Who we are

MHP is a quasi-public agency started in 1985

MISSION: Use private investment to bring more affordable housing to Massachusetts
What does MHP do?

- Permanent financing for affordable rental housing
- ONE Mortgage program
- Community Assistance
- Research on housing data and supporting policy efforts
Goals for the evening

- Recent 40B activity
- Municipality’s role in the 40B process
- Proactive approaches, additional resources and best practices
Supply < Demand

Annual Housing Production in Massachusetts by Decade

Data source: U.S. Census Bureau, Building Permit Survey
What has been accomplished?

- Created or preserved over 10,000 homes since 2014
- 65 towns have met their 10% obligation
- 45 towns have adopted or updated their Housing Production Plan
<table>
<thead>
<tr>
<th>Location</th>
<th>2014</th>
<th>2017</th>
<th># units to 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canton</td>
<td>12.3%</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td>Dedham</td>
<td>10.9%</td>
<td>10.9%</td>
<td></td>
</tr>
<tr>
<td>Foxborough</td>
<td>8.9%</td>
<td>12.5%</td>
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<tr>
<td>Medfield</td>
<td>4.5%</td>
<td>7.2%</td>
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<td>Needham</td>
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<td>12.6%</td>
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<tr>
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<td>7.9%</td>
<td>8.3%</td>
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<tr>
<td>Randolph</td>
<td>10.7%</td>
<td>10.7%</td>
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<tr>
<td>Sharon</td>
<td>7.4%</td>
<td>10.7%</td>
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<tr>
<td>Stoughton</td>
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<td>11.5%</td>
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</tr>
<tr>
<td>Walpole</td>
<td>5.2%</td>
<td>5.4%</td>
<td>413</td>
</tr>
<tr>
<td>Westwood</td>
<td>9.1%</td>
<td>10.7%</td>
<td></td>
</tr>
</tbody>
</table>

Data source: DHCD CH. 40B Subsidized Housing Inventory 09/14/17
## SWAP changes to SHI

<table>
<thead>
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<th>Location</th>
<th>2014</th>
<th>2017</th>
<th># units to 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellingham</td>
<td>8.5%</td>
<td>8.7%</td>
<td>83</td>
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<tr>
<td>Dover</td>
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<td>0.9%</td>
<td>177</td>
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<tr>
<td>Franklin</td>
<td>9.5%</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td>Hopkinton</td>
<td>8.6%</td>
<td>14.2%</td>
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</tr>
<tr>
<td>Medway</td>
<td>5.1%</td>
<td>6.2%</td>
<td>177</td>
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<tr>
<td>Milford</td>
<td>6.3%</td>
<td>6.2%</td>
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<tr>
<td>Millis</td>
<td>3.8%</td>
<td>3.7%</td>
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<tr>
<td>Norfolk</td>
<td>3.6%</td>
<td>4.1%</td>
<td>184</td>
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<tr>
<td>Sherborn</td>
<td>7.4%</td>
<td>10.7%</td>
<td></td>
</tr>
<tr>
<td>Wrentham</td>
<td>11.2%</td>
<td>11.5%</td>
<td></td>
</tr>
</tbody>
</table>

Data source: DHCD CH. 40B Subsidized Housing Inventory 09/14/17
What happens to SHI in 2020?

1. The Subsidized Housing Inventory is updated every 2 years to verify the number of affordable units to be “counted” (the numerator).

2. The total number of units (the denominator) is only updated with the decennial Census.
What happens to SHI in 2020?

Example: Westwood

2014: SHI units: 493
Total units: 5,389 = 9.1%

2017: SHI units: 576
Total units: 5,389 = 10.7%

If no SHI units are added and 10% growth since 2010:

2021: SHI units: 576
Total units: 5,928 = 9.7%
What happens to SHI in 2020?

**Result:** Towns that have not kept up with affordable housing units but have added market units will see a decrease in their SHI percentage.

**Solution:** Calculate the number of units added since 2010 and plan to add SHI units to get to or maintain 10% after 2020 Census.
Chapter 40B PEL

Project Eligibility Letter

• Issued by Subsidizing Agency: DHCD, MassHousing, MHP, or MassDevelopment

• Developers must have PEL to apply to town for a Comprehensive Permit
Chapter 40B PEL

Contact MHP Regarding Application

Pre-Application Intake Meeting & Informal Site Visit

Submit Application To MHP & Municipality

- Request Municipal Comment (30 days)
- Conduct Site Visit
- Commission Appraisal
- Design Review

MHP Project Eligibility Determination

MHP Staff Review
Chapter 40B PEL- site visit

• Subsidizing Agency notifies developer and town officials of date and time of site visit. Other interested parties are welcome to attend

• Any comments should be addressed in writing to the Subsidizing Agency

• Less productive site visit:
Municipal input

• 30-day Notice to town
• The town has 30 days to comment on the application

Best Practice:
Town invites department heads and Board chairs to a meeting to gather comments on the proposed development, which are synthesized into one comment letter.
Municipal input

• **Comments** should be based on the development: design, access, relationship to neighborhood, wetlands, open space, etc.

• **Fiscal Impact** (including school costs) is **not** a factor in approving a PEL or a 40B

• **Do** include actions the municipality has taken to increase affordable and multi-family housing including 40R districts, multi-family zoning, Housing Production Plan progress, Inclusionary zoning, etc.
Municipal input

• Many PELs acknowledge concerns of the town that should be addressed at the ZBA
• Typical areas addressed at ZBA vs PEL stage
  • Traffic
  • Stormwater
  • Utility capacity
  • Septic design
Subsidizing agency findings

• 760 CMR 56.00 – Comprehensive Permit Regulations

56.04 Project Eligibility; Other Responsibilities of Subsidizing Agency

(4) Findings in Determination (after 30 day review/comment)

(a) that the project is generally eligible under the subsidy program.

(b) that the site of the proposed development is generally appropriate for residential development. Taking into consideration prior municipal actions

(c) that the conceptual project design is generally appropriate for the site on which it is located.
Subsidizing agency findings

(d) That the proposed Project is **financially feasible within** the housing market.

(e) That the **initial pro forma & land value** are **consistent** with cost certification guidelines.

(f) That the applicant is a **public agency, non profit, or Limited Dividend Organization**.

(g) That the applicant controls the **Site**.
Best Practice

• The ZBA should distribute the 40B application to departments and boards that are affected.

• Departments and Boards should submit their comments to the ZBA and/or appear at the hearing to give their comments.

• Board of Health & Conservation Commission
  • separate hearings only if waivers to state law are requested.
• ZBA:
  • Do get **Peer Reviews** on technical aspects of proposals
  • Do get **Design Review**, if that’s a concern
  • Do **plan** the 6 months (or less) of hearings
    • Pencil out the peer reviews needed and schedule hearings on those topics after reports are due
  • **Reports and Studies.** ZBA cannot initiate any independent studies or reports, only peer review reports and studies submitted by applicant.
  • **Use MHP’s 40B technical assistance program** to get a consultant to assist the ZBA
Life after the hearing

• Typical post-approvals prior to issuance of building permit with the addition of Final Approval Letter from SA

• Review of cost certification and SA’s report

• Monitoring and compliance, if LIP or LAU
“Friendly” 40B

Typically a Local Initiative Program (LIP) 40B, but can be any municipally supported 40B

What’s different about a LIP?

• No $ subsidy. Subsidy is technical assistance from DHCD. DHCD is the subsidizing agency.

• Must be supported by Board of Selectmen or Chief Elected Official in a city

• Municipality has shared responsibility with DHCD for monitoring and compliance of affordable housing
“Friendly” 40B

If Municipally supported, why not use LIP?

• The project needs actual $ subsidies
• Majority of Board of Selectmen or the Town Manager doesn’t want to “officially” support
• Municipality doesn’t have capacity or resources to effectively monitor compliance
• Developer wary of a “no” vote with no appeal
What is an LAU?

LAU (Local Action Unit) is a unit that is approved for the SHI but was not created under 40B.

- Local Action can be a Special Permit or other zoning approval, funding (CPA, Trust, etc.), donation of land or buildings, inclusionary, etc.

- Must be priced, marketed and sold/rented according to DHCD’s guidelines.
West Barnstable Communities

Kimber Woods
Barnstable, MA
28 family rental homes
Opened in 2009
Developer: Housing Assistance Corporation

Lombard Farm
Barnstable, MA
12 senior rental homes
Opened in 2009
Developer: Housing Assistance Corporation
Proactive Zoning, Natick

- Has used zoning districts and Ch. 40B to create over 1,000 homes since 2000

How:
- Housing Opportunity Overlay Districts
- 40R District

Data source: Current Zoning Map, Natick, Natick 2030+ Plan
Thankful Chase, Harwich

- “Friendly 40B”
- 12 affordable rental homes
- Used renewable energy grants for solar panels
- Town-donated land
Proactive Zoning, Reading

- Has added over 400 SHI units since 2000
- A majority of new housing is walkable and close to transit

How:
- Planned Unit and Residential Districts
- 40R Districts

Data source: Reading Housing Production Plan, 2012, pg. 51
Housing Choice Initiative

The Baker-Polito Housing Choice Initiative provides tools for communities to meet its goal of 135,000 new units by 2025.

Program elements:
- Housing Choice Designation
- Small Town capital grant funding
- Technical Assistance – New grants and better coordination
- Housing Goal and improved data to track performance
- Legislation – An Act to Promote Housing Choices
Know what you’re looking for?

Strategies and best practices for the creation and preservation of affordable housing, with guides, tools and resources for local boards & committees, planners, municipal staff, developers, and volunteers.

Just getting started?

Overview
For Local Boards & Committees
For Planners & Municipal Staff
For Developers

Questions?
Frequently Asked Questions
Ask us a Question
Additional tools for towns

- MHP’s 40B Technical Assistance Program
- Chapter 40B Handbook for Zoning Boards of Appeal
- MHP workshops and trainings
  - 12th Annual Housing Institute, June 6 & 7
Community Assistance

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