



# Housing Needs and Solutions in South Hadley

Implementing the 2016 Housing Production Plan

# Overview

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- ▶ 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

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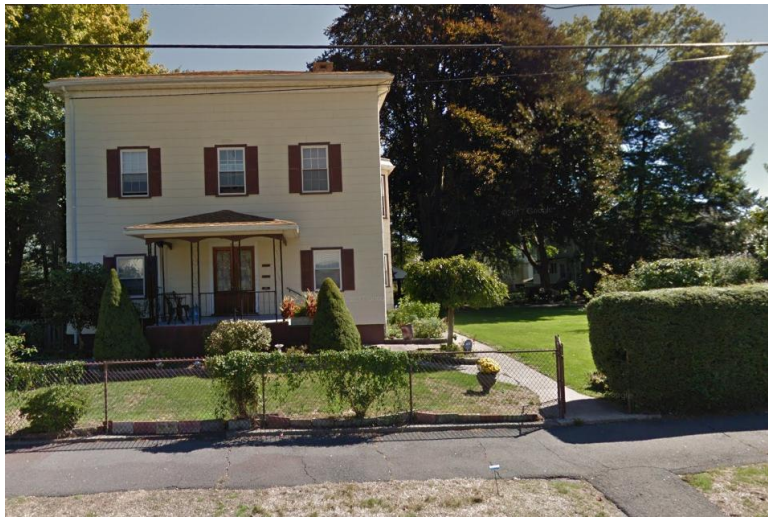
**1. Childhood**

**2. Own First Place**

**3. Current**

**4. Next**

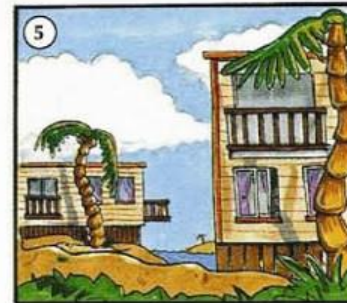
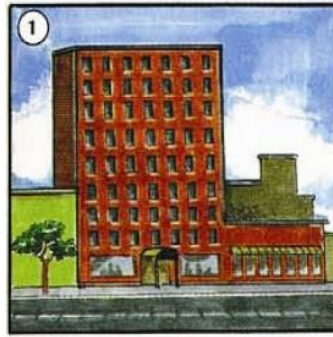






# Have you lived in a.....?

- ▶ Single Family House
- ▶ Mobile Home
- ▶ Duplex
- ▶ Town House
- ▶ Condo
- ▶ Apartment
- ▶ Affordable Housing
- ▶ Senior Housing



# Components of Housing Plan

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## Housing Needs Assessment

- Demographics
  - Current and projected
- Housing Supply
- Public Input
  - Survey
  - Public Forums

## Development Opp. And Constraints

- Housing Market
- Development Constraints
- Development Opportunities

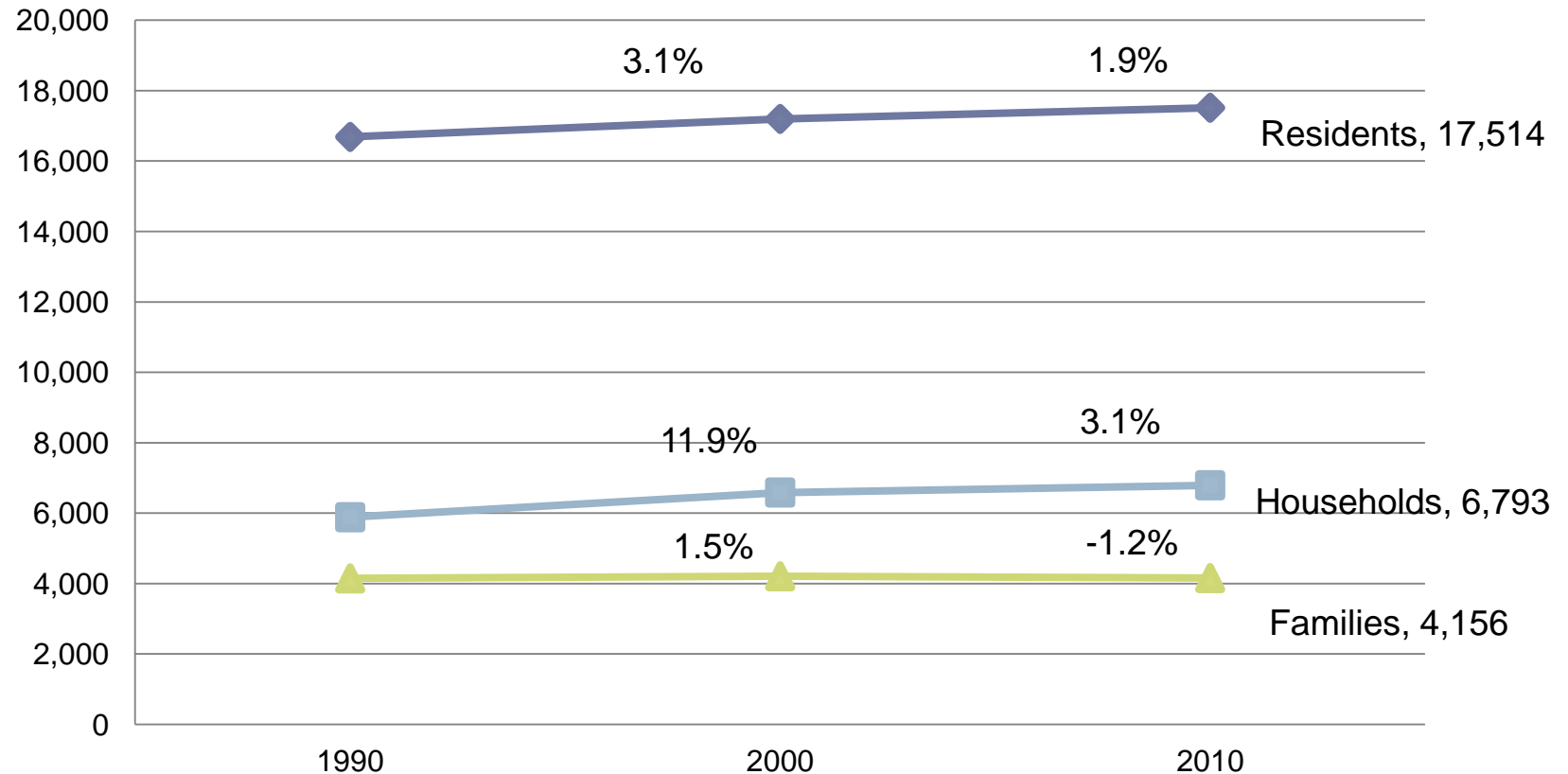
## Action Plan

- Goals
  - What are the needs in the community that need to be met
- Strategies to meet them

South Hadley's Housing Production Plan was completed in 2016.

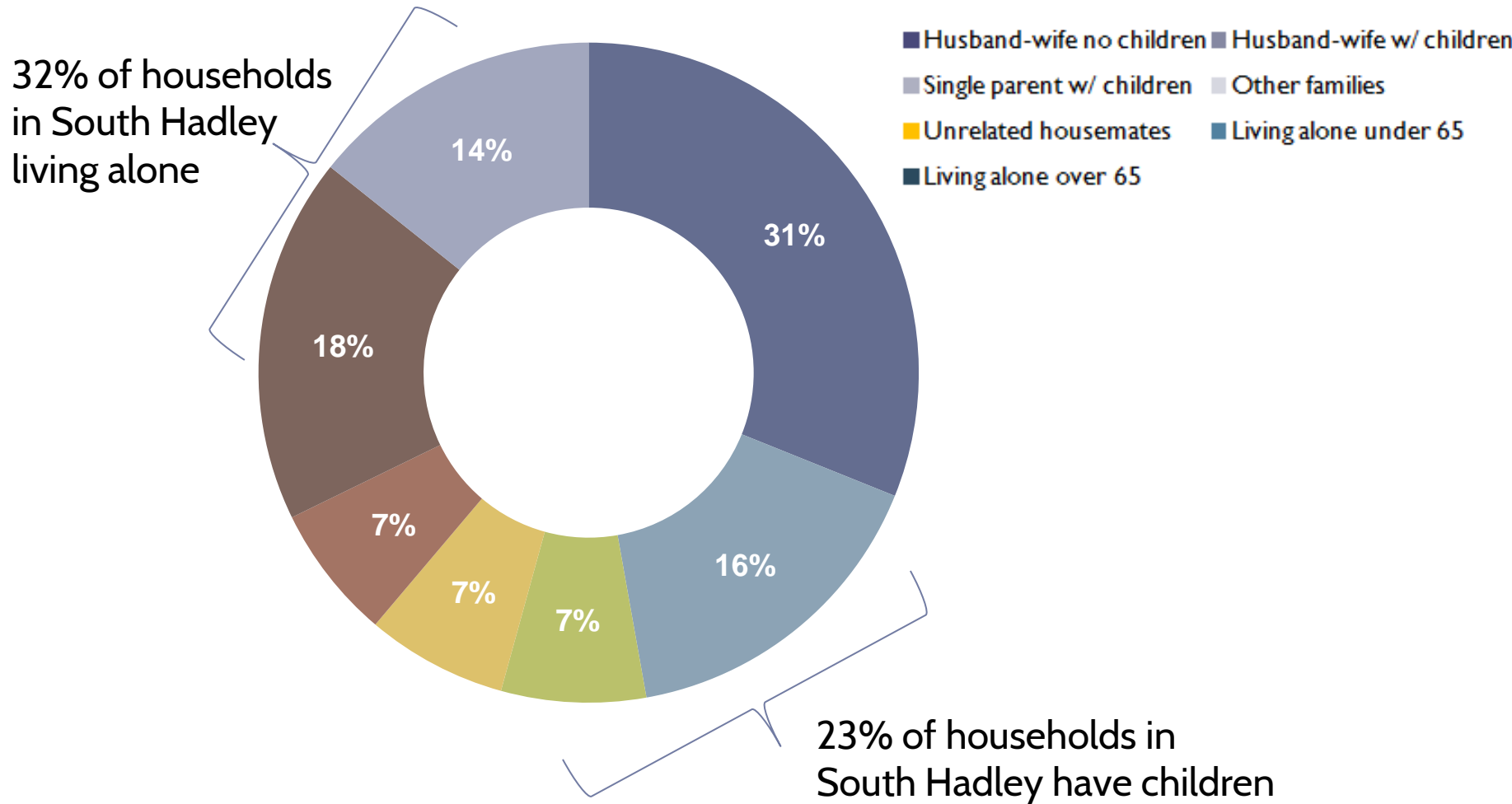


# Demographic Trend 1: Number of Households Growing Rapidly



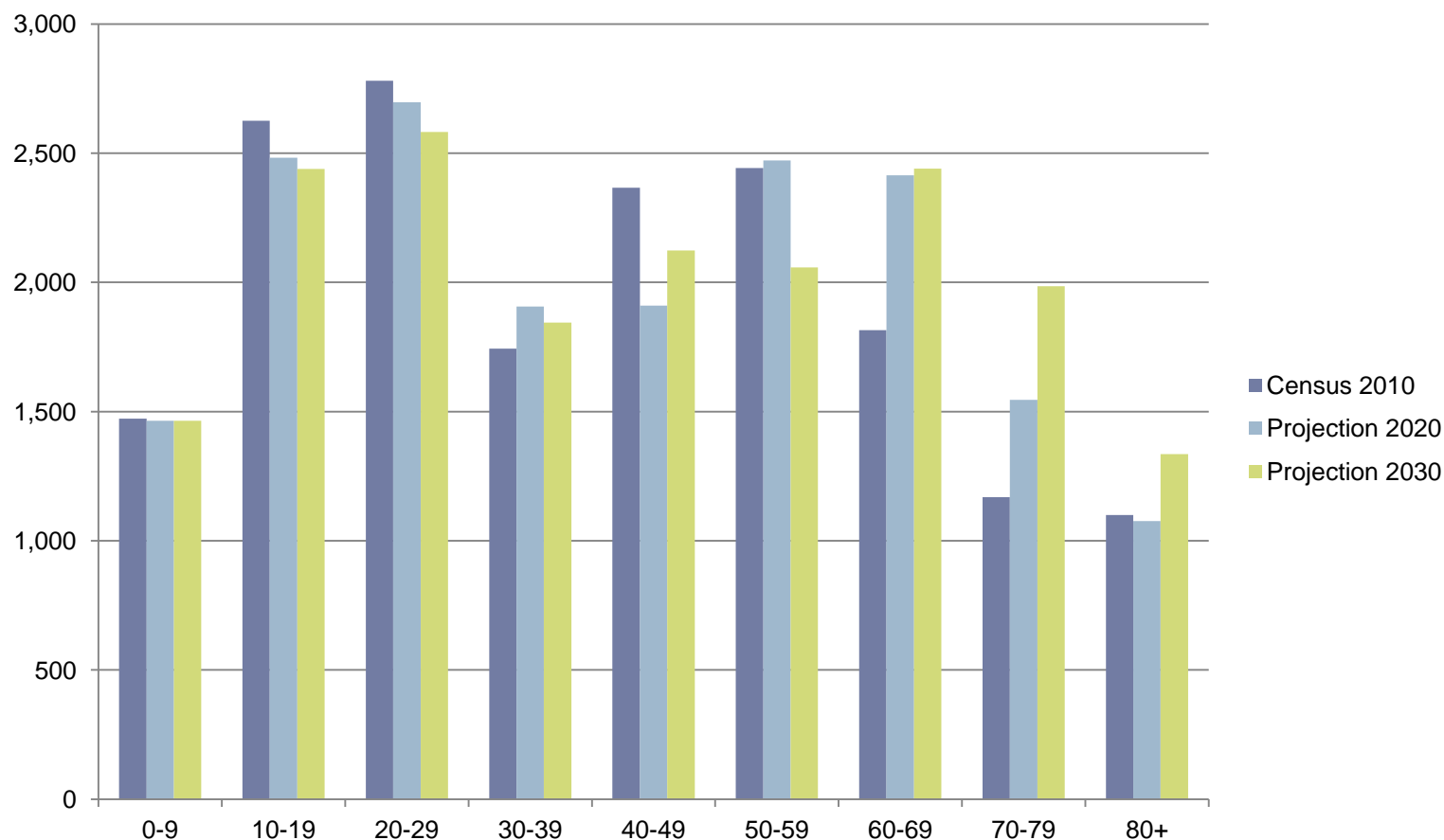
Source: US Census Bureau 1990, 2000, 2010

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





# Demographic Trend 3: Aging Population



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%

# Demographic Trend 4: Increasing number of residents living with disabilities

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## South Hadley Residents with Disabilities

Population with a disability	11.0%
Population 18 to 64 years	7.0%
With a hearing difficulty	0.6%
With a vision difficulty	0.7%
With a cognitive difficulty	2.8%
With an ambulatory difficulty	3.5%
With a self-care difficulty	1.4%
With an independent living difficulty	3.2%
Population 65 years and over	31.4%
With a hearing difficulty	12.8%
With a vision difficulty	4.1%
With a cognitive difficulty	6.5%
With an ambulatory difficulty	18.7%
With a self-care difficulty	6.1%
With an independent living difficulty	12.0%

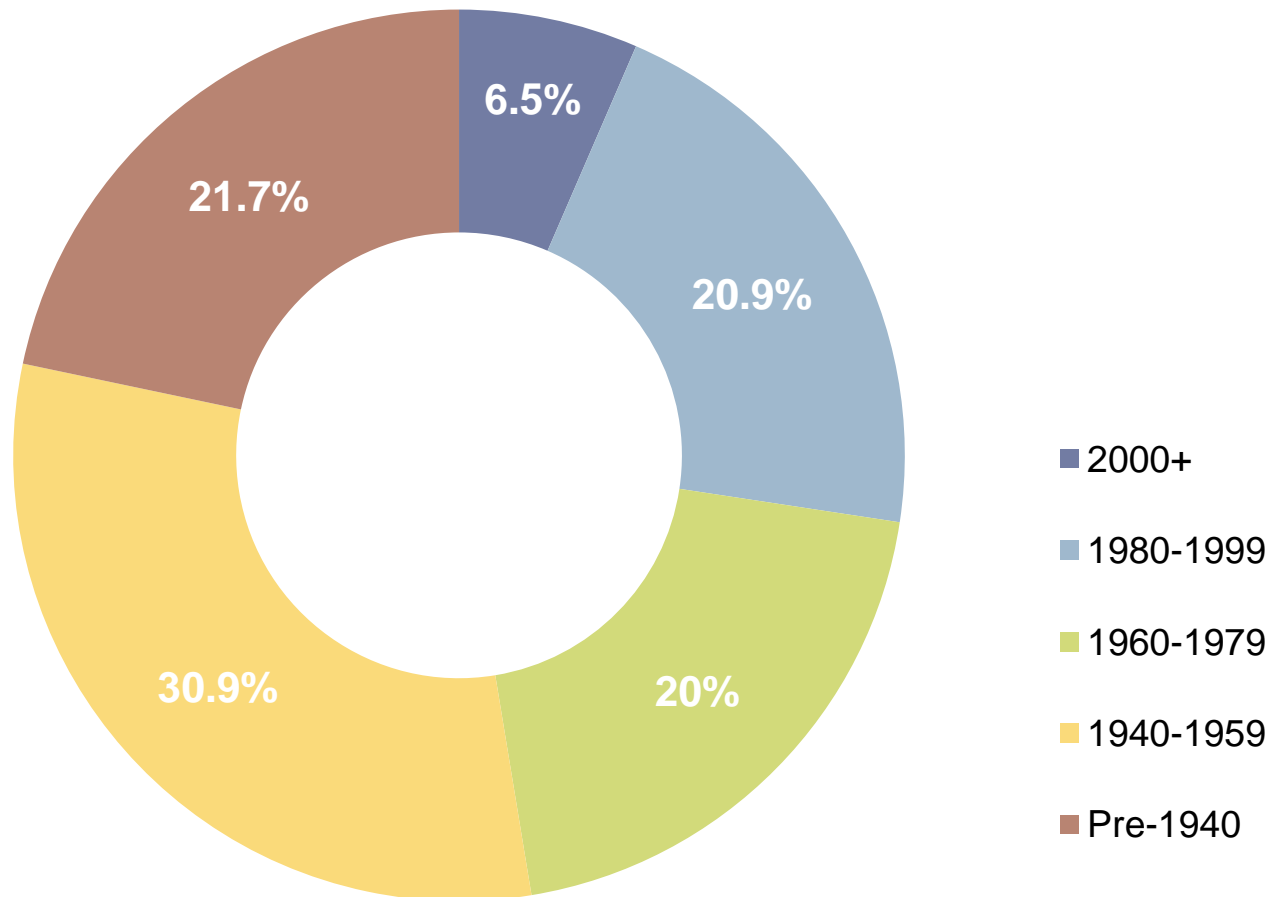
*Source: U.S. Census Bureau, 2009-2013 ACS.*



Source: 2009-2013 American Community Survey

# Housing Stock: Age

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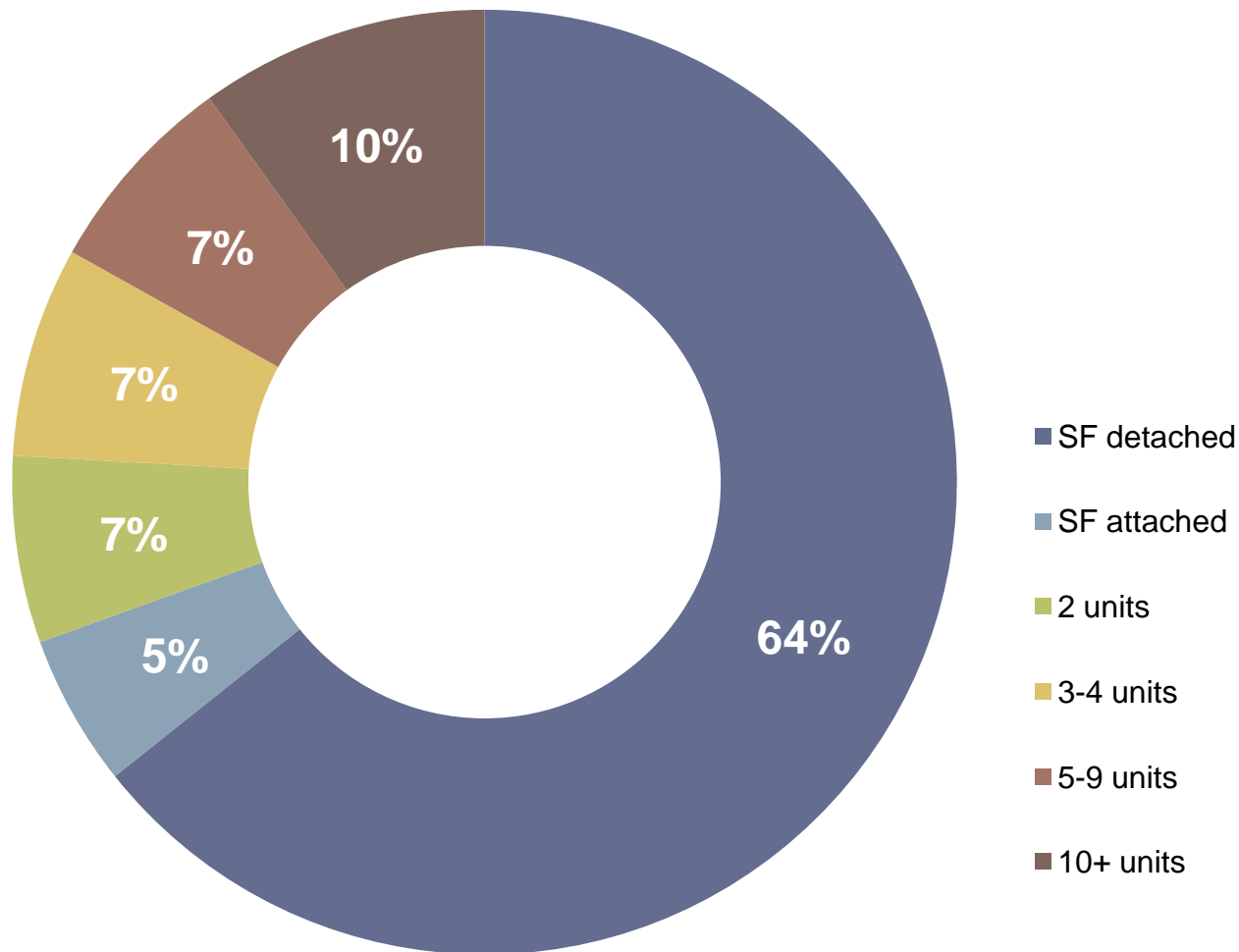


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Source: 2010-2014 American Community Survey

# Housing Stock: Type

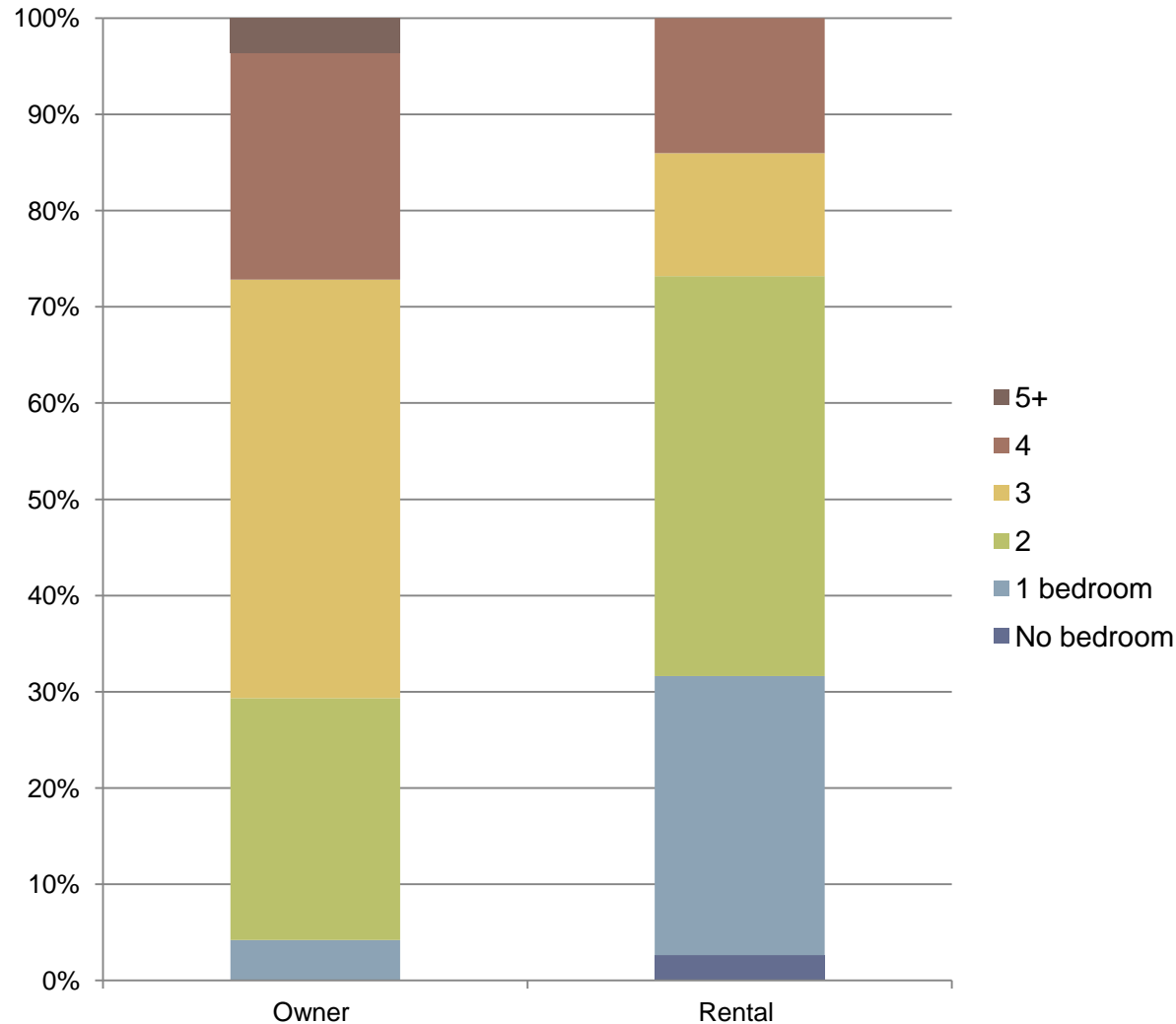
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Source: 2010-2014 American Community Survey

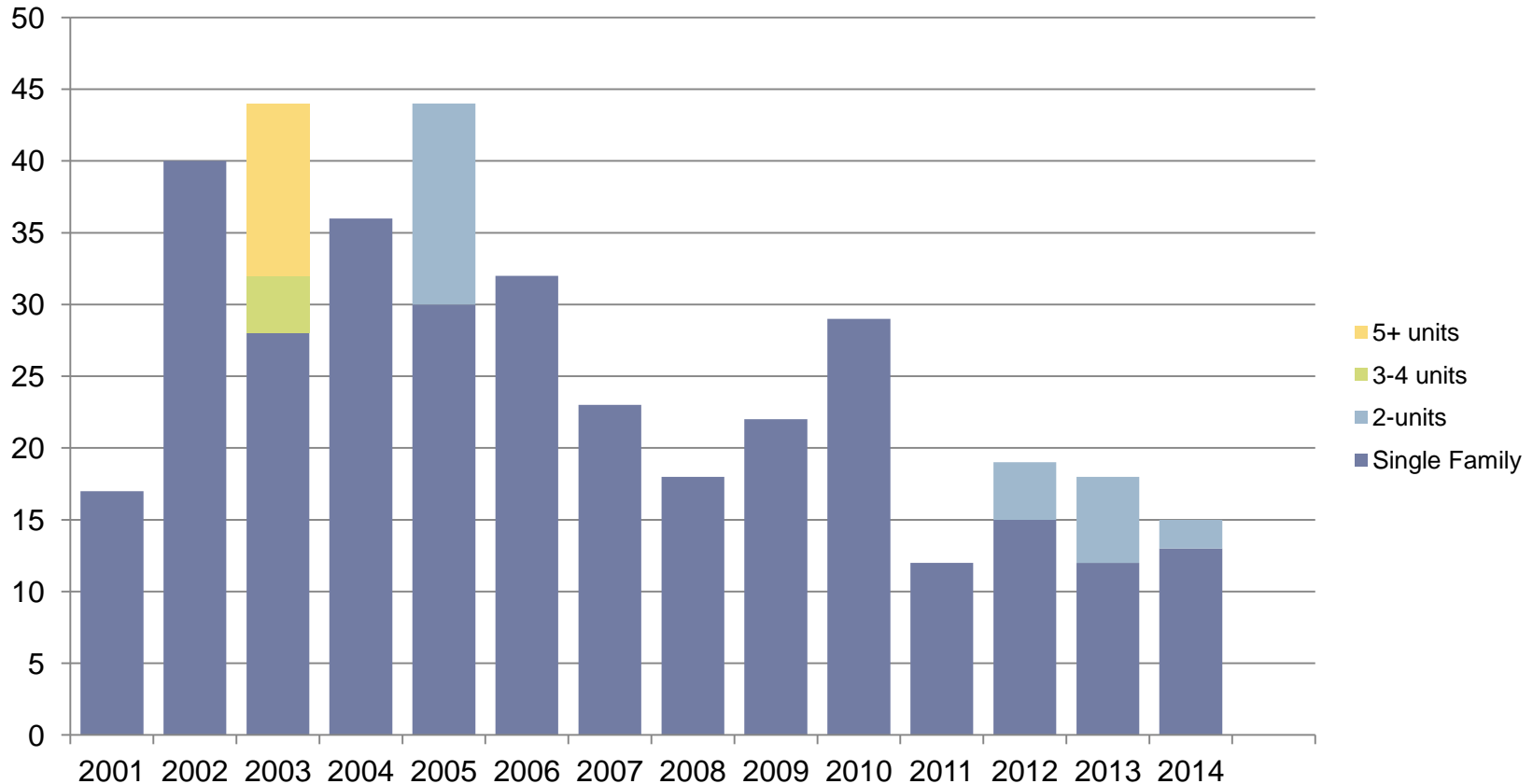
# Housing Stock: Bedroom Mix



Source: 2012-2016 American Community Survey

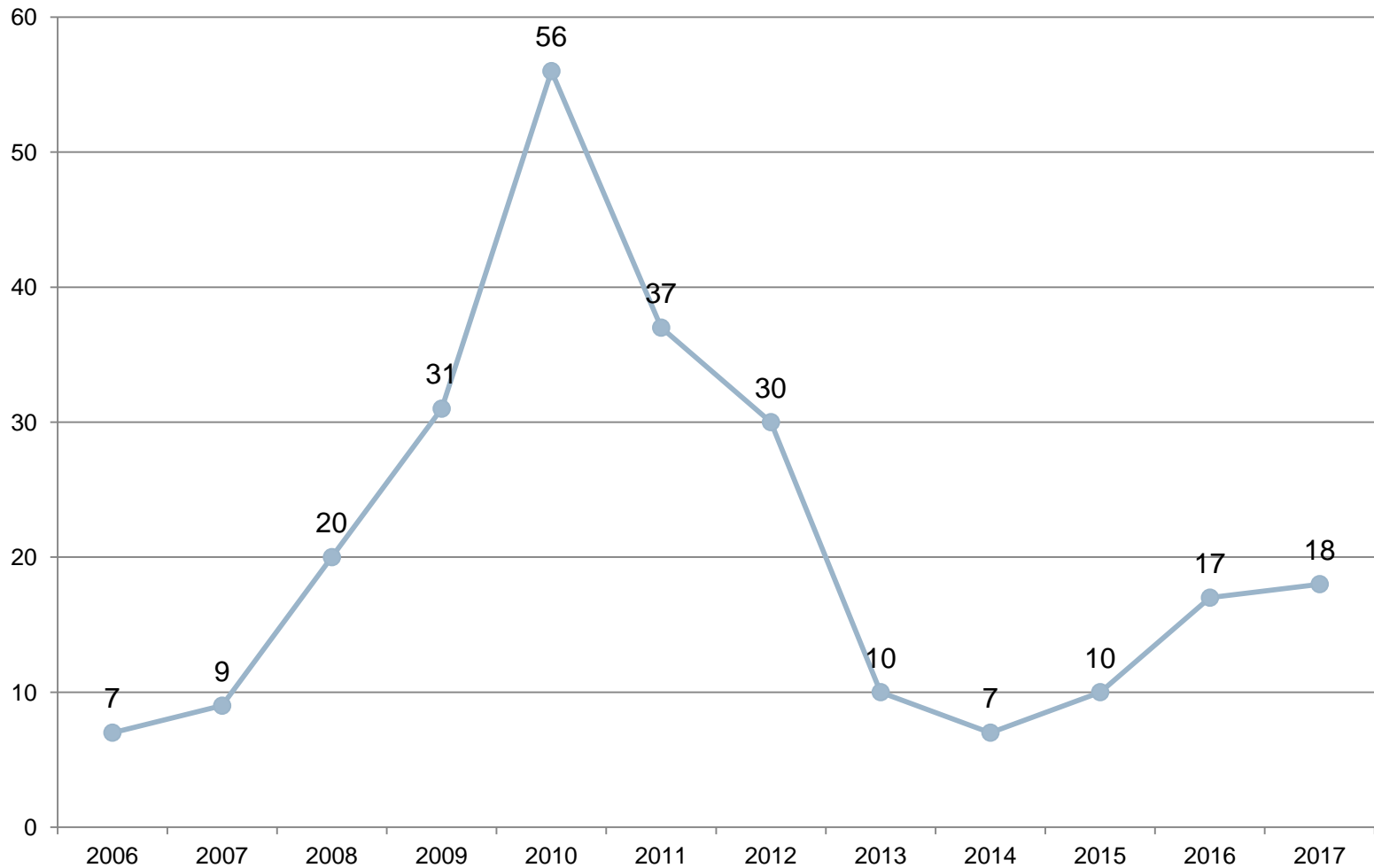


# Housing Stock: Permitting



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

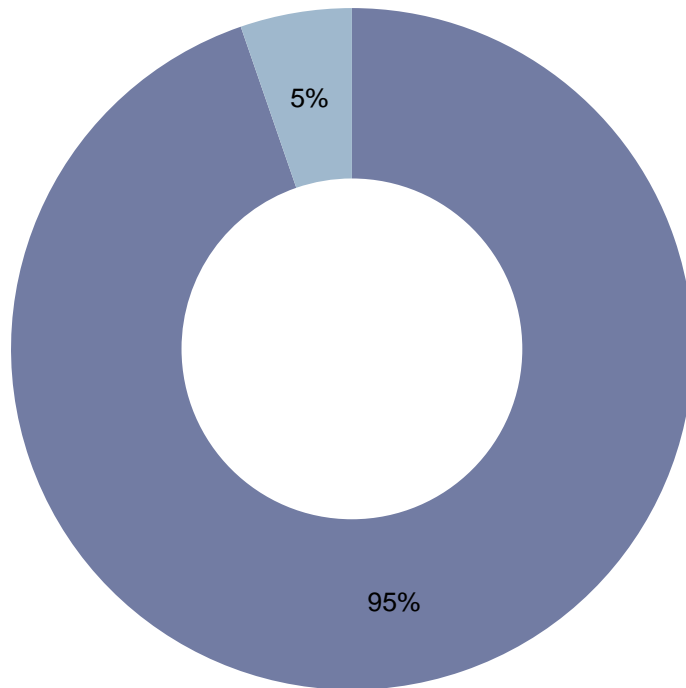
# Housing Stock: Foreclosure



Source: Warren Group

# Housing Stock: Deed Restricted as Affordable

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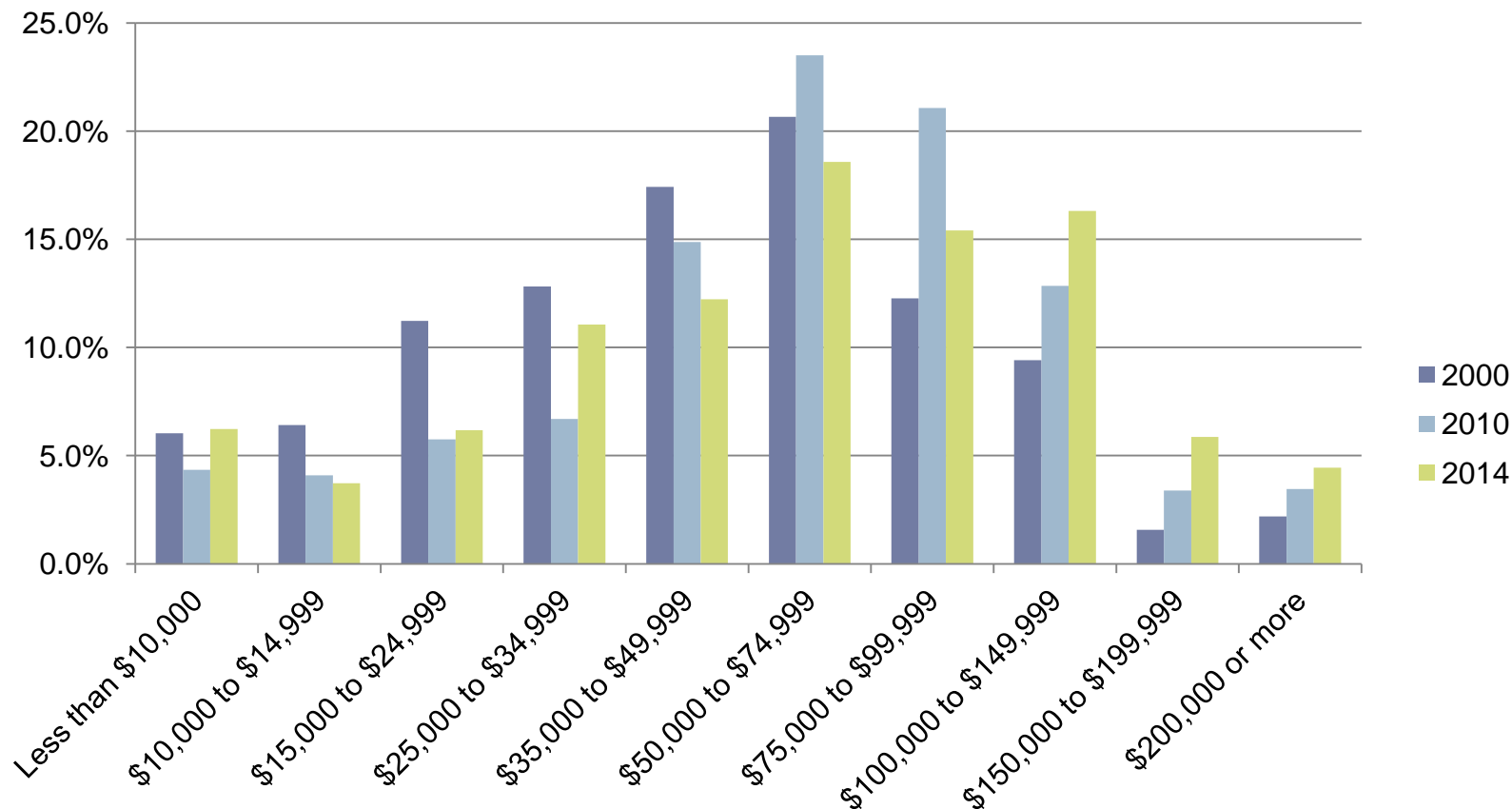


South Hadley has 396 units on the state's Subsidized Housing Inventory. This is approximately 5.6% of the year-round housing stock. They need an additional 313 units to meet the state's 10% goal.

Communities that don't have 10% of their housing stock deeded as affordable housing can be subject to a Chapter 40B comprehensive permit.



# Income



South Hadley has seen significant growth in high income households, some growth in low-income households and a significant decline in middle-income households.

# Defining Affordability

Area Median  
Income  
\$68,200

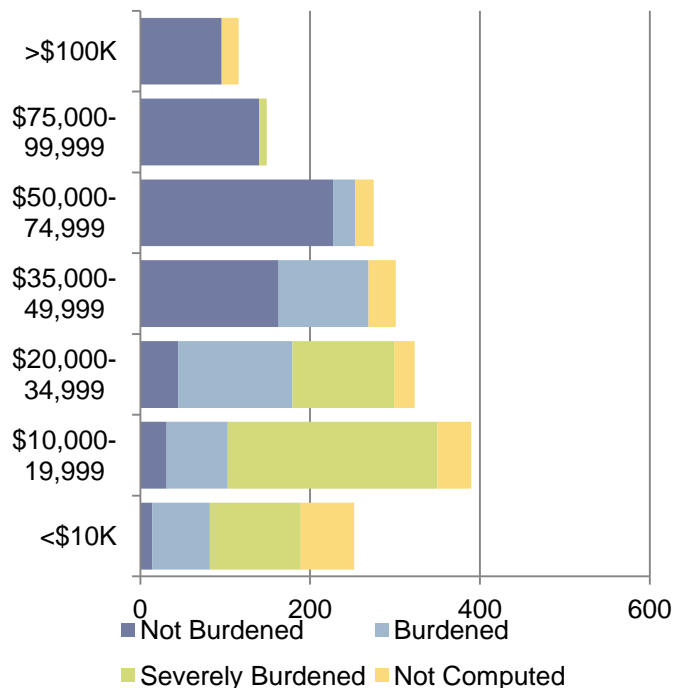
FY 2015 Area Median Income Limit Category	Persons in Family				
	1	2	3	4	5
"Low" Income (80% of AMI)	\$46,000 (\$884/wk)	\$52,600 (\$1,011/wk)	\$59,150 (\$1,107/wk)	\$65,700 (\$1,137/wk)	\$71,000 (\$1,365/wk)
"Very Low" Income (50% of AMI)	\$29,150 (\$560/wk)	\$33,300 (\$640/wk)	\$37,450 (\$720/wk)	\$41,600 (\$800/wk)	\$44,950 (\$864/wk)
"Extremely Low" Income (30% of AMI)	\$17,500 (\$336/wk)	\$20,000 (\$384/wk)	\$22,500 (\$432/wk)	\$24,950 (\$479/wk)	\$28,780 (\$546/wk)

	Monthly Income	Weekly Income
Medium Income	\$2,620	\$604
Minimum Wage	\$1,906	\$439
Average Social Security	\$1,372	\$316
Supplemental Security Income	\$750	\$173

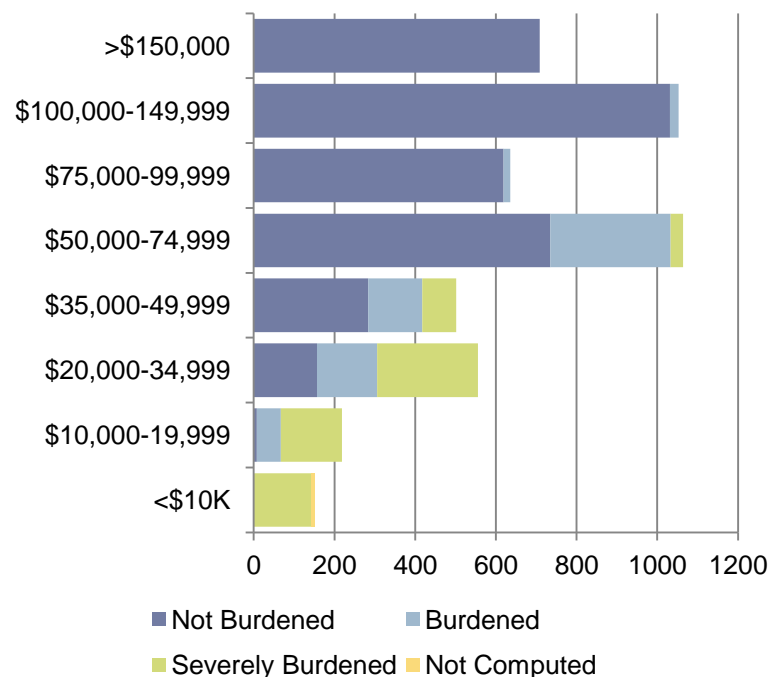


# Level of Cost Burdened

## Renter Households



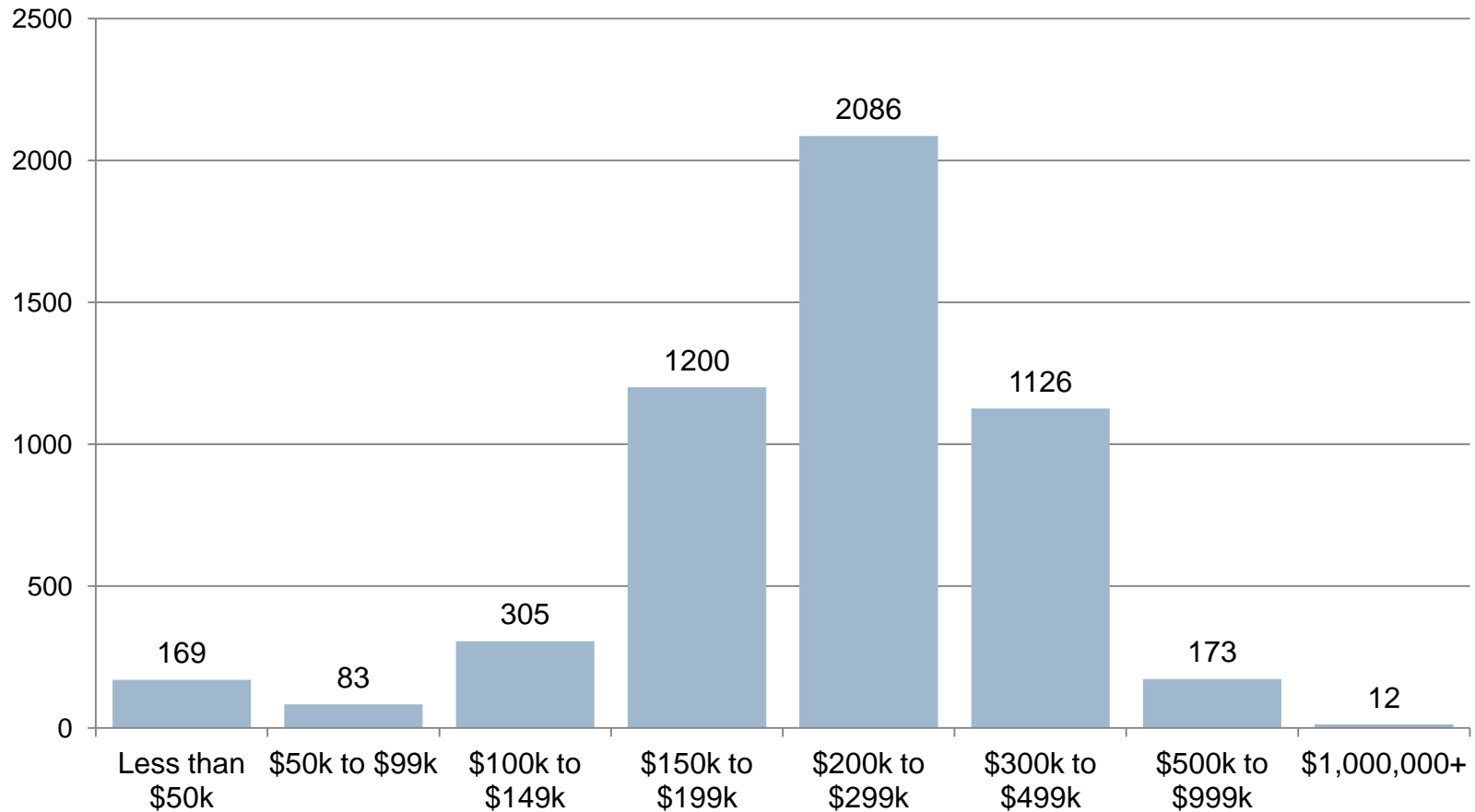
## Owner Households



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.

# Home Values in South Hadley

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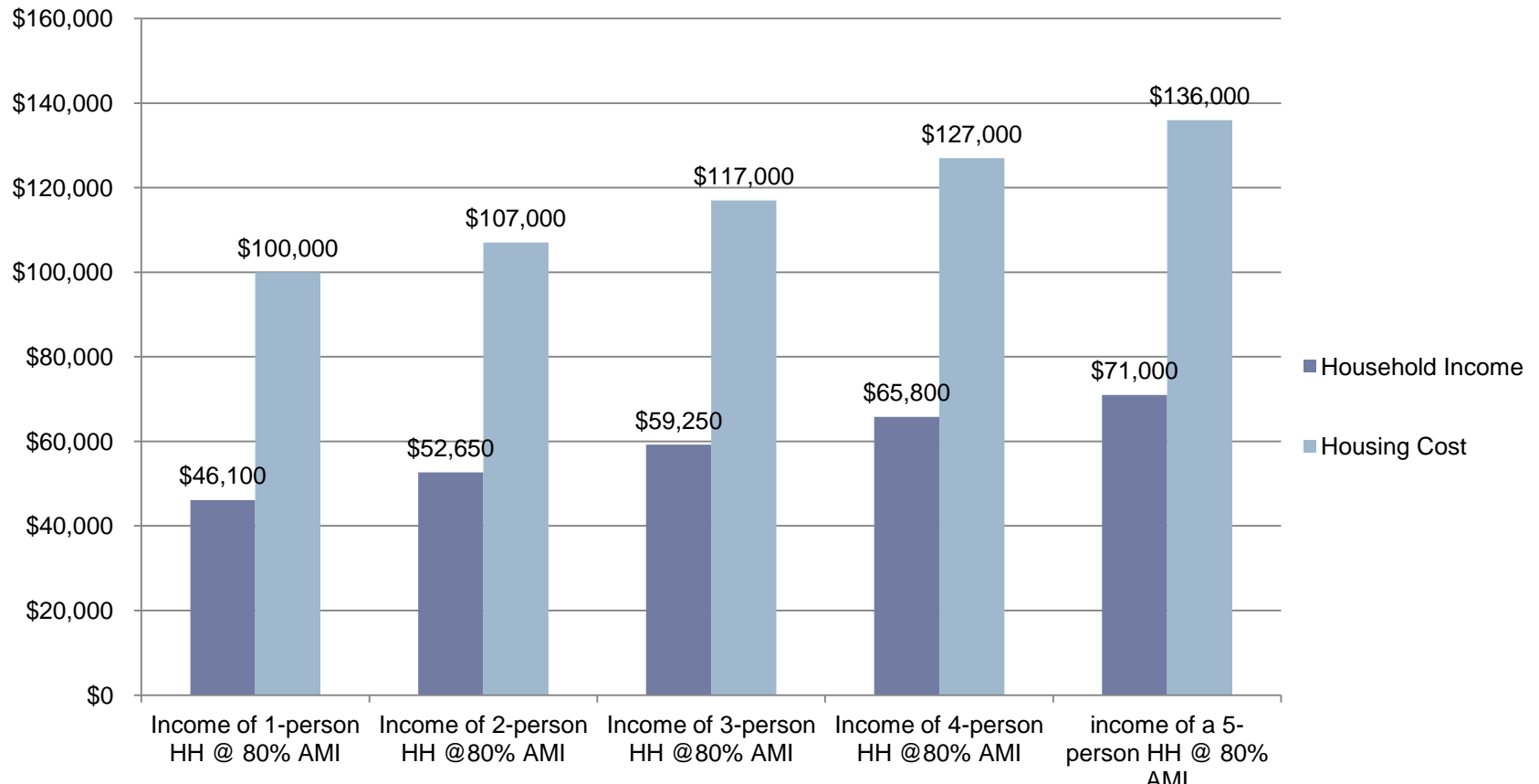


**Median Home Value \$234,400**

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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..*

# Housing Plan has 4 Key Goals

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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-

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- ▶ 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

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Smart Growth  
Overlay  
District

Starter Home  
Overlay  
District

Infill  
Development

Accessory  
Dwelling Units

Mixed-Use  
Conversion

Inclusionary  
Zoning



# Solution #1: Inclusionary Zoning

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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

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Concerns?

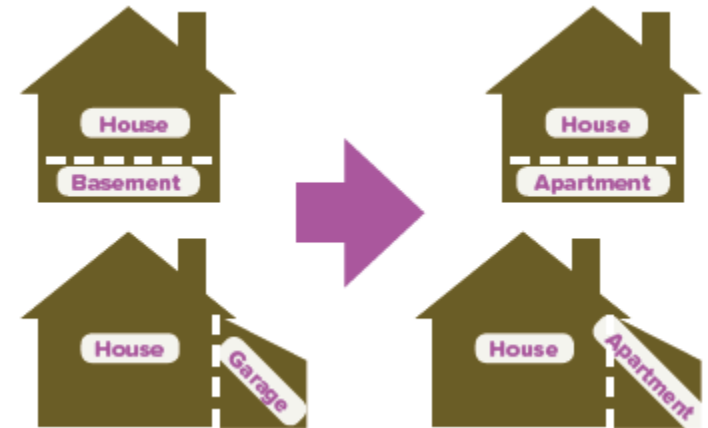
Locations?



## Solution #2: Accessory Dwelling Units

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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:

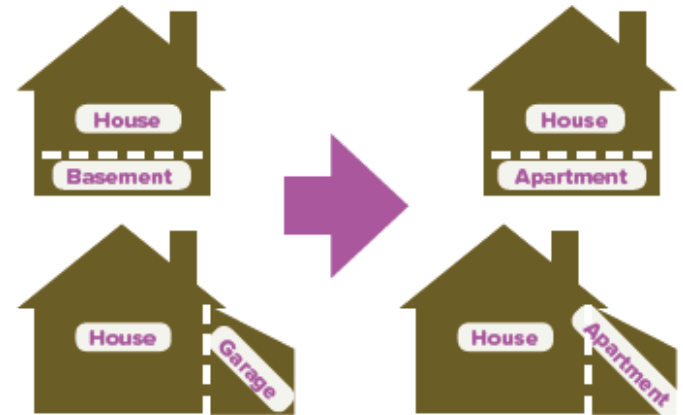
- ▶ Unlikely to increase 10% affordable housing goal as SHI requirements are too burdensome for homeowners.



## Solution #2: Accessory Dwelling Units

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Concerns?

Locations?



## 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 if adoption widespread

## Solution #3: Mixed-Use Conversion

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Concerns?

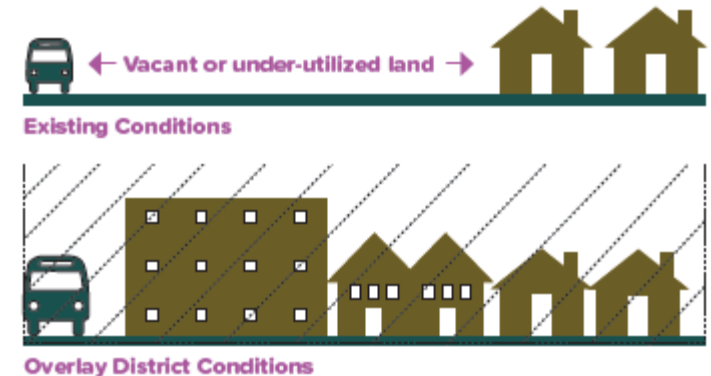
Locations?

# 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

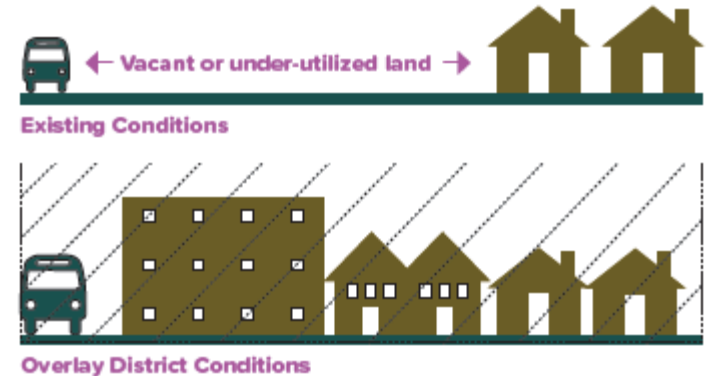


# Solution #4: Starter Home Overlay Zoning District

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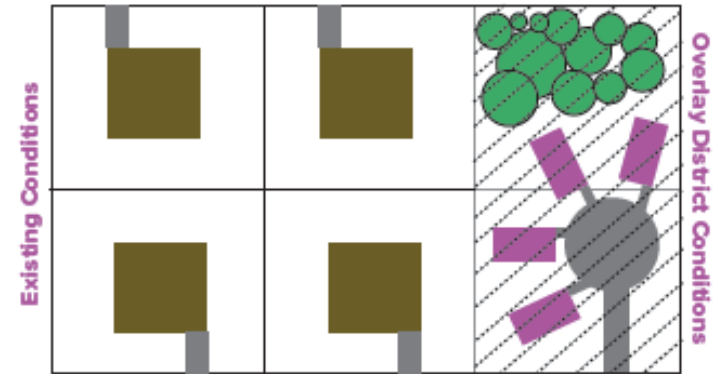


Concerns?

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:

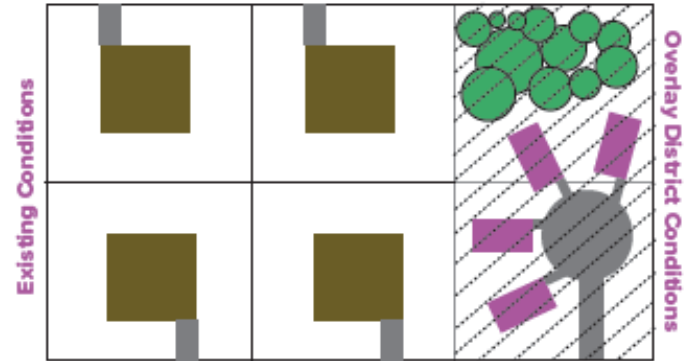
- ▶ Provides both market-rate and affordable housing (Moves town closer to 10% goal)
- ▶ Smaller houses on smaller lots provides opportunities for first time homebuyers and those looking to downsize
- ▶ Lot sizes closer to some existing neighborhoods
- ▶ Town receives incentives payments for adopting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

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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

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- ▶ Public Forum #2 (same information and format as this meeting)
  - ▶ October 24<sup>th</sup> @ 6:30pm @ South Hadley Town Hall
- ▶ Public Forum #3 (delving deeper into the advantages and disadvantages of locations for growth)
  - ▶ November 14<sup>th</sup> @ 6:30pm @ Loomis Village Community Room





# THANK YOU!

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