

SOUTH HADLEY

HOUSING PRODUCTION PLAN



May 23, 2016

What is affordable housing?

What and why an HPP?

Housing Needs Assessment

Towards Housing Goals

| What is affordable housing?

MGL 40B goal:

At least 10% of a community's housing stock should be "affordable."

MHCD's Subsidized Housing Inventory (SHI) list records the qualifying units.

South Hadley as of Dec. 5 2014:

2010 Census Year-Round Housing Units	Total Development Units	SHI Units	%
7091	396	396	5.6%

| What is affordable housing?

Affordable housing eligible for the SHI if:

- Monthly housing costs (rent or mortgage, PMI, taxes, insurance, HOA fees, utilities) does not exceed 30% of monthly income for a household earning 80% of area median income (AMI)
- Varies by household size.
- Buyers must have limited assets (\$275k for age-restricted buyers; \$75k for non-age restricted)

| What is affordable housing?

FY2015 Springfield MSA (Hamden and Hampshire)

Area Median Family Income: \$67,700

Income Limit	1-person	2-person	3-person	4-person	5-person	6-person
FY2015 Low-Income Limits (80%)	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350

For example, for a 3-bedroom unit (4-person), rent or sale price must reflect monthly spending of **\$1645** max.

i.e. approx. **\$180,000 - \$190,000** for sales

or approx. **\$1500-\$1600** for rent

| What is affordable housing?

Affordable housing eligible for the SHI if:

Deed-restricted:

- 15 years for rehabilitated housing units and 30 years for newly created units.
- Defines maximum permissible resale price or subsequent rental price.

| What is affordable housing?

Affordable housing eligible for the SHI if:

10% percent or more of the units in developments have 3+ bedrooms.

- Exemption for age-restricted, assisted living, or other specialty developments.
- DHCD may waive requirement for small projects < 10 units, or if renders a project infeasible.

| What is affordable housing?

Affordable housing eligible for the SHI if:

In a rental or assisted living facility development:

- at least 25% of units are for 80% AMI households

OR

- if at least 20% of units are for 50% AMI households

THEN

- ALL of the units in the rental development are SHI eligible.

| What is affordable housing?

Affordable housing often created through eligible state or federal subsidy programs.

Affordable Housing Trust Fund
Chapter 167 (Special Needs Housing)
Chapter 200 (Veterans' Housing)
Chapter 667 (Elderly Low Income Housing)
Chapter 689 (Special Needs Housing)
Chapter 705 (Family Low Income Housing)
DHCD Capital Improvement and Preservation Fund (CIPF)
DHCD Commercial Area Transit Node Housing Program (CATNHP)
DHCD Community Based Housing Program (CBH)
DHCD Community Development Block Grant (CDBG) including:
Homeowner Rehab, HDSP (some uses), and CDF (some uses)
DHCD Facilities Consolidation Fund (FCF)
DHCD Homeownership Opportunity Program (HOP)
DHCD Housing Innovations Fund (HIF)
DHCD Housing Stabilization Fund (HSF)
DHCD Local Initiative Program (LIP)
DHCD Mass Rental Voucher Program (MRVP) Project Based Vouchers
DHCD Tax Exempt Local Loans to Encourage Rental Housing (TELLER)
DMH Community Based Housing (Group Homes)
DMR Community Based Housing (Group Homes)
MGL Chapter 40R (Smart Growth Zoning Act)
Massachusetts Low Income Housing Tax Credits (LIHTC)
Massachusetts Housing Partnership Fund (MHP) MATCH Program

Massachusetts Housing Partnership Fund (MHP) Permanent Rental Financing Program
EOT Transit Oriented Development (TOD) Infrastructure & Housing Support Program
MassDevelopment Tax-Exempt Bond Programs
MassHousing Chapter 13A Interest Reduction Subsidy Program
MassHousing Chapter 236 Program
MassHousing Elder Choice
MassHousing Elder Mixed Income Program
MassHousing Housing Starts
MassHousing Mixed-Income (Taxable/Tax-Exempt) Financing Program
MassHousing Multi-Family Rental
MassHousing Options for Independence
MassHousing Rental Development Action Loan (RDAL)
MassHousing State Housing Assistance for Rental Production (SHARP)

| What is affordable housing?

Affordable housing also created by Local Action Units:

- Town zoning approval w/ affordable housing conditioning.
- Substantial financial assistance from town funds.
- Discount provision of town-owned or acquired land or buildings.

| What is affordable housing?

Affordable housing also created with “Affordable”
Accessory Dwelling Units:

- Income restricted for 15+ years.
- Designated Local Project Administrator.
- Not rented to owners’ family members.

What is affordable housing?

What and why an HPP?

Housing Needs Assessment

Towards Housing Goals

| What and why an HPP?

A proactive way to meet the State's 10% goal under MGL 40B.

HPP also opens up preference for state grant funds.

| What and why an HPP?

Potentially allows control
over 40B projects.

- One year's relief if 0.5% of goal (*36 units*) is met each calendar year.
- Two year's relief if 1% of goal (*71 units*) is met.

| What and why an HPP?

Parts of a Housing Production Plan

1. Comprehensive Housing Needs Assessment

- Projection of future population and housing needs.
- Development constraints and limitations.
- Plans to mitigate such constraints where possible.
- Infrastructure capacity to accommodate growth.

| What and why an HPP?

Parts of a Housing Production Plan

2. Affordable Housing Goals

- What mix of housing types is consistent with community and regional needs?
 - households < 30% AMI,
 - 30% to 80% AMI
 - 80% to 120% AMI
- What is feasible within the housing market?
- Numerical goal for annual unit production, increasing the number by at least 0.50% of 10% goal.

| What and why an HPP?

Parts of a Housing Production Plan

3. Implementation Strategies

- Zoning districts or geographic areas in which to modify regulations to allow SHI developments.
- Sites where the Town will encourage the filing of Comprehensive Permits.
- Characteristics of proposed developments preferred by the municipality (may not apply constraints).
- Town-owned parcels to issue requests for proposals to develop SHI Housing.
- Participation in regional collaborations.

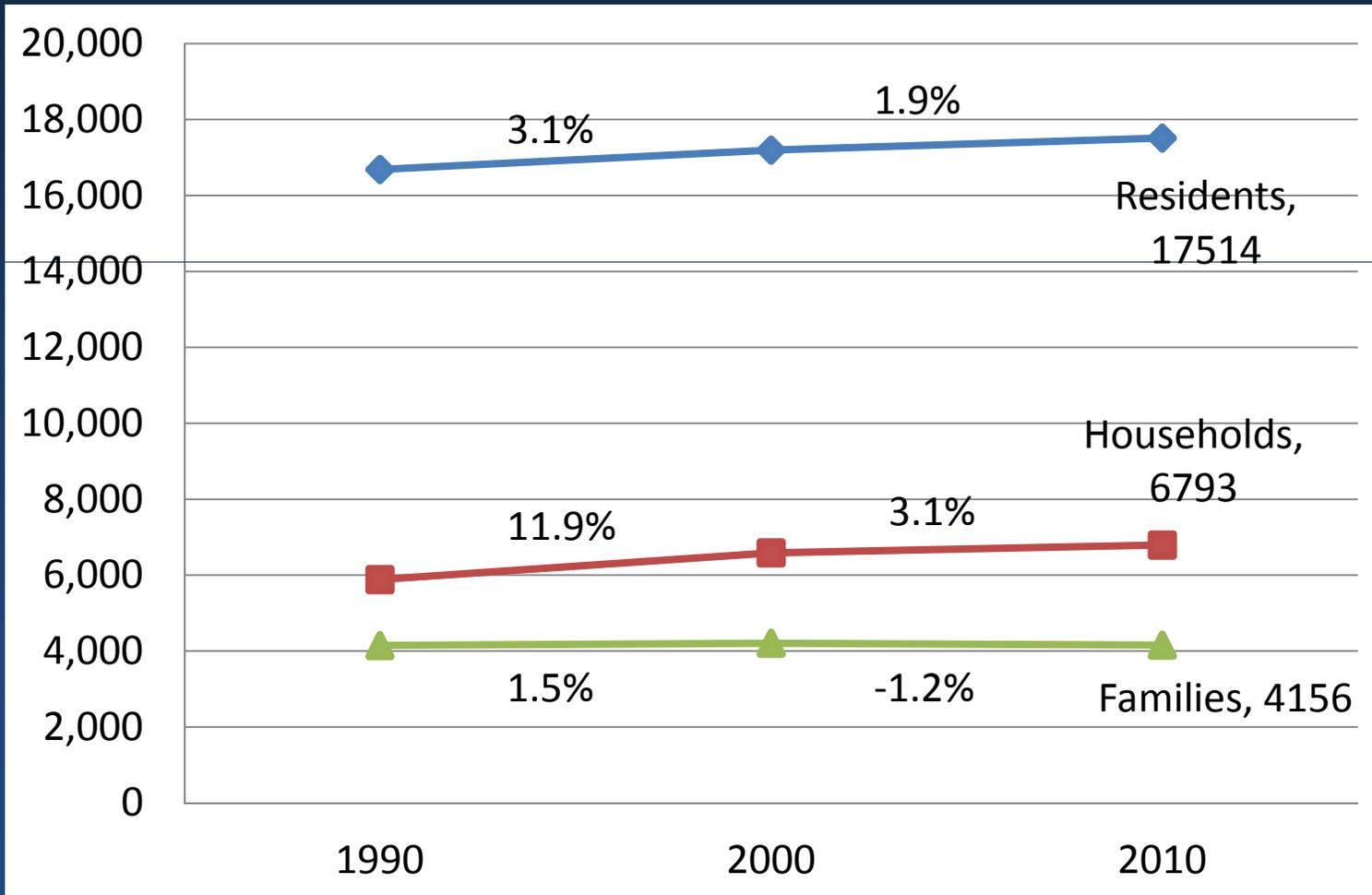
What is affordable housing?

What and why an HPP?

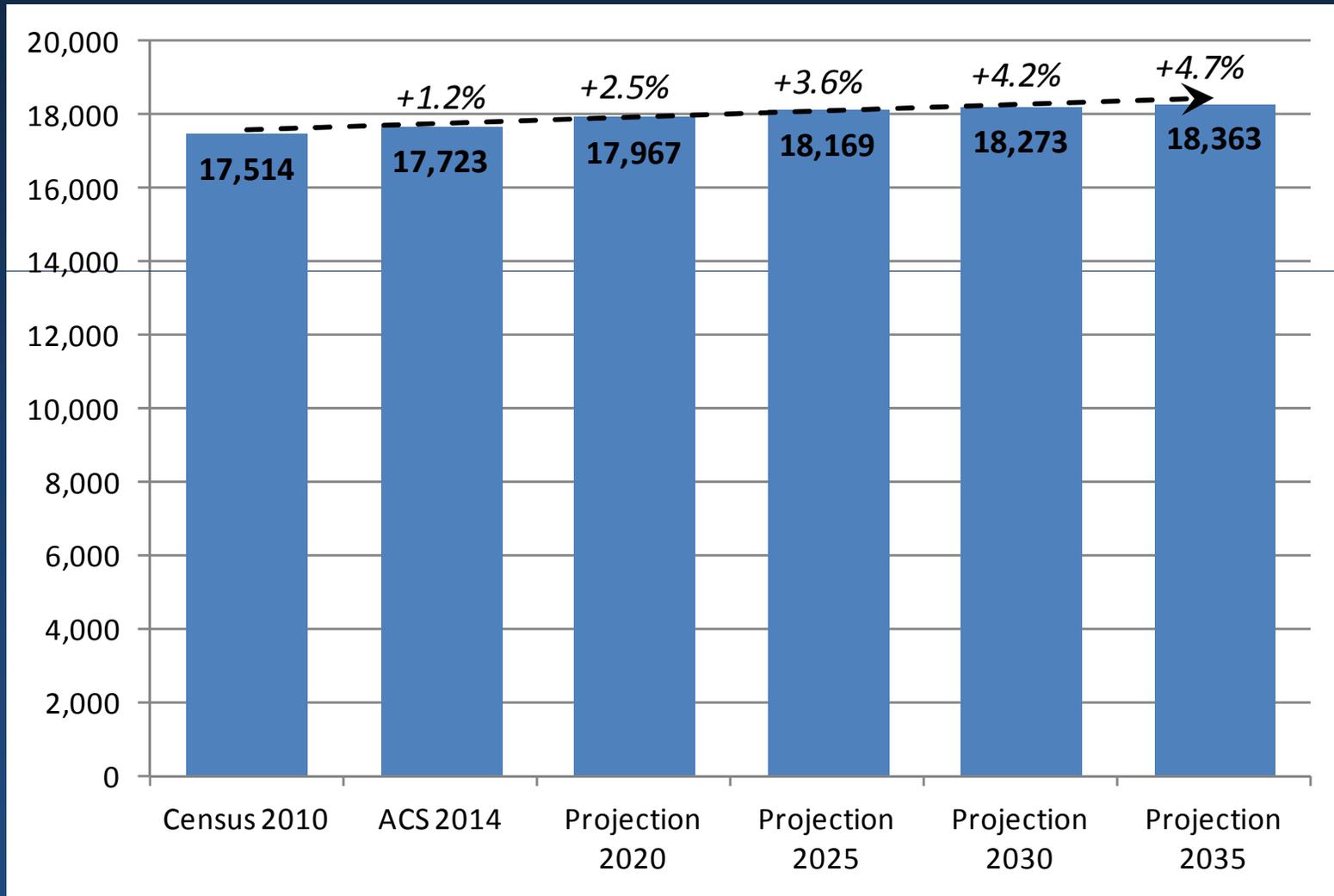
Housing Needs Assessment

Towards Housing Goals

Growth Trends

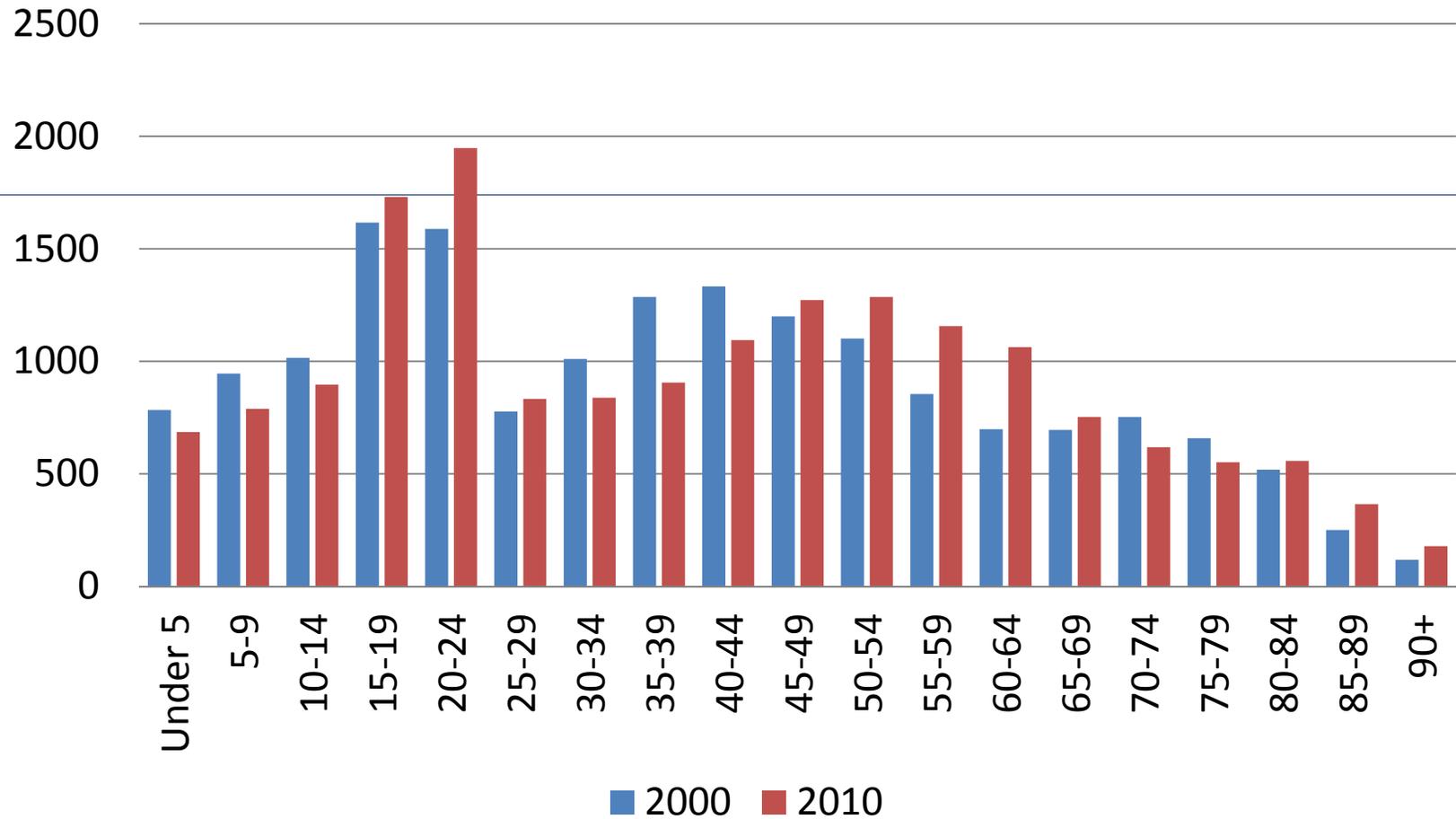


Growth Trends



Growth Trends

South Hadley by Age Cohort



Growth Trends

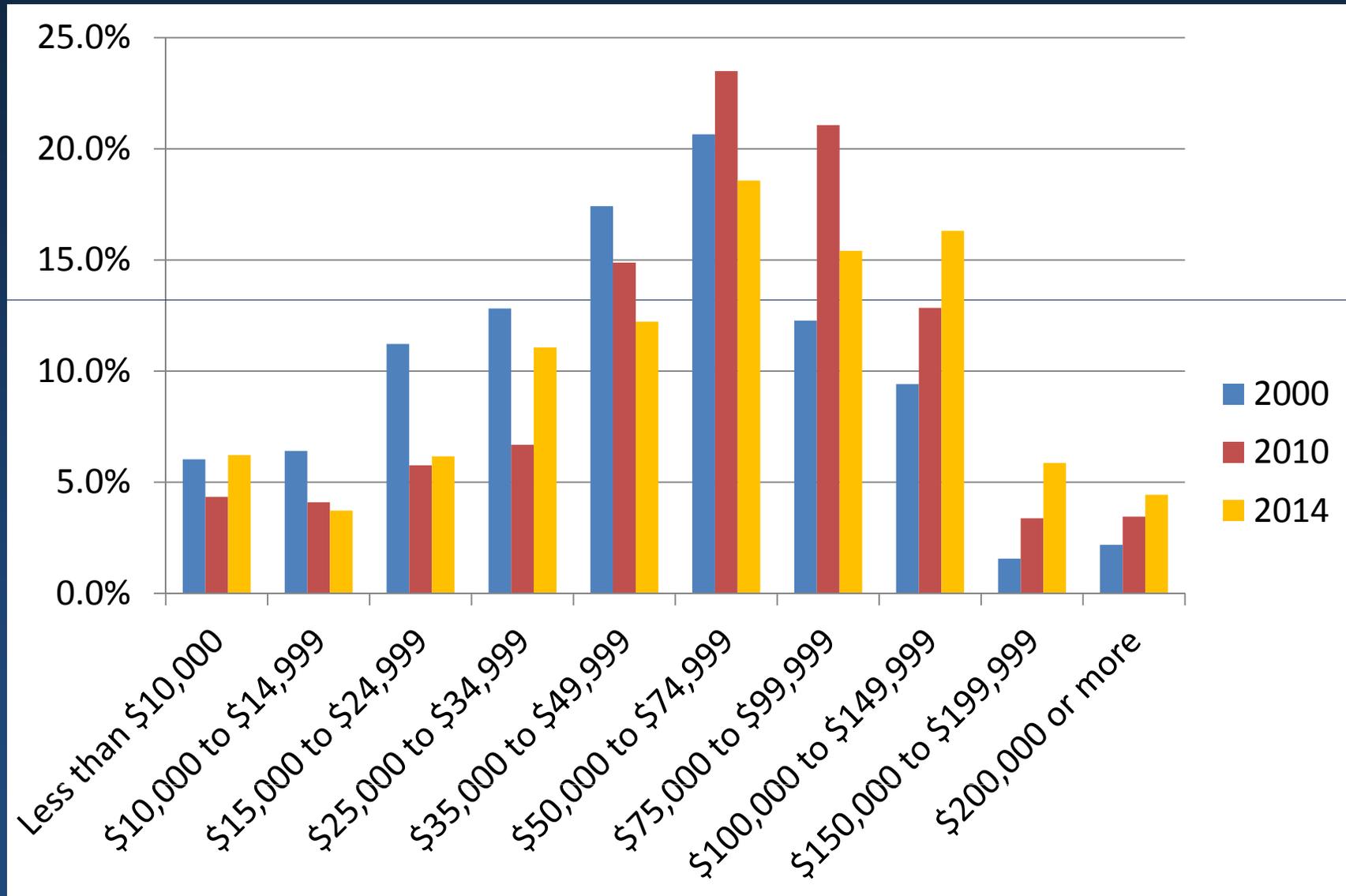
	2000		2010		% Change 2000 to 2010
	#	%	#	%	
Total Group Quarters	1,847	10.7	2,200	12.6	16.0%
Total Households	6,586	100.0%	6,793	100.0%	3.0%
Family households	4,208	63.9%	4,156	61.2%	-1.3%
Families with children under 18	1,746	26.5%	1,575	23.2%	-10.9%
Husband-wife family	3,399	51.6%	3,206	47.2%	-6.0%
Husband-wife with children under 18	1,315	20.0%	1,094	16.1%	-20.2%
Female householder, no spouse	611	9.3%	690	10.2%	11.4%
Female householder, no spouse with children	343	5.2%	366	5.4%	6.3%
Non-family households	2,378	36.1%	2,637	38.8%	9.8%
Living alone	2,004	30.4%	2,189	32.2%	8.5%
Over 65	902	13.7%	971	14.3%	7.1%
Households with person younger than 18	1,875	28.5%	1,725	25.4%	-8.7%
Households with person age 65+	2,102	31.9%	2,178	32.1%	3.5%

Residents with Disabilities



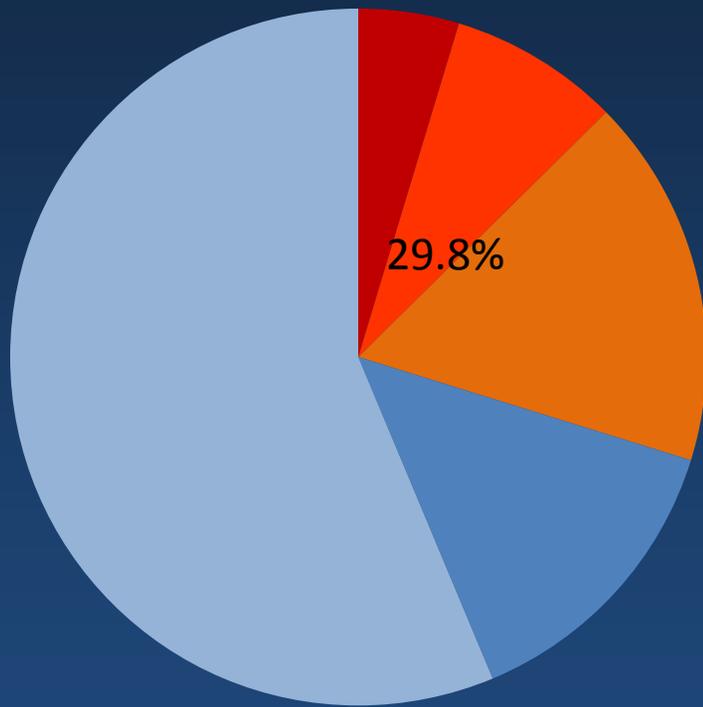
With a disability	11.0%
Population 18 to 64 years	7.0%
With a disability	7.0%
With a hearing difficulty	0.6%
With a vision difficulty	0.7%
With a cognitive difficulty	2.8%
With an ambulatory difficulty	3.5%
With a self-care difficulty	1.4%
With an independent living difficulty	3.2%
Population 65 years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

Household Income

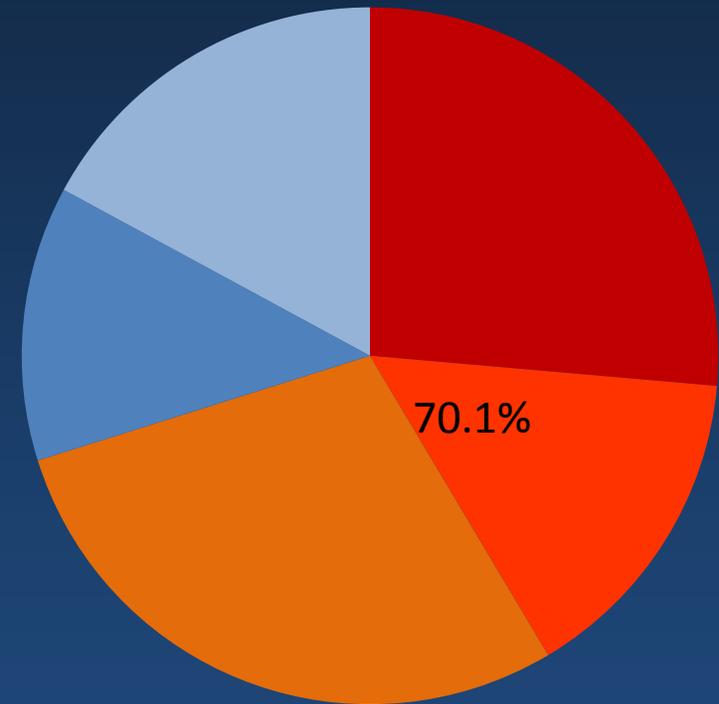


Affordable Housing Households

Owner



Renter

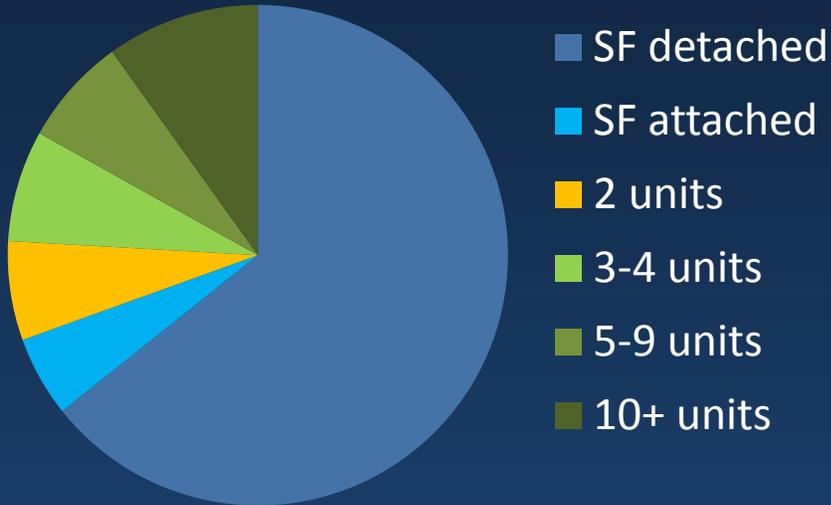


- < 30% AMI
- 30% to 50%
- 50% to 80%
- 80% to 100%
- >100% AMI

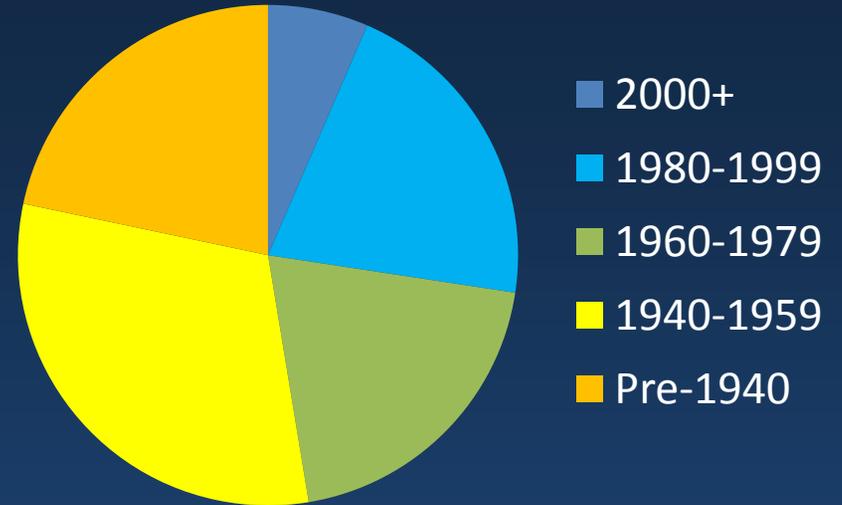
40% of current households in South Hadley earn less than 80% of Area Median Income.

Housing Data

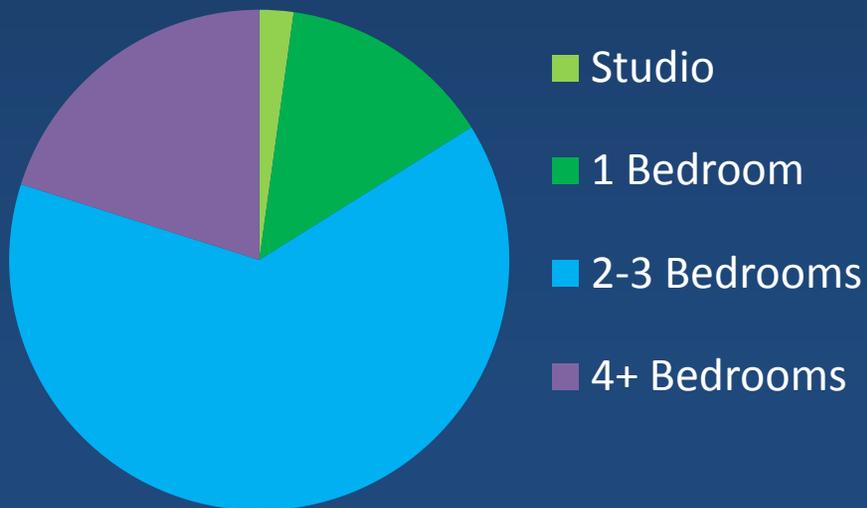
Housing Units by Type



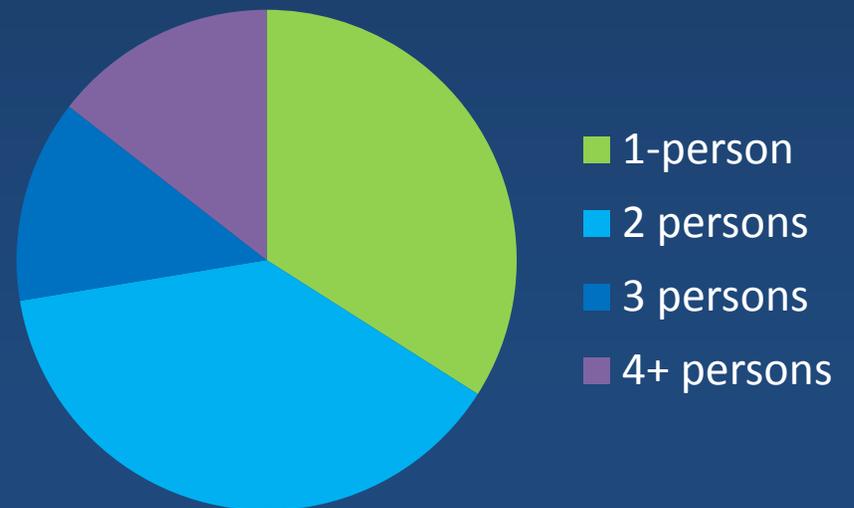
Units by Age



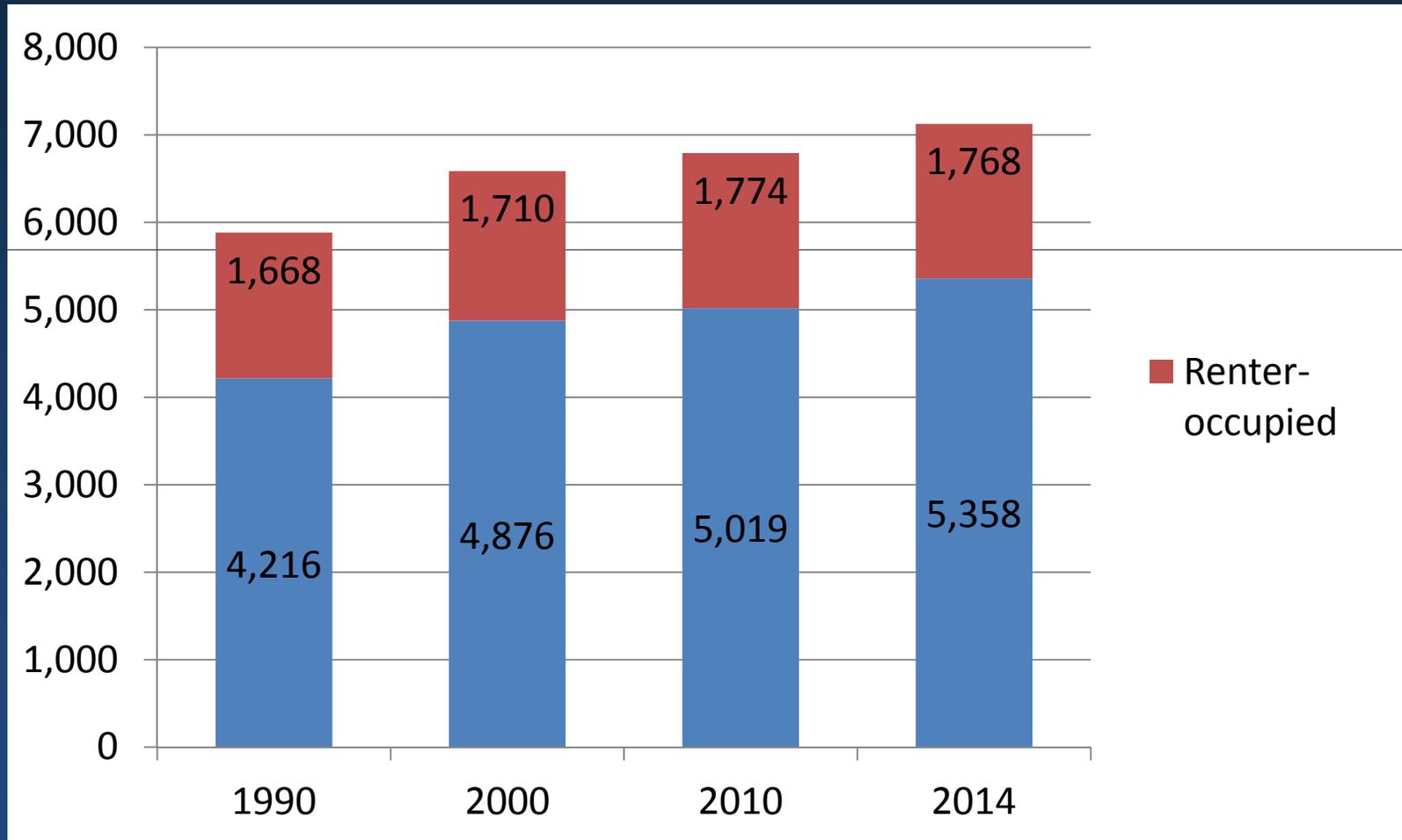
Units by Bedroom



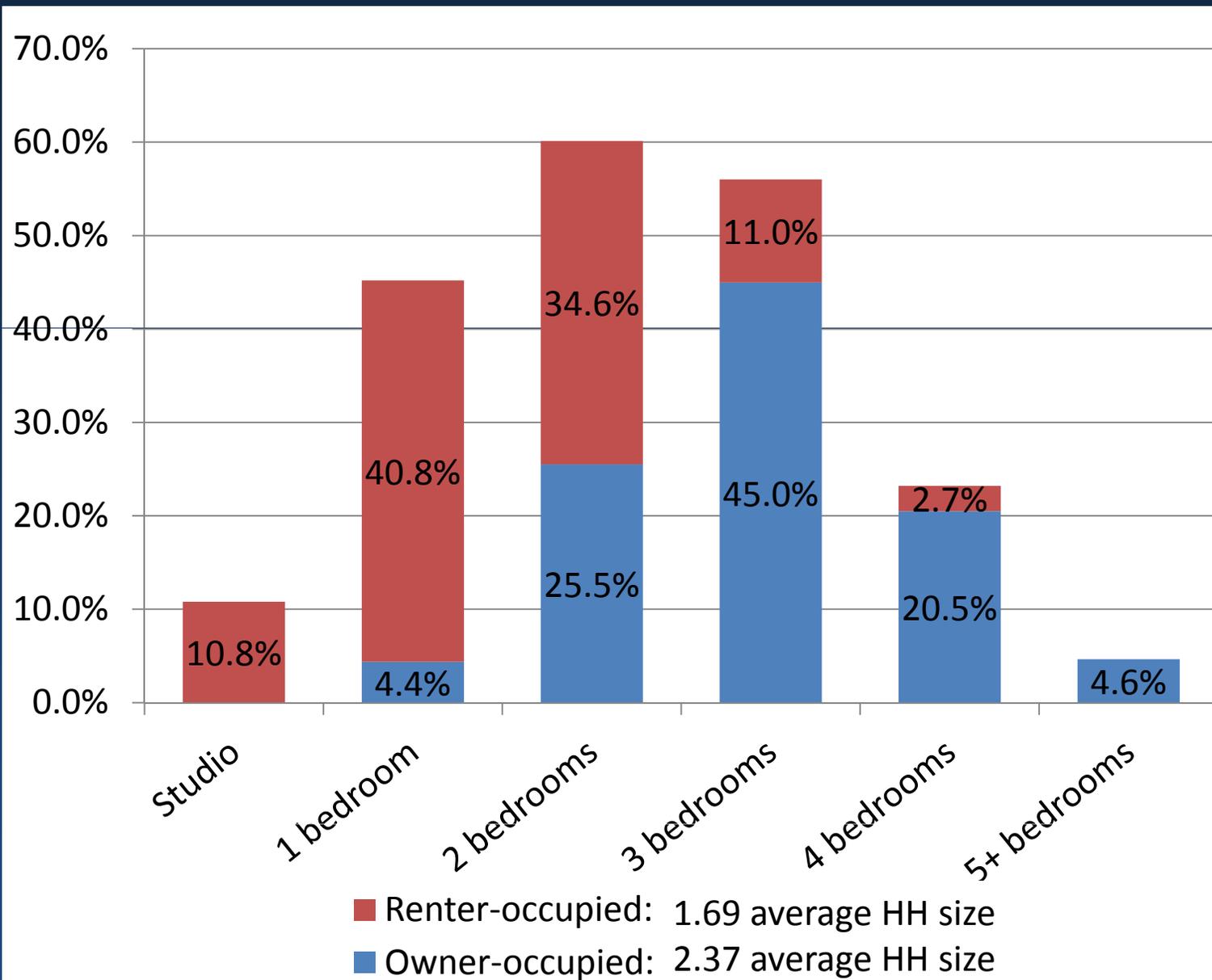
Household Size



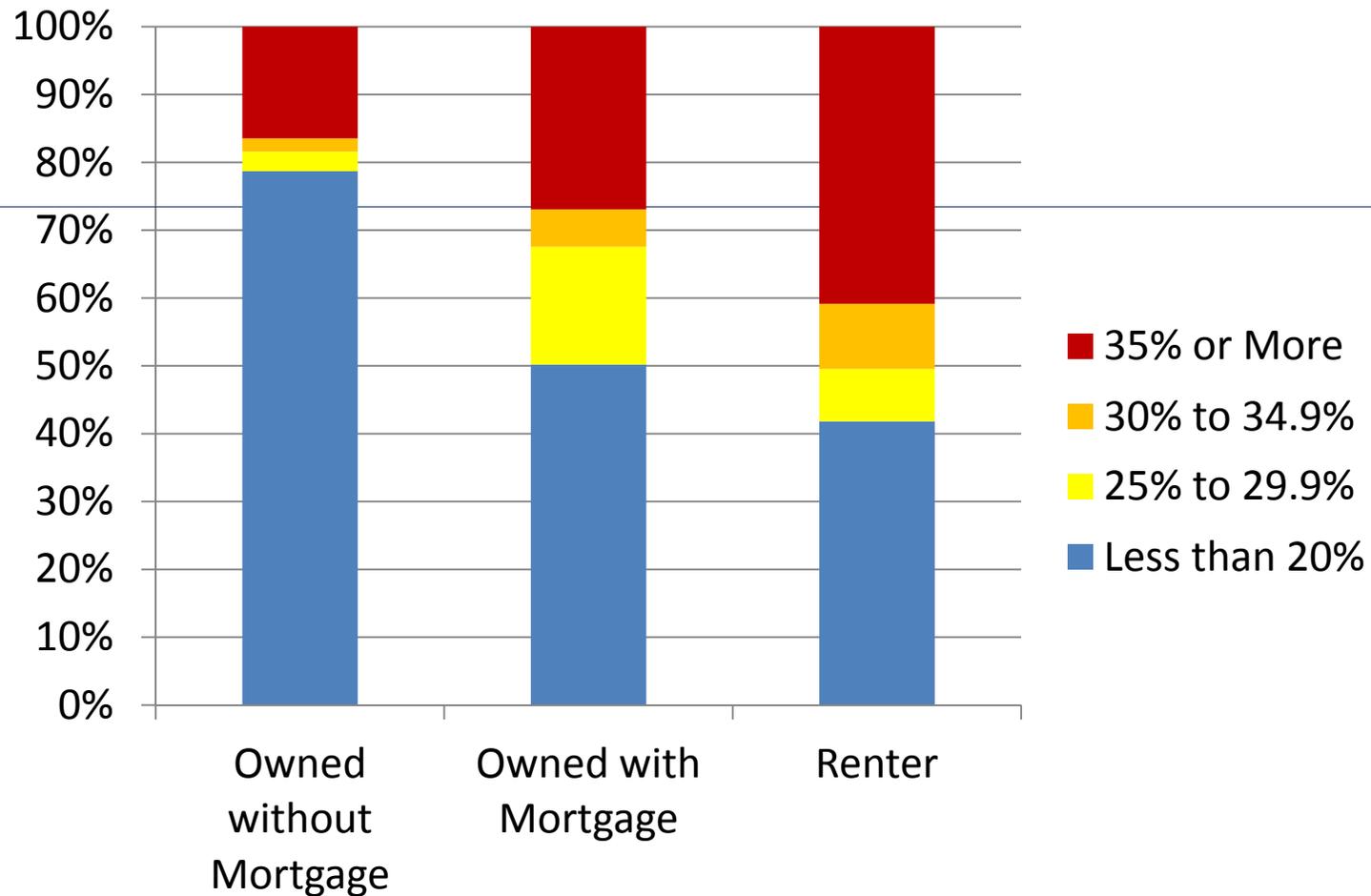
Housing: Owned and Rented



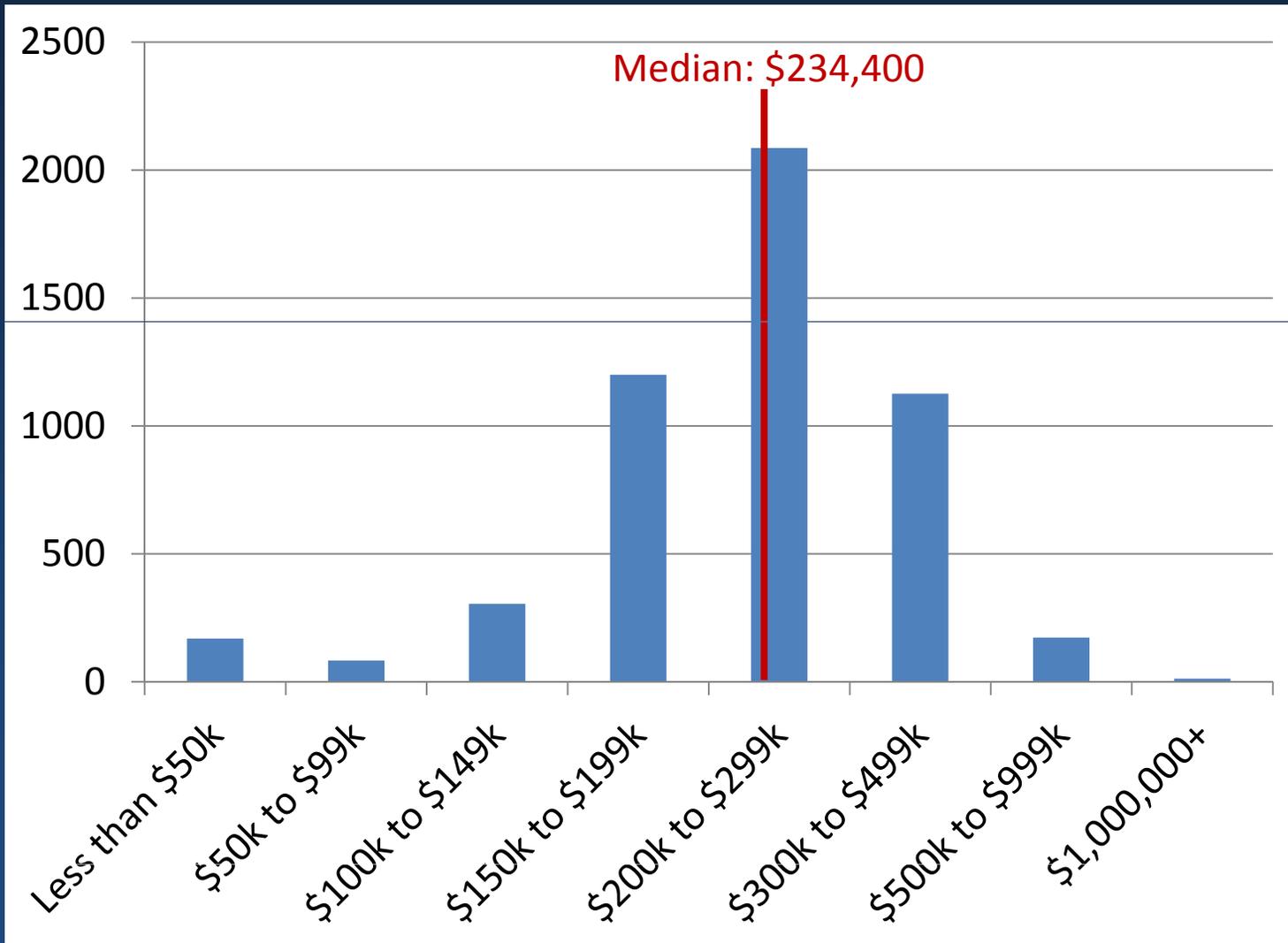
Housing Data



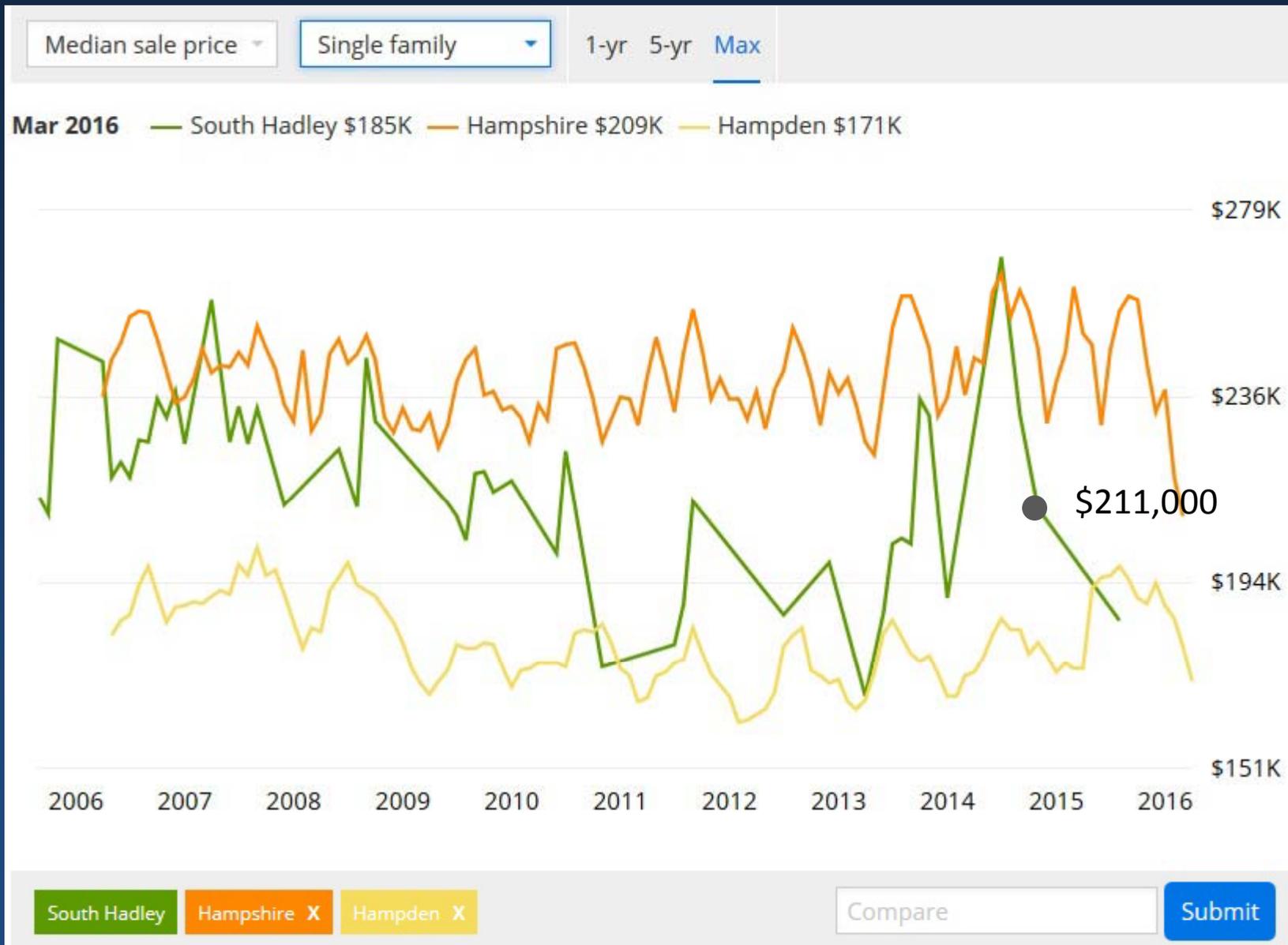
Housing Costs As Percentage of Income



Housing Prices



Sales Prices



Rental Prices



What is affordable?

FY2015 Springfield MSA (Hamden and Hampshire)

Area Median Family Income: \$67,700

Income Limit	1-person	2-person	3-person	4-person	5-person
FY2015 Low-Income Limits (80%)	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100
Sales Price (estimated)	\$131,000	\$150,000	\$168,000	\$185,000	\$202,000
Rental Price (est.)	\$1,153	\$1,316	\$1,481	\$1,645	\$1,778

Existing Affordable Housing Inventory

- 396 units (5.6% of total housing).
- All units are rentals.
- All deed restricted in perpetuity.
- About half are owned by the S. Hadley Housing Authority, half built via Comprehensive Permit.
- About half are restricted by age or disability.
- Family housing **average wait: 8-10 yrs**;
Elderly housing **average wait: 1 year**.

Takeaways

- An array of rental and homeownership options.
- Many housing options are affordable to varying economic means.
- Challenges by ongoing pressures on the housing market.
- Needs: more market rate and affordable housing, especially rental units and special needs housing.

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Housing Needs Assessment

Towards Housing Goals

Challenges to Creating More Housing Choices

- Awareness of the need for more housing choices.
- Limited cheap land to develop.
- Redevelopment of existing buildings or areas may face size, parking, environmental constraints
- Limited public and private financing opportunities for small and larger scale projects.
- Lack of technical resources and clear procedures for undertaking small affordable housing projects

2010 Master Plan

H-1	Management and planning of housing development to meet the community's affordable housing goals.
H-2	Diverse and affordable housing opportunities which also maintain the community's character.
H-3	Equal and fair access to housing for all residents.
H-4	Attain the goal of 10% affordable housing by 2020.
H-5	Sustainable housing development.

Housing Production Goals

What mix of housing types is consistent with community and regional needs?

What is feasible within the housing market?

Numerical goal for annual unit production: increase by at least 0.50% of 10% goal: **36-40 units/year**