

# Introducing Belmont's Housing Production Plan

Belmont Housing Trust Presentation  
To the Beyond Ferguson Discussion  
February 25, 2018

- Response to Questions Included in Appendix -

# What is a Housing Production Plan?

- A proactive strategy for planning and developing housing that meets community needs and also meets the 10% target set for each community across the Commonwealth through Chapter 40B.
- HPPs are required to contain the following three elements:
  1. An assessment of the town's housing needs
  2. Goals to assist with meeting the needs
  3. Strategies toward achieving the goals



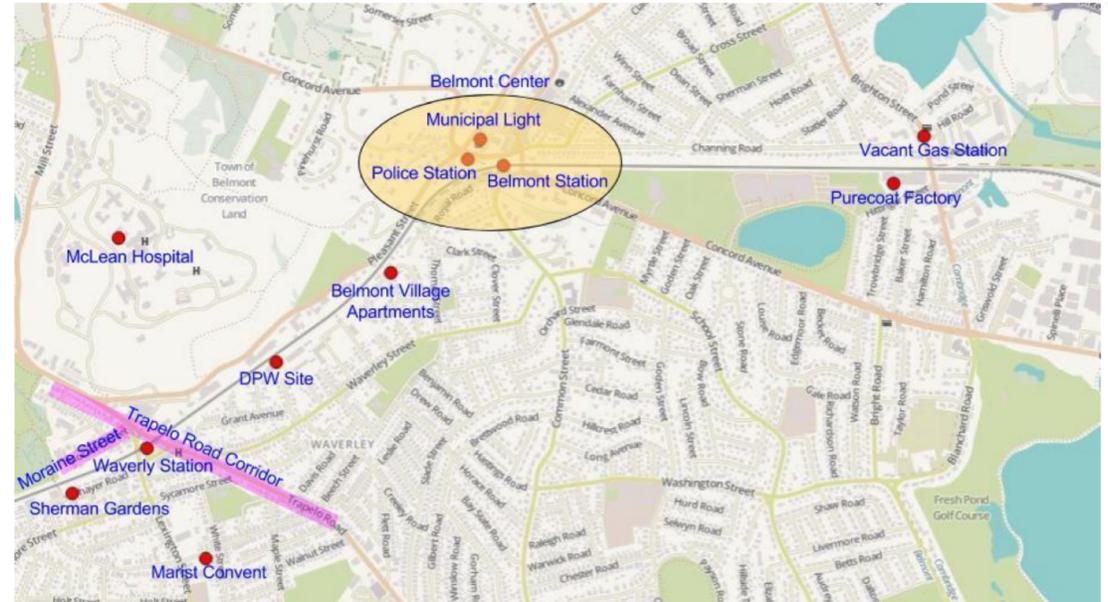
# What's in Belmont's HPP?

- Regional context, statistical information, mapping data, and basic census information.
- Results of a thorough and public process that included interactive community workshops. We discussed questions like these:
  - *Are there enough “starter homes” for those forming new households?*
  - *What are the options in the community for empty nesters?*
  - *How are the needs of the elderly being met?*
  - *Are there rental and ownership opportunities for families and individuals?*
  - *Are there options for residents with physical and mental disabilities?*
  - *Are there options for people who work in Belmont as home health aides, as staff in local shops, as Town employees, or in other occupations serving Belmont?*



# Why should Belmont approve the HPP?

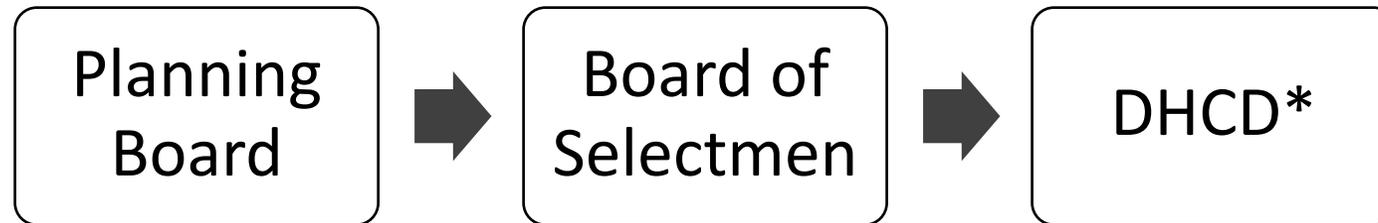
- We set a **pro-active strategy** to determine the type and pace of housing growth in a manner consistent with the Chapter 40B statute and regulations.
- An approved HPP potentially puts Belmont **in line for new state money** via the Housing Choice Initiative, which will award \$10 million/yr in grants to cities and towns that meet certain housing production thresholds and **enact housing-friendly zoning changes**.
- We **contribute to economic growth** in our region and state, currently limited by the Commonwealth's housing shortage.



*After a series of community meetings entitled *What's Next for Belmont's Housing Future?*, residents identified the sites on this map as prime opportunities for housing development.*

# How does the HPP get approved?

HPPs are approved at the local level by a Town's Planning Board and Board of Selectmen. The plan is then submitted to the Massachusetts Department of Housing and Community Development for approval.



\* If a community has a DHCD-approved HPP and is granted a DHCD Certification of Compliance by making progress on the plan, a decision by the ZBA to deny a Comprehensive Permit application will be deemed “Consistent with Local Needs” under MGL Chapter 40B.

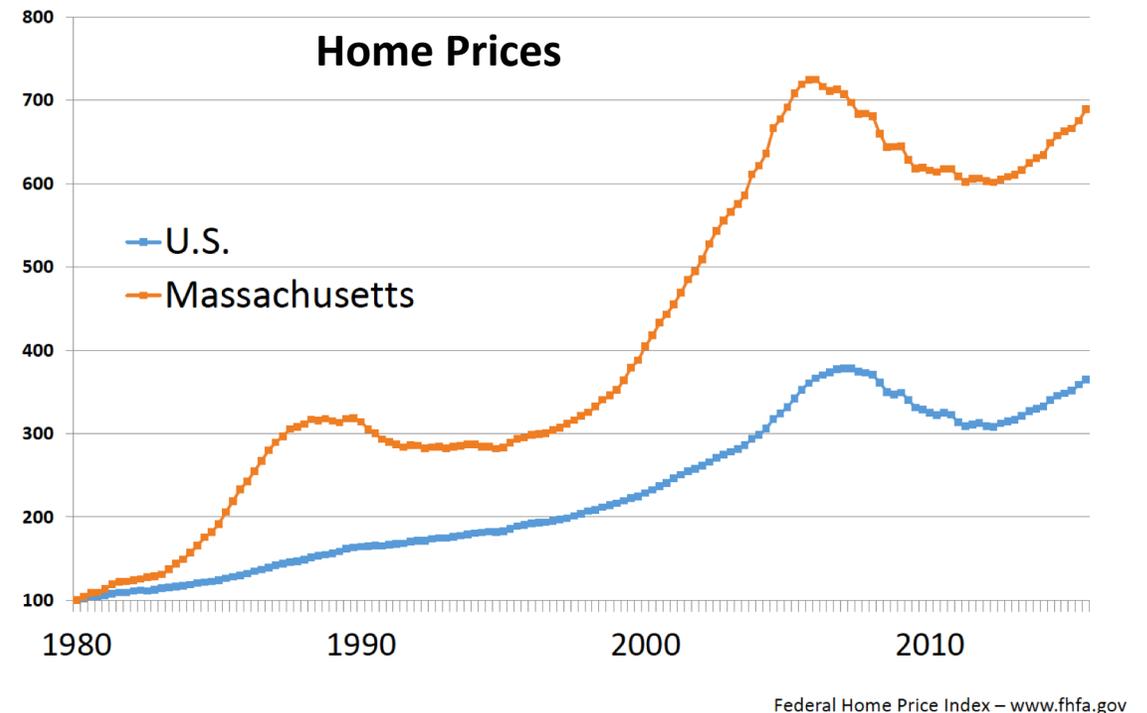
**UPDATE: Belmont has made real progress on Ch. 40B. Achieving the 10% target is within reach**

<b>Belmont Housing Stock</b>	<b>10% of Housing Stock</b>	<b>Affordable Housing Stock</b>	<b>Deficit</b>
10,117	1,012	675*	337

\*This figure counts the units at Royal Belmont and The Bradford, still under construction.

# Highlights from Belmont's HPP: Regional Context

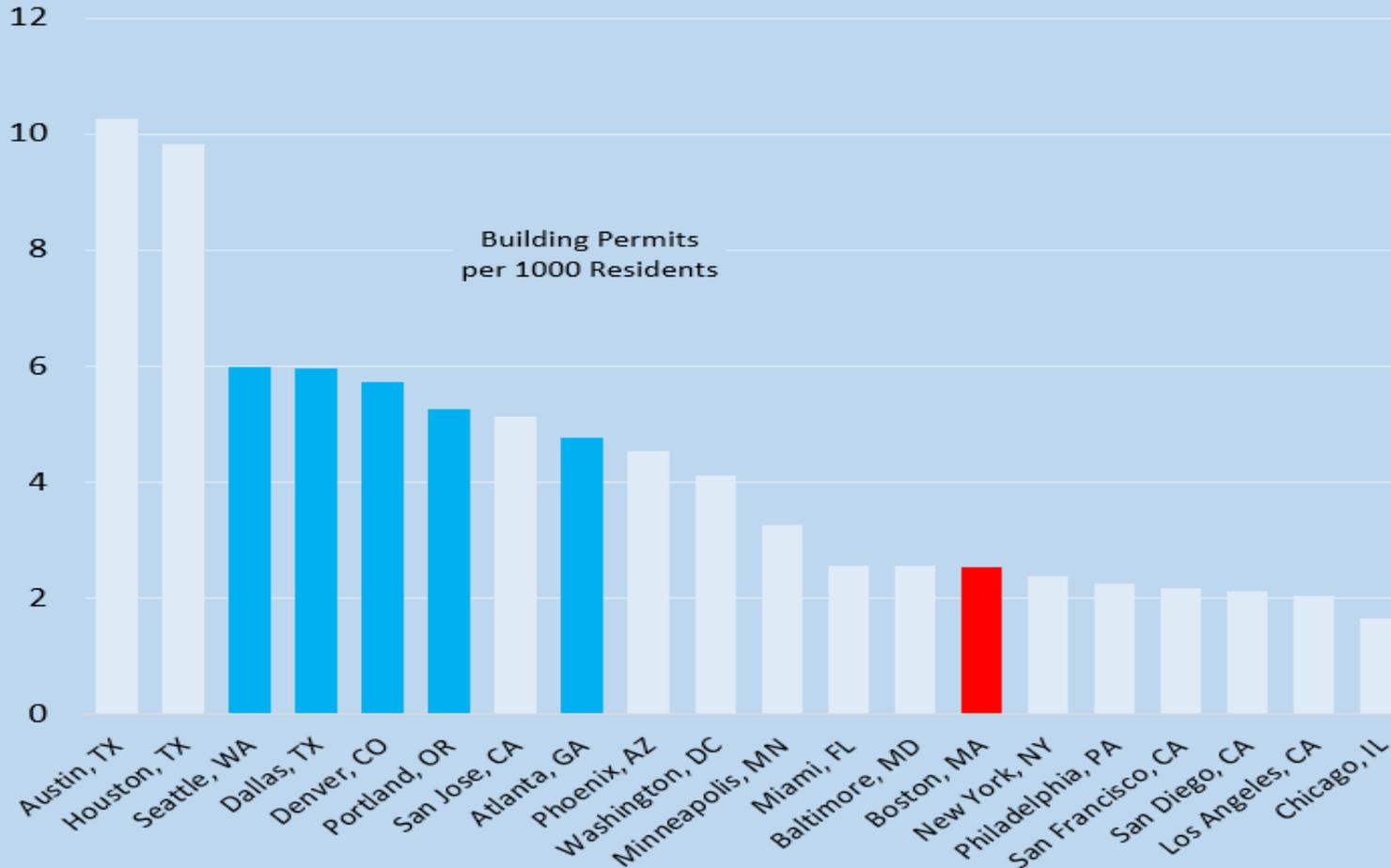
- Massachusetts home prices were at the US average in 1980 but are now among the highest of any state.
- In recent years, MA has allowed less new housing construction than at almost any point since the 1950s.
- Metro Boston has the 3<sup>rd</sup> highest rents among the top 50 US metro areas.



# Regional Context: We are losing population to metro areas that offer better housing choices at a lower cost

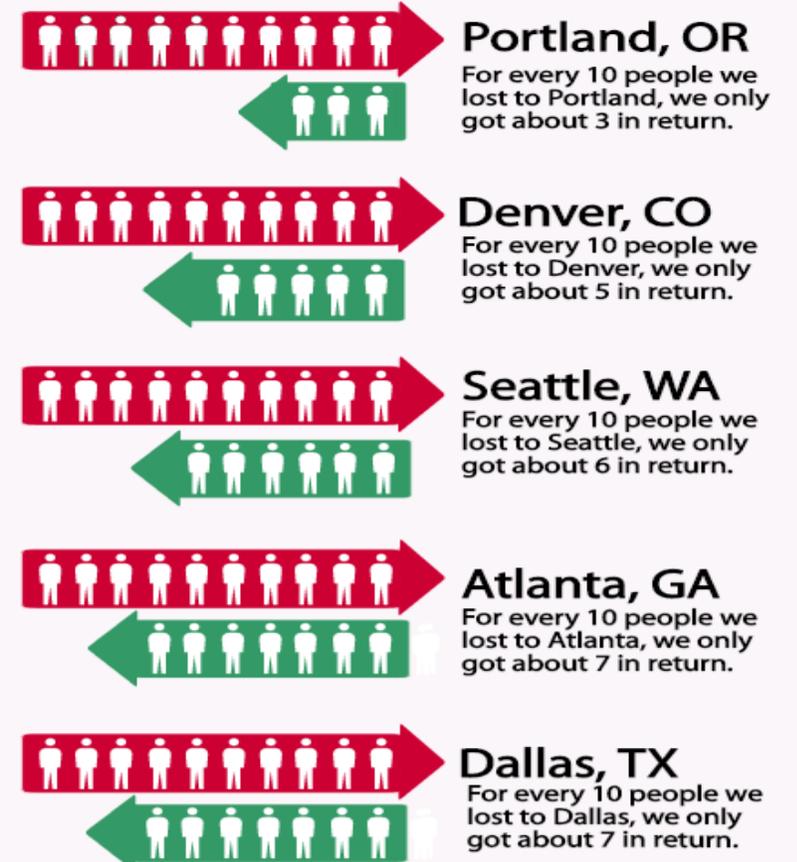
## Building Permit Rates of the 20 Largest Innovation Economy Metros

Source: U.S. Census Bureau, 2014 Building Permits Survey and 2014 ACS 1-Year Estimates



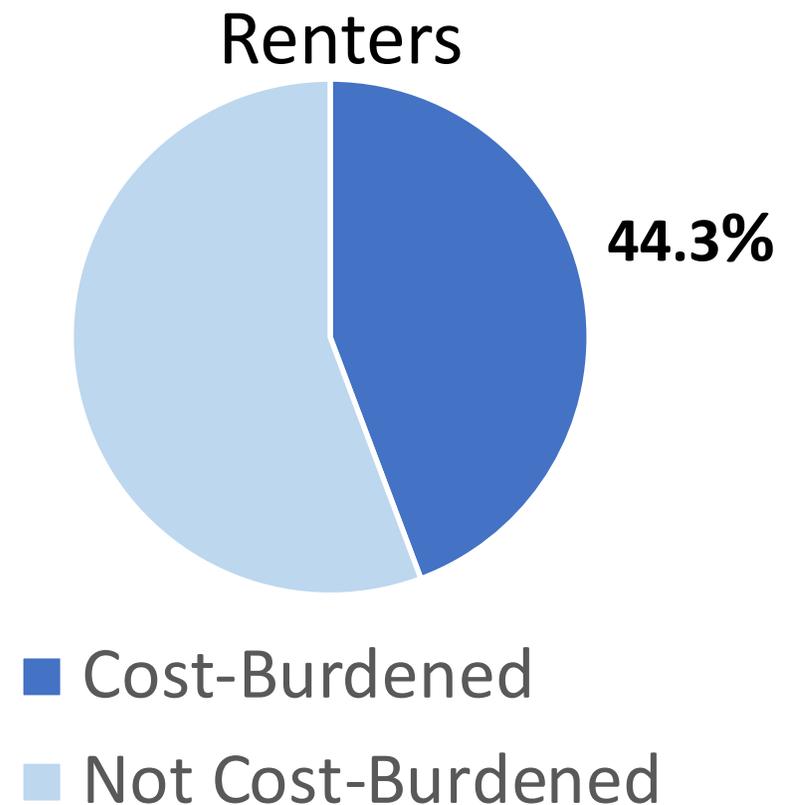
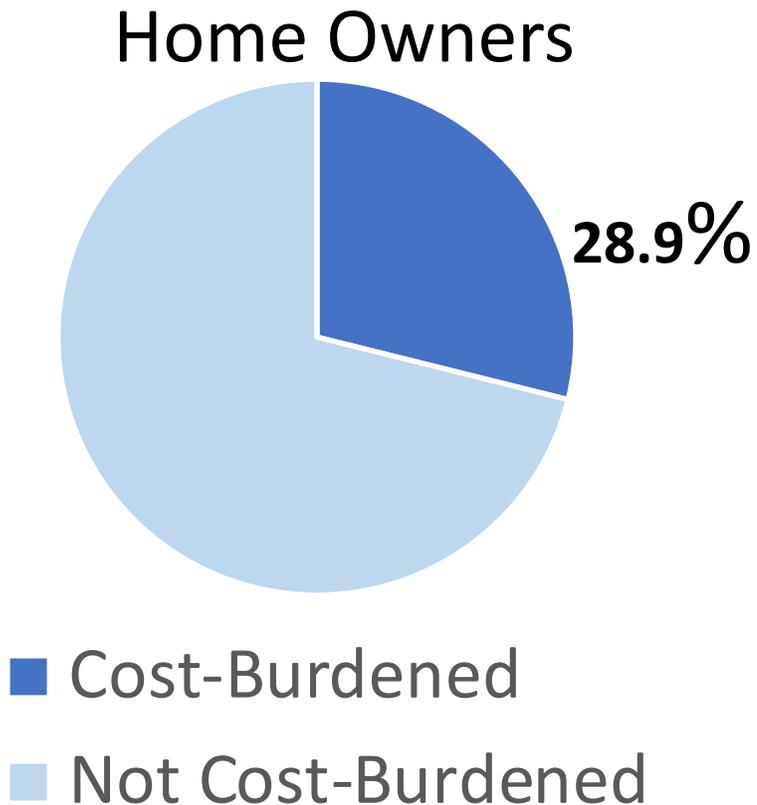
## 5 Largest Migration Imbalances

Source: U.S. Census Bureau, 2010-2014 American Community Survey



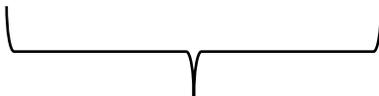
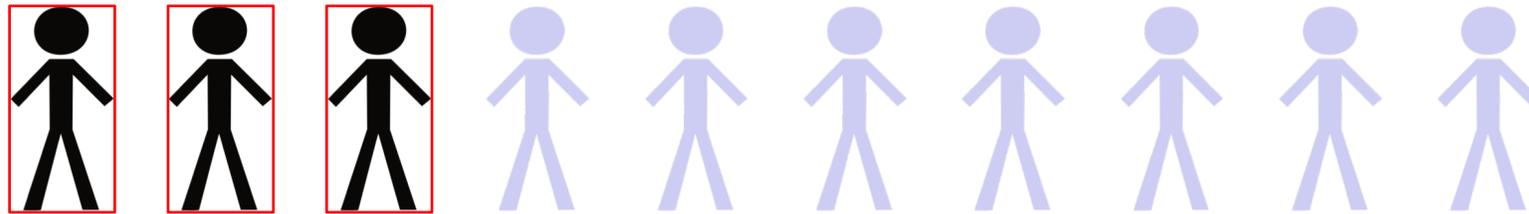
# Highlights from Belmont's HPP: Local Context

**A significant share of Belmont residents pay more than 30% of income for their housing**

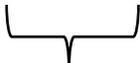


# Highlights from Belmont's HPP: Local Context

## More Households Eligible for Affordable Housing\* Than Units Available



**24.6%** of Belmont households are eligible for affordable housing



**6.7%** of Belmont's houses are affordable units\*\*

\*Housing that allows a household earning less than 80% of the Area Median Income (AMI) to live without cost burden.

\*\*This figure counts the units at Royal Belmont and The Bradford, still under construction.

# Highlights from Belmont's HPP: Local Context

***Both elderly Belmont residents and young families are disproportionately cost-burdened.***

- ***Elderly residents*** have few housing options for downsizing and remaining in our community. And MAPC estimates there will be more than 1,600 additional elderly households here by 2030.
- The population of ***families*** in Belmont will continue to grow, but the barriers to entry—whether as renters or owners—are very high.

# Highlights from Belmont's HPP: Strategies for Future Housing Development



# Belmont's HPP: Next Steps

The Belmont Housing Trust requests:

1. That the Planning Board identify one or more representatives to work with the Trust on finalizing the HPP;
  2. That the Planning Board come back to the Trust with questions and comments quickly; and
  3. That together the Planning Board and Trust see the HPP through to approval prior to annual Town Meeting.
- Further questions can be directed to:
    - Judith Feins, Co-Chair, Belmont Housing Trust, [bell.feins@verizon.net](mailto:bell.feins@verizon.net)
    - Gloria Leipzig, Co-Chair, Belmont Housing Trust, [gleipzig1@gmail.com](mailto:gleipzig1@gmail.com)

# Appendix

**The following slides offer responses to your group's questions from the February 2018 meeting.**

Further questions can be directed to:

Judith Feins, Co-Chair, Belmont Housing Trust, [bell.feins@verizon.net](mailto:bell.feins@verizon.net)

Gloria Leipzig, Co-Chair, Belmont Housing Trust, [gleipzig1@gmail.com](mailto:gleipzig1@gmail.com)

# Questions Raised about the HPP by the Beyond Ferguson Group

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# 1. What is 40B?

- [Massachusetts General Laws Chapter 40B](#) is designed to facilitate construction of affordable housing in communities where less than 10 percent of its housing stock is affordable (accessible to low and moderate income levels). Belmont's affordable housing stock is 6.7 percent as defined by the state. Under Chapter 40B, developers are able to ignore certain local zoning laws, including specifically the allowable density, as long as 20 to 25 percent of the units being built meet the state's definition of affordable. The law provides only limited opportunity for the local town or city officials to alter the developer's plans.
- Chapter 40B was passed in 1969 to address the zoning restrictions and multi-board approval processes that developers faced when trying to build affordable multi-family housing. Zoning has become even more challenging over time. In the 1980's, Massachusetts had home prices that were in line with the rest of the country. During this time, many communities began to increase lot sizes, driving up home prices and making it more difficult to build multifamily developments.
- **Chapter 40B is the primary tool for developing multifamily housing in Massachusetts**, particularly outside of cities. As a result of 40B, over 72,000 homes in almost 1,400 developments have been built or are in construction. 52,000 of these are rentals (31,000 affordable rentals) and 20,000 are for-sale (5,600 price-restricted homes). Although communities are encouraged to be in the driver's seat to determine where affordable and multifamily homes should be built, many communities continue to challenge Chapter 40B.

## 2. Friendly or Unfriendly 40B Development?

- There are two paths developers can pursue for their 40B development — friendly or unfriendly. In a friendly 40B development, also known as a LIP (or Local Initiative Petition), the developer works cooperatively with town boards to minimize density, improve setbacks, or blend architectural aesthetics with the neighborhood.
- If the town and developer cannot work cooperatively, the developer can pursue an unfriendly 40B in which case the project is reviewed by the state, rather than local officials. These are problematic for Belmont due to the high price of land. In order for developers to make a profit, the developments can be dense and ignore some zoning guidelines.

## 3. The 10 Percent

- The 10 percent calculation is based upon the total housing inventory, per the national census. Housing units that are built and deed restricted as affordable (accessible to incomes at or under the 80 percent area mean income level) are eligible for inclusion on the state's Subsidized Housing Inventory (SHI).
- **Because rental housing has been such a great need in Massachusetts, the state allows 100% of apartments built through 40B to count on the subsidized housing inventory.** For example, a 20-unit housing development where the homes are for-sale, only the houses specifically set aside as affordable will count (25 percent or 5 units) towards the SHI. If that same 20-unit housing development were rental units, all 20 units will count towards the SHI. This was meant to do more to encourage communities to welcome mixed income multifamily developments.

## 4. How many *actual* affordable units exist in Belmont now?

- There are currently 365 affordable units in Belmont (accessible to incomes at or under the 80 percent area mean income level).
- The Royal Belmont contains 298 units, of which 20% (60 units) are affordable for households at 50% of median income. Once available, these 60 units will be added to 365 noted above. Although only 60 are truly affordable, ALL 298 count towards the 10% target for Belmont's Subsidized Housing Inventory because this was a 40B development.
- The Belmont Housing Authority (BHA) operates 274 public housing apartments and an 8-unit special needs facility; all of these are included in the 675 total listed on slide 6.

## 5. Why can't the town count existing low-cost housing in its affordable housing inventory?

- Even when lower cost units are occupied by low and moderate income households, without use restrictions to regulate long-term affordability, there is no assurance that they will continue to be affordable.
- For an affordable unit to be counted in the SHI, homes need to be affordable for a term of at least 30 years in the case of production and 15 years if affordable homes are being preserved and remaining affordable.

# 6. Are there Belmont-specific income definitions for affordable housing?

There are no Belmont-specific income definitions because the area median income (AMI) is based on the Boston metropolitan area. See chart for income limits, maximum sales prices, and maximum rents based on AMI.

BPDA Inclusionary Development Policy  
2017 Income Limits, Maximum Sales Prices & Maximum Affordable Rents based on Area Median Income

HH Size	Income Limits*										
	30% AMI	40% AMI	50% AMI	60% AMI	65% AMI	70% AMI	75% AMI	80% AMI	90% AMI	100% AMI	105% AMI
1	\$21,700	\$28,950	\$36,200	\$43,450	\$47,050	\$50,700	\$54,300	\$57,900	\$65,150	\$72,400	\$76,000
2	\$24,800	\$33,100	\$41,400	\$49,650	\$53,800	\$57,950	\$62,050	\$66,200	\$74,450	\$82,750	\$86,850
3	\$27,900	\$37,250	\$46,550	\$55,850	\$60,500	\$65,200	\$69,800	\$74,450	\$83,750	\$93,100	\$97,700
4	\$31,000	\$41,350	\$51,700	\$62,050	\$67,200	\$72,400	\$77,550	\$82,700	\$93,050	\$103,400	\$108,550
5	\$33,500	\$44,700	\$55,850	\$67,050	\$72,600	\$78,200	\$83,800	\$89,350	\$100,500	\$111,700	\$117,250
6	\$36,000	\$48,000	\$60,000	\$72,000	\$78,000	\$84,000	\$90,000	\$95,950	\$107,950	\$119,950	\$125,950

HH Size	Income Limits*										
	110% AMI	115% AMI	120% AMI	130% AMI	140% AMI	150% AMI	160% AMI	170% AMI	180% AMI	190% AMI	200% AMI
1	\$79,650	\$83,250	\$86,900	\$94,100	\$101,350	\$108,600	\$115,850	\$123,100	\$130,300	\$137,550	\$144,800
2	\$91,000	\$95,150	\$99,300	\$107,550	\$115,800	\$124,100	\$132,400	\$140,650	\$148,900	\$157,200	\$165,450
3	\$102,400	\$107,050	\$111,700	\$121,000	\$130,300	\$139,600	\$148,950	\$158,250	\$167,500	\$176,850	\$186,150
4	\$113,750	\$118,900	\$124,100	\$134,400	\$144,750	\$155,100	\$165,450	\$175,800	\$186,100	\$196,450	\$206,800
5	\$122,850	\$128,450	\$134,050	\$145,200	\$156,350	\$167,550	\$178,700	\$189,900	\$201,000	\$212,200	\$223,350
6	\$131,950	\$137,950	\$144,000	\$155,950	\$167,950	\$179,950	\$191,950	\$203,950	\$215,900	\$227,900	\$239,900

Bdrms	Maximum Sales Prices				
	70% AMI	75% AMI	80% AMI	90% AMI	100% AMI
Micro	\$107,100	\$118,800	\$130,500	\$153,900	\$177,300
Studio	\$119,100	\$132,100	\$145,000	\$171,000	\$197,000
1	\$149,400	\$164,500	\$179,600	\$209,900	\$239,000
2	\$179,800	\$197,000	\$214,300	\$246,500	\$277,100
3	\$210,100	\$229,400	\$246,500	\$280,700	\$315,100
4	\$239,000	\$257,900	\$276,900	\$314,900	\$353,000

Bdrms	Maximum Affordable Rents												
	30% AMI	40% AMI	50% AMI	60% AMI	65% AMI	70% AMI	75% AMI	80% AMI	90% AMI	100% AMI	110% AMI	120% AMI	150% AMI
Micro	\$418	\$558	\$698	\$837	\$907	\$977	\$1,046	\$1,116	\$1,256	\$1,395	\$1,535	\$1,675	\$2,094
Studio	\$465	\$621	\$776	\$931	\$1,008	\$1,086	\$1,163	\$1,241	\$1,396	\$1,551	\$1,706	\$1,862	\$2,327
1	\$542	\$723	\$905	\$1,086	\$1,176	\$1,267	\$1,357	\$1,447	\$1,628	\$1,810	\$1,991	\$2,172	\$2,715
2	\$620	\$827	\$1,035	\$1,241	\$1,345	\$1,448	\$1,551	\$1,655	\$1,861	\$2,068	\$2,275	\$2,482	\$3,102
3	\$697	\$931	\$1,163	\$1,396	\$1,512	\$1,630	\$1,745	\$1,861	\$2,093	\$2,327	\$2,560	\$2,792	\$3,490
4	\$775	\$1,033	\$1,292	\$1,551	\$1,680	\$1,810	\$1,938	\$2,067	\$2,326	\$2,585	\$2,843	\$3,102	\$3,877

\* As determined by the U.S. Department of Housing and Urban Development for the Boston-Cambridge-Quincy HUD FMR Area

## 7. Does the formula for determining housing cost-burden take into account only income, or does it include assets like stocks?

- There's a perception that many retired Belmont residents have means from assets (stocks) and not salary income and the thought is this would translate to these residents appearing cost-burdened when they're not. The cost-burden calculation is based on income. Many retired residents do have some assets, but many others have only their homes as an asset. They are financially stressed to pay maintenance and taxes.

## 8. What is the number of very low, low, and moderate income units that the HPP aims to build over its five year period?

- The HPP is projecting that there is a need for an additional 337 affordable homes over the next 5 years. In order to count towards the Subsidized Housing Inventory (SHI) and our 10% affordability target, all the units must be for households at 80% AMI or below.
- Definitions:
  - Extremely Low Income: less than 30% AMI
  - Very Low Income: less than 50% AMI
  - Low Income: less than 80% AMI

## 9. Does the HPP need to be approved by Town Meeting?

- No.

## 10. Will the HPP identify sites for affordable housing development in Belmont?

- The Belmont Housing Trust and the League of Women Voters sponsored 5 community forums on Belmont's Housing Future. These locations were mentioned in the HPP as likely sites for development, but the list is not final. According to the Planning Board, some additional sites are now being considered.
- The Housing Production Plan outlines strategies and sites to explore. Sites are focused on transit-oriented development and infill in order to develop walkable neighborhoods and preserve open space.

## 11. How many units must the town add every year for the Housing Production Plan (HPP) to remain certified?

- We need to add .5% of our housing inventory, or about 50 units per year.

## 12. Is the HPP approval process still open for resident input?

- Yes. The Planning Board (PB) provided feedback to the Housing Trust, and revisions to the HPP are now in process. When the revised HPP goes back to the PB for approval, they will discuss it in an open meeting.

## 13. What is the state offering for assistance in the Housing Choice Initiative?

- The Housing Choice Initiative creates a new system of incentives and rewards for municipalities that sustain housing growth and help the Commonwealth produce the number of homes needed to meet demand and grow the Massachusetts economy.
- The program rewards communities for producing homes and adopting best practices to promote sustainable housing development, use land efficiently, protect natural resources, and conserve energy. Communities that receive the Housing Choice designation will be eligible for new Housing Choice Capital Grants and preferential treatment for state grant and capital programs, including MassWorks, Complete Streets, MassDOT capital projects, and more.

## 14. Is the state interested in furthering housing for ELI, VLI in towns like Belmont or focusing on increasing units at the 80% AMI range?

- The state is interested in increasing housing opportunities for people across all income levels. The lack of multifamily zoning continues to be the biggest barrier to meeting the state's housing needs. To produce homes for households with extremely low and very low incomes, zoning needs to be in place and subsidies are needed.
- As of March 2018, the State House of Representatives recently passed a \$1.7 billion affordable housing bond bill. The bill is currently before the Senate. In addition, the Governor has proposed an increase to the Massachusetts Rental Voucher Program. As people advocate for a greater increase, it is possible that the Legislature will increase funding for this critical resource that can make affordable housing affordable to households with very low and extremely low incomes. As part of the budget process this spring, funding for state public housing will also be considered.

## 15. What specifically could sway developers to build in Belmont? How would having the HPP help?

- Once the HPP is approved, the Town has made a commitment to find ways to encourage the development of affordable housing. This may lead to a variety of incentives for developers who are willing to increase the number of affordable units greater than currently required by our inclusionary zoning by-law.
- Most importantly, identifying areas for development and rezoning those areas will send a clear signal to developers that Belmont is reducing barriers that have long stood in place to developing homes in the right locations.
- In addition, if Town Meeting approves the Housing Trust having \$250,000 in Community Preservation Act funds to partner with developers to leverage additional affordable housing dollars, developers and state policymakers will see that Belmont is making a commitment to increasing housing opportunities for people across income levels.