special needs, particularly among seniors

As shown in Table II-13, 8.5% of Norwell residents claimed a disability, representing special needs in 916 households. This level, while low in comparison to the statewide percentage of 11.6%, is particularly high for seniors at 28.8% of all those 65 years of age or older, however, still lower than the 32.7% state level.

| Table II-13: Population Five Years and Over with Disabilities for Norwell and the State, 2017 | | | | |
|--|----------------|-------------------------|----------------------|--------------------------|
| Age | Norwell | | Massachusetts | |
| | # | % | # | % |
| Under 18 years | 36 | 1.2 | 61,659 | 4.5 |
| 18 to 64 years | 349 | 6.0 | 389,450 | 9.0 |
| 65 years and over | 531 | 28.8 | 330,631 | 32.7 |
| Total | 916 | 8.5% of total pop | 781,740 | 11.6% of total pop |
| Source: U.S. Census Bureau American Community Survey 5-Year Estimates 2013-2017 | | | | |

Additional information on the types of disabilities for local seniors is summarized in Table II-14, comparing Norwell estimates to those of the state based on Tufts Health Plan Foundation's Healthy Aging Community Profile. Compared to the state, those 65 years and older who live in Norwell do better on most of the disability levels with the exception of having a self-reported hearing difficulty. Local resources for promoting the health of older residents include the Council on Aging and an arts and cultural center. These community resources will become increasingly important with projected increases in seniors.

| Table II-14: Types of Disabilities, Percentage 65 Years of Age and Older | | |
|--|--------------------------|------------------------|
| Population Characteristics | Norwell Estimates | State Estimates |
| Self-reported hearing difficulty | 15.7% | 14.2% |
| Clinical diagnosis of deafness or hearing impairment | 15.9% | 16.1% |
| Self-reported vision difficulty | 2.4% | 5.8% |
| Clinical diagnosis of blindness or vision difficulty | 1.1% | 1.5% |
| Self-reported cognition difficulty | 3.0% | 8.3% |
| Self-reported ambulatory difficulty | 17.5% | 20.2% |
| Clinical diagnosis of mobility impairments | 3.4% | 3.9% |
| Self-reported self-care difficulty | 6.0% | 7.9% |
| Self-reported independent living difficulty | 9.8% | 14.3% |
| Source: Tufts Health Plan Foundation, Healthy Aging Data Report, updated in 2018 | | |

9. **Educational Attainment – Very high and increasing**

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 were 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.

The 2017 census estimates suggest about the same level of those with at least a high school degree, at 97.1%, but increasing educational attainment of residents with a bachelor's degree or higher, at 63.1%.

This suggests that Norwell residents are becoming increasingly competitive for good jobs as reflected in the community's very high median household income level.

10. Student Enrollment – Declining public school enrollments

Of the population three years or older who were enrolled in school (nursery through graduate school) there were 3,057 residents or 29.1% of the town's population in 2010, increasing by 29 children to 3,086 students by 2017, representing 28.3% of the population. Those enrolled in kindergarten through high school increased to 2,418 student in 2017, up from 2,331 in 2010.

Norwell Public Schools experienced increasing enrollments between the 2000–2001 and 2012–2013 school years, rising from 1,997 students to 2,336. Since then enrollments have decreased, down to 2,197 in 2018–2019. This decreasing public school enrollment in context of some increases in school-age children suggests that more families are choosing to send their children to private schools.

B. Housing Characteristics and Trends

This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and establishes the context for identifying priority housing needs.

1. Housing Growth – Somewhat Higher than Population 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%, from 2,830 to 3,675 units. This growth was largely reflective of a growing number of smaller households and all growth occurred in the owner-occupied housing stock.

The 2017 census estimates suggest continued housing growth to 3,799 units with 124 units added since 2010 at a 3.4% level of growth. This growth is slightly below the estimated population growth of 3.7% during this period.

| Table II-15: Year Structure Built, 2017 | | |
|---|-------|-------|
| Time Period | # | % |
| 2010 to 2017 | 103 | 2.7 |
| 2000 to 2009 | 348 | 9.2 |
| 1990 to 1999 | 290 | 7.6 |
| 1980 to 1989 | 358 | 9.4 |
| 1970 to 1979 | 727 | 19.1 |
| 1960 to 1969 | 706 | 18.6 |
| 1950 to 1959 | 648 | 17.1 |
| 1940 to 1949 | 109 | 2.9 |
| 1939 or earlier | 510 | 13.4 |
| Total | 3,799 | 100.0 |
| Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2013–2017. | | |

Table II-15 charts historic housing growth, identifying that about one-third of Norwell's housing were built prior to 1960, with another 38% built between 1960 and 1980. Since that time, development has

slowed down considerably as visually presented in Figure II-7. However, since 2000 it picked up a bit with a 9.2% increase in growth between 2000 and 2009 from 7.8% in the 1990s. This data shows a drastic downturn in new housing units to 103 units between 2010 and 2017, however, building permit information indicates that 192 units were built during this period representing 5.2% increase as summarized in Table II-16, also higher than the 124 units computed as the difference in 2010 decennial data and the 2017 census estimates provided in Table II-17. Some of these permitted units likely involved teardown activity however.

Figure II-7: Housing Growth

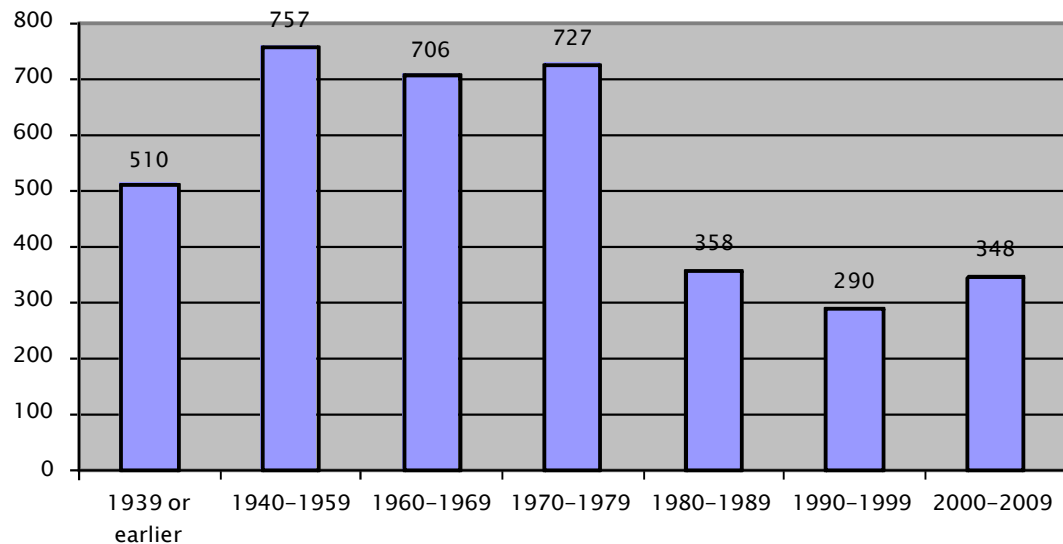


Table II-16: Building Permit Activity, 2010 – 2018

| Year | # New Units | Average Cost |
|-----------------|--------------------------|------------------|
| 2010 | 15 | \$372,177 |
| 2011 | 8 | \$661,875 |
| 2012 | 22 | \$365,217 |
| 2013 | 35 | \$309,627 |
| 2014 | 37 | \$330,169 |
| 2015 | 23 | \$377,174 |
| 2016 | 33 | \$357,012 |
| <i>Subtotal</i> | <i>178</i> | <i>\$343,011</i> |
| 2017 | 14* | NA |
| 2018 | 13 + a 3-4 unit property | NA |
| Total | 209 | NA |

Source: State Data Center at the University of Massachusetts Donahue Institute, Norwell Building Department. *There were also three new homes that involved demo/replacement and thus no net new units. Some of the units counted as part of new units in other years might have also involved teardown activity.

MAPC also has prepared projections of housing growth forecasting that by 2020 and 2030 the total number of units will reach 4,023 and 4,255, respectively, under their more conservative “Status Quo” projections. MAPC predicts somewhat higher growth under their “Stronger Region” projections to 4,061 and 4,319 units in 2020 and 2030, respectively. This means that potentially 580 new units might be built

by 2030 with growth of 15.8% under the “Status Quo” projections and 17.5% based on “Stronger Region” figures since 2010 compared to projected 4.1% and 5.3% population increases, respectively.

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. Total development capacity under current zoning is most likely considerably lower and probably closer to 1,000 units.

2. Housing Occupancy – Predominance of owner-occupied housing and extremely tight market conditions

Table II-17 includes a summary of housing characteristics from 1980 through 2017. Year-round units total 3,652, computed by subtracting the number of seasonal or occasional units from total number units in the 2010 decennial census. This is the figure on which the 10% affordability goal under Chapter 40B is calculated as well as the annual housing production goal.

| Table II-17: Housing Occupancy Characteristics, 1980–2017 | | | | | | | | | | |
|--|--------------|---------|--------------|-------------|--------------|-------------|--------------|---------|--------------|-------------|
| Housing Characteristics | 1980 | | 1990 | | 2000 | | 2010 | | 2017 | |
| | # | % | # | % | # | % | # | % | # | % |
| Total # Housing Units | 2,830 | 100.0 | 3,079 | 100.0 | 3,318 | 100.0 | 3,675 | 100.0 | 3,799 | 100.0 |
| Occupied Units * | 2,760 | 97.5 | 3,004 | 97.6 | 3,250 | 98.0 | 3,553 | 96.7 | 3,632 | 95.6 |
| Occupied Owner Units ** | 2,478 | 89.8 | 2,748 | 91.5 | 2,993 | 92.1 | 3,240 | 91.2 | 3,422 | 94.2 |
| Occupied Rental Units ** | 282 | 10.2 | 256 | 8.5 | 257 | 7.9 | 313 | 8.8 | 210 | 5.8 |
| 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 | 167/32 | 4.4/ 0.8 |
| Average House– Hold Size/Owner Occupied Unit | 3.43 persons | | 3.16 persons | | 3.03 persons | | 3.00 persons | | 3.00 persons | |
| Average House– Hold Size/Renter Occupied Unit | 1.81 persons | | 2.04 persons | | 1.89 persons | | 1.75 persons | | 1.98 persons | |
| Source: U.S. Census Bureau, 1980, 1990, 2000 and 2010; American Community Survey 5–Year Estimates, 2013–2017 | | | | | | | | | | |
| * Percentage of total housing units ** Percentage of occupied housing units | | | | | | | | | | |

In reviewing changes in the housing stock since 1980, the following important trends become apparent:

- *Continuing 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. The 2017 census estimates suggest even further growth in owner-occupancy to 94.2% with a gain of 182 such units. These figures represent a much higher level of owner-occupancy than Plymouth County as a whole with 76.2% and for the state at 62.4%.

- *Loss of rental units*

The number of rental units has fluctuated over time from 282 units in 1980 to 256 and 257 units in 1990 and 2000, respectively. The 2010 decennial census suggested an increase to 313 rental units but the 2017 figures indicate another decline to only 210 units or 8.8% of the housing stock.

- *Substantial portion of rentals are subsidized*

About half of Norwell's rental units are subsidized including 80 units for seniors and disabled adults of less than 60 years at the Norwell Housing Authority's Norwell Gardens as well as 33 units of special needs rental housing.

Additional rental units are being built as part of the Town-sponsored River Street development, involving the conversion of the former Police Station into 18 units of senior housing. Another 126 rental units have also been permitted through the Simon Hill 40B development.

- *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.

The 2017 census estimates suggest no change in the average household size of owners but some increase in the average for renter households to 1.98 persons, also reflective of the upturn in overall average household size from 2.89 to 2.94 persons from 2010 and 2017 according to these estimates.

- *Extremely low vacancy rates*

As shown in Table II-18, the homeowner vacancy rate in 2010 was 1.3% while the rental vacancy rate was 5.1%. These low rates have declined still further to 0.2% and 0.0%, respectively, in 2017. These rates are not only well below county and state levels, but are also so low as not to acknowledge much if any normal housing turnover. It is important to note that any vacancy rate below 5% is considered to represent very tight market conditions.

| Table II-18: Vacancy Rates by Tenure, 2010 and 2017 | | | | |
|--|--------------|--------------|-------------|---------|
| | Norwell 2010 | Norwell 2017 | County 2017 | MA 2017 |
| Rental | 5.1% | 0.0% | 5.5% | 6.5% |
| Homeowner | 1.3% | 0.2% | 1.0% | 1.5% |
| Source: U.S. Census Bureau, 2010 and American Community Survey 2013-2017 5-Year Estimates. | | | | |

3. **Types of Units and Structures – Little housing diversity**

Table II-19 provides the following information on the numbers of housing units by type of dwelling, tracking changes over the past several decades:

- *Single-family units predominate*

Census figures indicate that about 92% of the housing stock has been comprised of single-family detached homes since 1980. This is not surprising given local zoning regulations. While there were little if any single-family attached homes in prior years, the 2017 census estimate identify 68 such units, likely built as part of a new condo development including Hillcrest Circle, Bay Path Lane, Curtis Farm Road, and Damon Farm Way.

Information for FY19 from the Town Board of Assessors indicates that there were 3,420 single-family properties in Norwell (94% of all properties), up from 3,282 such units in 2011. There were also 184 condominiums (5% of all properties), up from 136 condominiums in 2011 with additional units under construction at Damon Farm Way and Hillcrest Circle. Assessor's records also identify four two-family homes, one three-family, 13 properties with multiple homes on a single lot and a multi-family property with at least four units.

- *Very limited inventory of small multi-family structures*

Small multi-family dwellings of two to four units remain limited at only about 2% of Norwell's housing stock, and there are also very few five to nine-unit structures, representing no more than 1.2% of all units and perhaps as few as 16 units.

- *Notable increases in larger multi-family units*

Units in properties of ten or more units have increased over time from 34 in 1980, doubling to 69 in 2000 and 2010, and then growing to 101 units according to 2017 census estimates.

- *Decreases in mobile homes*

The census also shows a decrease in the number of mobile homes, from 84 in 1990 to 68 by 2010, and then down further to only 40 units according to 2017 census estimates. While not eligible for counting as part of the Town's Subsidized Housing Inventory (SHI), mobile homes provide relatively affordable units, and this vulnerable segment of the housing stock should be preserved to the greatest extent possible.

| Table II-19: Units in Structure, 1990-2017 | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Type of Structure | 1990 | | 2000 | | 2010 | | 2017 | |
| | # | % | # | % | # | % | # | % |
| 1 Unit Detached | 2,857 | 92.8 | 3,085 | 93.0 | 3,295 | 92.5 | 3,495 | 92.0 |
| 1 Unit Attached | 13 | 0.4 | 32 | 1.0 | 0 | 0.0 | 68 | 1.8 |
| 2 to 4 Units | 77 | 2.5 | 76 | 2.2 | 89 | 2.5 | 79 | 2.1 |
| 5 to 9 Units | 14 | 0.5 | 33 | 1.0 | 43 | 1.2 | 16 | 0.4 |
| 10 or More Units | 34 | 1.1 | 49 | 1.5 | 69 | 1.9 | 101 | 2.7 |
| Mobile Homes / Other* | 84 | 2.7 | 43 | 1.3 | 68 | 1.9 | 40 | 1.1 |
| Total | 3,079 | 100.0 | 3,318 | 100.0 | 3,564 | 100.0 | 3,799 | 100.0 |
| Source: U.S. Census Bureau, 1990 and 2000 and 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates. | | | | | | | | |
| * Mobile homes, boats, RV's, etc. | | | | | | | | |

- *Almost all homeowners live in single-family homes*

Table II-20 provides a breakdown of the 2017 distribution of units per structure according to whether the units were occupied by renters or homeowners. While 95.3% of owners resided in single-family homes, so did about 44% of renter households which is high in comparison to the state at 15.2% and reflective of local zoning. Another 40% of renters lived in small multi-family dwellings of two to nine units with only 17% in larger multi-family properties of ten or more units.

| Table II-20: Units by Type of Structure and Tenure, 2017 | | | | |
|--|------------------------|----------|---------------------|----------|
| Type of Structure | Homeowner Units | | Renter Units | |
| | # | % | # | % |
| Single unit detached and attached | 3,261 | 95.3 | 92 | 43.8 |
| 2 to 9 units | 12 | 0.4 | 83 | 39.5 |
| 10+ units | 58 | 1.7 | 35 | 16.7 |
| Other/mobile homes | 40 | 1.2 | 0 | 0.0 |
| Total | 3,422 | 100.0 | 210 | 100.0 |
| Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017 | | | | |

- *Larger housing units with some “mansionization”*

Information from the Town’s Master Plan indicates 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 some activity involving the teardown of older, smaller homes and replacement by 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, which increased to 7.8% rooms by 2017, much higher than the 6-room median for Plymouth County. In fact, 55.4% of Norwell’s housing units had eight rooms or more and 36.4% with nine rooms or more. There were only eight single-room units and only 29 with two rooms.

C. Housing Market Conditions

1. Homeownership

Census data also provides information on housing values, as summarized in Table II-21. 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. The 2017 census estimates indicate some downturn in value to a median of \$583,300, which is well below the 2017 median single-family house value of \$625,000 as provided by The Warren Group from Banker & Tradesman.

Table II-21: Housing Values of Owner-Occupied Units, 2010 and 2017

| Value | 2010 | | 2017 | |
|------------------------|-----------|-------|-----------|-------|
| | # | % | # | % |
| Less than \$100,000 | 46 | 1.5 | 121 | 3.5 |
| \$100,000 to \$149,999 | 10 | 0.3 | 10 | 0.3 |
| \$150,000 to \$199,999 | 12 | 0.4 | 0 | 0.0 |
| \$200,000 to \$299,999 | 130 | 4.2 | 28 | 0.8 |
| \$300,000 to \$499,999 | 866 | 27.9 | 1,143 | 33.4 |
| \$500,000 to \$999,999 | 1,639 | 52.8 | 1,801 | 52.6 |
| \$1 million or more | 399 | 12.9 | 319 | 9.3 |
| Total | 3,102 | 100.0 | 3,422 | 100.0 |
| Median (dollars) | \$606,200 | | \$583,300 | |

Source: U.S. Census Bureau 2006– 2010 and 2013–2017 American Community Survey 5–Year Estimates.

Table II-22 provides this Warren Group information that is based on Multiple Listing Service data from actual sales and provides median sales prices for Norwell from 2000 through the 2018. 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 were 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.

As of the end of 2018, the median sales price of a single-family home in Norwell was \$620,000, down somewhat from \$625,000 in 2017, which was still lower than the historic top of the market in 2006 of \$636,500 prior to the “bursting of the housing bubble”. Consequently, Norwell is getting close but has not yet surpassed pre-recession housing values. Since the recession, the market was at its lowest in 2012 with a median of \$499,000.

The number of single-family home sales was also significantly affected by the recession with a high of 189 sales in 2004, dropping to 95 sales in 2011, and climbing to 186 by 2018, demonstrating the rebounding of the housing market.

The condominium market in Norwell is relatively small with only 184 units according to Town Assessor’s data, however, another 29 condos are due to be built at Damon Farm Way and Hillcrest Circle. Condo prices, while considerably more affordable in most communities, are high in Norwell with median values not significantly lower than single-family ones and in some years surpassing the single-family level. Values have nevertheless fluctuated considerably, from \$493,308 in 2003, to \$209,000 in 2010, and then up to \$545,000 in 2015. Since then prices have decreased somewhat, reaching \$449,000 in 2018.

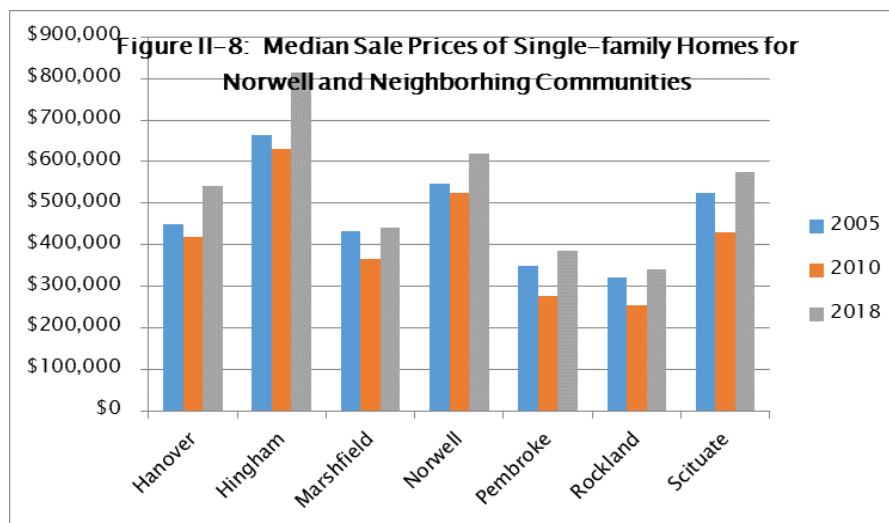
The number of annual sales is small and has also fluctuated significantly from a low of five sales in 2011 and a high of 29 sales in 2003. There were 14 sales in each of 2017 and 2018.

| Table II-22: Median Sales Prices, 2000 – 2018 | | | | | |
|---|-----------|-----------------|--------------|-----------|-------------|
| Year | Months | Single-family/# | Condo/# | All Sales | # All Sales |
| 2018 | Jan – Dec | \$620,000/186 | \$449,000/14 | \$607,600 | 240 |
| 2017 | Jan – Dec | 625,000/145 | 532,500/14 | 622,500 | 196 |
| 2016 | Jan – Dec | 590,000/165 | 543,000/16 | 590,000 | 223 |
| 2015 | Jan – Dec | 550,000/161 | 545,000/11 | 550,500 | 202 |
| 2014 | Jan – Dec | 505,000/143 | 514,000/10 | 485,550 | 206 |
| 2013 | Jan – Dec | 573,200/156 | 524,500/12 | 537,500 | 212 |
| 2012 | Jan – Dec | 499,000/122 | 475,000/7 | 469,000 | 162 |
| 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 | 513,228/97 | 235,000/13 | 508,000 | 125 |
| 2008 | Jan – Dec | 555,000/115 | 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, January 16, 2019.

Figure II-8 compares median single-family home prices for 2005, 2010 and 2018 for Norwell and neighboring communities. The 2018 median prices have surpassed the 2005 pre-recession levels for all communities, particularly in Hingham which has had the highest market values and where median values jumped from \$665,000 to \$814,750 between 2005 and 2018. Norwell's housing values were next highest. Pembroke and Rockland have had the lowest values with 2018 medians of \$385,000 and \$339,900, respectively.

As Table II-23 indicates, very few housing units were valued in the more affordable ranges. There were only 35 properties assessed for less than \$200,000, down from 50 in 2011, and almost all were condominiums. Another 33 properties were assessed between \$200,000 and \$300,000, down



considerably from 260 in 2011. These 68 properties, in addition to potentially another 413 units assessed between \$300,000 and \$400,000 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). About 45% of the housing stock was assessed

between \$400,000 and \$600,000. The table also suggests that Norwell has a significant luxury market with 733 properties, or almost one-fifth of housing properties valued over \$800,000, including 292 assessed at over \$1 million.

| Table II-23: Assessed Values of All Residential Properties | | | | | | | | |
|---|--------------------------------|--------------|---------------------|--------------|--|--------------|--------------|--------------|
| Assessment | Single-Family Dwellings | | Condominiums | | Multi-Unit Dwellings 2-family/3-family/ Multiple Homes on 1 Lot | | Total | |
| | # | % | # | % | # | % | # | % |
| \$0-\$99,000 | 0 | 0.0 | 10 | 5.4 | 0/0/0 | 0.0 | 10 | 0.3 |
| \$100,000 – \$199,999 | 0 | 0.0 | 25 | 13.6 | 0/0/0 | 0.0 | 25 | 0.7 |
| \$200,000 – \$299,000 | 12 | 0.4 | 21 | 11.4 | 0/0/0 | 0.0 | 33 | 0.9 |
| \$300,000 – \$399,000 | 390 | 11.4 | 23 | 12.5 | 0/0/0 | 0.0 | 413 | 11.4 |
| \$400,000 – \$499,000 | 805 | 23.5 | 18 | 9.8 | 1/0/3 | 22.2 | 827 | 22.8 |
| \$500,000 – \$599,000 | 743 | 21.7 | 48 | 26.1 | 1/0/1 | 11.1 | 793 | 21.9 |
| \$600,000 – \$699,000 | 424 | 12.4 | 16 | 8.7 | 0/0/1 | 5.6 | 441 | 12.2 |
| \$700,000 – \$799,000 | 331 | 9.7 | 14 | 7.6 | 0/0/2 | 11.1 | 347 | 9.6 |
| \$800,000 – \$899,000 | 256 | 7.5 | 9 | 4.9 | 0/0/3 | 16.7 | 268 | 7.4 |
| \$900,000 – \$999,000 | 171 | 5.0 | 0 | 0.0 | 0/1/1 | 11.1 | 173 | 4.8 |
| Over \$1 Million | 288 | 8.4 | 0 | 0.0 | 2/0/2 | 22.2 | 292 | 8.1 |
| Total | 3,420 | 100.0 | 184 | 100.0 | 4/1/13 = 18 | 100.0 | 3,622 | 100.0 |

Source: Norwell Assessor's Office, FY 2019

Assessor's records also include the two mobile home parks at 447 and 214 Washington Street as well as a larger multi-family property at 4 to 8 units on South Street valued at \$575,400.

Another analysis of housing market data is presented in Table II-24, which includes a breakdown of sales data from the Multiple Listing Service (MLS) for 2018. There were three sales below \$200,000, at least one of which appears to be a below market transaction given a sales price of \$21,000. Another three sold between \$200,000 and \$300,000, still relatively affordable but may involve units in poor condition.

A total of 38.4% of the sales were in the \$400,000 to \$600,000 price range with another 35% fairly evenly spread among the \$600,000 and \$900,000 ranges. While there were only four sales in the \$900,000 to \$1 million range, 25 or 12.3% of the sales involved more than \$1 million with the highest sales price of \$1,826,000. This demonstrates a significant high-end market in town.

| Table II-24: Summary of Sales, 2018 | | | | | | |
|-------------------------------------|---------------------|-------|--------------|------|-------|------|
| Price Range | Single-family Homes | | Condominiums | | Total | |
| | # | % | # | % | # | % |
| Less than \$199,999 | 2 | 1.1 | 1 | 7.1 | 3 | 1.5 |
| \$200,000–299,999 | 2 | 1.1 | 1 | 7.1 | 3 | 1.5 |
| \$300,000–399,999 | 12 | 6.3 | 7 | 50.0 | 19 | 9.4 |
| \$400,000–499,999 | 38 | 20.1 | 0 | 0.0 | 38 | 18.7 |
| \$500,000–599,999 | 39 | 20.6 | 1 | 7.1 | 40 | 19.7 |
| \$600,000–\$699,999 | 23 | 12.2 | 1 | 7.1 | 24 | 11.8 |
| \$700,000–\$799,999 | 23 | 12.2 | 1 | 7.1 | 24 | 11.8 |
| \$800,000–\$899,999 | 21 | 11.1 | 2 | 14.2 | 23 | 11.3 |
| \$900,000–999,999 | 4 | 2.1 | 0 | 0.0 | 4 | 2.0 |
| Over \$1 million | 25 | 13.2 | 0 | 0.0 | 25 | 12.3 |
| Total | 189 | 100.0 | 14 | 100 | 203 | |

Source: The Warren Group, January 18, 2019.

2. Rental Housing

Rental units remain a relatively small segment of Norwell's housing market, 8.8% in 2010 and 5.8% in 2017, much smaller than those for Plymouth County and the state at 24.1% and 37.6%, respectively. Because 96 units of Norwell's Subsidized Housing Inventory are rental units,¹³ about 46% of the Town's existing occupied rental stock is publicly assisted and as such has restricted below market rents, thus skewing gross rental figures. Most of the other rental units are in single-family homes, small multi-family properties or mobile homes.

Data on the costs of rental units for 1990 through 2017 is included in Table II-25. 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.

| Table II-25: Rental Costs, 1990–2017 | | | | | | | | |
|--------------------------------------|-------|-------|-------|-------|---------|-------|-------|-------|
| Monthly Rent | 1990 | | 2000 | | 2010 | | 2017 | |
| | # | % | # | % | # | % | # | % |
| Under \$200 | 58 | 24.5 | 20 | 7.7 | 0 | 0.0 | 79 | 39.3 |
| 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 | 29 | 13.8 |
| 750–999 | 28 | 11.8 | 60 | 23.2 | 0 | 0.0 | | |
| 1,000–1,499 | 52 | 21.9 | 19 | 7.3 | 65 | 19.7 | 20 | 9.5 |
| 1,500 + | | | 4 | 1.5 | 132 | 40.0 | 52 | 24.8 |
| No cash rent | 5 | 2.1 | 33 | 12.7 | 8 | 2.4 | 30 | 14.3 |
| Total | 237 | 100.0 | 259 | 100.0 | 330 | 100.0 | 210 | 100.0 |
| Median rent | \$453 | | \$619 | | \$1,355 | | \$711 | |

Source: US Census Bureau, 1990 and 2000 (Summary Table 3 – sample data) and 2006–2010 and 2013–2017 American Community Survey 5-Year Estimates

¹³ Does not include the 30 units of special needs housing in group homes nor the 126 units as part of Simon Hill and 18 units at 40 River Street that have not yet been completed.

The 2017 census estimates suggest a loss of 120 rentals and a substantial decrease in the median rent to \$711. This information also shows a significant proportional increase in units on the low end of the price range and corresponding decrease in the higher-priced rentals. This sample data may be somewhat questionable.

Like housing values for homeownership units, rental values tend to be underestimated in the census data and actual market rents are typically much higher. The Trulia website identified a median market rent of \$2,771 in early 2019. Also in early 2019, there were only three internet listings for rental units in Norwell that included:

- A three-bedroom, two-bath apartment with 1,500 square feet of living space and a rent of \$3,250 plus utilities on Winter Street. This unit is part of a small multi-family property that also included the following other units that were leased at the time:
 - Loft with one bedroom and one bath with 600 square feet for \$1,850.
 - Two, one-bedroom units with one bath, one with 600 square feet for \$1,450 and a larger one with 800 square feet for \$2,250.
 - Two, two-bedroom units, each with 1.5 baths, one for \$2,750 and the other for \$2,900.
 - Two, three-bedroom units with two baths for \$3,400 and \$3,500.
- A five-bedroom and five-bath multi-family house for \$5,000 on Main Street.
- A six-bedroom unit in a 16-room house that includes 4.5 baths and 6,200 square feet of living space. The house also includes a separate accessory dwelling unit.

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 generally 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 that create barriers for many of limited financial means.

D. Affordability Analysis

While it is useful to have a better understanding of past and current housing costs, it is also important to analyze the implications of these costs on residents' ability to afford them.

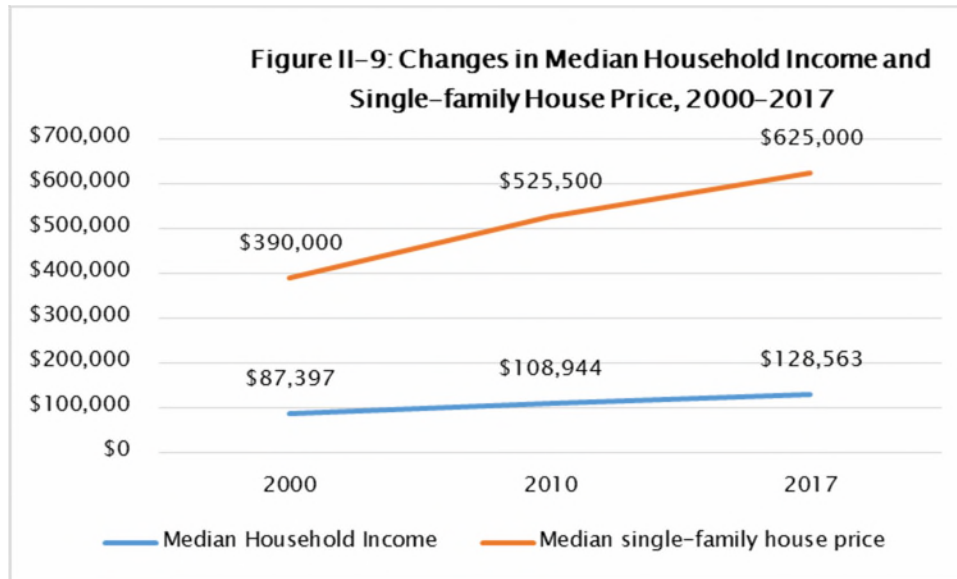
This section analyzes the implications of housing costs on residents' ability to pay for them.

1. Homeownership

A traditional rough rule of thumb is that housing is affordable if it costs no more than 2.5 times the buyer's household income. By this measure the median income household earning \$128,563 in Norwell could afford a house costing approximately \$321,408, which is only a little bit more than half of the median single-family house price of \$620,000 in 2018. *This implies that the household in the middle of the town's income range faced an "affordability gap" of approximately \$298,592 in 2018, the difference between the median price and the "affordable" one based on this analysis.*

Housing prices have in fact risen faster than incomes, making housing less affordable as demonstrated in Figure II-9. As time went by the gap between median household income and the median single-family house price widened based on census data for income and The Warren Group data for house values.

While incomes increased by 47% between 2000 and 2017, the median single-family home price increased by 60%. Moreover, in 2000 the median income was 22% of the median single-family house price, then decreased to 21% by 2010, and remained about the same in 2017. Moreover, the gap between income and house value was \$302,603 in 2000, increasing to \$416,556 by 2010, and then increasing still more to \$496,437 in 2017.



Another way of calculating the affordability gap is to estimate the difference between the median priced house and what a median income earning household can afford to pay based on spending no more than 30% of income on housing costs, the traditional measure of affordability. To afford the median sales price of a single-family home of \$620,000, based on The Warren's Group's data as of the end of 2018, a household would have to earn an estimated \$152,375 assuming 80% financing, good credit and the ability to come up with down payment and closing costs of about \$134,000.¹⁴ Such upfront costs would be a huge challenge for many homebuyers, first-time purchasers in particular.

The average household with a median household income of \$128,563 could likely afford a home costing about \$523,000 based on 80% financing and \$447,000 with 95% financing. **There is therefore an affordability gap of \$97,000 with 80% financing and \$173,000 based on 95% financing.** It should also be noted that the upfront cash involved in obtaining 80% financing, of approximately \$115,000, effectively increases the affordability gap, particularly for first-time homebuyers who do not have equity in a current home.

The gap widens considerably when focusing on those earning at the 80% AMI level of \$73,000 for a household of three, increasing to \$357,000 based on an affordable purchase price of \$263,000 and the

¹⁴ Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of \$16.40 per thousand, and insurance costs of \$6 per \$1,000 for single-family homes and \$4 per thousand for condos. Also based on the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. The figures for 95% financing assume private mortgage insurance (PMI) of 0.3125% of the mortgage amount. Estimated condo fee of \$250.

median sales price of \$620,000 as well as the assumption that a household earning at this level could qualify for a subsidized mortgage through the state's ONE Mortgage Program, MassHousing offerings or other government insurance programs. A single person earning at the 80% AMI limit of \$56,800 would likely be able to afford a home of approximately \$204,500 and therefore would confront an affordability gap of \$415,500. It is important to note that these estimated purchase prices are not those that would be computed as part of the state's Local Initiative Program (LIP) which requires somewhat different assumptions to allow for a window of affordability for marketing purposes.

In the case of condominiums, the median-priced condo of \$449,000 requires an income of about \$117,364 with 80% financing, increasing to \$131,764 with 95% financing. Additionally, the median income earning household could afford a condo of about \$496,000 based on 80% financing and the need to come up with approximately \$110,000 in cash for the down payment and closing costs. This analysis also assumes a monthly condo fee of \$250. If eligible for 95% financing, the purchaser could likely afford an estimated purchase price of \$422,000. **Therefore, there would be no affordability gap for those who had sufficient cash to obtain 80% financing and would be \$27,000 based on 95% financing.**

When calculating the affordability gap for a three-person household earning at 80% AMI, or \$73,000 in 2018, the affordability gap widens to \$216,600 based on this household affording a condo for only about \$232,400. A single person earning at the 80% AMI limit of \$56,800 would be able to afford a condo of approximately \$172,650, thus creating an affordability gap of \$276,350. These figures also assume that the purchaser would qualify for a special mortgage program with 95% financing and no private mortgage insurance (PMI) requirement.

2. Rentals

In regard to rentals, the gross median rent of \$711, as reported in the 2017 census estimates, requires an income of about \$28,440. Assuming an average monthly utility allowance of \$175 and the occupants paying no more than 30% of their income on housing, the required income would increase to \$35,440, which is higher than the \$20,714 median income of renter households and not affordable to an estimated 70% of Norwell's renter households. This income level is also less than half of \$73,000, the 80% of area median income (AMI) limit for a household of three in the Boston area.

To afford the median rent of \$2,771 that was identified by the Trulia website, a more realistic market rent, a household would have to earn approximately \$117,840, again based on the assumptions above. This income is lower than Norwell's median household income of \$128,563 but 5.7 times the median renter household income and more comparable to the \$116,424 income level for a household of three earning at the 120% AMI limit.

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 U.S. 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-26 shows 2010 and 2017 census estimates for housing cost burdens in Norwell. A total of 2,109 homeowners had mortgages in 2010, increasing to 2,384 or by 13% by 2017. The median monthly mortgage amount also increased to \$3,263 or by about 16%. This census data also indicates that those spending more than 35% of their income on housing increased by 4.3% to 829 households.

For renters, the median gross monthly rent in 2010 was \$1,315 per month, which decreased by 47.5% to \$711 in 2017 according to this data. There were 72 renter households who were spending at least 35% of their income on housing or about 34% of all renter households in 2017, half of the 2010 level.

Additionally, census data identifies 200 owner households (129 owners with a mortgage and 71 without a mortgage) that were spending between 30% and 34.9% of their income on housing, still more than the 30% affordability threshold. Also, 46 renter households were spending in this range. Consequently, at least 1,029 owners (30% of all owners) and 118 renters (56% of all renters) were overspending on their housing costs for a total of 1,147 households, which represents 31.6% of all occupied housing units.

| Table II-26: Housing Cost Burdens, Town of Norwell, 2010 and 2017 | | | | |
|---|-------------|-------------|-----------------|-----------------|
| Level of Cost Burden by Tenure | 2010 | 2017 | # Change | % Change |
| # Owners with Mortgage, # Units | 2,109 | 2,384 | 275 | 13.0% |
| Monthly Cost of Mortgage (Median) | \$2,815 | \$3,263 | \$448 | 15.9% |
| # Owners with Housing Costs of \geq 35% of Household Income (with and without a mortgage) | 795 | 829 | 34 | 4.3% |
| # Renters with Rental Payments | 322 | 180 | -142 | -44.1% |
| Renter Gross Monthly Rent (Median) | \$1,355 | \$711 | -\$644 | -47.5% |
| Gross Rent \geq 35% of Household Income | 143 | 72 | -71 | 49.7% |
| Source: U.S. Census, 2006–2010 and 2013–2017 American Community Survey 5–Year Estimates | | | | |

A HUD report estimates that of the 3,625 total households living in Norwell, 34% or 1,239 were spending too much on their housing including 15% or 535 households spending more than half their income on housing costs.

The U.S. Department of Housing and Urban Development (HUD) provides additional data on housing cost burdens through its State of the Cities Data System's Comprehensive Housing Affordability Strategy (CHAS) report, which is summarized in Table II-27. The table includes how many households were included in the particular category (by income, tenure and household type), how many were spending between 30% and 50% of their income on housing, and how many were spending more than half of their income on housing. For example, the first cell indicates that there were 80 elderly renter households (age 62 or older) estimated to be earning at or below 30% of median income

that includes 25 spending between 30% and 50% of their income on housing and 20 spending more than half. This HUD report further suggests the following:

- *There were 985 or about 27% of all households who were earning at or below 80% median family income (MFI) and might be eligible for housing assistance based on income alone.*
- Of the 985 total households earning at or below 80% MFI, 639 or 65% were spending more than 30% of their income on housing including 365 or 37% spending more than half on housing costs.
- A total of 600 households or 17% of all households earning more than 80% MFI were spending too much on their housing as well.

Table II-27: Cost Burdens by Income, Household Type and Tenure, 2015

| Type of Household By Tenure | Households Earning <30% MFI/# with cost burdens * | Households Earning > 30% to < 50% MFI/ # with cost burdens * | Households Earning > 50% to < 80% MFI/# with cost burdens * | Households Earning > 80% and < 100% MFI /# with cost burdens * | Households Earning > 100% MFI/ # with cost burdens * | Total |
|-----------------------------|---|--|---|--|--|----------------------|
| Elderly Renters | 80/25-20 | 35/10-10 | 0/0-0 | 10/10-0 | 10/0-0 | 135/45-30 |
| Small Family Renters | 10/0-10 | 40/0-35 | 10/0-0 | 0/0-0 | 20/10-0 | 80/10-45 |
| Large Family Renters | 0/0-0 | 0/0-0 | 0/0-0 | 0/0-0 | 0/0-0 | 0/0-0 |
| Other Renters | 30/0-10 | 0/0-0 | 0/0-0 | 0/0-0 | 30/0-0 | 60/0-10 |
| Total Renters | 120/25-40 | 75/10-45 | 10/0-0 | 10/10-0 | 60/10-0 | 275/55-85 |
| Elderly Owners | 45/4-20 | 120/50-55 | 155/30-30 | 130/0-20 | 495/60-10 | 945/144-135 |
| Small Family Owners | 70/20-20 | 50/10-40 | 145/55-45 | 145/55-75 | 1,400/200-35 | 1,810/340-215 |
| Large Family Owners | 0/0-0 | 10/0-10 | 80/40-40 | 30/0-15 | 310/85-15 | 430/125-80 |
| Other Owners | 50/0-10 | 55/30-10 | 0/0-0 | 0/0-0 | 60/10-0 | 165/40-20 |
| Total Owners | 165/24-50 | 235/90-115 | 380/125-115 | 305/55-110 | 2,265/355-60 | 3,350/649-450 |
| Total | 285/49-90 | 310/100-60 | 390/125-115 | 315/65-110 | 2,325/365-60 | 3,625/704-535 |

Source: U.S. Department of Housing and Urban Development (HUD), SOCHS CHAS Data, American Community Survey, 2011-2015 5-Year Estimates (latest report available). Median Family Income (MFI) is equivalent to HUD's definition of Area Median Income (AMI) for a Metropolitan Statistical Area (MSA). *First number is total number of households in each category/second is the number of households paying more than 30% of their income on housing (with cost burdens) - and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Elderly is defined as those 62 years of age or older. Small families have four (4) or fewer family members while larger families include five (5) or more members. The "Other" category, for both renters and owners, includes non-elderly and non-family households, basically single individuals.

Renter Households

- There were 275 renter households and of these 140 or 51% were experiencing cost burdens, including 85 or 31% with severe cost burdens. It should be noted that this data suggests 275 renter households compared to 313 based on 2010 census figures and 210 based on 2017 census estimates.
- Of the 205 renter households earning at or below 80% MFI (74.5% of all renter households counted) 120 or 58.5% were experiencing cost burdens and 85 or 41.5% were spending more than half of their income on housing expenses. All of these households were earning at or below 50% MFI and should be targets for new affordable housing opportunities.
- A total of 135 or 49% of the renter households were 62 years of age or older including 115 or 85% earning at or below 50% MFI. Of these lower income households, 65 or 56.5% were experiencing cost burdens, 30 with severe cost burdens.
- There were 80 small family renter households with 60 or 75% earning at or below 80% MFI. Of these households, 45 or 56% were overspending, all with severe cost burdens.
- There were no large families of five or more household members that were renting in Norwell.
- There were 60 renters who were nonelderly, single individuals and half of these households were earning at or below 30% MFI, 10 with severe cost burdens. Some of these individuals may have a disability and be reliant on Social Security Disability Income.

Owner Households

- There were 3,350 owner households in this report, 1,099 or one-third with cost burdens including 450 or 13.4% were severe cost burdens.
- Of the 780 owner households earning at or below 80% MFI (23% of all owner households), 519 or two-thirds were spending too much including 280 or 36% who were spending more than half of their earnings on the costs of housing.
- A total of 945 or 28% of all owners were 62 years of age or older. Of these, 279 or 30% were experiencing cost burdens. A total of 189 or 68% of these owners with cost burdens were earning at or below 80% MFI. This population might benefit from having an accessory dwelling unit or some further relief on property taxes and utilities.
- There were 1,810 small family owner households, representing 54% of all owner households. Of these, 265 or 14.6% were earning at or below 80% MFI and 105 or 40% were spending more than half of their income on housing costs.
- There were 430 large family owner households, which included 205 or 48% with cost burdens. Of these 90 or 44% were earning at or below 80% MFI, all with cost burdens.
- Of the total 165 individual owners below 62 years of age, 60 or 36% were overspending and of these 50 or 83% were earning at or below 80% MFI.

4. **Foreclosures**

Another indicator of housing affordability involves the ability to keep up with the ongoing costs of housing which some residents have found challenging since the “bursting of the housing bubble” about a decade ago. This recession forced some Norwell homeowners to confront the possibility of losing their home through foreclosure as shown in Table II–28.

A total of 30 homeowners have in fact lost their homes to foreclosure auctions with another 19 facing possible foreclosure. While there were no foreclosures prior to 2010, the highest level of foreclosures occurred in 2018. The jump in recent foreclosure activity is reputed to relate to a backlog of cases that have been on hold pending court cases and the need to clarify new regulations. This is the case in many communities across the state.

Table II–28: Foreclosure Activity, 2007 through 2018

| Year | Petitions to Foreclose | Foreclosure Auctions | Total |
|-------|------------------------|----------------------|-------|
| 2018 | 3 | 10 | 13 |
| 2017 | 1 | 5 | 6 |
| 2016 | 3 | 3 | 6 |
| 2015 | 1 | 2 | 3 |
| 2014 | 1 | 0 | 1 |
| 2013 | 3 | 3 | 6 |
| 2012 | 2 | 2 | 4 |
| 2011 | 5 | 4 | 9 |
| 2010 | 0 | 1 | 1 |
| 2009 | 0 | 0 | 0 |
| 2008 | 0 | 0 | 0 |
| 2007 | 0 | 0 | 0 |
| Total | 19 | 30 | 49 |

Source: The Warren Group, Banker & Tradesman, January 21, 2019.

E. Subsidized Housing Inventory (SHI)

1. Definition of Affordable Housing

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 or cost burdens; and if they are paying 50% or more for housing, they have severe housing affordability problems or cost burdens.



Source of Report: Competitive Bidding Implementation Contractor (CBIC)
Run Date: 7/18/2011

Affordable housing is also defined according to percentages of median income for the area, as established by the U.S. 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 (AMI) and *very low-income* is defined as households earning between 31% and 50% AMI. *Low-income* generally refers to the range between 51% and 80% AMI. These income levels are summarized in Table II-29. Norwell is part of the

Boston, MA-NH Metro Area that includes a considerable number of communities in the Greater Boston area, including some in New Hampshire and extending down to the south coastal area.

In general, programs that subsidize rental units are typically targeted to households earning below 60% AMI with some lower income requirements at the 30% and 50% AMI levels. First-time homebuyer projects and the state's Chapter 40B comprehensive permit program typically apply income limits of up to 80% AMI. Income limits under the Community Preservation Act (CPA) are up to 100% AMI. This CPA funding has been adopted in more than 170 communities across the state, including Norwell, to support open space preservation, historic preservation, recreation and community housing activities through a local property tax surcharge, also leveraging state funding. Some further income thresholds refer to workforce units for those earning up to 120% AMI for example but still priced out of a good portion of the local housing market.

Table II-29: HUD Income Limits for the Boston–Cambridge–Quincy, MA–NH HUD Metropolitan Area, 2018

| # in Household | 30% AMI | 50% AMI | 80% AMI | 100% AMI * | 120% AMI ** |
|----------------|----------|----------|-----------|------------|-------------|
| 1 | \$22,650 | \$37,750 | \$56,800 | \$75,460 | \$90,552 |
| 2 | \$25,900 | \$43,150 | \$64,900 | \$86,240 | \$103,488 |
| 3 | \$29,150 | \$48,550 | \$73,000 | \$97,020 | \$116,424 |
| 4 | \$32,350 | \$53,900 | \$81,100 | \$107,800 | \$129,360 |
| 5 | \$34,950 | \$58,250 | \$87,600 | \$116,424 | \$139,709 |
| 6 | \$37,550 | \$62,550 | \$94,100 | \$125,046 | \$150,055 |
| 7 | \$40,150 | \$66,850 | \$100,600 | \$133,672 | \$160,406 |
| 8+ | \$42,750 | \$71,150 | \$107,100 | \$142,296 | \$170,755 |

Source: U.S. Department of Housing and Urban Development (HUD),*Figures provided by the Community Preservation Coalition **Based on 120% of 100% figures.

A common definition of affordable housing relates to the Chapter 40B comprehensive permit program. The state established this legislation for promoting affordable housing under the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B)¹⁵ which allows developers to override local zoning if the project meets certain requirements, the municipality has less than 10% of its year-round housing stock defined as affordable in its Subsidized Housing Inventory (SHI), or housing production goals and other statutory requirements are not met. Specifically, all SHI units must meet the following criteria:

1. Permanent units subsidized by an eligible state or federal program or approved by a subsidizing agency.
2. At least 25% of the units must be affordable to those earning at or below 80% AMI or 20% must be affordable to those earning at or below 50% AMI.
3. Subject to a long-term deed restriction limiting occupancy to income-eligible households for a specified period of time.
4. Subject to an Affirmative Fair Housing Marketing Plan.

2. Current Inventory

As shown in Table II-30, of the 3,652 year-round housing units in Norwell, 297 or 8.13% meet the Chapter 40B requirements and thus have been determined to be affordable by the Commonwealth of Massachusetts as part of the SHI although a large portion of these units are related to the Simon Hill development and have not been constructed in the 10 years since receiving a Comprehensive Permit. This is up considerably from the 139 SHI units and an affordability level of 3.8% in 2011. Eleven additional units are eligible for SHI inclusion as well bringing the affordability percentage up to 8.4%. This means that the Town has a gap of only 57 affordable units to reach the 10% affordability threshold under Chapter 40B and thus would no longer be susceptible to zoning overrides by comprehensive permit applications that are determined to be inappropriate and do not meet local needs. Housing growth will drive the 10% goal upwards, as adjusted by each decennial census, and therefore it is a moving target.

¹⁵ 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.

Even when the Town surpasses the Chapter 40B threshold, Norwell will still have considerable unmet housing needs as summarized in Section II.F. Additionally, the comprehensive permit process can be an efficient permitting tool and has been used effectively in communities that are beyond the 10% affordability threshold.

| Table II-30: Norwell's Subsidized Housing Inventory (SHI) | | | | |
|--|---------------------------|---|-------------------------------|--------------------------------------|
| Project Name | # Affordable Units | Project Type | Use of a Comp Permit | Affordability Expiration Date |
| 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 | 8/7 | Ownership | Yes | 2098 |
| DDS Group Homes | 17/30 | Rental/special needs | No | NA |
| Damon Farms | 6/1 | Ownership | Yes | Perpetuity |
| Washington Place/ Washington Woods | 6 | Ownership | Yes | Perpetuity |
| Simon Hill | 126 | Rental | Yes | Perpetuity |
| Circuit Street | 1 | Ownership | No | Perpetuity |
| 40 River Street | 18 | Rental | Yes | Perpetuity |
| Total of state SHI count as of January 14, 2019 | 139/297 | 113/270 rentals and 26/27 ownership | 106/250 used the comp permit/ | Perpetuity |
| Tiffany Hill is eligible to be included | 6 | Homeownership/ MassHousing | Yes | |
| Washington Woods additional units | 4 | Homeownership/ FHLBB | Yes | |
| South Street Habitat for Humanity home | 1 | Homeownership/ DHCD | No | Perpetuity |
| Total | 308 or 8.4% | 270 or 88% rentals 38 or 12% ownership | 260 or 84% used 40B | |
| Source: Massachusetts Department of Housing and Community Development, February 9, 2011/January 14, 2019. Shaded projects indicate new development since 2011. | | | | |

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 150 applicants as of mid-January 2019, with more than half including young disabled applicants. The typical wait time for an elderly applicant can be up to two years while the wait time for a young disabled applicant could be five years or more. There are currently two unit vacancies. There are also four modified-handicapped accessible units. Residents in second-floor units who are seeking transfers to the first floor due to medical necessity will go to top of the list.

The Housing Authority also owns three group homes. Two are leased by Road to Responsibility, a service provider. The third property, the Assinippi Group Home, was in substandard condition and the Housing Authority is under contract with Vareika Construction for preservation and modernization of the property. NHA anticipates the property to be move in ready in 2019.

The SHI also includes a number of ownership developments that were permitted through Chapter 40B including West End Way, Jacobs Pond Estate, Silver Brook Farm and Damon Farm Way. One affordable unit was lost at Silver Brook Farm, however, sales proceeds of \$140,638 were provided to the Community Housing Trust which will enable it to invest in other affordable housing initiatives, including funding for the Senior Small Grant Program. Additionally, only one of the affordable housing units has been built thus far at Damon Farm Way.

Developments that include SHI units and were built since the 2012 Housing Production Plan was approved include:

- *Washington Woods (listed in SHI as Washington Place)*
This Chapter 40B homeownership development received approval but the comprehensive permit expired in October 2009 before building permits were pulled and thus the 10 affordable units were removed from the SHI. The project is now fully occupied, however, the SHI currently lists only six units. The project, which was conducted in phases, is now complete and all 10 affordable units are eligible for inclusion in the SHI.
- *Circuit Street*
The Town of Norwell conveyed a lot on Circuit Street to South Shore Habitat for Humanity for a single-family home, also providing \$80,000 in CPA funding.
- *Prospect Street Group Home*
A five-bedroom group home was constructed on this one-acre Town-owned parcel. The Town also approved \$600,000 in CPA funding to help finance the project but the developer found private financing.
- *Simon Hill Village*
The developer initially proposed an 80-unit 40B development, with 20 affordable units, which was approved by the ZBA with substantial conditions. The project then went through litigation and reemerged as a 126-unit rental development. The ZBA renewed the comprehensive permit in 2018, however, the developer must still resolve significant environmental challenges which could reconfigure the project again.
- *Herring Brook Hill at 40 River Street*
In 2015, the Town proposed to use the property of the former police station at 40 River Street to create affordable senior housing in support of the community's aging population and veterans. This project not only involved a transfer of Town-owned land but also a major local commitment of \$1.3 million in CPA funding. Other funding sources included \$2.6 million of private debt and state financing through the state's Community Scale Housing Initiative (CSHI).

Through a Request for Proposals process, the Town selected Metro West Collaborative Development, a mission-driven, non-profit community development corporation, as developer and partner with the Town. The project includes a total of 18 units for those age 60 or older based on the unit distribution summarized in Table II-31.

| Table II-31: Herring Brook Hill Unit Distribution | | | |
|---|------------|---------------|----------------|
| Type of Unit | # of Units | # of Bedrooms | Maximum Rent** |
| 80% AMI | 10* | 1 | \$1,425 |
| 100% AMI | 4 | 1 | \$1,675 |
| 100% AMI | 4 | 2 | \$2,000 |
| * Four of these units will have access to Project Based Rental Assistance | | | |
| ** Projected rents at time of occupancy | | | |

- *Tiffany Hill*
This 24-unit comprehensive permit project (six two-bedroom units and with six affordable condo units (two 2-bedroom and four 3-bedroom units), had been held-up for a time by litigation, however, is now complete and occupied. These units are eligible for inclusion on the SHI.
- *South Street Habitat House*
South Shore Habitat for Humanity also built a single-family home on South Street that is occupied and eligible for inclusion in the SHI.
- *Damon Farm*
A townhome development in the Queen Ann area of Norwell and Hingham, this Chapter 40B development will have six affordable Town homes in Norwell. It is under construction in 2019.

3. Recent or Proposed Housing Developments

The following housing developments are in the planning or predevelopment phases or pending appeal/lawsuits:

- *Assinippi Avenue Group Home*
The Town is working with the Norwell Housing Authority (NHA) on renovations of an existing group home in substandard condition. The property was vacated and the Housing Authority was able to obtain a Letter of Intent from the state's Department of Mental Health (DMH) to lease the property for six of its special needs clients. NHA was then able to arrange financing for the work including \$123,000 from the Town's Community Preservation Fund and another \$125,000 from the state's High Leverage Asset Preservation Program (HILAPP) for public housing modernization. Occupancy is planned for late spring 2019.
- *Wildcat Lane Property*
The Town owns a 6.3-acre parcel on Wildcat Lane which Town Meeting designated for developing affordable housing. The Town hired the engineering firm to undertake a feasibility analysis which recommended a small subdivision of 10 homes, configured around a circular road with green space in the middle. The property's slope and infrastructure demands in the project design drove up projected costs considerably. The Town shifted focus to its 40 River Street development and is only now revisiting the Wildcat property.

The Community Housing Trust has been receiving assistance from an architect who envisions a project design that could potentially accommodate 26 units with a total of 54 bedrooms in three buildings that evoke a community farm-style design for multi-

generational housing needs. The buildings appear to be separate but are interconnected underground. The design involves taking advantage of the parcel's slope by creating parking in a basement underneath the housing and limiting significant amounts of surface road and garage space. The Community Housing Trust is evaluating the costs and preparing an RFP for private developers to implement the conceptual design.

- *Lincoln/Grove Street Property*

The Town owns a two-acre parcel at Lincoln and Grove Street that over the years has been discussed as a possibility for the development of additional affordable housing units. More work will be required to determine feasibility.

F. Priority Housing Needs

As the affordability analysis indicates in Section II.D above, significant gaps remain between what many Norwell 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 A HUD report estimates that of the 3,625 total households living in Norwell, 34% or 1,239 were spending too much on their housing including 15% or 535 households spending more than half their income on housing costs.

The Town will continue to work with public and private sector stakeholders to devise and implement strategies that preserve and produce additional community housing options, directing development to appropriate locations and target populations. It should be noted that the production goals and specific strategies to meet housing needs are detailed in Sections IV and V.

Based on input from a wide variety of sources including updated census data, market information, interviews with local and regional stakeholders, community meetings, as well as prior planning efforts; the following housing needs have been identified:

1. Households with Limited Incomes – Need Affordable Rental Housing

Both rental and ownership housing are needed to encourage a mix of housing types in response to diverse populations and household needs. There is, however, a more compelling case for rental units based on the following important considerations:

- Target the needs of the community's most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Promote greater housing diversity as 94% of Norwell's housing stock is comprised of homeownership units and 92% involves single-family detached homes. More housing options are necessary to meet the needs of local workers who are priced out of the housing market, people who grew up in Norwell and want to raise their own families locally, and empty nesters, for example.
- Offer greater local control over affordable housing development as all units in a Chapter 40B rental development count towards the Town's 10% affordability goal and annual housing production goals as opposed to only the affordable units in homeownership developments. Meeting these goals will enable the Town to obtain a safe harbor against what it considers to be inappropriate 40B applications that do not meet local housing needs and avoid overrides of local

zoning.

- Invest local subsidy funds (e.g. CPA and Norwell Community Housing Trust Funds) in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Provide more appropriately sized units for increasing numbers of smaller households.
- Provide opportunities for some seniors who are “over-housed” and spending far too much of their fixed incomes on housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Leverage other funds as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for subsidized or assisted housing based on asset limitations.
- Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project.

The Council on Aging indicates that they come across older couples who are struggling to hang on to their homes and remain in the community but whose housing costs exceed their incomes. While some are drawing down on their financial assets, others have little or no remaining such sources of income.

Rental development also can better address the housing needs of those with very limited financial means as state and federal funding sources can be targeted to lower income tiers. For example, Low Income Housing Tax Credits are directed to households earning up to 60% AMI and other housing subsidies can target units to even lower income levels such as 50% and 30% AMI. Subsidized rental projects often involve all of these income tiers as multiple sources of funding are frequently needed to make projects financially feasible. More affordable rental housing is necessary to make living in Norwell affordable, particularly for the community’s most vulnerable residents. There are clearly residents who are struggling financially based on the following indicators of need:

- Of all households counted in 2017, 483 or 13.3% had incomes of less than \$35,000, including 289 or 8.0% earning less than \$25,000.
- 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% AMI defined by the U.S. Department of Housing and Urban Development (HUD) as \$58,000 for a family of three.¹⁶ Extrapolating from the 2017 census estimates, those earning at or below 80% AMI, or \$70,350, would have increased to approximately 1,040 households but at about the same percentage of all households of 28.6%.
- There were 179 individuals living in poverty in 2010, and the 2017 census estimates suggest an increase to 392 individuals, representing 3.6% of all residents and 49 or 1.6% of all families. These figures also include 61 children under age 18 and 95 seniors 65 years of age or older.
- To afford the median rent of \$2,771 that was identified by the Trulia website, a realistic market rent, a household would have to earn approximately \$117,840, again based on the assumptions of spending no more than 30% of income on housing costs including \$175 in monthly utility bills. This income is lower than Norwell’s median household income of \$128,563 but 5.7 times

¹⁶ 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.

the median renter household income and more comparable to the \$116,424 income level for a household of three earning at the 120% AMI limit.

- A HUD report identified 275 renter households and of these 140 or 51% were experiencing cost burdens as they were paying more than 30% of their income on housing costs, including 85 or 31% spending more than half of their income on housing.
- This HUD report also indicated that of the 205 renter households earning at or below 80% of area median income (74.5% of all renter households counted) 120 or 58.5% were experiencing cost burdens and 85 or 41.5% were spending more than half of their income on housing expenses. All of these households were earning at or below 50% of area median income and should be targets for new affordable housing opportunities.
- The Norwell Housing Authority (NHA) owns and manages 80 units for seniors and younger disabled adults at Norwell Gardens with a wait list of 150 applicants as of mid-January 2019. The typical wait time for an elderly applicant can be up to two years while the wait time for a young disabled applicant could be five years or more.
- The Norwell Housing Authority has no subsidized units available to families in Norwell.

2. Widening Affordability Gaps – Need Affordable Homeownership Opportunities

A wider range of affordable housing options is needed, particularly for younger households who want to put down roots in Norwell as well as municipal employees and empty nesters. Indicators of need for more affordable homeownership opportunities include:

- A HUD report indicated that there were 3,350 owner households and of these 1,099 or one-third had cost burdens including 450 or 13.4% were severe cost burdens as they were spending more than 50% of their income on housing.
- This report also estimated that of the 780 owner households earning at or below 80% area median income (23% of all owner households), 519 or two-thirds were spending too much including 280 or 36% who were spending more than half of their earnings on the costs of 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 such sales in 2010, ten in 2011, and six in 2018.
- There were only 35 properties assessed at less than \$200,000, all of which were condominiums.
- To afford the median sales price of a single-family home of \$620,000, based on The Warren's Group's data as of the end of 2018, a household would have to earn an estimated \$152,375 assuming 80% financing, good credit and the ability to come up with down payment and closing costs of about \$134,000.¹⁷
- The average household with a median income of \$128,563 could likely afford a home costing about \$523,000 based on 80% financing and \$447,000 with 95% financing. There is therefore an affordability gap of \$97,000 with 80% financing and \$173,000 based on 95% financing based on the difference between the median sales price of \$620,000 and these estimated ones.

¹⁷ Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of \$16.40 per thousand, and insurance costs of \$6 per \$1,000 for single-family homes and \$4 per thousand for condos. Also based on the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. The figures for 95% financing assume private mortgage insurance (PMI) of 0.3125% of the mortgage amount. Estimated condo fee of \$250.

- The gap widens considerably when focusing on those earning at the 80% AMI level of \$73,000 for a household of three, increasing to \$357,000 based on an affordable purchase price of \$263,000 and the median sales price of \$620,000 as well as the assumption that a household earning at this level could qualify for a subsidized mortgage through the state's ONE Mortgage Program, MassHousing offerings or other government mortgage insurance programs.
- Rigorous mortgage lending criteria, including down payments of up to 20% of the purchase price (as much as \$134,000 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.
- Norwell has confronted increasing numbers of foreclosures. A total of 30 homeowners have in fact lost their homes to foreclosure auctions with another 19 facing possible foreclosure. While there were no foreclosures prior to 2010, the highest level of foreclosures occurred in 2018. The jump in recent foreclosure activity is reputed to relate to a backlog of cases that have been on hold pending court cases and the need to clarify new regulations.
- 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, decreased to 10.3% by 2010, and was up only slightly to 10.9% in 2017, half the 1980 level.
- There are few housing options, particularly affordable ones, for seniors looking to downsize to less isolated setting and 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.

- About one-third of Norwell's housing units were built prior to 1960, with another 38% built between 1960 and 1980. Some of these aging units are also likely to have deferred maintenance needs. The Town's Senior Small Grant Program has been helpful in making necessary modifications and remedying some of these repair needs.
- Those homes built prior to 1978 are also 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.

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

Greater emphasis should be place on housing that includes supportive services and barrier-free improvements based on the following indicators of need:

- Of all Norwell residents, 8.5% claimed a disability, representing special needs in 916 households. This level, while low in comparison to the statewide percentage of 11.6%, is particularly high for seniors at 28.8% of all those 65 years of age or older.

- A HUD report identified 60 renters who were nonelderly, single individuals and half of these households were earning at or below 30% of area median income, ten with severe cost burdens. Some of these individuals may have a disability and be reliant on Social Security Disability Income.
- The number of those 65 years of age and older grew by 176% between 1980 and 2017 while the population as a whole increased by 18.7%. This population also increased from 7.9% of all residents to 18.5% during this period, higher than county and state levels of 16.7% and 15.5%, respectively, for 2017. Special needs in the Norwell community will increase as these residents continue to age.
- According to MAPC “Stronger Region” projections, those 65 years of age or older are estimated to grow from 1,675 residents in 2010 to 3,055 by 2030 to comprise 27.6% of all residents with growth of 82.4%.
- Only four of the units at the Norwell Housing Authority’s Norwell Gardens development are handicapped accessible.
- Norwell Gardens had a wait list of 150 applicants as of mid-January 2019, with more than half including young disabled applicants with waits of five years or more.
- There are two 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 home.

A summary of housing goals based on these priorities is provided in Table II-32, premised on producing an average of 18 affordable units per year which is based on the annual housing production goals under the state Housing Production guidelines. The goals are also based on 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 units per year and the ability to secure necessary subsidy funds although these units may not count towards the SHI as CPA funds for housing rehab can only be used when the property has been acquired or built with CPA funding.

| Table II-32: Housing Production Goals Based on Types of Units | | |
|--|--|---|
| Type of Units | 1-Year Goals | 5-Year Goals |
| 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 |

III. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

It remains a challenge for the Town of Norwell to create enough affordable housing units to meet local needs and the 10% state affordability goal, particularly in light of current constraints to new development which include 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.

The state through its Division of Fisheries and Wildlife maintains a list of documented species that are endangered (E), threatened (T), or of special concern (SC). Those documented to exist in Norwell are listed below. When identified, the presence of these species can substantially constrain development.

| | | | | |
|-----------------------------|---|----------------------|----|----------|
| NORWELL Vascular Plant | <i>Bidens hyperborea</i> | Estuary Beggar-ticks | E | 2008 |
| NORWELL Vascular Plant | <i>Eriocaulon parkeri</i> | Parker's Pipewort | E | 2008 |
| NORWELL Vascular Plant | <i>Lycopus rubellus</i> | Gypsywort | E | 2000 |
| NORWELL Vascular Plant | <i>Platanthera flava</i> var. <i>herbiola</i> | Pale Green Orchis | T | 1981 |
| NORWELL Vascular Plant | <i>Rumex verticillatus</i> | Swamp Dock | T | 2010 |
| NORWELL Vascular Plant | <i>Senna hebecarpa</i> | Wild Senna | E | Historic |
| NORWELL Dragonfly/Damselfly | <i>Somatochlora linearis</i> | Mocha Emerald | SC | 2003 |
| NORWELL Reptile | <i>Terrapene carolina</i> | Eastern Box Turtle | SC | 2014 |

The state also maintains lists of sites that have been contaminated through spills or the presence of hazardous substances or other conditions that requires or will require various levels of remediation depending on severity if redeveloped. The state includes a list of 80 properties in Norwell, mostly located along Norwell's major roadways and largely including gas stations, car dealerships, municipal or state properties, and dry cleaners. All but three of these sites are closed with a Permanent Solution. The remaining three have operating treatment systems and will reach closure over time. Contaminated properties are not a constraint to housing development in Norwell.

Mitigation Measures: The Town will continue to identify land without significant 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 has also 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, and 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 5 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 5 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 proximity to aquifer protection zones.

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 or a community septic system in some areas 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 residential zoning districts and three business districts, Norwell has five 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.

| Table II-24: Zoning Districts | | | | |
|-------------------------------|-----------------|------------------|---------|---------|
| Zoning Code | Zoning District | Area (Sq. Miles) | Acreage | Percent |
| 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.

Mitigation Measures: The Town has established zoning bylaws to better encourage affordable housing and/or smart growth development including:

- *Village Overlay District (VOD) Bylaw*
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 minimum of 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. While there is no mandate for the inclusion of affordable units, the bylaw indicates that they are "encouraged".
- *Open Space Residential Design (OSRD) Bylaw*
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. This bylaw was amended in 2015 but none of the changes involves mandates or incentives for the inclusion of affordable units.
- *Accessory Apartments*
The Zoning Bylaw also allows property owners to create accessory apartments, however, such units must be occupied by relatives by blood, marriage or adoption or by persons 60 years old or

more.

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, among 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 closer to 1,000 units. 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 had experienced the consequences of the “baby boom echo” as the children of the baby boom generation passed through their school years. Norwell’s school enrollments peaked in the 1970s and then declined to their lowest levels in 1992. After that, enrollments began to rise. For example, enrollment in the 2002–2003 school year included 2,020 students, 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. Since then enrollments have declined to 2,197 students in 2018–2019. This decreasing public school enrollment in context of some increases in school-age children suggests that more families are choosing to send their children to private schools.

Population projects predict decreases in school-age children. For example, MAPC’s “Stronger Region” projections that forecast higher population growth than its more conservative “Status Quo” projections, indicate that those age 5 to 19 will decrease from 2,604 residents in 2010, to 2,291 by 2020, and then down further to 2,079 in 2030. Additionally, given the increasing affluence of more newly-arrived families, it is likely that the trend of more children attending private rather than public schools will continue.

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 school buildings (two elementary

schools, one middle school and one high school) with a total enrollment capacity of 2,290 students, above current enrollment levels.

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 bus services, 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 provides van transportation for seniors to help them get to important appointments or the Senior Center.

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 significantly for example. Communities are finding it increasingly difficult to secure necessary funding and applications for state financing frequently wait through several funding rounds before funds are allocated. 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 and recreation, historic preservation and community 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 more towns opting into the program and some fall-off in Registry of Deed fees that support it, the state's match has decreased in recent years. In 2018, Norwell raised about \$1.1M in surcharge funding with a state contribution of about \$255,900 for a total availability of about \$1.3 million. Spring Town Meeting (May) typically approves \$100k of the CPA funds be transferred into the Housing Trust Fund to support affordable housing.

Based on a recommendation in the 2012 Housing Production Plan, the Town of Norwell merged its Housing Partnership and Affordable Housing Trust and established a Community Housing Trust in conformance with Massachusetts General Law Chapter 44, Section 55C. The Town of Norwell previously established the Norwell Affordable Housing Partnership in 1988 to coordinate affordable housing activities. The Town then created the Norwell Affordable Housing Trust in 2007 by adopting a portion

of the MGL which authorized the limited mandate to acquire existing housing units and convert them to long-term affordability with a subsidy of no more than \$85,000 per unit. The CPC sponsored Town Meeting Articles in 2012 to expand the authority of the Housing Trust by adopting the state Affordable Housing Trust in its entirety and dissolve the Housing Partnership.

The establishment of the Community Housing Trust has allowed the community to rely on a single entity to serve as the Town's permanent committee for overseeing housing issues and the implementation of the Housing Production Plan, managing the Community 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. The Fund's balance was \$415,229 as of January 31, 2019.

Through CPA and the Community Housing Trust, Norwell has committed funding for affordable housing purposes towards the development of several Town-owned properties including \$600,000 for the Prospect Street group home, \$80,000 for a parcel on Circuit Street developed by Habitat for Humanity of the South Shore, and \$1.3 million for 40 River Street. It also allocated \$123,000 towards the renovation of the Assinippi Group Home sponsored by the Norwell Housing Authority in coordination with the state's Department of Mental Health (DMH). See Section II.E.2 for more information on these projects. Additional funding was spent on the acquisition and improvements to a unit at Jabobs Pond Estates to preserve its affordability and \$10,000 for engineering work on the Town-owned Wildcat Lane site.

Mitigation Measures: This Housing Plan provides guidance on the use of Community Preservation Funds and Norwell's Community 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.

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 the inclusion of more housing diversity and affordability in new development 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 that many residents view as hostile, 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 "local preference", greater local support is typically more forthcoming.¹⁸

¹⁸ "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.

Mitigation Measures: Norwell will continue an ongoing educational campaign to 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 once again 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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- Households with children attending the locality's schools, such as METCO students.

IV. AFFORDABLE HOUSING PRODUCTION GOALS

The Town of Norwell prepared an Affordable Housing Plan under the state's Planned Production Program in November 2006, which expired in November 2011, then received state approval for a Housing Production Plan in 2012, which has also expired. This Housing Production Plan represents an opportunity for the Town to revisit these former Plans and update them based on the current market dynamic, past progress, current priorities, and new resources.

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.¹⁹ 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.²⁰

Changes to Chapter 40B established some new rules.²¹ 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 and the annual housing production goal after 2020 is likely to be as high as 20 units. 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 the actual affordable units 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 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

¹⁹ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

²⁰ 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.

²¹ Massachusetts General Law Chapter 40B, 760 CMR 56.00.

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) 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.

| Table IV-1: Norwell Housing Production Program | | | |
|--|---------------------------|--|----------------|
| Strategies by Year | Affordable Units< 80% AMI | Workforce Units 80%-120% AMI or ineligible for SHI | Total # units* |
| Year 1 – 2019 | | | |
| Senior Small Grant Program | 0 | 5 | 5 |
| <i>Subtotal</i> | 0 | 5 | 5 |
| Year 2 – 2020 | | | |
| Public property development/Wildcat Lane/Rental | 26 | 0 | 26 |
| Senior Small Grant Program | 0 | 5 | 5 |
| <i>Subtotal</i> | 26 | 5 | 31 |
| Year 3 – 2021 | | | |
| Covered under Year 2 certification | | | |
| Private development/"Friendly 40B"/Homeownership** | 6 | 0 | 24 |
| Senior Small Grant Program | 0 | 5 | 5 |
| Buy-down Program/Homeownership | 2 | 0 | 2 |
| Promote accessory apartments/Rental | 0 | 1 | 1 |
| <i>Subtotal</i> | 8 | 6 | 32 |
| Year 4 – 2022 | | | |
| Private development/40R/Rental*Queen Ann* | 32 | 0 | 32 |
| Private development/Group home/Rental | 6 | 0 | 6 |
| Senior Small Grant Program | 0 | 5 | 5 |
| Buy-down Program/Homeownership | 2 | 0 | 2 |
| Promote accessory apartments/Rental | 0 | 1 | 1 |
| <i>Subtotal</i> | 40 | 6 | 46 |
| Year 5 – 2023 | | | |
| Covered under Year 4 with 2-year certification | | | |
| Public property development/"Friendly 40B"/Lincoln-Grove Street/Rental | 16 | 0 | 16 |
| Private development/Amended OSRD Bylaw/Homeownership (bungalow units in pocket Neighborhood) | 2 | 0 | 10 |
| Senior Small Grant Program | 0 | 5 | 5 |
| Buy-down Program/Homeownership | 2 | 0 | 2 |
| Promote accessory apartments/Rental | 0 | 2 | 2 |
| <i>Subtotal</i> | 20 | 7 | 35 |
| Total | 94 | 29 | 149* |

* The totals include 26 market rate units in addition to the affordable units.

** All units in rental development could count towards SHI.

V. HOUSING STRATEGIES

The strategies outlined below are based on previous plans, the 2012 Housing Production Plan in particular, as well as reports, studies, the Housing Needs Assessment, local housing goals, local affordable housing initiatives, 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:²²

- *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.1)
- *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.3)
 - Modify accessory apartment provisions (strategy V.B.2)
 - Adopt inclusionary zoning (strategy V.B.4)
 - Partner with private developers on privately owned sites (strategy V.C.2)
 - Allow more diverse housing types (strategy V.B.5)
 - 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 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

²² 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*
 - 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)²³.

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 state or federal funding to support local housing initiatives on an ongoing basis. Nevertheless, Norwell has made considerable progress in building a local structure to better coordinate housing activities that includes the following:

- *Norwell Community Housing Trust (NCHT)*
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 Partnership which spearheaded community efforts to study, raise public awareness, and initiate actions to promote affordable housing.

At the 2007 Annual Town Meeting, the Town approved the establishment of the Norwell Affordable Housing Trust, which was authorized to issue short-term loans to preserve the affordability of existing SHI units and coordinate a Buy Down Program by acquiring single-family residences and converting them to long-term affordability. The maximum subsidy of \$85,000, however, was insufficient to make this program feasible and questions arose regarding public procurement rules.

²³ "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.

Based on a key strategy included in the 2012 Housing Production Plan, the Town merged the Affordable Housing Partnership with the Affordable Housing Trust with an expanded mission by establishing the Norwell Community Housing Trust under new state legislation.

On June 7, 2005, the state enacted the Municipal Affordable Housing Trust Fund Act, which simplified the process of establishing funds that are dedicated to affordable housing. 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 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 affordable housing development project from a public construction project.

Town Meeting approved the Norwell Community Housing Trust which has since been serving as the key municipal entity involved in the oversight of community housing policies, programs, and production. The Trust had a balance of \$451,229 as of the end of January 2019 and has also been able to bring on some limited administrative assistance from a Board of Selectmen staff person.

The Town, through its Community Housing Trust, has in fact coordinated several important housing initiatives including:

- Conveyed the former police station at 40 River Street to Metro West Collaborative Development to construct 18 units of affordable housing for seniors 60 years of age or older; it is a “local preference” project, also committing \$1.3 million in CPA funding to the project.
- Introduced the Senior Small Grant Program which provides grants of up to \$2,500 to help qualifying senior homeowners make important health and safety improvements to their homes.
- Conveyed a surplus municipal property on Circuit Street, also providing \$80,000 in CPA funding for the construction of a new single-family affordable home through South Shore Habitat for Humanity. The organization was selected through a Request for Proposals (RFP) process.
- Issued another Request for Proposals (RFP) to build special needs housing on a Town-owned parcel on Prospect Street, \$600,000 in CPA funding was passed to help finance this project but was not used by the developer.
- Worked with the Norwell Housing Authority (NHA) to replace a distressed group home on Assinippi Avenue, allocating \$123,000 in CPA funds towards its improvements.
- Preserved the affordability of a homeownership unit at Jacob Pond Estates by purchasing units as they become available, making necessary improvements, and selling the unit to a qualifying purchaser using the current state-approved deed rider. The Trust thus insured affordability in perpetuity for this unit in addition to a number of other important terms and conditions. All future affordable unit resales that involve older and antiquated deed riders will require the execution of current state-approved ones as they arise.

- *Planning*

Over the years, the Town has engaged in a series of housing planning efforts. In 2006, the Town completed an Affordable Housing Plan under previous state Planned Production guidelines which it updated in the 2012 Housing Production Plan. This current Housing Production Plan not only provides updated information on the existing housing conditions, but allows the Town to revisit its approach to promoting affordable housing by reviewing recent progress and prioritizing future 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 Community Housing Trust Fund and CPA. Additionally, it will be helpful in making Norwell more competitive for state discretionary funding under the MassWorks Infrastructure Capital Program (see Appendix 2 for details) as well as other state resources.

The Town also updated its Master Plan in 2005 and is about to embark on another update, including a housing element. Another recent planning effort was the Norwell Economic Growth Plan that was spearheaded by the Board of Selectmen and completed in 2018 by the Metropolitan Area Planning Council (MAPC). This Plan provides important input into recommendations included in this Housing Plan. The Town received further grant assistance for MAPC to conduct on community engagement process as well. The effort is focused on the Queen Ann and Assinippi Park areas.

- *Norwell Housing Authority (NHA)*

The Norwell Housing Authority (NHA) owns and manages 80 subsidized rental units for seniors and younger disabled adults at Norwell Gardens. The Housing Authority also owns and/or manages three group homes with services provided by the Road to Recovery, an area service provider. NHA also owns a group home on Assinippi Avenue and is close to completing the major renovation of this formerly substandard structure through state financing and \$123,000 in CPA funds.

- *CPA funding*

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, recreation, historic preservation, and community 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. In FY 2018, the state match was \$255,901 that, in addition to the \$1,079,230 raised by the local surcharge, produced a total of \$1,335,131 in available CPA funding.

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 help build Norwell's ability to promote and support new affordable housing initiatives and preserve existing SHI units.

1. Continue Conducting Ongoing Community Outreach and Education

Timeframe: Years 1–2

Responsible Parties: Norwell Community 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.

Next Steps: The presentation of this Housing Production Plan, which occurred on April 9, 2019, offered another opportunity to bring attention to the issue of affordable housing, providing information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education-related opportunities will continue to be pursued including:

- *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.
- *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.
- *Public information on existing programs and services*
High housing costs are still creating problems for even middle-income residents much less those earning below 80% of area median income (AMI). For example, renters continue to confront difficulties finding rental opportunities as such units are so limited and expensive. 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 some have been 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 or tax exemption programs including the state's Senior Circuit Breaker Tax Credit.

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 Housing Solutions of Southeastern Massachusetts, NeighborWorks Southern Mass, South Shore Community Action Council, and others. For example, Housing Solutions and NeighborWorks 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, down payment, and counseling programs are also available to qualifying local residents.

The Norwell Council on Aging has also been attentive to providing local seniors with information on available programs and services, providing regular workshops on housing-related issues including a recent workshop on the benefits and challenges of reverse mortgages.

- *Educational opportunities for board and committee members*
Representatives of local boards such as the Board of Selectmen, Community Housing Trust, Zoning Board of Appeals, Planning Board and others should 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, Town Administrator and Housing Trust 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 to support municipalities and local participants in better understanding 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, including representatives from Norwell.

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, the state's Department of Energy and Environment has model zoning bylaws available, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

- *Networking*
Local leaders, including members of the Community Housing Trust, have been involved in leadership positions, including board and staff positions, with a number of regional and state entities, both public and private, that have some relevance to local housing issues. These positions have enabled them to not only possess important information to apply to local decision-making,

but to also make an impact on the programs and policies of these other organizations. It will be important for these individuals to continue to serve in these capacities and improve communication among local, regional and state entities.

- *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. Updated information should be offered on a wide-range of housing information and materials.

- *Cable Programming*

The Town of Norwell has local cable access, and the Community Housing Trust could insure that special meetings related to affordable housing initiatives are televised on the local cable channel.

Resources Required: Donated time from the members of the Community Housing Trust to organize the necessary forums, track and inform local leaders on training opportunities, and conduct special outreach activities. The Community Housing Trust would coordinate public meetings on zoning-related efforts involving affordable housing in concert with the Planning Board. It may also be necessary for the Trust to obtain Information Technology (IT) support to enhance the Town's website and access special programming on the local cable channel.

2. *Fund a Part-time Housing Coordinator*

Timeframe: Years 1–2

Responsible Parties: Board of Selectmen and the Community Housing Trust

Current Status: It remains important 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 that are being developed through some local action as part of a Town's Subsidized Housing Inventory 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, 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 and LIP disclosure statement from DHCD as well as the loan commitment, purchase and sale agreement, and contact info for the closing attorney 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 also 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 "local preference" units.²⁴ 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. In the past, the monitoring functions of some affordable units were assigned to the Norwell Housing Authority as it was identified as the monitoring agent for two homeownership developments, Jacobs Pond Estate and Silver Brook Farm. The NHA is no longer coordinating these monitoring functions. The Community Housing Trust is currently

²⁴ "Local preference" units are allowed pursuant to submission of an Affirmative Fair Housing Marketing Plan, the requirements of which are promulgated by the state. 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.

overseeing this monitoring, engaging consultants as needed on resale activity.

The Town has a part-time staff person to fill a number of roles including some support for the Community Housing Trust. However, based on other responsibilities, this staff position is insufficient to cover all of the necessary housing-related work.

Next Steps: The Board of Selectmen, working with the Town Administrator and the Community Housing Trust, should develop a Scope of Services for a part-time housing consultant/housing coordinator and issue a Request for Proposals (RFP) to solicit interest from qualifying professionals or organizations to undertake these services. The other option would be to hire a part-time staff person.

Experience demonstrates that those communities that have dedicated housing staff positions make the greatest progress in protecting SHI units and implementing local Housing Plans. Not only should the Town ensure that it has adequate oversight to monitor the SHI, but it could also use some support in undertaking the following potential activities:

- Staff the Community Housing Trust;
- Manage Senior Small Grant Program;
- Answer housing inquiries;
- Maintain a list of those to notify when affordable housing opportunities arise;
- Conduct marketing/lottery work;
- Review and submit reports regarding development proposals;
- Review affordable housing development documents;
- Coordinate new or modified zoning related to affordable housing, working with the Town Planner;
- Help coordinate the implementation of this Housing Plan's recommendations;
- Assist in the preparation of Requests for Proposals (RFP) for housing projects on any Town-owned property;
- Provide an orientation for new housing-related board members;
- Perform community outreach and education, including an enhanced website and the preparation of informational materials;
- Research funding sources available to supplement local resources;
- Draft criteria to evaluate affordable housing proposals;
- Organize public forums and special events, including housing summits;
- Explore development opportunities; and
- Draft funding guidelines and the action plans for the Community Housing Trust Fund.

In addition to providing oversight for the SHI monitoring functions, the Community Housing Trust should ensure that the Town has an up-to-date database on all affordable SHI developments that includes all of the following information for easy reference:

- Project Name
- Address
- Type of Project
- Subsidizing Agency (including funding programs)
- Number of Units (total/affordable with income tiers and distribution of bedrooms)
- Underlying Zoning

- Density
- Developer
- Monitoring Agent
- Documents (including a list of key documents with dates of the permitting decision, Regulatory Agreement, Monitoring Services Agreements (Affordable and Limited Dividend Agreement if relevant), Affordable Housing Restriction, Subsidizing Agency final approval letter, state Cost Certification, Affirmative Fair Housing Marketing Plan and marketing materials, HAC decision if relevant, any documents related to resales or refinancing, and annual monitoring compliance reports.)

Summaries should be backed-up by copies of these documents in the files, including electronic versions. These documents should include the recorded versions by the Plymouth County Registry of Deeds if required including the permitting decision, Regulatory Agreement, Affordable Housing Restrictions, etc.

As soon as units are eligible for inclusion in the SHI, appropriate documentation must be submitted to DHCD's General Counsel's Office to have the units counted towards the 10% state affordability threshold or annual housing production goals.

Units are eligible for inclusion in the SHI at the earliest of the following:

1. When the comprehensive permit is filed with the municipal clerk, notwithstanding any appeal by a party other than the ZBA.
2. When the building permit is issued.
3. When the occupancy permit is issued.
4. When the unit is occupied by an income eligible household and no comp permit, building permit or occupancy permit is required.

The specific information required to be sent to DHCD includes:

1. SHI Requesting New Units Form
2. Name, address and acreage of project
3. Subsidizing Agency and Program
4. Date of Building Permit(s) with lists of permit numbers and corresponding unit numbers and addresses
5. Date of Occupancy Permit(s) with lists of permit numbers and corresponding unit numbers and addresses
6. The date the application was filed with the ZBA for comprehensive permit projects
7. The date of the approval or completed plan review was filed with the Town Clerk in the case of Chapter 40R
8. Documentation of zoning or permitting approval
9. Documentation as to whether the units were subsidized by an eligible state or federal program
10. Documentation of the long-term affordability restriction
11. Affirmative Fair Housing Marketing Plan
12. Documentation that the last appeal was fully resolved if applicable

It should also be noted that the Community Housing Trust preserved the affordability of a homeownership

unit at Jacob Pond Estates by purchasing the property, making necessary improvements, and selling the unit to a qualifying purchaser using the current state-approved deed rider. The Trust thus insured affordability in perpetuity for this unit in addition to a number of other important terms and conditions. All future affordable unit resales that involve older and antiquated deed riders will require the execution of current state-approved ones as they arise.

Resources Required: The amount of funding would be based on the Scope of Services/job description but unlikely less than \$30,000 annually. This position would be eligible for CPA funding, although Housing Trust Funds or the Town's General Fund could also be used. It should also be noted that other consultants could be brought on as needed to handle specific activities including environmental engineers for predevelopment work, appraisers, surveyors, lawyers, etc.

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 to capture more affordable units and better guide new development or redevelopment 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 as well as many other public benefits.

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 density. The bylaw also limits residential development to single-family detached homes with only very limited exceptions. This creates the likely need for regulatory relief for most residential development that includes affordable units through new zoning or possibly through the "friendly" comprehensive permit process.

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. Promote Affordable Housing in Mixed-Use Development

Timeframe: Years 1–2

Responsible Party: Planning Board with support from the Board of Selectmen and Community Housing Trust

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.

The Town recently completed the Norwell Economic Growth Plan that was prepared by the Metropolitan Area Planning Council (MAPC) with funding from the District Local Technical Assistance (DLA) Program. With leadership from the Board of Selectmen, the Town embarked on this effort to explore opportunities to

expand the Town's commercial and industrial tax basis, address infrastructure development constraints, and accommodate new residential and mixed-use development. MAPC focused on the Assinippi and Accord Industrial Parks as targeted growth areas. It also identified Queen Anne's Plaza as a potential area to encourage mixed-use development given the size of the parcel and highway access. A key recommendation from this Economic Growth Plan was to adopt a Chapter 40R Smart Growth Overlay District to support mixed residential and commercial development at Queen Anne's Plaza. The Town subsequently received a grant to enable MAPC to undertake a community engagement process on this potential new zoning.

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 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. The Economic Growth Plan will provide significant guidance in this planning effort.

The Planning Board, with support from the Board of Selectmen and Community Housing Trust, will continue to explore bylaws for promoting mixed-use development in appropriate locations in close proximity to Routes 3 and 53 that can incorporate some housing, considering the following options:

- *Adopt Chapter 40R/40S Smart Growth Zoning*

The State Legislature approved the Chapter 40R zoning tool for communities in 2004 to enable communities to establish Smart Growth Overlay Districts. It defined 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 open 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."²⁵

Of particular importance are smart growth development measures where the integration of more housing, including some affordable housing, provides a number of important benefits:

- Reduces the reliance on the automobile as more residents live within walking distance to goods and services, which is particularly important in the context of an aging population;
- Brings customers in closer proximity to businesses even into the evening hours and enlivens the area;
- Directs growth to areas that are more appropriate for some increases in density;
- Provides another income stream to property owners who create housing above or as part of their businesses; and
- Offers opportunities for the creation of diverse housing types such as artist live-work space, smaller apartments for the growing number of smaller households, multi-family housing, etc.

²⁵ Massachusetts General Law, Chapter 40R, Section 11.

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 at least 20% of the units be affordable;²⁶
- Promotes mixed-use and infill development;²⁷
- Provides two (2) types of payments from the state to municipalities (one based on the number of projected housing units in the District and another for each unit that receives a building permit); and
- Encourages open space and protects historic districts.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to municipalities 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. 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 in 40R Districts.

More than 40 communities have created 40R Smart Growth Overlay Districts and others are in the process of being established. For example, Natick was able to access \$1,434,000 in state funding to support new local development priorities including the building of a new high school and the redevelopment of former Natick Paperboard Factory site into 138 apartments and 12 townhouses by adopting a Chapter 40R Smart Growth Overlay District. The state gave the Town \$820,000 towards the costs of its new high school because it was awarded an extra percentage point towards state funding from the Massachusetts School Building Authority due to its approval of a Chapter 40R district. It has also received \$200,000 from the state as an incentive payment for creating the 40R district and expects to receive another \$414,000 as housing development moves forward.

It is also worth noting that the Towns of Easton and Reading were able to avoid what they considered inappropriate Chapter 40B developments, largely by the state’s recognition that these Towns had in good faith been proactively promoting affordable housing by creating 40R districts.

The Norwell Planning Board should assess benefits and opportunities for adopting a Smart Growth Overlay District through 40R/40S. Representatives from DHCD are available to attend meetings and discuss the program including how communities comparable to Norwell have used and benefited from this zoning.

The formal required steps involved in creating the 40R Overlay District are as follows:

²⁶ If the zoning encourages affordability of up to 25% of units, at least in rentals, all units in rental developments can be included in the SHI and towards housing production goals.

²⁷ Infill development is the practice of building on vacant or undeveloped parcels in existing neighborhoods, especially urban and suburban neighborhoods.

- 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 projected units on which its subsidy is based and the amount of payment.
- *Mixed-use Overlay Districts*
Another option would be to prepare a Mixed-use Overlay District (MUOD) that would allow mixed-use development. There are many examples of this type of zoning, and new zoning could encourage village-oriented development in the Queen Anne's Plaza area. Unlike Chapter 40R, it would not come with layers of state subsidy but could be approved solely on a local basis without the additional need for state approval. It could also be controlled through the special permit process as opposed to by-right through Chapter 40R.
 - *Allowing Housing in Industrial Zones*
Other communities have rezoned industrial areas to allow housing, mandating some amount of affordable housing. Most notably, the Town of Bedford created a significant number of affordable units, going from an affordability level of approximately 4% about a decade ago to over 18%, many through this zoning change,
 - *"Friendly Chapter 40B" Process*
The Town should consider using Chapter 40B again through cooperative agreement with a developer. This process was used successfully at the 40 River Street Herring Brook Hill senior development. The comprehensive permit process can be an excellent tool for undertaking this permitting, particularly the "friendly 40B" process that involves the Town and developer agreeing on the basic terms and conditions of the development and jointly submitting an application for site eligibility to the state through its Local Initiative Program (LIP). The Town could also develop policy and design guidelines on mixed-use development that would offer signals to developers on the type of projects that would be preferred and acceptable to the community.

In addition to the Norwell Economic Growth Plan, 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.

Resources Required: This strategy will require volunteer time from the Planning Board and Community Housing Trust with support from the Town Planner and potentially a consultant.

2. Modify Accessory Dwelling Provisions

Timeframe: Years 1–2

Responsible Party: Planning Board in coordination with the Community Housing Trust 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 for 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 occupancy of the accessory dwelling 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 or significant impact on the surrounding neighborhood and also without additional Town services such as streets or utilities. There are, however, issues regarding the adequacy of the existing septic system if 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) have dampened the enthusiasm of most 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 or another entity 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.

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. While these units are unlikely to be eligible for inclusion in the Subsidized Housing Inventory, accessory apartments offer 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 Community Housing Trust, will explore other bylaws and prepare an amendment that best meets the needs of the community. A variety of bylaws that might be reviewed include those of Lexington, Scituate, and Wellfleet as well as a model bylaw prepared as part of the Executive Office of Environment and Energy's Smart Growth Toolkit that highlights key local decisions and makes some commentary for consideration throughout (www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html).

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 Community Housing Partnership.

3. **Amend OSRD Bylaw to Encourage Affordable Housing**

Timeframe: Years 3–5

Responsible Party: Planning Board with support from the Community Housing Trust

Current Status: 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. While this bylaw was amended in 2015, none of the changes involved mandates or incentives for the inclusion of affordable units nor made the bylaw easier to use.

Next Steps: More incentivized density bonuses and affordability requirements should be integrated into the OSRD bylaw to encourage 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 Community 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 Community Housing Trust and Planning Board may want to explore the option of allowing the developers to build actual affordable units on an off-site location as well.

Additionally, as noted in strategy V.B.5 below, there are excellent models of small clusters of bungalows or cottages that have been built in other communities and represent good opportunities for those looking for starter homes or downsizing. Changes to this OSRD bylaw could include measures that would permit these types of small clustered pocket neighborhoods.

The Planning Board, with support and input from the Community Housing Trust, 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) and the state's Smart Growth Toolkit (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 Community Housing Trust in coordination with other appropriate local officials will be needed in drafting the zoning amendment and obtaining the necessary approvals.

4. **Adopt Inclusionary Zoning**

Timeframe: Years 3–5

Responsible Party: Planning Board with support from the Community Housing Trust

Current Status: Inclusionary zoning bylaws have been adopted in localities throughout the state but requirements vary considerably as shown in Table V-1. Inclusionary zoning is not currently included in Norwell's Zoning Bylaw. It 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. 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 bonuses²⁸. Some also allow the development of affordable units off-site.

| Table V-1: Inclusionary Zoning Requirements in Other Communities | | | |
|---|--|-------------------------------------|--|
| Municipality | Required Percentage of Affordable Units | Minimum Project Size | Payment-in-lieu of Affordable Units |
| Amherst | Based on project size Ranges from 7% to 12% | 10 Units | No |
| Arlington | 15% | 6 Units | Yes |
| Barnstable | 10% | 10 Units | Formed a committee to study |
| Belmont | 10%, 12.5% or 15% depending on project size | 2 single-family or two-family homes | Yes |
| Berlin | 15% | 6 units | No |
| Brookline | 15% | 6 Units | Yes |
| Cambridge | 15%** | 10 Units | Yes |
| Duxbury | 10% | 6 Units | Yes |
| Hopkinton | 10% | 10 Units | Yes |
| Medway | 10% | 6 Units | Yes |

²⁸ Density bonuses allow increased densities beyond what is allowed under the Zoning Bylaw.

| | | | |
|---|------------------------------------|----------|-----|
| Newton | 15% | 4 Units* | Yes |
| Somerville | 12.5% to 20% depending on location | 6 Units* | Yes |
| Tewksbury | 15% | 4 Units* | Yes |
| Watertown | 12.5% to 15% | 6 Units | Yes |
| Wellesley | 20% | 5 Units | Yes |
| Yarmouth | 20% | 5 Units | Yes |
| *Zoning indicates that the calculation of a fractional unit of 0.5 or more shall be regarded as a whole unit. With a 12.5% to 15% affordability requirement, the 0.5 threshold occurs with four (4) total units. ** Considering increasing the percentage to 20%. | | | |

Next Steps: The Norwell Planning Board will explore inclusionary zoning models and, with input and support from the Community Housing Trust. If found to be applicable to Norwell, prepare a zoning amendment that is best suited to promoting affordable housing in the community. The bylaw, like all other new zoning, will require Town Meeting approval for adoption.

Inclusionary zoning bylaws have been adopted in localities throughout the state but requirements vary considerably as shown in Table V-1. 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). The Citizen Planner Training Collaborative website has a model bylaw with commentary as well (www.umass.edu/masscptc/examplebylaws.html).

The bylaw can 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. 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 is sufficient to fully cover the affordability gap, securing enough funding to produce affordable units 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 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.

5. Allow More Diverse Housing Types

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Community Housing Trust

Current Status: Because affordable housing typically depends on economies of scale, it is difficult to develop such housing in Norwell and meet the annual housing production goals of 18 units given current

zoning. Without appropriate zoning or the Chapter 40B comprehensive permit process, various housing types that can address local needs are not permitted. Housing beyond the single-family house, including even smaller-scale housing types, are not allowed or substantially limited under current zoning.

The Town might consider how additional housing types might be allowed under zoning that have proven more affordable and suitable for rentals, starter homes, special needs, or downsizing including:

- *Bungalow or cottage housing in pocket neighborhoods*

This type of housing is being promoted by Massachusetts. It has been popular in the West Coast of the country where there is an intense focus on smart growth development principles and accommodating increasing numbers of smaller households. The model involves the development of small cottages or bungalows that are clustered around a community green space.



This housing type, which typically targets empty nesters, single professionals, and young couples, is a way of developing smaller units on smaller lots. Such development provides opportunities for the ownership or even rental of small, detached dwellings within or on the fringe of existing neighborhoods, often enhancing affordability while simultaneously encouraging the creation of more usable open space for the residents through flexibility in density. Changes to the Town's Open Space Residential Design Bylaw (see strategy V.B.3) could include measures that would permit these types of small clustered pocket neighborhoods. The site plan from a 9-unit pocket neighborhood in Edgartown, Jenney Way, is provided to show how such well-designed development can blend in well as part of existing neighborhoods.

- *Townhouses*

Townhouses involve residential structures that come up to or very nearly approach the edge of the property line in order to create more usable space. Such units include rowhouses, garden homes, patio homes and townhomes and are sometimes referred to as half homes.

These units are typically developed as condominiums but can also be rentals.

- *Two-family homes*

Two-family homes are among the most affordable types of housing as they can potentially offer both a relatively affordable first-time homebuyer opportunity with rental income from a new rental

unit, serving several needs simultaneously. Such units were the prototypical starter home years ago in many communities when such zoning allowed their development in most neighborhoods. Design guidelines could require these dwellings to appear as a single-family homes.

These development types can be designed to be harmonious with the existing built environment. There are potential sites that might accommodate a single housing unit, two-family homes, small cluster of units or even conversions of existing properties to serve local affordable housing needs, particularly small starter units, affordable rentals, and special needs housing.

As reported by the Lincoln Institute of Land Policy, “Urban planners and public officials are focused on developing housing types that restore the “missing middle” – row houses, duplexes, apartment courts, and other small to midsize housing designed at a scale and density compatible with single-family residential neighborhoods.” The “missing middle” concept grew out of the New Urbanism movement “to inject more moderately-priced housing into residential neighborhoods, from shrinking or subdividing lots to adding accessory dwelling units (ADUs), to expanding legal occupancy in homes.”²⁹ It suggests housing types that “typically have small to medium-size footprints with a body width, depth, and height no larger than a single-family home. They can blend into a neighborhood as compatible infill, encouraging a mix of socioeconomic households and making more effective use of transit and services.”³⁰

Next Steps: The Planning Board should consider where more diverse housing types might best be integrated into neighborhoods. Many of the housing types listed above can conform to this “missing middle” concept and respond to the community’s need for smaller units, rental units in particular. These housing types are not allowed in local zoning or substantially restricted. Zoning changes should be considered to allow more types of housing in the use restrictions and guide such units to appropriate locations with feasible densities to allow for some inclusion of affordable units. This new zoning can include design guidelines to ensure that new housing is harmonious within the local architectural context.

Resources Required: The professional support of the Town Planner as well as the donated time of members of the Planning Board and Community Housing Trust in coordination with other appropriate local officials in drafting the zoning changes and obtaining the necessary approvals.

C. Housing Development and Preservation Strategies

To accomplish the actions included in this Housing Production 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 partnerships with developers – for profit and non-profit – to create affordable units, which the Town has a history of pursuing.

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 (DDS), Department of Mental Health (DMH), Community Economic Development Assistance Corp. (CEDAC), Massachusetts Housing Partnership (MHP), and Massachusetts Housing Investment Corporation (MHIC). Regional resources, both financial and technical, will be sought as

well including Housing Solutions of Southeastern Massachusetts, NeighborWorks of Southern Mass, 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:

²⁹ Ibid.

³⁰ Ibid.

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

Timeframe: Years 1–2

Responsible Party: Board of Selectmen with support from the Community Housing Trust

Current Status: Providing Town-owned property for affordable housing development is not a new concept in Norwell as the Town has approved the conveyance of surplus municipal property for several projects including:

- A property on Circuit Street as well as \$80,000 in CPA funding for a home that was built by South Shore Habitat for Humanity.
- A property on Prospect Street that was built as special needs housing. Although \$600,000 in CPA funding was voted at Town Meeting, it was financed privately.
- The site of the former Police Station at 40 River Street to build a multi-family structure with 18 affordable units for seniors 60 years of age or older. The Town also committed \$1.3 million in CPA funds and additional funding included the state's Community Scale Housing Initiative (CSHI). The development, known as Herring Brook Hill, is nearing completion. More information on this development is included in Section II.E.2.



East (River Street) Elevation



South Elevation

Courtesy of Resolution Architects 1

Next Steps: The Community Housing Trust 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. 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 CHT also commissioned an engineering study for a property on Wildcat Lane which is designated for affordable housing.



Courtesy of LBG Architects

During the last year, the Community Housing Trust has been working with an architect to refine its planning for the site. This architect has presented an alternative design for development that includes 26 multi-generational housing units with a mix of one, two and three-bedroom rental units and a total of 54 bedrooms in three multi-family buildings. The project would take advantage of the sloping site to place some parking underneath the buildings. It would also include shared community

amenities. A schematic of the design is inserted above. The Community Housing Trust is now following-up on this conceptual plan to determine sources of financing and feasibility.

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 in infill basis. Additionally, there may be opportunities for the Town to preserve existing unsubsidized but affordable housing through acquisition (see strategy V.C.3).

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.

In the past, the Affordable Housing Partnership considered 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 Glen residents have faced continuing increases in the rental costs of property lots, rendering them less and less affordable. While the Town recognized that such homes are not currently eligible for inclusion in the SHI, some further discussion could occur regarding how the Town

and DHCD might work together to retain some level of affordability at The Glen.

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.

A Request for Proposals (RFP) process is required. Following the necessary approvals for the conveyance of Town-owned properties, the Community Housing Trust, 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 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.

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. The "friendly" comprehensive permit process can be used 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. Some of the state's more recent funding initiatives include:

- *Workforce Housing Fund*
Governor Baker announced \$100 million in funding to create new housing opportunities stating, "Making more affordable housing options available to working Massachusetts families deterred by

rising rent expenses is essential to economic growth and development in communities throughout the Commonwealth. These working middle-income families are the foundation of our economy and talented workforce, and the creation of this \$100 million fund by MassHousing will advance opportunities for them to thrive and prosper.”

- *Starter Home Program*

The state also enacted legislation to implement a Starter Home Program as part of the Governor’s Economic Development Bill. This was accomplished by modifying the existing Smart Growth Zoning and Housing Production law of Chapter 40R to include \$25 million in new funding over five years for cities and towns that create new starter home zoning districts. The new districts must be a minimum of three acres, restrict primary dwelling size to 1,850 square feet of heated living area with a minimum of four units per acre by-right, and provide 20% affordability up to 100% AMI. As is the case under Chapter 40R, communities would receive zoning incentive payments ranging from \$10,000 to \$600,000, depending upon the size of the "starter home" zoning district, as well as housing production payments of \$3,000 for each unit of housing built. There is also an open space requirement.

- *Housing Choice Initiative*

In 2018, the state announced its Housing Choice Initiative to provide technical assistance grants to local governments to help communities achieve their affordable housing goals under Chapter 40B through its new “Planning for Housing Production” Program. The state hopes to pair this grant funding with new legislation that will help facilitate housing production and the adoption of zoning best practices without mandating that municipalities adopt any specific zoning practices.

- *Community Scale Housing Initiative (CSHI)*

The state also introduced the Community Scale Housing Initiative to address the need for smaller scale affordable housing projects that are sized to fit well within the host community and are too small to be competitive for the more traditional sources of financing such as the Low Income Housing Tax Credit Program. The new initiative provided \$10 million in the first funding round, and the state recently announced another round. This program was used to help finance the 40 River Street development.

These activities will require the donated time of members of the Community Housing Trust 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: 42 units

2. Partner with Private Developers on Privately Owned Properties

Timeframe: Years 1–2

Responsible Party: Community Housing Trust 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 often limits the size of new development, increasing costs and lowering densities unless special treatment facilities can be feasibly integrated into the development.

Next Steps: The Town will consider 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 excellent opportunities for starter housing, downsizing and special needs units.

Given high land and housing values, there are fewer homes available in Norwell for those without equity from a former home or with limited income. This is the case despite the fact that many houses 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 seek partnerships with 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 Community Housing Trust, providing useful feedback to developers on preliminary plans.

Resources Required: The Community Housing Trust will take the lead 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: 46 units

3. Convert Existing Housing to Affordability

Timeframe: Years 3–5

Responsible Party: Community Housing Trust

Current Status: Norwell should consider working on strategies to not only preserve the affordability of existing SHI housing units but to, when possible, convert market units to state-defined “affordable” ones, thus insuring the long-term affordability of existing units. The Norwell Affordable Housing Trust was originally established to coordinate such buy-down efforts as described in Section V.A. Based on feedback from the community, there has not been much interest due to the loss of value in the asset. Such work is also 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 as well as the limited amount of subsidy allowed.

The focus of such an initiative could 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 are reasonable targets. There are a couple of program approaches that have been used in other localities to 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). These programs pre-qualify applicants and rank them through a lottery, then have the winning participants search for a home that meets program requirements.

Such programs have been adopted in a number of towns and cities in the state. For example, the Town of Wellfleet has been managing such a program, offering up to \$175,000 in subsidy. 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 an entity purchasing 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 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 as summarized below.

Homebuyer/Mortgage Assistance Program Approach

- *Program guidelines:* The Community Housing Trust would prepare Program guidelines that specifies program terms and conditions including eligibility requirements and funding criteria. An example of Wellfleet's maximum purchase prices and affordable purchase prices are provided in Table V-2, based on a maximum grant of \$175,000. Because area median income levels are higher for the Boston area than for Barnstable County, these maximums could be pushed somewhat higher for Norwell.

| TABLE V-2: WELLFLEET PROGRAM – MAXIMUM AFFORDABLE PRICES, based on DHCD Housing Calculations for 2018 | | | | |
|---|-----------|-----------|-----------|-----------|
| Home Size | 1 bedroom | 2 bedroom | 3 Bedroom | 4 Bedroom |
| Maximum Sale Price (includes Maximum per unit subsidy of \$175,000) | \$355,500 | \$378,620 | \$401,079 | \$419,277 |
| Maximum Affordable Purchase Price/Net price to you after the subsidy is applied | \$180,500 | \$203,620 | \$226,079 | \$244,277 |

- *Funding approval:* The Community Housing Trust would prepare a CPA funding application to obtain local approvals to introduce the program. It might want to consider launching the effort initially on a pilot basis with sufficient funding for two purchases. For example, Wellfleet has established a goal of funding 20 units over a 20-year period, averaging a purchase per year. It is currently implementing its fifth funding round with two participants.
- *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 at closing. DHCD must approve these materials prior to beginning program operations.
- *Implement the marketing plan:* The Community 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, and lottery.

Select and support purchasers: The Community Housing Trust would then provide the top-ranked

purchasers with information on next steps and maintain communication through the purchase process. DHCD will also have to approve the eligibility of these participants, and will provide a formal approval that will list all other information it will need to review and approve prior to the closing.

- *Inspect properties:* The program should bring on 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. 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. The costs to cover these improvements could come out of the subsidy and be placed in an escrow account following the closing, released as work is completed. Alternatively, the seller could be pressed to make the improvements prior to the closing based on negotiations regarding the sale.
- *Submit LAU application:* The Community 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).
- *Prepare documents:* The Housing Trust should work with DHCD and the lender on the necessary closing documents including the deed rider and LIP disclosure statement. In the case that the subsidy is in the form of a deferred loan instead of a grant, a mortgage, promissory note and loan agreement would also have to be executed.
- *Coordinate closings with lender:* Working with the purchaser's closing attorney, DHCD and the lender, the Housing Trust should insure that the appropriate documents are executed and provide the subsidy.
- *Record documents:* The Community Housing Trust should insure that all appropriate documents are recorded 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 Community 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 Community 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 or administrators as appropriate.

Resources Required: A per unit subsidy ranging from \$175,000 to \$200,000 is a reasonable expectation to make this program work in Norwell based on high housing costs but targeting some of the lower-valued

properties. Necessary program resources will also include the donated time of members of the Community 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: 6 units

4. Continue Adminstrating the Senior Small Grant Program

Timeframe: Years 1–2

Responsible Party: Community Housing Trust

Current Status: The Town, through its Community Housing Trust, has introduced the Norwell Senior Small Grant Program to provide grants of up to \$2,500 to qualifying property owners to help them make health and safety improvements to their homes. The Program is targeted to seniors 60 years of age or older with the following additional requirements:

- Property is located in Norwell and is the applicant’s primary residence. The applicant must agree to reside in the home for at least a full 12 months following completion of the repair work.
- Household income must be less than the “Circuit Breaker” income limit determined by the Massachusetts Department of Revenue. In 2018 this income was \$58,000 for a single individual who is not the head of a household, \$73,000 for a head of household, and \$88,000 for married couple filing a joint return.
- The maximum home value can be no greater than the average single-family home assessment but can be waived in unusual circumstances.
- All those who want to participate in the program must submit an application which is available on the Town’s website. The Norwell Council on Aging is available to answer questions and to help applicants fill out the applications.

Since the program has been introduced, the Community Housing Trust has provided 10 grants totaling \$22,205. Completed work has ranged considerably from replacing faulty plumbing and heating systems, to fixing a leaking roof and rotted windows for example.

Next Steps: The Community Housing Trust received \$140,638 from proceeds of a sale of an affordable unit at Silver Brook Farm, some of which it will use to maintain program operations. The Trust might also review program requirements and consider some modifications based on issues that have arisen while operating the program to date. Such changes could include increasing the maximum subsidy amount, changing income requirements to 80% or 100% AMI, or extending program benefits to those who meet program requirements but are under age 60.

Resources Required: Funding of about \$25,000 per year as well as dedicated time from the Community Housing Trust and its administrator to oversee operations.

Projected # Affordable Units Produced: While this program does not create any new SHI units,³² it does meet a pressing local need of helping qualifying property owners make important health and safety improvements.

³² Properties assisted under this Program, are not eligible for inclusion in the SHI as deed restrictions are not required given the relatively low amount of subsidy, and those with incomes of up to 100% AMI are eligible for participation.

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.

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 met³³:

- 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 Housing Production.
- 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.

³³ Section 56.03 of the new Chapter 40B regulations.

- 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.³⁴ 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 or cannot 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 with 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 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.

³⁴ 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.

- ***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).

Changes to 40B regulations expand 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 principle 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 by-laws and regulations and to examine the feasibility of alternative designs.

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

- The hearing is 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 their 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 (18 units and 37 units, respectively, for Norwell for *approval* by DHCD.³⁵
- 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 certification 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.

The Board of Selectmen and Planning Board must adopt plans, 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 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

³⁵ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

“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”.³⁶

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.”³⁷ 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:

| Incentive Units | Payments |
|-----------------|-----------|
| 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 in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would prepare the Zoning District bylaw (ordinance) for Town Meeting (City Council) enactment, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”³⁸

³⁶ 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.

³⁷ Massachusetts General Law, Chapter 40R, Section 11.

³⁸ “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

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 burdened 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.

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 Rents³⁹

- 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 fees⁴⁰, 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).

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.

³⁹ DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

⁴⁰ 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.

- 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 must adhere to 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 unit 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:

- 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, if applicable. The chief executive officer is in fact required to submit the application to DHCD.
- 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.
- Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
- Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.
- 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:

Application process

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

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.

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

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.

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.

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 Rieko Hayashi of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: rieko.hayashi@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.

A. Technical Assistance

1. *Housing Choice Initiative*

The state has stated its commitment to producing 135,000 new housing units statewide by 2025 or by about 17,000 units per year, an ambitious task. To help accomplish this, it has created the Housing Choice Initiative that has three basic components:

1. *Legislation*

The Baker Administration filed legislation, An Act to Promote Housing Choices, which has been referred to the House Committee on Ways and Means. The key element of the bill is to reduce the required vote from a two-thirds supermajority to a simple majority for certain zoning changes including:

- Chapter 40R
- Cluster bylaws
- Reductions in parking and dimensional requirements
- Transfer of Development Rights/natural resource protection zoning
- Increased density through the Special Permit process
- Accessory dwelling units

2. *Capital Grant Funding*

Communities can receive a Housing Choice designation that provides exclusive admission to new Housing Choice Capital Grants as well as priority access to existing grant and capital funding programs such as MassWorks, Complete Streets, MassDOT projects, and LAND and PARC grants. To obtain this designation, the community must submit an application that documents the increase in the total year-round housing stock from the 2010 census and the cumulative net increase in year-round units from January 1, 2013 through December 31, 2017. Documentation will be based on building permit data coming from the Building Department.

3. *Technical Assistance Resources*

The state has also allocated \$2 million in technical assistance grants for planning assistance through what it is calling the new Planning for Production Program. Support includes:

- Crafting new zoning to result in new housing production through Chapter 40A, 40R or a collaborative Chapter 40B proposal.
- Planning and designing public infrastructure projects or enhancements that will facilitate needed housing growth.
- Public education initiatives regarding financial feasibility, development cost-benefit analysis, local infrastructure needs, and school costs relative to the potential for new housing growth.

2. *Planning Assistance Toward Housing (PATH)*

A relatively new state-funded initiative, the Planning Assistance Toward Housing (PATH) Program, provides planning assistance to municipalities for housing production. The state has made \$600,000 in planning grants available through the program to support locally initiated planning for municipally owned sites, changes to land use and zoning, and other strategies that directly contribute to housing production. (This program currently is out of funding.)

3. *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 (contact is Karl McLaurin at DHCD). 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.

4. *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. (Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

5. *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.

(Contact MHP’s Community Housing Initiatives Team at 617-330-9944 ext. 227 for more information.)

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.

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 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 ONE Mortgage 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 non-entitlement 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.

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 ONE Mortgage 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. *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.

12. *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.

13. *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.

14. *Compact Neighborhoods Program*

DHCD recently announced "Compact Neighborhoods" that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of “future zoned units” in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;
- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions to age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the elderly, persons with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encourage housing that is priced to meet the needs of households across a broad range of incomes and needs.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an “as-of-right” base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from DHCD; and
- Adopt the Compact Neighborhood Zoning.

16. *DHCD Project-Based Homeownership Program*

DHCD recently announced a first round of funding for its Project-Based Homeownership Program with two (2) funding categories:

- *Areas of Opportunity*
Funds are being awarded for new construction of family housing projects for first-time homebuyers in neighborhoods or communities that provide access to opportunities that include but are not limited to jobs, transportation, education, and public amenities. The minimum project size is ten (10 units) for up to \$500,000 in funding for a single project and no more than \$75,000 per affordable unit. The maximum total development cost for affordable units is \$300,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to the amount of the DHCD subsidy request.
- *Gateway Cities*
A limited amount of funding will be made available to Gateway Cities or other smaller communities with well-defined Neighborhood Redevelopment Plans for the acquisition and rehabilitation or new construction of single-family or duplex units or triple-deckers (rehab only). The development of single sites is preferred but scattered-site projects are permissible. The minimum project size is six (6 units) for up to \$500,000 in funding for a single project and no more than \$75,000 per affordable unit. The maximum total development cost for affordable units is \$250,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to one-half the amount of the DHCD subsidy request.

Sponsors/developers must have hard letters of interest from construction lenders and mortgage loan originators, follow prescribed design/scope guidelines, submit sound market data at the time of pre-application, and have zoning approvals in place. Interested sponsors/developers must submit a pre-application for funding and following its review, DHCD review will invite certain sponsor/developers to submit full applications.

17. *National Housing Trust Fund (NHTF)*

The state has allocated \$3.4 million in Housing Trust Funds and 100 Massachusetts Rental Vouchers to help create supportive housing for vulnerable populations including homeless families and individuals, unaccompanied homeless youth, frail seniors with service needs, and individuals in recovery from substance abuse. This program is intended to provide supplemental support to the federal National Housing Trust Fund, a newly authorized affordable housing program.

18. *Community Scale Housing Initiatives (CSHI)*

The state has introduced a new program to address the need for smaller scale affordable housing projects that are sized to fit well within the host community. The new initiative will provide funding for these projects based on the following eligibility criteria:

- Community must have a population not to exceed 200,000
- Program sponsors can be both non-profit and for-profit entities with a demonstrated ability to undertake the project
- The proposed project must include at least five rental units but no more than 20 rental units
- Project must involve new construction or adaptive reuse
- A minimum of 20% of the units must be affordable but it is anticipated that most proposed projects will have a minimum of 50% affordable units
- The host community must provide a financial commitment in support of the project
- The CSHI subsidy may not exceed \$200,000 per unit unless the developer intends to seek DHCD project-based rental assistance in which case the subsidy may not exceed \$150,000 per CSHI unit
- The total development cost per unit may not exceed \$350,000
- Projects will receive no more than is necessary to make the project feasible
- Projects must be financially feasible without state or federal low income housing tax credits
- Projects are expected to close and proceed to construction within 12 months of the date of the award letter

The 40 River Street project was awarded funding under this program.

19. *Starter Home Program*

State legislation was recently enacted to implement a Starter Home Program as part of the Governor's Economic Development Bill. This was accomplished by modifying the existing Smart Growth Zoning and Housing Production law of Chapter 40R to include \$25 million in new funding over five years for cities and towns that create new starter home zoning districts. The new districts will be a minimum of three acres, restrict primary dwelling size to 1,850 square feet of heated living area, require that 50% of the primary dwelling units contain three bedrooms, allow a minimum of four units per acre by right, and provide 20% affordability up to 100% AMI.

20. *Workforce Housing Fund*

The state is investing in a Workforce Housing Fund to provide rental housing for those households earning 61% to 120% AMI. In his announcement, Governor Baker said, “Making more affordable housing options available to working Massachusetts families deterred by rising rent expenses is essential to economic growth and development in communities throughout the Commonwealth. These working middle-income families are the foundation of our economy and talented workforce, and the creation of this \$100 million fund by MassHousing will advance opportunities for them to thrive and prosper.”

The Workforce Housing Initiative was created to do the following:

- Target individuals and families with incomes of 61% to 120% of Area Median Income (AMI)
- Provide up to \$100,000 of subsidy per workforce housing unit to create 1,000 new units of workforce housing statewide
- Leverage strategic opportunities to use state-owned land
- Complement, does not replace, traditional MassHousing development financing
- Ensure workforce housing units are deed restricted as affordable for at least 30 years

Eligible projects include:

- Preference is for new units; existing projects where unrestricted units become restricted will be considered
- Workforce housing units are intended for working age household and may not be not be elderly restricted or occupied by full-time students
- 20% of units at the development must be affordable for households earning at or below 80% of AMI

21. *Housing Choice Initiative*

The state has stated its commitment to producing 135,000 new housing units statewide by 2025 or by about 17,000 units per year, an ambitious task. To help accomplish this, it has created the Housing Choice Initiative that has three basic components that includes Capital Grant Funding. Communities that qualify for designation under this Initiative can receive exclusive admission to new Housing Choice Capital Grants as well as priority access to existing grant and capital funding programs such as MassWorks, Complete Streets, MassDOT projects, and LAND and PARC grants. To obtain this designation, the community must submit an application that documents the increase in the total year-round housing stock from the 2010 census and the cumulative net increase in year-round units from January 1, 2013 through December 31, 2017. Documentation will be based on building permit data coming from the Building Department.

C. Homebuyer Financing and Counseling

1. *ONE Mortgage Program*

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, has recently introduced the ONE Mortgage Program, a new simplified version of the successful Soft Second Loan Program, which from 1991 to 2013 helped over 17,000 families purchase their first home. Like the Soft Second Program, ONE features low, fixed-rate financing and state-backed reserve that relieves homebuyers of the cost of purchasing private mortgage insurance.

2. *American Dream Down-payment Assistance Program*

The American Dream Down-payment Assistance Program is 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 ONE Mortgage 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 de-leading 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 ONE Mortgage Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, which 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 close proximity to Norwell includes the Housing Solutions of Southeastern Massachusetts and NeighborWorks of Southern Mass.

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 (HILP)*

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 offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred, or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$74,400 for one and two-person households and \$85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. 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 South Middlesex Opportunity Council (SMOC) administers this program for southeastern Massachusetts.