Housing Needs and Solutions in South Hadley

Implementing the 2016 Housing Production Plan
Overview

- Introduction (10 minutes)
- Overview of South Hadley’s Housing Needs (20 minutes)
- Solutions (45 minutes)
- Next Steps and Questions (15 minutes)
Housing Through the Years

1. Childhood

2. Own First Place

3. Current

4. Next
Have you lived in a.....?

- Single Family House
- Mobile Home
- Duplex
- Town House
- Condo
- Apartment
- Affordable Housing
- Senior Housing
South Hadley’s Housing Production Plan was completed in 2016.
Demographic Trend 1: Number of Households Growing Rapidly

- Residents: 17,514
- Households: 6,793
- Families: 4,156

Demographic Trend 2: Households with Children vs. Households living alone

32% of households in South Hadley living alone

23% of households in South Hadley have children

Source: US Census Bureau 2010
Between 2010 and 2030, the number of seniors in south Hadley is projected to increase by 70% while the population is expected to increase by 4.3%.

Source: US Census Bureau 2010 and UMass Donahue Institute
Demographic Trend 4: Increasing number of residents living with disabilities

South Hadley Residents with Disabilities

<table>
<thead>
<tr>
<th>Population with a disability</th>
<th>11.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 18 to 64 years</td>
<td>7.0%</td>
</tr>
<tr>
<td>With a hearing difficulty</td>
<td>0.6%</td>
</tr>
<tr>
<td>With a vision difficulty</td>
<td>0.7%</td>
</tr>
<tr>
<td>With a cognitive difficulty</td>
<td>2.8%</td>
</tr>
<tr>
<td>With an ambulatory difficulty</td>
<td>3.5%</td>
</tr>
<tr>
<td>With a self-care difficulty</td>
<td>1.4%</td>
</tr>
<tr>
<td>With an independent living difficulty</td>
<td>3.2%</td>
</tr>
<tr>
<td>Population 65 years and over</td>
<td>31.4%</td>
</tr>
<tr>
<td>With a hearing difficulty</td>
<td>12.8%</td>
</tr>
<tr>
<td>With a vision difficulty</td>
<td>4.1%</td>
</tr>
<tr>
<td>With a cognitive difficulty</td>
<td>6.5%</td>
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<td>12.0%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2009-2013 ACS.
Housing Stock: Age

- Pre-1940: 6.5%
- 1940-1959: 21.7%
- 1960-1979: 30.9%
- 1980-1999: 20.9%
- 2000+: 20%

Source: 2010-2014 American Community Survey
Housing Stock: Type

Source: 2010-2014 American Community Survey
Housing Stock: Bedroom Mix

Source: 2012-2016 American Community Survey
Between 2001 and 2014, multifamily housing was developed in only 5 of the 14 years—most in the form of duplexes. There has also been about 7 single family homes built for every multifamily development.

Source: HUD permit database
Housing Stock: Foreclosure

Source: Warren Group
South Hadley has 396 units on the state’s Subsidized Housing Inventory. This is approximately 5.6% of the year-round housing stock. They need an additional 313 units to meet the state’s 10% goal.

Communities that don’t have 10% of their housing stock deeded as affordable housing can be subject to a Chapter 40B comprehensive permit.
South Hadley has seen significant growth in high income households, some growth in low-income households and a significant decline in middle-income households.

Source: US Census Bureau 2000, 20010, and American Community Survey 2010-2014
## Defining Affordability

### Area Median Income Limit Category

<table>
<thead>
<tr>
<th>Persons in Family</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Low” Income (80% of AMI)</td>
<td>$46,000</td>
<td>$52,600</td>
<td>$59,150</td>
<td>$65,700</td>
<td>$71,000</td>
</tr>
<tr>
<td></td>
<td>($884/wk)</td>
<td>($1,011/wk)</td>
<td>($1,107/wk)</td>
<td>($1,137/wk)</td>
<td>($1,365/wk)</td>
</tr>
<tr>
<td>“Very Low” Income (50% of AMI)</td>
<td>$29,150</td>
<td>$33,300</td>
<td>$37,450</td>
<td>$41,600</td>
<td>$44,950</td>
</tr>
<tr>
<td></td>
<td>($560/wk)</td>
<td>($640/wk)</td>
<td>($720/wk)</td>
<td>($800/wk)</td>
<td>($864/wk)</td>
</tr>
<tr>
<td>“Extremely Low” Income (30% of AMI)</td>
<td>$17,500</td>
<td>$20,000</td>
<td>$22,500</td>
<td>$24,950</td>
<td>$28,780</td>
</tr>
<tr>
<td></td>
<td>($336/wk)</td>
<td>($384/wk)</td>
<td>($432/wk)</td>
<td>($479/wk)</td>
<td>($546/wk)</td>
</tr>
</tbody>
</table>

### Monthly Income vs. Weekly Income

<table>
<thead>
<tr>
<th></th>
<th>Monthly Income</th>
<th>Weekly Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium Income</td>
<td>$2,620</td>
<td>$604</td>
</tr>
<tr>
<td>Minimum Wage</td>
<td>$1,906</td>
<td>$439</td>
</tr>
<tr>
<td>Average Social Security</td>
<td>$1,372</td>
<td>$316</td>
</tr>
<tr>
<td>Supplemental Security Income</td>
<td>$750</td>
<td>$173</td>
</tr>
</tbody>
</table>
Level of Cost Burdened

Cost burdened is defined as a household spending more than 30% of their income on housing costs. Severely cost burdened is defined as a household spending more than 50% of their income on housing costs.

Source: 2012-2016 American Community Survey
Home Values in South Hadley

Median Home Value $234,400

Source: 2010-2014 American Community Survey
Purchasing Power at 80% AMI

Sales prices calculated with the following financial assumptions: 30yr fixed mortgage; 5% down; 5% closing costs rolled into mortgage; 5% interest; 2% property tax; .6% insurance; .75% PMI; 1% maintenance costs, no HOA fees.

Source: HUD Income Limits and PVPC Calculations
Housing Plan has 4 Key Goals

- Management of Planning and Development
- Diverse Housing that Contributes to Community Character
- Affordable Housing as 10% of Year-Round Building Stock
- Fair Access to Safe, Functional and Affordable Housing
Solutions-

- Plan has 43 actions

- Some High Priority Actions include:
  - Forming a Housing Partnership to serve as the advocate for private public affordable housing development
  - Reconsider adopting the Community Preservation Act
  - Adopt design guidelines that preserve rural and semi-rural character in large lot zones
  - Provide various incentives for the integration of affordable housing into mixed use developments
  - Consider the expansion of existing or creation of new 40R districts
  - Enforce maintenance codes on existing housing units to prevent their falling into disrepair
  - Continue and expand the CDBG funded Housing Rehab Program
6 Regulatory Solutions to Explore

- Smart Growth Overlay District
- Starter Home Overlay District
- Infill Development
- Accessory Dwelling Units
- Mixed-Use Conversion
- Inclusionary Zoning
Solution #1: Inclusionary Zoning

In districts with Inclusionary Zoning regulations, developers are required to set aside a certain percentage of units as permanently affordable.

**Advantages:**
- Creating mixed-income developments and avoids concentrating affordable housing in one area.
- Town can provide cost offsets such as reduced parking requirements, density bonus, expedited permitting, etc, but not contributing direct funding.
- Helps maintain 10% affordable housing goal under Chapter 40B as new growth happens.

**Disadvantages:**
- Developer may not be familiar with affordable housing regulations.
- Doesn’t help get the town to 10% on the SHI.
Solution #1: Inclusionary Zoning

In districts with Inclusionary Zoning regulations, developers are required to set aside a certain percentage of units as permanently affordable.
Solution #2: Accessory Dwelling Units

Accessory Dwelling Unit regulations allow homeowners to convert a portion of their home into a separated apartment, which they can rent for additional income or use to house family members.

Advantages:
▶ Can provide homeowners with additional income
▶ Could allow aging in place or for adult children to stay in community
▶ Provides additional housing stock while maintaining neighborhood character
▶ Ability to house growing population while preserving open space, farmland and forests

Disadvantages:
▶ Unlikely to increase 10% affordable housing goal as SHI requirements are too burdensome for homeowners.
Solution #2: Accessory Dwelling Units

Accessory Dwelling Unit regulations allow homeowners to convert a portion of their home into a separated apartment, which they can rent for additional income or use to house family members.
Solution #3: Mixed Use Conversion

Mixed Use Conversions allow for the conversion of under-utilized commercial or retail space into housing.

Advantages:
- Additional housing in areas that have existing access to goods and services
- Provides additional housing stock while maintaining community character
- Ability to house growing population while preserving open space, farmland and forests

Disadvantages:
- Could limit existing commercial and retail space is adoption widespread
Solution #3: Mixed-Use Conversion

Mixed Use Conversions allow for the conversion of under-utilized commercial or retail space into housing.

Concerns?

Locations?
Solution #4: Smart Growth Overlay Zoning District

Smart Growth Zoning District is an overlay zoning district that promotes housing development.

Eligible Locations include:
- areas near transit stations
- areas of concentrated development, including town and city centers, existing commercial centers and existing rural village districts

Advantages:
- Additional housing in areas that have existing access to goods and services
- Provides both market-rate and affordable housing (Moves town closer to 10% goal)
- Ability to house growing population while preserving open space, farmland and forests
- Town receives incentives payments for adopting zoning and permitting units under the zoning

Disadvantages:
- Developers may be unfamiliar with the state’s affordable housing regulations
- Incentive payment can only be used for capital expenses
- Town responsible for monitoring of affordable units
Solution #4: Starter Home Overlay Zoning District

Smart Growth Zoning District is an overlay zoning district that promotes housing development.

Eligible Locations include:
- areas near transit stations
- areas of concentrated development, including town and city centers, existing commercial centers and existing rural village districts

Concerns?

Locations?
Solution #5: Starter Home Overlay Zoning District

Similar to Smart Growth Overlays, Starter Home Overlays allow for smaller homes on smaller lots than would otherwise be permitted. Starter homes are defined as “single family homes not exceeding 1,850 sq. ft. These developments must be designed in a way that preserves green space.

Advantages:

▶ Provides both market-rate and affordable housing (Moves town closer to 10% goal)
▶ Smaller houses on smaller lots provides opportunities for first time homebuyers and those looking to downsize
▶ Lot sizes closer to some existing neighborhoods
▶ Town receives incentives payments for adopting zoning and permitting units under the zoning

Disadvantages:

▶ Developers may be unfamiliar with the state’s affordable housing regulations
▶ Incentive payment can only be used for capital expenses
▶ Town responsible for monitoring of affordable units
Solution #5: Smart Growth Overlay Zoning District

Similar to Smart Growth Overlays, Starter Home Overlays allow for smaller homes on smaller lots than would otherwise be permitted. Starter homes are defined as “single family homes not exceeding 1,850 sq. ft. These developments must be designed in a way that preserves green space.

Concerns?

Locations?
Solution #6: Infill Zoning

Infill allows for housing to be developed on vacant parcels within previously developed areas. Most of these vacant parcels exist today because zoning has changed over time to require large lots. With infill development, new housing can be built on currently undevelopable lots, filling in gaps and keeping with neighborhood character.

**Advantages:**
- Provides additional housing stock while maintaining neighborhood character
- Ability to house growing population while preserving open space, farmland and forests

**Disadvantages:**
- Unlikely to increase 10% affordable housing goal
- May need design guidelines to ensure that infill fits into the character of existing neighborhoods
Solution #6: Infill

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Concerns?

Locations?
Next Steps

- Public Forum #2 (same information and format as this meeting)
  - October 24th @ 6:30pm @ South Hadley Town Hall

- Public Forum #3 (delving deeper into the advantages and disadvantages of locations for growth)
  - November 14th @ 6:30pm @ Loomis Village Community Room
THANK YOU!

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