HOUSING PRODUCTION PLAN

Town of Amherst, Massachusetts

Town of Amherst
Housing and Sheltering Committee
Planning Board
Select Board

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TABLE OF CONTENTS

	Page
Executive Summary	**1**
1. Introduction and Major Findings	**6**
1.1 Background and Purpose	**6**
1.2 Housing Goals	**6**
1.3 Summary of Housing Needs Assessment	**7**
1.4 Priority of Housing Needs	**12**
1.5 Summary of Housing Production Goals	**13**
1.6 Summary of Housing Strategies	**13**
2. Housing Needs Assessment	**15**
2.1 Demographic Profile	**15**
2.1.1 Population Growth	15
2.1.2 Age Distribution	18
2.1.3 Racial Composition	19
2.1.4 Types of Households	20
2.1.5 Income Distribution	22
2.1.6 Poverty Status	25
2.1.7 Employment	26
2.1.8 Educational Attainment	27
2.1.9 School Enrollment	28
2.1.10 Disability Status	28
2.1.11 Resident Mobility	28
2.2 Housing Profile	**29**
2.2.1 Housing Growth	29
2.2.2 Types of Structures and Units	31
2.2.3 Vacancy Rates	33
2.2.4 Housing Market Conditions	33
2.2.5 Affordability of Existing Housing	40
2.2.6 Subsidized Housing Inventory	46
2.3 Priority Housing Needs	**52**

	Page
3. Challenges to Development	**63**
4. Housing Production Goals	**74**
5. Housing Strategies	**77**
5.1 Ongoing Strategies	81
5.2 Shorter-term Strategies	94
5.3 Longer-term Strategies	109
6. Visual Representations of Development Opportunities	**116**
6.1 Context for Affordable Housing Development	116
6.2 Affordable Housing Development Opportunities	122
6.3 Amherst Town Center	126
6.4 Amherst Town Center North	128
6.5 East Amherst Village	130
6.6 Pomeroy Village Center	132
Appendices	
Appendix 1: Glossary of Housing Terms	134
Appendix 2: Summary of Housing Regulations/Resources	139

AMHERST, MASS
FOUNDED 1759

Section 1

INTRODUCTION AND MAJOR FINDINGS

1.1 Background and Purpose
1.2 Housing Goals
1.3 Summary of Housing Needs Assessment
1.4 Priority of Housing Needs
1.5 Summary of Housing Production Goals
1.6 Summary of Housing Strategies

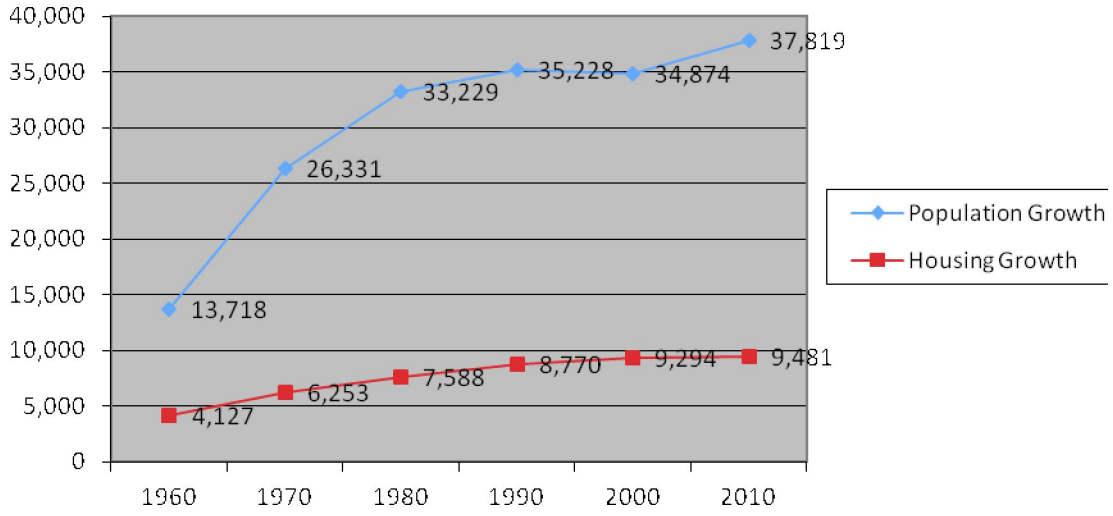
TOWN OF AMHERST
HOUSING PRODUCTION PLAN
EXECUTIVE SUMMARY

Amherst is among the most desirable places in the state to work in, to raise children, to retire to, to attend college, and to visit. However, based on a continued affordability gap, due to demographic and economic conditions, the community needs to strategically plan for future residential development, including affordable housing. By establishing a proactive affordable housing agenda, Amherst can help direct development to fit the community's needs for more diversity in housing types and affordability, while still complementing the town's traditional development patterns.

A major contributing factor to the affordability gap is that housing growth has not kept up with population growth, including increasing enrollments as noted in Figure 1. While the population grew by 24,101 residents or 176% between 1960 and 2010, housing during this same period increased by only 5,264 units or 125%. This is in essence the heart of the town's housing problem – housing supply has not kept up with increasing demand, resulting in higher housing prices and residents paying more than they can afford to live in Amherst.

Figure 1

Population and Housing Growth, 1960 to 2010



What will happen if the Town fails to act proactively and little new housing is built in Amherst? As documented in the Housing Needs Assessment in this plan, the following trends are likely to continue:

- The presence of students in off campus housing will continue to increase as UMass grows.
- With limited new housing construction, the costs of housing in town will keep climbing, further widening the affordability gap and the presence of students in existing neighborhoods.
- Young families are rapidly declining as adults age 25 to 44 decreased from 7,323 in 1990 to 4,009 by 2010, a drop of 45.3%. The widening affordability gap will continue to present a substantial obstacle to young families being able to live in Amherst.

- There are declining numbers of children and families and increasing numbers of older adults and those who are living alone.

If these demographic trends continue unabated, Amherst will become a community that is largely comprised of students and seniors, losing important social and economic vitality in the decades ahead. The community can no longer afford to support the status quo, but needs to take action to affect important changes.

Other findings from the Housing Needs Assessment include the following demographic, economic and housing characteristics and trends:

Key Demographic and Economic Characteristics and Trends

- Amherst's population growth is closely linked to student enrollments.
- The majority of Amherst's residents, 59.4%, are college students.
- The local economy has been dominated by higher education with education-related jobs averaging $1,043 per week in comparison to wages in Amherst's service sector that approximate the minimum wage.

Key Housing Characteristics and Trends

- There has been a declining rate of overall housing growth with most recent growth in homeownership units.
- Rental housing production decreased by 12.6% between 1980 and 2010.
- Vacancy rates are low, reflective of tight market conditions for both rental and ownership units.
- Housing prices remain high despite a poor economic climate and declining sales activity. The median single-family house price as of July 2012 was $290,000, requiring an income of approximately $66,500 with 80% financing, including downpayment and closing costs of about $50,000.

Amherst Rental Market

- Amherst has a robust rental housing market, which has become increasingly expensive, driven largely by a growing off-campus student population. The median rent of $1,108 in 2010, required an income of approximately $50,000, beyond the means of many, including most low- and moderate-income individuals and families.
- There was an estimated deficit of 2,475 rental units for those earning at or below 50% AMI.
- About 4,020 households, or 56.1%, were paying too much for their housing, and an estimated 2,700 households were spending more than half of their incomes on housing in Amherst.

Affordable Housing

To be qualified as "affordable housing" under the Federal definition, individuals may be paying no more than 30% of their income on housing. To quality as part of the state's Subsidized Housing Inventory under the Ch. 40B, affordable housing must be (a) deed restricted, (b) affirmatively marketed, and (c) available to households earning at or below 80% of area median income.

Despite serious shortages of affordable units, Amherst is currently ahead of most communities in the Commonwealth in providing affordable housing with 1,035 affordable housing units in its state-approved Subsidized Housing Inventory (SHI), representing 10.76% of the total year-round

housing stock of 9,621 units. Therefore, the Town has passed the Chapter 40B 10% affordability threshold, meaning that the Town has the option to deny developers the ability to override local zoning for 40B developments that do not receive favorable local review.[1] This is an accomplishment only 17 towns in the state have met. As of April 30, 2013, the number of units that counted towards the 10% goal was 247,059 statewide, up 2,496 units from the count published the year before (May 2012). Forty-three (43) cities and towns were at or above 10%, three (3) more communities (Lynnfield, Stoughton and Wilmington) than May 2012. Another 73 communities have also made considerable progress towards meeting the 10% affordability goal with percentages above 7.0% (includes 20 communities between 9.0% and 9.95%, 20 more between 8.0% and 8.95%, and 30 between 7.0% and 7.95%). These 116 communities with Subsidized Housing Inventories at or above 7.0%, the majority of which are cities, are home to 64% of the state's population.

While the Town has surpassed the 10% state affordability goal at this time, housing growth will continue to drive up the goal. Moreover, the pending loss of 204 affordable units at the Rolling Green development later in 2013 would bring Amherst's SHI percentage down to 8.5% without the production of additional affordable units and assuming no significant loss of other SHI units.

This Housing Production Plan, through its Housing Needs Assessment, also identifies the range of housing needs in the Amherst community, looking at important subpopulations of its residents including seniors, families, people with disabilities, the homeless, and even students. Estimates of the unmet housing needs for these subpopulations are shown in Table 1 below.

Table 1 (also Table 2-40 in Section 2.3)
Unmet Housing Needs in Amherst

Population in Need	Housing Available	Unmet Need*	Recommended in HPP For Next Five Years**
Extremely Low Income (Within 30% AMI)	2,490	1,970 (about 1,500 are likely students)	200 units (rentals) or 83% of annual production goal of 48 units over 5 years
Very Low Income (30% to 50% AMI)	1,190	505	
Low to Moderate Income (50% to 80% AMI)	1,050	575	40 (homeownership)
Families***	3,430	870	150
Seniors***	1,860	830	50
People with Disabilities***	72 (MassAccess) + est. 100 other units+ 81 DDS units = 253	2,200	25
Persons who are Homeless***	18 beds at Craig's Place + 8 units at Jessie's House	15	Part of the 200 units listed above

[1] Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Sources: U.S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, 2009, MassAccess, and Massachusetts Department of Housing and Community Development, August 28, 2012.
* Includes all those spending too much on their housing. ** Based on five-year production goals that total 48 units/year. *** These population groups are also largely incorporated in the numbers of those with unmet housing needs earning at extremely low and very low income levels.

The third column of the table above shows estimates of units needed for each population group, after existing units are taken into account (column 2). The fourth column includes the minimum number of units required by the state for an approvable Housing Production Plan. The total unmet needs are a daunting challenge and this HPP addresses only a minority of them.

Priority housing needs are further detailed in Section 2.3 and include the following:

- Rental housing for families, particularly those earning within very low income categories, and the growing number of smaller households that are increasingly single parents with children.
- Rental housing for individuals that require smaller affordable housing units, including persons now accommodated in the shelter in winter and elsewhere during other seasons.
- Appropriate housing for students, both on and off campus, in order to reduce the demand on the housing market in Amherst.
- Preservation of existing affordable rental housing, including subsidized units and those in the private housing market, which are typically more cost effective to rehabilitate than to build new.
- Affordable homeownership for families as market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households.
- Housing for at risk and special needs populations that often require special services and handicapped accessibility.

To address these priority housing needs, the Town has proposed a package of housing strategies shown in Section 5 of the full report that were derived primarily from the 2010 Master Plan, the Housing Needs Assessment in Section 2, local housing goals, public input, and the experience of other comparable localities in the area and throughout the Commonwealth. *Those of greatest concern are listed in Table 2* below. The strategies in Table 2 are prioritized as to those to be implemented within Years 1 and 2, where some immediate action is required, those within Years 3 to 5, and for longer-term implementation with the potential for inclusion in the five-year term of the Plan. There is also an ongoing need to conduct community education on the information and direction described in this plan.

Meeting Amherst's need for affordable housing will require new goals and policies – and new construction too. This is not simply about adding new housing units, but doing so in a way the preserves the character of the Town, meeting both public and private goals. It is important that housing be located in appropriate areas, be designed to reinforce town character, and contribute to other civic goals: downtown revitalization; the development of walkable communities; open space access; and the preservation of local businesses.

More than half the land in Amherst is not available for development. Conservation areas, institutional land and permanently preserved farmland help maintain open space, and suggest that new construction is clustered in certain areas. The town is structured around a series of village centers that offer commercial and community spaces to nearby residents. The best opportunities for affordable housing development are likely to be near village centers. This helps support shops and cafes and reduces the dependency on cars. Housing over commercial

space helps support local businesses and should have a significant affordable component. It could include artist's work-live studios that contribute to Amherst's character.

Table 2
STRATEGIES TO MAINTAIN AND EXPAND AFFORDABLE HOUSING IN AMHERST

Strategies	**Priority for Implementation**	**Section/ Page #**
Establish and capitalize a Municipal Housing Trust Fund (MAHTF), dedicated to subsidizing affordable housing	1-2 Year Implementation	5.2.1/95
Modify inclusionary zoning bylaw in order to expedite permitting for affordable housing	1-2 Year Implementation	5.2.2/96
Modify supplemental apartment bylaw to better promote such units even if they are not currently eligible inclusion in the Subsidized Housing Inventory	1-2 Year Implementation	5.2.3/101
Rezone village centers in order to ease restrictions on infill development, directing it to areas where higher density is more appropriate	1-2 Year Implementation	5.2.4/102
Continue to make suitable public property available for affordable housing; the Town may also decide to acquire additional privately owned sites	1-2 Year Implementation	5.2.5/105
Monitor and maintain existing Subsidized Housing Inventory units, avoiding loss of affordable units which can be in jeopardy in the future.	3-5 Year Implementation	5.2.6/108
Fund housing rehab efforts, including modifications to improve handicapped accessibility and eliminate lead-based paint, where appropriate, as well as housing code violations	3-5 Year Implementation	5.2.7/109
Pursue 40R/40S or Compact Neighborhoods Smart growth zoning	Longer Term Imple-mentation	5.3.1/109
Allow two-family structures in all residential zoning districts	Longer Term Imple-mentation	5.3.2/112
Convert existing housing to long-term affordability through mortgage assistance programs or buy-down programs that provide subsidies to qualified first-time homebuyers	Longer Term Imple-mentation	5.3.5/114

To increase the supply of affordable housing is more than the Town itself can accomplish. Other parties must play key roles in this process. This includes the University; there must be an ongoing line of communication between the Town and UMass regarding housing development issues. Plan implementation will also rely on private developers, as well as citizen's willingness to accept new developments and higher densities. Since most housing is built by developers, Amherst should be proactive – defining what kind of development it wants, and where.

1. INTRODUCTION AND MAJOR FINDINGS

1.1 Background and Purpose

Amherst major industry is higher education with the presence of Amherst College, Hampshire College and the main campus of the University of Massachusetts in town. While these institutions have provided the town with a robust economic engine, driving the local economy and the community's character, they have also had a profound impact on housing needs. These impacts are not only felt in Amherst but throughout the Pioneer Valley.

The competition between an expanding number of University of Massachusetts students who live off campus and long-term residents has fueled demand as well as high housing prices. Of particular concern has been the conversion of single-family homes or small multi-family structures to student rentals in existing neighborhoods.

The effects of the recent national recession in tandem with this high cost of housing – including high costs associated with taxes, insurance and utilities – have been making it increasingly challenging for some residents to afford to remain in Amherst. Children who grew up in the community are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased expenses, but are pressed to find alternative housing that better meets their current life styles. Families are finding it more difficult to "buy up," purchasing larger homes as their families grow or move from rentals to homeownership. College faculty and staff, as well as municipal employees, are increasingly hard pressed to find housing that is affordable in Amherst. Those who are particularly burdened by the high housing prices are lower-wage workers or people with disabilities who are squeezed-out of the private housing market and are ever more reliant on subsidized housing. This Plan is meant to help Amherst chart its course in providing more affordable housing options to meet these diverse local needs.

This Housing Production Plan represents an opportunity for the Town of Amherst to fully examine the specific impacts of demographic changes, particularly its student population, relative to the dynamics of housing market conditions. Only by understanding these changes can the Town determine the current and future housing needs of its citizenry. This Housing Plan also provides guidance on any number of policy issues regarding housing such as where to best allocate resources for the production of new affordable housing, how to revise existing zoning as it relates to guiding new housing development, and how to engage housing developers and other housing service providers in partnerships that will work to address the identified needs. This Housing Production Plan also provides graphic representations of recommended strategies to help local leaders and residents visualize the impacts and important benefits of various affordable housing opportunities.

1.2 Housing Goals

In 2010, the Town prepared a Master Plan to provide a "blueprint" for the future, guiding the community's long-term development in line with local aspirations and challenges. This Plan offered an overriding housing goal of providing "*a mix of housing that meets the physical needs of and is affordable to the broadest possible spectrum of our community, and that minimizes the impact on the environment".* While the Town can currently count 1,035 units as part of its Subsidized Housing Inventory (SHI), these are only units that meet all of the rigorous standards of the state – sometimes referred to as the big "A" affordable units. Many other affordable units – what is commonly referred to as little "a" units – are unsubsidized and part of the private housing stock. In fact, private landlords are

also providers of affordable housing in Amherst as many keep rents at discounted levels to maintain good tenants. But due to high competition for existing housing, prices still remain high and even more middle-income residents, who do not qualify for state or federal subsidy programs, are finding themselves priced out of Amherst's housing market. This Housing Production Plan will focus on this range of affordability to meet diverse needs in the community – preserving existing housing affordability and creating new opportunities.

The Town's Master Plan also provided the following housing objectives:

- Encourage a greater mix of housing types, sizes, and prices serving a wider range of income levels than is currently available throughout Amherst. Encourage the development of economically diverse neighborhoods.
- Preserve and expand the number of affordable and moderately priced rental units and housing stock.
- Increase the opportunity for infill development and the location of housing developments near services.
- Encourage the production of housing in an environmentally sound manner with respect to design, siting, materials and resource use.
- Encourage housing that meets the needs of special populations.
- Improve housing and services for people in the area who are homeless.
- Support the creation of taxable student housing that will lessen the pressures on residential neighborhoods.
- Build and sustain the Town's capacity for regulatory oversight for Amherst's housing stock, and pursue ways to enhance security.

This Housing Production Plan embraces the Master Plan's primary goal and specific objectives, which in addition to identified priority housing needs (see Section 2.3) become the context for recommending specific strategies for the Town to pursue in its efforts to produce affordable housing.

1.3 Summary of Housing Needs Assessment[2]

Demographic and housing characteristics and trends are linked closely to Amherst's main industry – education. Students from Amherst College, Hampshire College and most notably, the University of Massachusetts' main campus, included approximately 59.4% of all residents in 2010. Their inclusion in the analysis in Section 2 – the Housing Needs Assessment – drives local demographics and development patterns in profound ways including the following:

- Directly impacting population growth;
- Contributing greatly to a predominance of small households, including many who live alone;
- Increasing racial diversity;
- Lowering median income levels and increasing poverty rates;

[2] It should be noted that this Housing Needs Assessment includes the most up-to-date data available. When 2010 census data is not available, the most recent issue of the Census Bureau's American Community Survey (ACS) is used for various types of data. Because the ACS is based on a sample, it is subject to sampling error and variation.

- Affecting market demand for rental housing that has resulted in relatively high levels of rental units, including the conversion of formerly owner-occupied housing to student housing and the development of large multi-family housing; and
- Increasing competition for existing units, driving up prices.

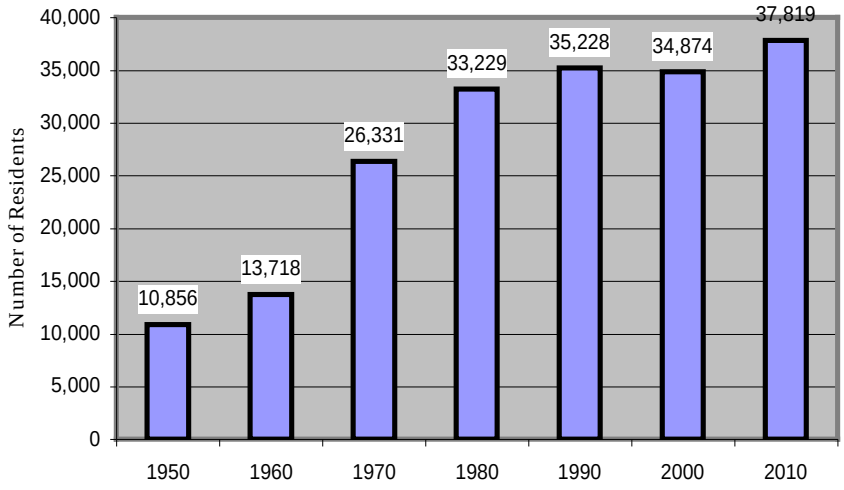
1.3.1 Demographic Characteristics and Trends

Based on the analysis that was conducted as part of the Housing Needs Assessment in Section 2 of this Housing Production Plan, the following key demographic characteristics and trends were identified:

- *Amherst's population growth is closely linked to student enrollments.*
  Amherst's population grew at a fast pace between 1940 and 1980, increasing five-fold from 6,410 to 33,229 residents. The population in fact almost doubled in size between 1960 and 1970. Growth has slowed down considerably since 1980, even dipping slightly between 1990 and 2000. Since 2000 the population has rebounded somewhat with a growth rate of 8.4% through 2010 to a total population of 37,819. Because college-age students from UMass, Amherst College, and Hampshire College are such a major segment of Amherst's population, growth has actually been linked to the fluctuations in student enrollments. Census data indicates that the numbers of college or graduate school level students increased from 20,603 in 1990, down to 18,556 by 2000 and then back up to 22,470 by 2010 in line with total population growth patterns.

Figure 1-1

Population Change 1950 to 2010



- *The majority of Amherst's residents are college-age students.*
  In 2010, residents between the ages of 18 and 24, most of whom were students, comprised more than half of Amherst's total population compared to 22.4% and 11.8% for the county and state, respectively. This predominance of college age adults is reflected in the town's the median age of 21.6 years in 2010, which is remarkably low in comparison to 30.3 years for Hampshire County and 33.5 years for the state. Even Boston, with such a high concentration of colleges and universities, had a median age of

30.2 years in 2010. Figure 1-2 clearly demonstrates the effects of a large off-campus student population.

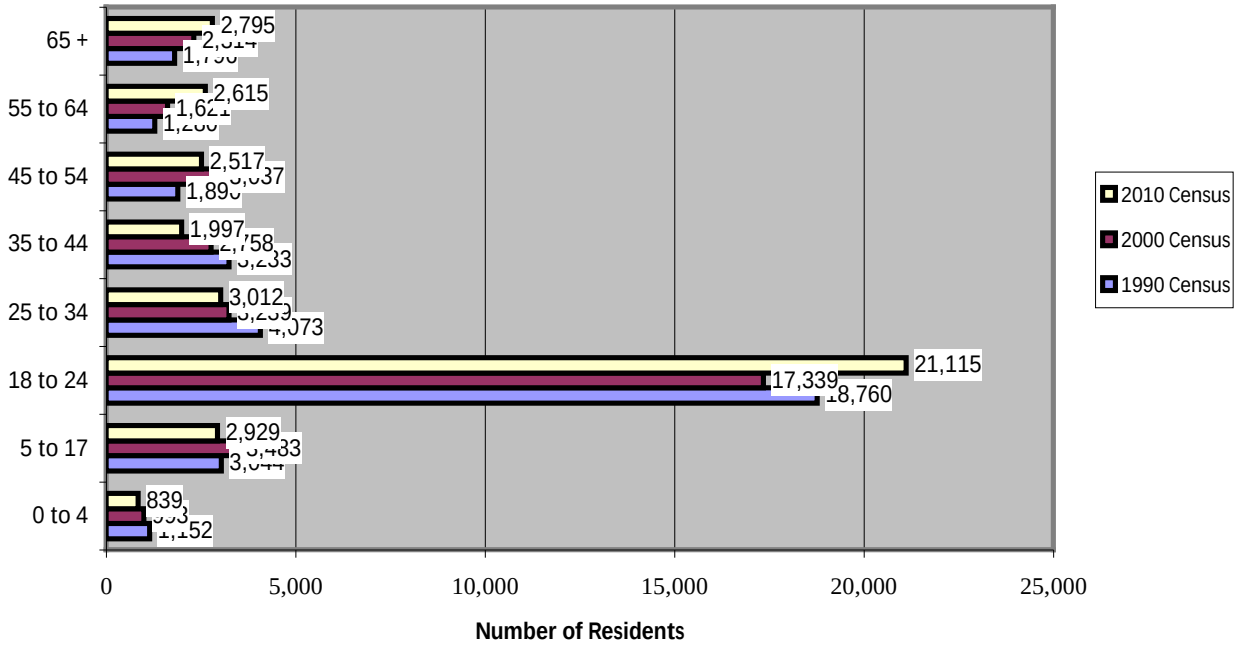
- *Declining number of children.*
  The number and proportion of children has declined markedly over the past several decades with school-age children under age 18 decreasing by 10.1% between 1990 and 2010, from 11.9% of the population to 10.0%. In comparison the percentage of those under 18 was 16.9% for the county and 21.7% for the state.

- *More middle-aged residents.*
  Those in the 35 to 54-age range increased from 3,668 to 4,514 residents from 1980 to 2010. Part of the baby boom generation was spilling into the older age categories by 2010 as those in the 55 to 64 age range increased substantially, from 1,621 residents in 2000 to 2,615 by 2010.

- *Significant gains in the population 65 years or older.*
  The number of those 65 years of age and older almost doubled between 1980 and 2010, from 1,412 to 2,795 residents or from 4.2% to 7.4% of the total population. Nevertheless, this level of older adults is significantly less than the county and state at 12.7% and 13.8%, respectively.

Figure 1-2

Changes in Age Distribution: 1990 to 2010



- *Amherst's population is becoming increasingly more diverse.*
  The number and percentage of minority residents has increased significantly over the past several decades, from 2,712 residents in 1980 to 8,743 by 2010, comprising almost one-quarter (23.1%) of all residents by 2010. This level is about twice Hampshire County's level of 11.3% and

even higher than the state's at 19.6%. Almost half of Amherst's minority residents claimed they were of Asian descent, with most others of Black or Latino origin.

- *Increasing number of smaller households.*
  While Amherst's population grew by 13.8% from 1980 to 2010, the numbers of households increased more dramatically, by 21.7% to 9,259 total households. This is correlated to the increasing number of smaller, non-family households[3], which increased from 3,482 in 1980 to 4,775 by 2010, now comprising the majority of all households in Amherst. This increase in smaller households is reflected in the decreasing average household size, from 2.61 persons in 1980 to 2.44 by 2010. The growing number of smaller, non-family households is also reflective of national trends driven by fewer numbers of children and "traditional" families, increases in "child-free" and "child-delayed" families, and increases in empty nesters and senior and frail populations, particularly those who are living alone.

- *Amherst's median household income remains consistently lower than the county and state.*
  The Town's median household income of $53,237 was significantly lower than the county and state at $58,449 and $63,961 in 2010, respectively. This is highly correlated to the high number of students who are most likely only working on a part-time basis if at all. Additionally, *estimates suggest that poverty levels have actually increased. Moreover, altogether there were 4,730 households with incomes within 80% AMI suggesting that more than half of all households may have qualified for housing assistance based on their income, without consideration for financial assets.*

1.3.2 Housing Characteristics and Trends

Amherst has a relatively diverse housing stock with units distributed among various types of properties and price ranges. Unlike most towns of approximately the same size, the majority of units include rentals and there are significant numbers of multi-family developments, many of which cater to the large student population.

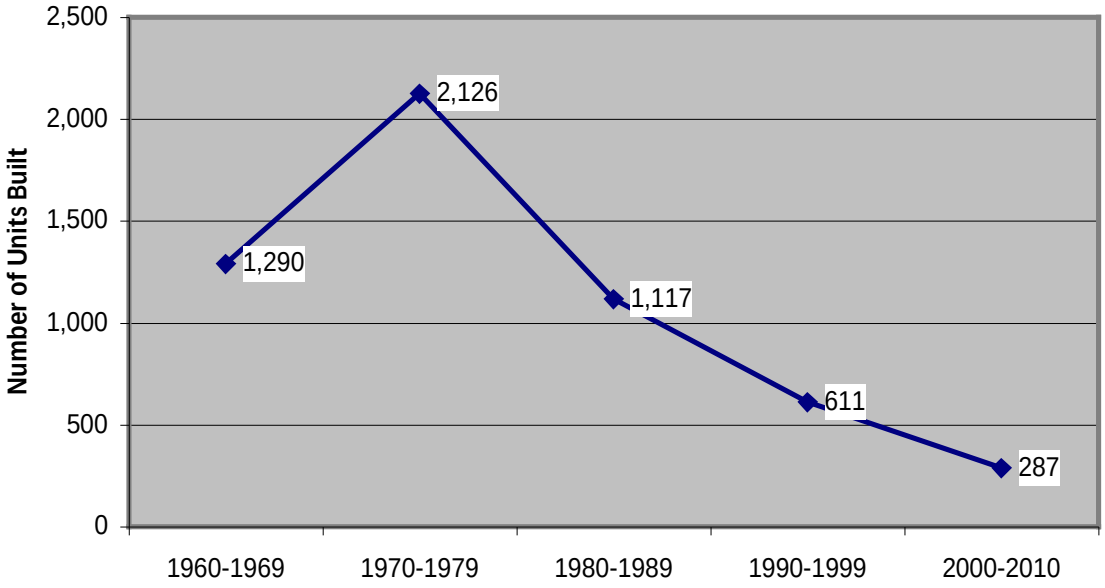
- *Declining housing growth with greater recent growth in homeownership units.*
  More than one-fifth (22%) of Amherst's housing stock predates World War II, and housing development did not really take-off until between 1960 and 1980 when the Town added 3,416 units, more than doubling the size of its housing stock as presented in Figure 1-3. Another 2,517 units were built between 1980 and 2000, representing another sizable addition to the housing stock of about one-quarter of Amherst's total housing units in 2010.

  Of the 9,711 total housing units in 2010, Amherst had 9,621 year-round units[4] of which 4,258 or 46.0% were owner-occupied and the majority of units, 5,001 or 54%, were renter-occupied. These figures represent a much lower level of owner-occupancy than that of Hampshire County as a whole where 66.4% of the units were owner-occupied. This high proportion of rental units is very unusual for a town the size of Amherst, once again driven largely by the town's sizable student population.

[3] Includes individuals and unrelated household members. Same-sex households are included under the family household category if there is at least one additional person related to the householder by birth or adoption.
[4] The year-round figure is the one used under Chapter 40B for determining the 10% affordability goal, which based on 2010 census data is 9,621 units (total housing units of 9,711 minus 90 seasonal units).

Figure 1-3

Housing Growth, 1960 to 2010



- *Housing prices remain high despite a poor economic climate and declining sales.*
  In 2010, the median house value of $341,400 in Amherst was significantly higher than the $266,500 median for Hampshire County, but comparable to that of the state at $342,000. Since 2010, house prices decreased somewhat to a median of $290,000 for single-family homes and $203,500 for condos as of July 2012. While prices and interest rates have been declining, making housing more affordable, the ability to obtain financing has become increasingly more challenging, providing a significant constraint to those entering the housing market.

  Amherst has a robust rental housing market, which has become increasingly expensive. The median rent almost doubled between 1980 and 1990, going from $287 per month to $520. The median doubled again between 1990 and 2010, to $1,108. In 2000 more than half of the Town's rental units were renting in the $500 to $1,000 price range. By 2010 more than half of the rental units were priced beyond $1,000, with almost one-quarter renting for more than $1,500. It is not unusual for four (4) UMass students to pay $1,000 each to live in off-campus housing close to campus. Rental prices remain high and the lowest rent advertised on Craigslist in August and early September 2012 was $900 for a two-bedroom unit. Rentals also typically require first and last month's rent up-front plus a security deposit. A strong rental housing market has pushed going rents well beyond the means of many, including most low- and moderate-income individuals and families.

The Town is also well ahead of most communities in the Commonwealth in regard to providing affordable housing. However, the affordability gap has been growing, largely the result of the combination of increasing student enrollments and other market pressures outside of the Town's control due to demographic and economic conditions. This Housing Production Plan provides tools for the Town to make progress on reducing the affordability gap. Through a range of strategies including zoning changes, partnerships with developers and service providers, and subsidies, the Town can play a

meaningful role in promoting housing options that match people to appropriately priced and sized units – producing housing that reflects local needs!

1.4 Priority Housing Needs

As the affordability analysis indicates in Section 2.2.5, significant gaps remain between what many residents can afford and what housing is available. Moreover, the large numbers of students who live off campus are in direct competition with other residents for existing units, driving up costs with increasing demand. High housing costs have translated into households spending far too much for their housing with an estimated 2,700 households spending more than half of their incomes on housing in Amherst. Housing growth has also been directed to owner-occupied units with some declines in the supply of rental housing since 1990. Amherst needs to focus on increasing the supply of housing at a variety of levels of affordability, paying particular attention to the most vulnerable of its residents.

Based on input from a wide variety of sources,[5] the following priority housing needs have been identified that reflect the continuum of housing opportunities that should be provided:

- ***Rental housing for families***
  There is a substantial need to house families, particularly those earning within very low income categories and growing numbers of smaller households that are increasingly single parents with children.

- ***Rental housing for individuals***
  There is also a clear need for smaller housing units for those individuals with lower-paying jobs who are encountering serious difficulty finding housing that they can afford in Amherst. Some of these individuals have disabilities. Some are children who were raised locally and want to return to Amherst, while others are older, perhaps divorced with children who moved out on their own or finding it difficult to continue to live in town on fixed incomes. Some have struggled with homelessness, others are recent immigrants working in local businesses with limited pay. What they all share is the need for a safe, decent and affordable place to live.

- ***Preservation of the existing affordable rental stock***
  The preservation of existing affordable rental units is essential to maintaining an affordable housing stock well into the future. This rental housing, including both units that are subsidized and in the private housing market, is more cost effective to rehabilitate and maintain than to build new. Moreover, efforts are needed to maintain affordability restrictions on subsidized housing in perpetuity to the greatest extent possible, so as not to lose affordability based on expiring use restrictions.

- ***Affordable homeownership for families***
  Market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households. Infill development and the redevelopment/reuse of existing properties in partnership with non-profit organizations

[5] These sources include but are not limited to the Town's Master Plan, "All Roads Lead Home – The Pioneer Valley's Plan to End Homelessness", Three County Continuum of Care Goals and Objectives, updated demographic and housing data, consultations with service providers and housing agencies, the University of Massachusetts' Master Plan, feedback from public forums, and other special meetings and interviews.

and private builders offer the best options for increasing affordable homeownership opportunities in Amherst.

- ***Housing for at risk and special needs populations***
  Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services. Providing stable and affordable opportunities for those transitioning out of shelters or special programs remains a high priority.

A summary of housing goals based on these priorities is provided in Table 3-2, premised on producing an average of 48 affordable units per year, reflective of production goals under the state Housing Production guidelines, and a balance of about 85% to 15% rental versus homeownership units. At least 10% of the new units produced should include handicapped accessibility and/or supportive services for special needs populations and seniors. Goals for housing rehabilitation are based on at least ? (?) units per year and the ability to secure necessary subsidy funds.

1.5 Summary of Housing Production Goals

This Housing Plan is prepared according to the requirements of the state's Housing Production Program that mandate a number of key components. In addition to a comprehensive Housing Needs Assessment, the locality must describe, through various housing strategies, how it plans to meet annual production goals equivalent to 0.50% of a community's year-round housing stock, at least 48 affordable units for Amherst. [6]

Amherst currently has more than 10% of its year-round housing defined as affordable under state guidelines, and this in itself provides the Town with the ability to deny unwanted 40B proposals. However, potential losses of affordable units, particularly at the Rolling Green development, would bring the Town well below the state affordability threshold, providing a compelling reason to seek approval under Housing Production. Under Housing Production, if Amherst were to meet the annual production goal of 48 units in any calendar year, it would be able to deny Chapter 40B developments that it considered inappropriate without the ability of the developer to appeal the decision to the state.

1.6 Summary of Housing Strategies

This Plan provides important guidance on opportunities for regulatory changes and strategically investing available local funding for housing to best serve the range of local needs and leverage other public and private financing. Within the context of other planning documents, priority needs and goals, existing resources, public input, and affordability requirements; a package of housing strategies is proposed, listed in Table 1 in the Executive Summary. ***It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.***

It should be noted that the intent of this Plan is not only to continue to surpass the state's 10% goal under Chapter 40B, but more importantly to serve the range of local needs as articulated in the housing goals and objectives of the Town's Master Plan and priority housing needs as described in Section 2.3 of this Housing Production Plan. Consequently, there are instances where housing initiatives might be

[6] It should be noted, however, that all units in Chapter 40B rental developments count as part of annual production goals and the 10% state goal as opposed to only 25% for homeownership projects.

promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include ?the promotion of accessory apartments or mixed-income housing that includes "community housing" or "workforce housing" units)[7].

Following this Introduction and the short Executive Summary that preceded it, the remaining sections of the Plan include the following, that with the exception of the Appendices, are required by state regulations for Housing Production Plans:

> *Section 2*: The Housing Needs Assessment that presents an overview of current demographic and housing characteristics and trends, providing the context within which a responsive set of strategies can be developed to address the identified housing needs and meet production goals.
> *Section 3:* A summary of the challenges the Town faces in producing affordable housing.
> *Section 4:* Housing Production goals that chart affordable housing activity over the next five (5) years with annual goals of 0.50% of the town's year-round housing stock or 48 units.
> *Section 5:* Housing Strategies that address the range of housing needs and are the means for achieving the housing production goals as listed in Table 1.
> *Appendices* are also included that provide a Glossary of Housing Terms and a Summary of Housing Regulations and Resources.

[7] Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.

AMHERST, MASS
FOUNDED 1759

Section 2

HOUSING NEEDS ASSESSMENT

2.1 Demographic Profile
2.1.1 Population Growth
2.1.2 Age Distribution
2.1.3 Racial Composition
2.1.4 Types of Households
2.1.5 Income Distribution
2.1.6 Poverty Status
2.1.7 Employment
2.1.8 Educational Attainment
2.1.9 School Enrollment
2.1.10 Disability Status
2.1.11 Resident Mobility

2.2 Housing Profile
2.2.1 Housing Growth
2.2.2 Types of Structures and Units
2.2.3 Vacancy Rates
2.2.4 Housing Market Conditions
2.2.5 Affordability of Existing Housing
2.2.6 Subsidized Housing Inventory

2.3 Priority Housing Needs

2. HOUSING NEEDS ASSESSMENT

This Housing Needs Assessment presents an overview of current demographic and housing characteristics and trends for the town of Amherst, providing the context within which a responsive set of strategies can be developed to address identified housing needs and meet production goals.

2.1 Demographic Profile

It is important to closely examine social and economic characteristics, particularly past and future trends, in order to understand the composition of the population and how it relates to current and future housing needs. Key questions to be addressed in this Needs Assessment include the following:

- What have been the town's growth trends, particularly since 2000?
- How have student enrollments affected demographic changes, particularly those living off campus?
- What are the variations in household size and types of households that suggest unmet or greater housing needs?
- What are the ramifications of increases and decreases of various age groups in regard to housing needs?
- What changes in income levels have occurred and how does this relate to housing affordability?
- What proportion of the population is disabled or has other special needs that suggest the need for supportive services or home modifications?

These and other social and economic issues are discussed in the following sections.

2.1.1 Population Growth – Closely linked to student enrollments

As noted in Table 2-1, Amherst's population grew at a fast pace between 1940 and 1980, increasing five-fold from 6,410 to 33,229 residents. The population in fact almost doubled in size between 1960 and 1970. As shown in Figure 2-1, growth has slowed down considerably since 1980, even dipping slightly between 1990 and 2000. Since 2000 the population has rebounded somewhat with a growth rate of 8.4% through 2010 to 37,819 residents. Projections from the Massachusetts Institute for Social and Economic Research (MISER) underestimated actual growth as these projections estimated a population of 36,583 by 2010 and only 36,840 by 2020.

Table 2-1
Population Change, 1930 to 2010

Year	Total Population	Change in Number	Percentage Change
1930	5,888	--	--
1940	6,410	522	8.9
1950	10,856	4,446	69.4
1960	13,718	2,862	26.4
1970	26,331	12,613	91.9
1980	33,229	6,898	26.2
1990	35,228	1,999	6.0
2000	34,874	-354	-1.0
2010	37,819	2,945	8.4

Sources: U.S. Census Bureau, Census Summary File 1 and University of Massachusetts Donahue Institute State Data Center.

Because college-age students from UMass, Amherst College, and Hampshire College are such a major segment of Amherst's population, growth has been linked to the fluctuations in student enrollments.

Census data indicates that the numbers of college or graduate school level students increased from 20,603 in 1990, down to 18,556 by 2000, and then back up to 22,470 by 2010. Table 2-2 and Figure 2-1 compare this data to total population levels and also indicate how many students lived on or off campus.

Table 2-2
College Student Population Growth in Amherst, 1990 -2010

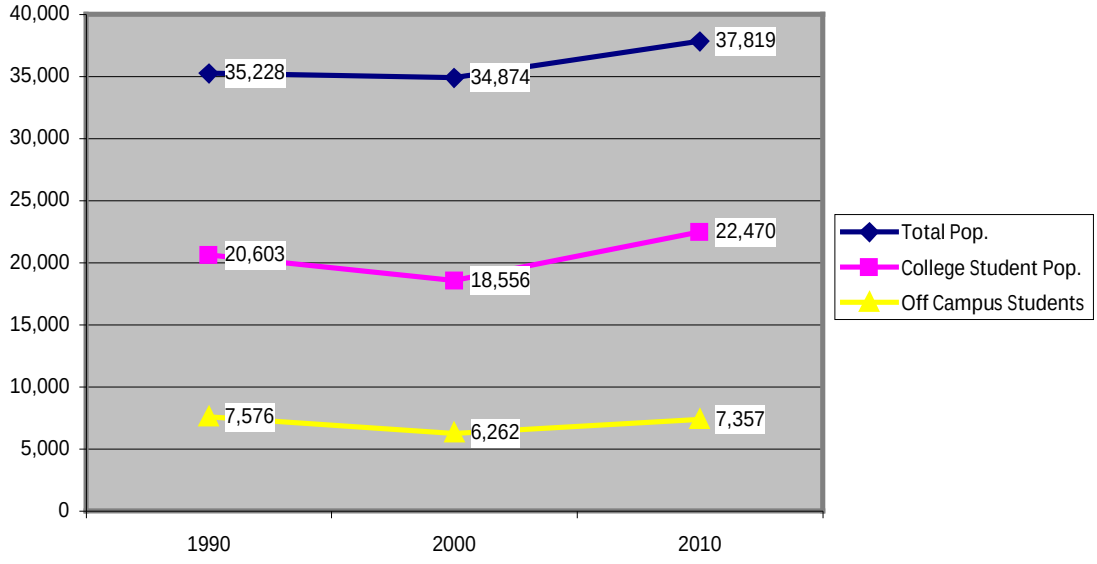
	1990	2000	2010
Total Population	35,228	34,874	37,819
College Student Population	20,603	18,556	22,470
On Campus Student Population	13,027	12,293	15,113
Off Campus Student Population	7,576	6,262	7,357
Full-time Residents*	14,625	16,318	15,349

Source: U.S. Census Bureau, Census 1990, 2000 and 2010, and American Community Survey, 2008-2010
* Calculated by subtracting the college student population from the total population.

Consequently, students comprised from 58.5% of the population in 1990, down to 53.2% in 2000, and then up to 59.3% by 2010. Those who lived off campus, competing with full-time residents for limited affordable housing, ranged from 51.8% of the total full-time, year-round residents in 1990, to 38.4% in 2000, and then up to 47.9% by 2010.

Figure 2-1

Changes in College Student Population, 1990 - 2010



University of Massachusetts
UMass indicates that student enrollment was 27,569 in 2010 (20,126 undergraduate students, 4,214 graduate students, and 3,229 continuing and professional education students), not all of whom lived in Amherst. By 2012 enrollment increased by 2.4% to 28,236 students (20,604 undergraduates, 4,266 graduate students, and 3,366 continuing and professional education students). They have plans to add

another 2,707 students by 2020, which will place a substantial additional burden on existing residents, the limited housing supply and Town services. The number of faculty and staff is also expected to increase, from 7,969 in 2010 to 8,938 by 2020, representing almost a thousand new jobs.

Recognizing the high demand for housing, particularly singles, the University is adding 1,500 new beds as part of its Commonwealth Honors College by 2013, increasing the total number of on campus beds to 14,000. Some of these new beds will be used to reduce density in some of the older dormitories and will net about 1,000 new beds. While the college houses 63% of its undergraduates, only about 6% of graduate students receive on-campus housing. The University's Master Plan includes a vision for another 1,090 new beds on the south edge of Massachusetts Avenue and the replacement of Lincoln Apartments with 330 townhouse units for faculty, staff and graduate students, with a net gain of 800 new beds. Additional residential development of an estimated 1,720 beds is envisioned for East Pleasant Street, north of Orchard Hill and along the west edge of the street, but components of the Master Plan are subject to change. It is not expected that the percentage of students housed on campus will grow much from year to year, but will likely increase somewhat over the next few years, perhaps from 63% of undergrads to 67%.

Amherst College

Amherst College has 1,860 students and student enrollments have remained approximately the same during the past century. Almost all of the students live on campus (about 97%) and the college has no plans to increase enrollments. The college guarantees housing for all students for all four years.

Hampshire College

Hampshire College has about 1,500 students, and requires most of its students to live on campus. Decisions about exemptions from this policy are made on the basis of seniority and on-campus bed needs, and students must submit an application to obtain such an exemption. Some students can automatically be approved to live off campus if they live with their parents within 30 miles of the school, are 25 years of age or older, are married or in a domestic partnership, or have dependent children living with them.

Table 2-3 summarizes the student populations by institution, showing that almost all off-campus student housing is used by University of Massachusetts students. UMass does not have specific information on how many of their off-campus students live in Amherst as they do not have their addresses.

Table 2-3
College Student Information by Institution, 2012

	University of Massachusetts	**Amherst College**	**Hampshire College**	**Total**
College Student Population	24,870* 20,604 undergrads + 4,266 grad. students	1,860	1,500	28,230
On Campus Student Population	Approx. 60% of students or about 15,000	97% of all students live on campus or about 1,804	Approx. 77 % or 1,188 students	
Off Campus Student Population	Approx. 40% or about 10,000	About 50 or so students	Approx. 23% of 346 students	

Sources: UMass, Amherst College and Hampshire College, September 2012 and the Integrated Postsecondary Education Data System (IPEDS). *Figures do not include the 3,366 students enrolled as part of the Continuing and Professional Education Program, who are not in residence.

2.1.2 Age Distribution – Majority of residents are college-age students

Table 2-4 presents changes in Amherst's age distribution between 1980 and 2010. The distribution of residents by age is presented visually in Figure 1-2 of the Executive Summary, showing this very dramatic population composition, which clearly demonstrates the effects of a large student population.

Table 2-4
Age Distribution, 1980 to 2010

Age Range	1980		1990		2000		2010	
	#	%	#	%	#	%	#	%
Under 5 Years	802	2.4	1,152	3.3	993	2.8	839	2.2
5 – 17 Years	3,161	9.5	3,044	8.6	3,483	10.0	2,929	7.7
18 – 24 Years	18,500	55.7	18,760	53.2	17,339	49.7	21,115	55.8
25 – 34 Years	4,543	13.7	4,073	11.5	3,239	9.3	3,012	8.0
35 – 44 Years	2,191	6.6	3,233	9.2	2,758	7.9	1,997	5.3
45 – 54 Years	1,477	4.4	1,890	5.4	3,037	8.7	2,517	6.7
55 – 64 Years	1,143	3.4	1,280	3.6	1,621	4.6	2,615	6.9
65 – 74 Years	798	2.4	969	2.8	1,139	3.3	1,381	3.7
75 – 84 Years	464	1.4	619	1.8	783	2.2	920	2.4
85+ Years	150	0.5	208	0.6	392	1.1	494	1.3
Total	33,229	100.0	35,228	100.0	34,874	100.0	37,819	100.0
Under 18	3,963	11.9	4,196	11.9	4,476	12.8	3,768	10.0
Age 65+	1,412	4.2	1,796	5.1	2,314	6.6	2,795	7.4

Source: US Census Bureau, 1980, 1990, 2000 and 2010

Amherst's population growth has in fact been closely linked to student enrollments as the town is home to three prominent institutions of higher education including the Amherst campus of the University of Massachusetts, Amherst College, and Hampshire College. In 2010, residents between the ages of 18 and 24, most of whom were students, comprised more than half of Amherst's total population compared to 22.4% and 11.8% for the county and state, respectively. The predominance of college aged adults is reflected in the town's the median age of 21.6 years in 2010, which is remarkably low in comparison to 30.3 years for Hampshire County and 33.5 years for the state. Even Boston, with a high concentration of colleges and universities, had a median age of 30.2 years, and Northampton's median age was very high at 40 years.

In regard to the other age categories, there were significant declines in those under 18 and gains in the older ones as summarized below.

Children – Declining population

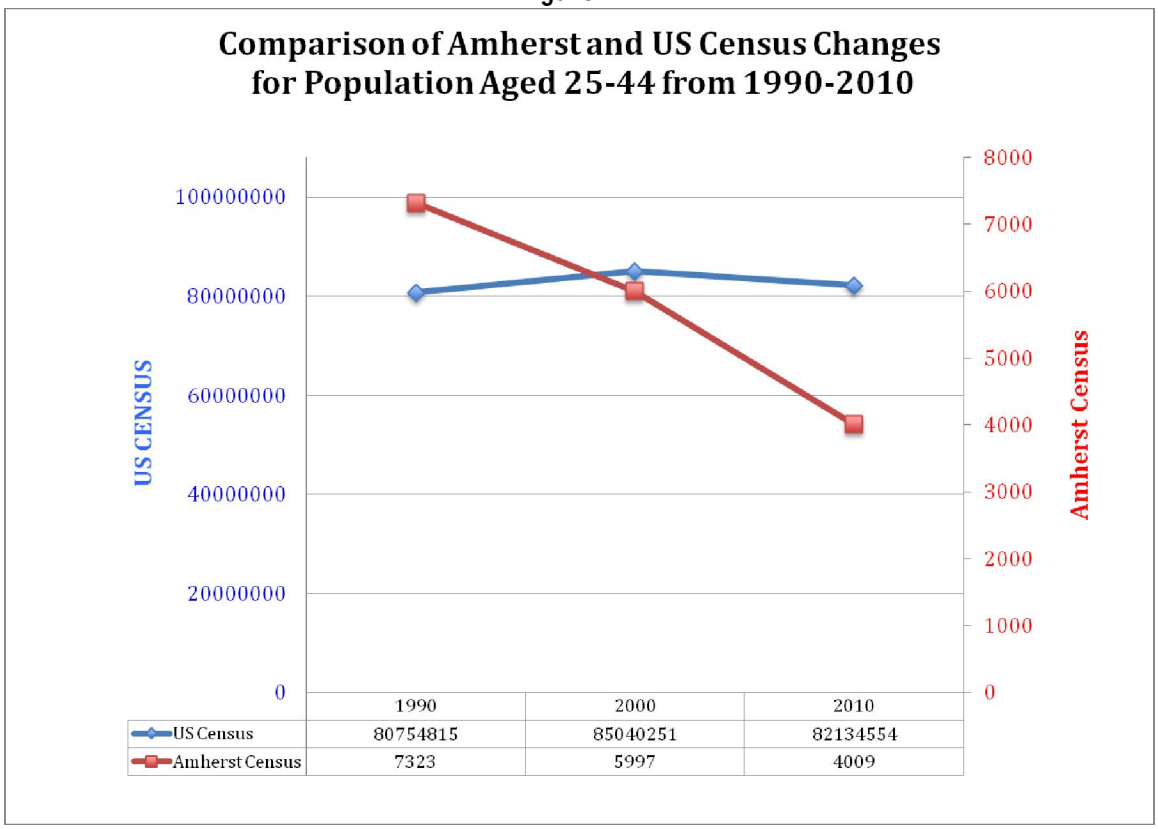
The number and proportion of children has declined markedly over the past several decades. School-age children under age 18 decreased by 10.1% between 1990 and 2010, from 11.9% of the population to 10.0%. In comparison, the percentage of those under 18 was 16.9% for the county and 21.7% for the state.

Younger Adults – Substantial decreases

Those aged 25 to 44 decreased by 25.6% between 1980 and 2010, from 6,734 residents or 20.3% of the population to 5,009 or 13.2%. Figure 2-2 compares the dramatic decline

of this age group in Amherst to the national trend of some modest growth between 1990 and 2010. The loss of this population may have major impacts on the Amherst community in terms of the success of local schools, the retention of families, and overall community vitality.

Figure 2-2



More middle-aged residents – Substantial fluctuations over the past decades

Those in the 45 to 64-age range increased significantly, going from 7.8% of the population in 1980 to 13.6% by 2010. Part of the baby boom generation was spilling into the older age categories by 2010 as those in the age 55 to 64 range increased substantially, from 1,621 residents in 2000 to 2,615 by 2010.

Older adults – Significant gains in the population 65 years or older

The number of those 65 years of age and older almost doubled between 1980 and 2010, from 1,412 to 2,795 residents or from 4.2% to 7.4% of the total population. Nevertheless, this level of older adults is significantly less than the county and state at 12.7% and 13.8%, respectively.

2.1.3 Racial Composition – Amherst's population is becoming increasingly diverse

Table 2-5 and Figure 2-3 both present data on the racial distribution of the population in Amherst. The number and percentage of minority residents has increased significantly over the past several decades, from 2,712 residents in 1980 to 8,743 by 2010, comprising almost one-quarter of all residents in 2010. This level is about twice Hampshire County's level of 11.3% and even higher than the state's at 19.6%.

Almost half of Amherst's minority residents claimed they were of Asian descent, and in fact one-quarter of Asians living in the Pioneer Valley were Amherst residents.

Census data also confirms that many of the minority residents were likely to be students. According to the 2010 census, there was a total of 4,618 minority residents between the ages of 18 and 29, which makes up 52.8% of all minority residents. It would be expected that a college town would attract people of all backgrounds and ages, however.

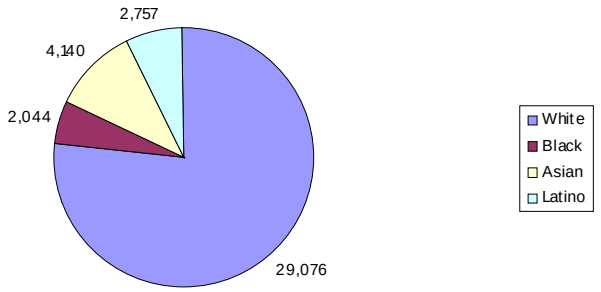
Table 2-5
Racial and Immigrant Information, 1980 – 2010

	1980		1990		2000		2010	
Race	#	%	#	%	#	%	#	%
Minority Pop. *	2,712	8.2	5,298	15.0	7,209	20.7	8,743	23.1
Black	1,467	4.4	1,626	4.6	1,780	5.1	2,044	5.4
Asian/Pac. Is.	623	1.9	2,773	7.9	3,177	9.1	4,153	11.0
Native Am.	49	0.1	89	0.3	74	0.2	92	0.2
Other	164	0.5	810	2.3	1,009	2.9	898	2.4
Latino **	837	2.5	1,669	4.7	2,159	6.2	2,757	7.3
Total Pop.	33,229	100.0	35,228	100.0	34,874	100.0	37,819	100.0

Sources: U.S. Census Bureau, Census 1980, 1990, 2000 and 2010 * All non-White classifications ** Latino or Hispanic of any race.

Figure 2-3

Racial Distribution, 2010



2.1.4 Types of Households – Increasing number of smaller households

While Amherst's population grew by 13.8% from 1980 to 2010, the numbers of households increased more dramatically, by 21.7% to 9,259 total households as indicated in Table 2-6. This is correlated to the increasing number of smaller, non-family households[8], which increased from 3,482 in 1980 to 4,775 by 2010, now comprising the majority of all households in Amherst. This increase in smaller households is reflected in the decreasing average household size, from 2.61 persons in 1980 to 2.44 by 2010. The growing number of smaller, non-family households is also reflective of national trends driven by fewer numbers of children and "traditional" families, increases in "child-free" and "child-delayed" families, and increases in empty nesters and senior and frail populations, particularly those who are living alone.

[8] Includes individuals and unrelated household members. Same-sex households are included under the family household category if there is at least one additional person related to the householder by birth or adoption.

Table 2-6
Household Characteristics, 1980-2010

	1980		1990		2000		2010	
	#	%	#	%	#	%	#	%
Total Households **	7,606	100.0	8,477	100.0	9,174	100.0	9,259	100.0
Family Households*	4,124	54.2	4,484	52.9	4,547	49.6	4,484	48.4
Female Headed Families *	596	7.8	627	7.4	705	7.7	598	6.5
Non-family Households*	3,482	45.8	3,993	47.1	4,627	50.4	4,775	51.6
Average Household Size ***	2.61 persons		2.62 persons		2.46 persons		2.44 persons	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 1
* Percent of all households ** The number of households does not include those living in group quarters. *** The numbers of those in group quarters was subtracted from the total population figure and the remainder was divided by the number of households to get the average household size.

Table 2-7 examines the types of households by household size. This data was derived from sample data, which explains the variations from the actual census counts in Table 2-6. Despite these disparities, the figures do confirm that most of those living in Amherst live alone or as a couple.

Table 2-7
Types of Households by Size, 2000 and 2010

Households by Type and Size	2000		2010	
	#	%	#	%
Non-family Households	**4,597**	**50.2**	**4,387**	**48.8**
1-person household	2,635	28.8	2,558	28.4
2-person household	993	10.9	696	7.7
3-person household	464	5.1	330	3.7
4-person household	391	4.3	698	7.8
5-person household	88	1.0	33	0.4
6-person household	21	0.2	0	0.0
7 or more person household	5	0.1	72	0.8
Family Households	**4,553**	**49.8**	**4,606**	**51.2**
2-person household	1,842	20.1	2,197	24.4
3-person household	1,114	12.2	1,096	12.2
4-person household	1,054	11.5	850	9.5
5-person household	373	4.1	345	3.8
6-person household	107	1.2	57	0.6
7 or more person household	63	0.7	61	0.7
Total	**9,150**	**100.0**	**8,993**	**100.0**

Source: US Census Bureau, 2000 Census and 2008-2010 American Community Survey.

Single-person households comprised about 28% of all households and 58.3% of all non-family households according to the Census Bureau's American Community Survey. The 2010 actual census counts indicated that about the same amount, 2,530 residents or 27.3% of all households lived alone. These numbers do not include the student population housed in dormitories that includes approximately 15,113 residents.

It should also be noted that about one-third (32.2%) of all residents over 65 lived alone. Moreover, more than one-third (35.1%) of the households with children were headed by one parent (83.2% of these involved single mothers) suggesting a compelling need for affordable family housing for families with only one income. *This data suggests a pressing need for a greater number of smaller units to accommodate a growing population of small households.*

There are also substantial numbers of two-person households with unmet housing needs. There is an estimated 2,892 such households, comprising almost one-third of all households; yet smaller housing units are in short supply (see Table 2-20).

2.1.5 Income Distribution – Lower income levels than the county and state heavily influenced by the student population

Table 2-8 presents income data based on the 1989, 1999 and 2010 census figures, which is also visually presented in Figure 2-3. Incomes have increased substantially with the median income doubling during this timeframe from $26,772 in 1989 to $53,237 by 2010. In comparison, median income levels increased by only 71.1% and 73.1% for the county and state, respectively, during this same period. Nevertheless, median household income levels were significantly lower than the county and state's, at $58,449 and $63,961 in 2010, respectively.

Those earning less than $25,000 decreased from 47.4% of all households in 1989 to 28.0% by 2010. Households earning between $25,000 and $50,000 also declined by 379 households between 1989 and 2010, from 25.9% to 20.9%. In fact all income categories of less than $75,000 showed a decrease in number of households between 1989 and 2010. Those with higher incomes, earning more than $75,000, increased from 1,217 or 14.4% of all households in 1989, to 3,632 or 40.4% by 2010. With time it would be expected that incomes would climb, but in comparison to the state, Amherst had a somewhat lower portion of those earning more than $75,000 in 2010, 40.4% as opposed to 43.1% of all households.

Table 2-8
Income Distribution by Household, 1989-2010

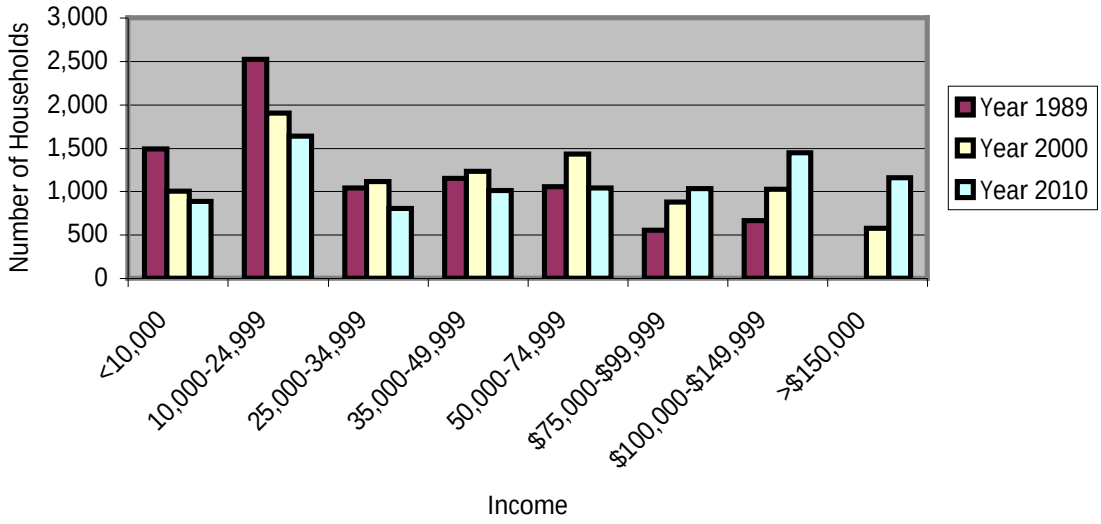
	1989		2000		2010	
Income Range	**#**	**%**	**#**	**%**	**#**	**%**
Under $10,000	1,488	17.6	999	10.9	881	9.8
10,000-24,999	2,524	29.8	1,900	20.8	1,633	18.2
25,000-34,999	1,039	12.3	1,111	12.1	799	8.9
35,000-49,999	1,149	13.6	1,232	13.5	1,010	11.2
50,000-74,999	1,055	12.5	1,430	15.6	1,038	11.5
75,000-99,999	552	6.5	880	9.6	1,035	11.5
100,000-149,999	665	7.8	1,022	11.2	1,443	16.0
150,000 +			576	6.3	1,154	12.8
Total	8,472	100.0	9,150	100.0	8,993	100.0
Median Hh Income	$26,772		$40,017		$53,247	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey, 2008-2010

In comparison to the county, however, Amherst's population of those earning $75,000 or more was higher as the county level was 38.8%. It is also worth noting that the Town's per capita income was $20,618 in 2010, significantly lower than the state level of $33,969 and the county's of $28,287. As visually presented in Figure 2-4, unlike most communities that typically demonstrate a bell-shaped curved income distribution, with the bulk of households earning within the middle income ranges, Amherst's distribution spikes in the lower income categories, and remains fairly flat or relatively evenly distributed in the income ranges above $25,000.

Figure 2-4

Income Distribution by Census Year



As indicated in the following analysis, the substantial numbers of those earning less than $25,000 is largely explained by young adults, primarily students, who live off campus.

Type of Households – Non-family Households Including Single Person Households
While non-family households comprised half the population in 2010, the median income of these households was less than one-third of families, $30,299 versus $95,994, a finding highly correlated with a greater prevalence of two worker households in families. Table 2-9 provides information on median income by household size, clearly indicating that single-person households have significantly lower incomes.

Table 2-9
Median Household Income by Household Size

Number of Persons in Household	Median Income
1	$39,839
2	$65,380
3	$49,931
4	$62,394
5	$117,576
6	$101,458

Source: U.S. Census Bureau, American Community Survey 2008-2010 in 2010 inflation-adjusted dollars.

Age of Householder – Young Adults

Table 2-10 provides information about how much households were earning by the age of the householder. While it might be expected that there would be a substantial number of seniors living on fixed incomes and earning in the lower income ranges, this is not the case in Amherst where only 12.9% of those 65 years or older earned $25,000 or less. The bulk of those earning below $25,000 actually included young adults, comprising 1,128 households or 44.9% of all Amherst households in this low-income range. While this data does not reflect those students living on campus in dormitories, it does clearly demonstrate that students living off campus represent the bulk of those with such low incomes. Table 2-10 indicates that 59.2% of all households with members of less than 25 years of age had incomes within this range as opposed to 31.3% of those age 25 to 44, 15.1% of those age 45 to 64, and only 12.9% of those 65 years of age or more.

Table 2-10
Income Distribution by Age of Householder, 2010

Income Range	Age of 25 Years or Less		Age 25 to 44 Years		Age 45 to 64 Years		Age of 65 Years and Over	
	#	%	#	%	#	%	#	%
Under $10,000	437	22.9	236	10.8	117	3.6	91	5.5
10,000-24,999	691	36.3	448	20.5	371	11.5	123	7.4
25,000-34,999	348	18.3	246	11.3	110	3.4	95	5.7
35,000-49,999	145	7.6	336	15.4	310	9.6	219	13.2
50,000-74,999	284	14.9	135	6.2	334	10.3	285	17.1
75,000-99,999	0	0.0	261	11.9	446	13.8	328	19.7
100,000-149,999			331	15.1	913	28.2	199	12.0
150,000 +			192	8.8	639	19.7	323	19.4
Total	1,905	100.0	2,185	100.0	3,240	100.0	1,663	100.0

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey, 2008-2010
Figures do not include those living in group quarters.

Because almost one-third of those in the 25 to 44-age range had incomes below $25,000, some focus on the needs of this age group is warranted in this planning process.

Tenure – Renters

Comparisons of 2010 income levels for owners and renters are provided in Table 2-11. Not surprisingly, the median income level of homeowners is substantially higher than that of renters.

Table 2-11
Income Distribution by Tenure, 2010

Income Range	Homeowners		Renters	
	#	%	#	%
Under $10,000	59	1.3	622	13.5
10,000-24,999	262	6.0	1,371	29.7
25,000-34,999	153	3.5	646	14.0
35,000-49,999	353	8.1	657	14.3
50,000-74,999	479	10.9	559	12.1
75,000-99,999	850	19.4	185	4.0
100,000-149,999	1,182	27.0	261	5.7
150,000 +	1,046	23.9	108	2.3
Total	4,384	100.0	4,609	100.0

Source: U.S. Census Bureau, American Community Survey 2008-2010 in 2010 inflation-adjusted dollars.

The majority of renters earned below $35,000 (57.2%), while the majority of homeowners (50.9%) earned more than $100,000. The lower income levels of renters can partially be explained by the large numbers of students who live off campus. While Table 2-2 indicates that there were 7,351 students living off campus, the numbers of renter households shown in Table 2-10 suggests that most students are sharing apartments with several roommates.

This dramatic income disparity is also reflected in comparisons of Amherst median household income levels by tenure to those of Hampshire County and the state as shown in Table 2-12. Amherst's median income level for renters is only about one-fourth that of owners, while the median for renters in the county and state is 40.4% and 44.8% of owners.

Table 2-12
Median Household Income by Tenure, 2010

	Amherst	Hampshire County	Massachusetts
Homeowners	$101,698	$78,025	$78,025
Renters	$26,549	$31,552	$34,990
Overall	$53,247	$59,591	$63,961

Source: U.S. Census Bureau, American Community Survey 2008-2010 in 2010 inflation-adjusted dollars.

Racial Composition – Minority Groups
Substantial income disparities are also evident when comparing per capita income levels of various racial groups. As shown in Table 2-13, White residents are doing much better financially than other minority groups with a per capita income of $22,112, higher than the town-wide level of $20,618. All of the other racial groups show per capita income levels that are substantially below the town-wide amount.

Table 2-13
Per Capita Income by Race

Race	Per Capita Income
White Alone	$22,112
Black or African-American Alone	$13,169
Asian Alone	$16,432
Some Other Race	$8,302
Two or More Races	$8,791
Latino or Hispanic	$10,671
Amherst	$20,618

Source: U.S. Census Bureau, American Community Survey 2008-2010 in 2010 inflation-adjusted dollars.

2.1.6 Poverty Status – Increases in poverty[9]

Once again, the substantial numbers of students living off-campus in Amherst has a substantial affect on socio-economic data. Because most students are focusing on their educations and involved in part-time employment, if employed at all, their incomes typically fall within poverty levels. Consequently, the poverty level for individuals is extremely high, 28.4% in 2010 as opposed to 13.3% for the county and 10.8% for the state. Table 2-14 confirms that poverty declined between 1989 and 1999, both in terms of the numbers of individuals and families living in poverty and in proportion to the population at large.

[9] The 2012 poverty guidelines are $11,170 for a single individual, $15,130 for a two-person household, $19,090 for three persons, $23,050 for four persons, $27,010 for five persons, $30,970 for six persons, $34,930 for seven persons, and $38,890 for an eight person household.

Most dramatically, the number of children living in poverty decreased by 50.7% between 1989 and 1999.

Table 2-14
Poverty Status, 1989-2010

	1989		2000		2010		2010 State Levels
	#	%	#	%	#	%	%
Individuals*	5,883	26.5	4,530	20.2	6,414	28.4	10.8
Families **	520	11.6	329	7.2	444	9.9	7.5
Female Headed Families ***	--	--	191	29.9	255	42.7	32.7
Related Children Under 18 Years ****	804	19.2	396	9.3	516	15.9	12.9
Individuals 65 and Over*****	89	3.2	77	3.5	106	3.8	9.3

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and the American Community Survey 2008-2010. Figures do not include those living in group quarters.

* Percentage of total population ** Percentage of all families
*** Percentage of all female-headed families
**** Percentage of all families with related children less than 18 years
***** Percentage of all individuals age 65+

Since 2000, poverty rates have climbed. The poverty level among individuals is heavily influenced by off-campus students and the increase in the number and percentage of those in poverty is highly correlated to increased enrollments and the approximately 7,400 students who are living off campus in Amherst. Nevertheless, the numbers and percentages of families, children and seniors living in poverty increased between 2000 and 2010. For example, the number of families in poverty grew by 33.5% to 255 families. Similarly, children living in poverty increased to 516 or about 16% of all children less than 18 years of age. Furthermore, 37% of the Amherst students in grade school were eligible for free or reduced lunches, with household incomes within 185% of the poverty level or $30,895 for a family of four (4). These poverty levels, when compared to those of the state, indicate that with the exception of seniors, poverty in Amherst is significantly higher than overall state levels.

2.1.7 Employment – Economy dominated by the higher education industry

Table 2-15 clearly shows how Amherst's economy is dominated by the local higher education industry, which generates more than $465 million in annual wages and employs more than 8,500 workers. A good part of the remaining economic base supports the colleges including a substantial service-related sector. The 2010 census indicated that 45.1% of Amherst's workers were involved in management or professional occupations and the remainder employed in the lesser paying retail and service-oriented jobs that support the local economy including sales and office occupations (26.0%), service occupations (21.1%), production and transportation (4.5%), and natural resources/construction (3.3%). Almost 62% of Amherst's labor force included salaried workers, another 32.5% were government workers (including those working for UMass) and 5.6% were self-employed.

Table 2-15
Average Employment and Wages By Industry, 2010

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Agriculture, forestry, fishing, hunting, etc.	7	$933,197	50	$359
Construction	24	$6,237,777	136	882
Manufacturing	10	1,887,584	62	585
Wholesale Trade	15	2,269,286	34	1,284
Retail Trade	72	22,184,769	889	480
Transportation/Ware-housing	4	4,238,660	102	799
Information	23	7,436,248	183	781
Finance/Insurance	36	11,593,941	203	1,098
Real estate/rental/leasing	31	7,467,805	222	647
Professional/technical services	104	16,936,213	285	1,143
Administrative and waste services	15	2,098,022	78	517
Educational services	46	465,026,385	8,577	1,043
Health care/social assistance	68	31,372,975	998	605
Arts/entertainment/recreation	12	8,736,679	470	357
Accommodation/food services	67	16,688,537	1,118	287
Other services, Ex Public Admin	483	20,097,202	1,022	378
Public Administration	18	22,736,889	368	1,188
Total	**1,040**	**$649,993,680**	**14,825**	**$843**

Source: Massachusetts Executive Office of Labor and Workforce Development, 2008

While education-related services tend to pay well, averaging $1,043 in weekly wages, the service sector is typified by relatively low-paying jobs with weekly wages ranging from $287 in the food and accommodation industries to $480 in retail trade, for example. These wages approximate the minimum wage, not a livable wage for those seeking to live in Amherst.

Of those 16,536 who worked in the community, according to the Census Bureau's American Community Survey, 12,948 lived in Amherst, 41.8% who worked in town. It should also be noted that only half of workers drove alone to work, another 8.5% carpooled, 6.9% used public transportation, and a remarkable one-third of all workers either walked to work or worked at home. The average commuting time was about 20 minutes, suggesting employment opportunities in town or nearby.

The 2010 state labor statistics project an unemployment rate in Amherst in June 2012 of 6.4%, with 1,133 Amherst workers unemployed, higher than the May 2012 rate of 3.5%. This is most likely due to a drop in employment when some businesses serving students face a summer lull in activity. As another point of comparison, the unemployment level was 4.8% as of the end of 2011. Unemployment rates have tended to be somewhat lower than nearby Northampton except for the summer.

2.1.8 Educational Attainment – Highly educated citizenry

In 2010, 95.6% of those 25 years and older had a high school diploma or higher, and 69.4% had a Bachelor's degree or higher, up from the 2000 figure of 95.1% and 68.7%, respectively. These levels of educational attainment are substantially higher than most places. For example, the percentage of those with a Bachelor's degree or higher was 42.7%% for the county and 38.5% for the state in 2010.

2.1.9 School Enrollment – Increasing college enrollments but declining enrollments for PK through high school

As documented in Table 2-4, the number of children in Amherst has been declining and this is reflected in declining enrollments. Those enrolled in school (nursery through graduate school) in 2010 totaled 25,560 residents or two-thirds of the population, including the estimated 22,470 students in college or graduate school from UMass, Amherst College, Hampshire College and other nearby schools. As noted in Table 2-2, college student enrollments fluctuated over the past couple of decades but increased between 2000 and 2010 and, according to college representative, are expected to increase by approximately 3,374 over the next decade.

Those enrolled in nursery school through high school totaled 3,090 students (2,744 enrolled in kindergarten through high school), representing 8.2% of the total population, according to the Census Bureau's American Community Survey data. Enrollment information from the State's Department of Education indicates that enrollments decreased from 3,647 students in the 2000 to 2001 school year to 2,787 by 2011-2012.

2.1.10 Disability Status – Significant special needs

There were a total of 2,450 residents who claimed a physical or mental disability according to the Census Bureau's American Community Survey estimates. The Census defines disability as a long-term physical, mental, or emotional condition that can make it difficult to do basic activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. Many residents with one or more disabilities face housing challenges due to a lack of housing that is affordable and physically accessible.

Of the 2010 noninsitutionalized residents under age 18,116 claimed some type of disability, representing 6.5% of all residents in this age range. Of those aged 18 to 64, 1,717, or 5.4% of the persons in the age range, were disabled. In regard to the population 65 years of age or older, 617 seniors or 25.6% of those in this age group claimed some type of disability. These levels of disability represent significant special needs within the Amherst community and suggest that the Town make a concerted effort to integrate special needs housing, units that are handicapped accessible and housing with supportive services, into its planning for affordable housing development.

2.1.11 Resident Mobility – Substantial housing turnover

According to the Census Bureau's American Community Survey, of the 32,498 residents living in the town in 2009, 25,698 lived in the same unit in 2010, 3,284 within Hampshire County, 2,124 moved to another county in Massachusetts, and 1,392 moved to a different state. Consequently, 20% of residents moved from the dwelling they occupied only the year before, representing substantial mobility of the population.

This mobility is part of an historical pattern and largely influenced by the annual turnover of rental units due to the town's large student population. In fact, in 2000, only 32% of the population age five (5) and older lived in the same house they occupied in 1995.

2.2 Housing Profile

This section of the Housing Needs Assessment looks at housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state and establishes the context for identifying priority housing needs. In fact, Amherst has a relatively diverse housing stock with units distributed among various types of properties and price ranges. Unlike most towns of approximately the same size, the majority of units include rentals and there are significant numbers of multi-family developments, many of which cater to the large student population.

2.2.1 Housing Growth – Declining housing growth with greater growth in homeownership units

Table 2-16 presents housing growth showing the figures from the 2010 American Community Survey as well as the 2000 Census with the updated 2010 housing unit total as included in Table 2-17. While it is surprising that there should be such a divergence between these numbers, a combination of both data sources suggests that about one-fifth of Amherst's housing stock predates World War II. Following the war, the GI Bill facilitated financial aid for veterans and enrollments increased substantially at the Massachusetts Agricultural College, "Mass Aggie", renamed the University of Massachusetts in 1947. While the campus continued to grow, local housing development did not really take-off until after 1960 when the school emerged as a major research institution. From 1960 through 1980, the Town more than doubled the size of its housing stock. Since then, housing growth has slowed down with each decade.

Table 2-16
Housing Units by Year Structure Was Built, 2010 (2008-2010 American Community Survey/2000 Census Data with the 2010 Census Total)

Time Period	#	%
2000-2010	711/285	7.5/2.9
1990-1999	1,182/849	12.5/8.7
1980-1989	1,335/1,428	14.1/14.7
1970-1979	2,126/2,468	22.4/25.4
1960-1969	1,290/1,797	13.6/18.5
1940-1959	753/1,107	8.0/11.4
1939 or earlier	2,084/1,777	22.0/18.3
Total	9,481/9,711	100.0/100.0

Source: U.S. Census Bureau, American Community Survey, 2008-2010 (Because this is sample data, there are variations from the actual counts summarized in Table 3-17), 2000 Census data and 2010 Census for the housing unit total.

Table 2-17 includes a summary of housing characteristics from 1980 through 2010, detailing more recent housing growth. Of the 9,711 total housing units in 2010, Amherst had 9,621 year-round units[10] of which 9,259 or 95.3% were occupied. Of the occupied units, 4,258 or 46.0% were owner-occupied and the majority of units, 5,001 or 54% were renter-occupied. These figures represent a much lower level of owner-occupancy than that of Hampshire County as a whole where 66.4% of the units were owner-occupied. In fact, this high level of rental units is very unusual for a town the size of Amherst and once again driven largely by the very large student population.

[10] The year-round figure is the one used under Chapter 40B for determining the 10% affordability goal, which based on 2010 census data is 9,621 units (total housing units of 9,711 minus 90 seasonal units).

Table 2-17
Housing Characteristics, 1980-2010

	1980		1990		2000		2010	
	#	%	#	%	#	%	#	%
Total # Housing Units	7,699	100.0	8,816	100.0	9,427	100.0	9,711	100.0
Occupied Units *	7,443	96.7	8,477	96.2	9,174	97.3	9,259	95.3
Occupied Owner Units **	3,001	40.3	3,436	40.5	4,131	45.0	4,258	46.0
Occupied Rental Units **	4,442	59.7	5,041	59.5	5,043	55.0	5,001	54.0
Total Vacant Units *	252	3.3	339	3.8	263	2.7	452	4.7
Ave. Household Size Owner-Occupied Unit	--		2.72 persons		2.62 persons		2.50 persons	
Ave. Household Size Renter-Occupied Unit	--		2.52 persons		2.31 persons		2.39 persons	

Source: U.S. Census Bureau, Census 1980, 1990, 2000 and 2010 Summary File 1
* Percentage of all housing units ** Percentage of occupied housing units

In reviewing changes in the housing stock since 1980, as summarized in Table 2-17, a number of important trends become apparent:

- *Continued but slower housing growth.*
  Housing growth has continued in Amherst but at a declining rate. While 2,012 new housing units were created between 1980 and 2010, the rate of growth has slowed down from 14.9% between 1980 and 1990, to 6.9% from 1990 to 2000, and to 3.0% between 2000 and 2010. Building permit activity since May 2010 through September 5, 2012 indicates that Amherst added 29 total units to its housing stock, including 19 single-family homes (another single-family house was also rebuilt after it had collapsed under the weight of snow) and two multi-family structures, one with four townhouse units and another with six one-bedroom apartments. These new units represented a total investment of almost $6.25 million for an average per unit cost of $244,582 for the single-family units and $135,200 for each rental unit and brings Amherst's housing unit total to 9,740. Build-out projections?

- *Proportional decrease in rental units.*
  Rental housing production increased by 12.6% between 1980 and 2010, creating 559 additional rental units, however there was a loss of 40 units between 1990 and 2010 and a reduction of the percentage of rental units from about 60% in 1990 to 54% by 2010. Most of the new unit production between 1980 and 2010 was in the owner-occupied housing stock, which increased by 1,256 units, about twice the number of new rental units, or by 41.9%. Consequently the proportion of rental units as part of the total housing stock declined from 59.7% in 1980 to 54.0% by 2010.

- *Decrease in persons per unit.*
  Average household size continues to drop, and consequently, new housing units do not necessarily translate into significantly more people. The average number of persons per unit declined between 1990 and 2010 from 2.72 persons to 2.50 persons for owner-occupied units

and from 2.52 to 2.39 persons for rental units. This decrease reflects local, regional and national trends towards smaller household sizes and relates to the change in the average household size in Amherst from 2.61 persons in 1980 to 2.44 by 2010.

2.2.2 Types of Structures and Units – Growth in single-family units and large multi-family housing development

The 2010 census indicated that there is significant diversity in Amherst's existing housing stock as shown in Table 2-18. Single-family homes comprised more than one-half of all units in 2010, increasing by 727 such units from 1990 or by 17.2%. There was also an increase in two-family structures, going from 514 units in 1990 to 606 by 2010, a gain of 92 units or 17.9%. The number of units in larger properties of ten or more units also grew significantly between 1990 and 2010, increasing by 557 units or by 35% compared to an overall housing growth rate of 7.5%. On the other hand, there was a 32.5% decline in the number of three and four-unit properties, representing a loss of 301 units between 1990 and 2010. Moreover, a decrease of 291 units or 21.0% occurred in five to nine-unit structures during this timeframe.[11] This distribution of units by structure type in 2010 is presented below in Figure 2-5.

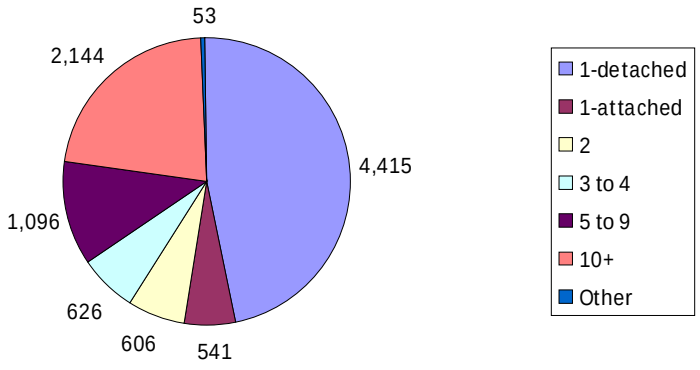
Table 2-18
Units by Type of Structure, 1990-2010

Type of Structure	1990		2000		2010	
	#	%	#	%	#	%
1-detached units	3,652	41.4	4,148	44.0	4,415	46.6
1-attached units	577	6.5	536	5.7	541	5.7
2 units	514	5.8	579	6.1	606	6.4
3-4 units	927	10.5	1,052	11.2	626	6.6
5-9 units	1,387	15.7	1,089	11.6	1,096	11.6
10+ units	1,587	18.0	2,019	21.4	2,144	22.6
Other (boat, van, RV)	172	2.0	4	0.0	53	0.6
Total	8,816	100.0	9,426	100.0	9,481	100.0

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey 2008-2010

Figure 2-5

Distribution of Units Per Structure, 2010



[11] These figures are for Amherst alone and do not include on campus housing as these units would be included separately in the group quarters numbers in the census.

Table 2-19 provides a breakdown of the 2010 distribution of units per structure according to whether the units were occupied by renters or homeowners. Clearly, multi-family developments are largely rental properties as opposed to condominiums while the single-family housing stock is primarily owner-occupied. While about 90% of owners resided in single-family homes, about 82% of renters lived in multi-family units, 37.3% in large developments. Single-family homes as a percentage of all rental units were 16.6% in Amherst and 14.6% for the state. It is interesting to note that 17.4% of all single-family homes were renter-occupied in Amherst as opposed to almost 9.3% statewide which is a testament to the strong local demand for rental housing, student housing in particular.

Table 2-19
Type of Structure by Tenure, 2010

Type of Structure	Homeowner Units		Renter Units	
	#	%	#	%
1- Units/Detached and Attached	3,919	89.4	767	16.6
2 to 9 Units	216	4.9	2,069	44.9
10+ Units	249	5.7	1,720	37.3
Other	0	0.0	53	1.1
Total	4,384	100.0	4,609	100.0

Source: U.S. Census Bureau, American Community Survey 2008-2010

Table 2-20 provides information on the distribution of unit sizes, more specifically the number of rooms per unit, and compares it to Hampshire County. This data indicates that the median sized unit was relatively modest with about five (5) rooms, or two to three bedrooms, comparable to Hampshire County's median. In addition those units most appropriate for single persons, with three rooms or less, comprised only 17.9% of the housing stock, but this was higher than the 14.8% level for the county. On the other end of the range, larger housing units with eight (8) rooms or more comprised about one-quarter of Amherst's housing stock but only 18% of the units in Hampshire County.

Table 2-20
Number of Rooms Per Unit, 2010

Number of Rooms Per Unit	Amherst		Hampshire County	
	#	%	#	%
1 Room	86	0.9	882	1.4
2 Rooms	364	3.8	1,743	2.8
3 Rooms	1,252	13.2	6,614	10.6
4 Rooms	1,886	19.9	10,593	16.9
5 Rooms	1,413	14.9	12,171	19.4
6 Rooms	1,192	12.6	10,562	16.9
7 Rooms	937	9.9	8,743	14.0
8 Rooms	1,100	11.6	5,590	8.9
9 or More Rooms	1,251	13.2	5,713	9.1
Total	9,481	100.0	62,611	100.0
Median (Rooms)	5.3		5.4	

Source: U.S. Census Bureau, American Community Survey 2008-2010

2.2.3 Vacancy Rates – Tight market conditions

Vacancy rates for both rental and ownership housing were well below 5% indicative of an extremely tight housing market. These rates were substantially lower than the state and national rates as shown in Table 2-21.

Table 2-21
Vacancy Rates by Tenure, 2000 and 2010

Tenure	2000	2010	MA 2010	Nation 2010
Rental	1.7	3.5	6.5%	9.2%
Homeowner	0.4	1.4	1.5%	2.4%

Source: U.S. Census Bureau, 2000 and 2010

2.2.4 Housing Market Conditions

The following analysis of the housing market looks at past and present values of homeownership and rental housing from a number of data sources including:

- The 1980, 1990, 2000 and 2010 U.S. Census
- The U.S. Census's American Community Survey (2008-2010 estimates)
- The Warren Group's median housing value statistics and sales volume by year from 2000 through July 2012
- Multiple Listing Service data
- Town Assessor's data
- Craigslist

Homeownership – Continuing declines in single-family housing values and more volatility in condo prices
Census data also provides information on housing values for homeownership and rental units. The census indicated that the 2010 median house value was $341,400, almost double the median in 2000 of $177,000. The median house value changed little between 1990 and 2000. The median house value of $341,400 in Amherst in 2010 was significantly higher than the $266,500 median of Hampshire County, but comparable to that of the state at $342,000.

Table 2-22
Values of Owner-Occupied Housing, 1990 – 2010

	1990		2000		2010	
Price Range	#	%	#	%	#	%
Less than $50,000	14	0.5	16	0.5	93	2.1
$50,000 to $99,999	104	3.7	117	3.3	29	0.7
$100,000 to $149,999	911	32.3	991	28.0	54	1.2
$150,000 to $199,999	944	33.5	1,122	31.7	335	7.6
$200,000 to $299,999	654	23.2	857	24.2	1,083	24.7
$300,000 to $499,999	180	6.4	390	11.0	2,233	50.9
$500,000 or more	14	0.5	47	1.3	557	12.7
Total	2,821	100.0	3,540	100.0	4,384	100.0
Median (dollars)	$168,400		$177,000		$341,400	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey 2008-2010

As Table 2-22 indicates, there were 511 homes or 12.6% of all owner-occupied units that were valued at less than $200,000 in 2010, representing units in the relatively affordable range. This level was down considerably from 2,246 or 63.4% of owner-occupied units in 2000. It is likely that the 2010 units valued below $200,000 are small and have some deferred maintenance problems. In 2010, half of the homeownership units were valued between $300,000 and $499,999 compared to only 11.0% in 2000 and 6.4% in 1990. Those units valued at $500,000 or more increased from 14 properties in 1990 to 47 by 2000 and then up to 557 homes or 12.7% of all ownership units.

Since 2010, house prices have decreased somewhat. Table 2-23 provides *Warren Group data* on median sales prices and number of sales from 2000 through July and December 2012, offering a perspective on sales activity over the past dozen years. This data is tracked from Multiple Listing Service information based on actual sales.

Table 2-23
Median Sales Prices and Number of Sales, January 2000 – July 2012

Year	Months	Single-family/#	Condo/#	All Sales	# Sales
2012	Jan – July	$290,000/71	$203,500/17	$264,500	114
	Jan – Dec	$300,000/146	$170,000/47	$269,250	246
2011	Jan – Dec	311,000/102	153,375/36	271,250	192
2010	Jan – Dec	324,350/108	190,000/53	275,000	196
2009	Jan – Dec	316,234/118	194,000/63	261,000	218
2008	Jan – Dec	359,500/114	175,000/70	280,000	225
2007	Jan – Dec	342,500/148	189,000/91	300,000	271
2006	Jan – Dec	317,000/171	181,500/86	277,700	312
2005	Jan – Dec	319,000/170	175,000/107	255,000	366
2004	Jan – Dec	310,000/172	169,475/98	259,000	333
2003	Jan – Dec	259,000/177	115,000/91	210,250	341
2002	Jan – Dec	212,000/150	125,000/79	188,750	291
2001	Jan – Dec	212,000/167	116,500/85	166,000	322
2000	Jan – Dec	196,000/166	104,500/70	157,000	285

Source: Banker & Tradesman/The Warren Group, August 31, 2012 and March 5, 2013

The median sales price of a single-family home as of the end of 2011 was $311,000, decreasing to $300,000 by 2012, from a high of $359,500 in 2008. The number of single-family home sales also declined over the past few years, from 177 in 2003 to only 102 in 2011.

The condo market experienced more volatility in both values and number of sales. In July 2012, the median condo price surpassed $200,000 for the first time from fluctuations in values between 2007 and 2010, and only $153,375 in 2011. The median then dipped to $170,000 by the end of 2012. The sales volume of condos was quite robust through the mid part of this decade, with sales hovering close or exceeding a hundred condos annually. The number of condo sales has fallen significantly over the past few years from 91 in 2007, to 36 by 2011, and up to only 47 by the end of 2012. The condo market has been very soft throughout the Commonwealth over the past few years as financing has become more difficult to obtain and prices in some communities have fallen to all-time lows.

Another analysis of housing market data is presented in Table 2-24, which breaks down sales data from the *Multiple Listing Service* for single-family homes and condominiums, providing a distribution of the range of sale prices from August 2011 through August 2012. There were a total of 203 sales, 161 single-family homes and 42 condos. Units that sold below $200,000, and were therefore relatively affordable,

included 17 single-family homes and 24 condominiums for a total of 41 units. About 70% of the single-family home sales ranged from $200,000 to $400,000, while about 86% of the condos sold between $100,000 and $300,000. The median price during this period of time was $287,000 for single-family homes, somewhat lower than the median for January through July 2012 of $290,000. On the other hand, the median for condos was higher than that for January to July 2012, at $250,000 for condos as opposed to $203,500.

Table 2-24
Single-family House and Condo Sales, August 2011 Through August 2012

	Single-family Homes		Condominiums		Total	
Price Range	#	%	#	%	#	%
Less than 100,000	4	2.5	3	7.1	7	3.4
$100,000-199,999	13	8.1	21	50.0	34	16.7
$200,000-299,999	72	44.7	15	35.7	87	42.9
$300,000-399,999	40	24.8	1	2.4	41	20.2
$400,000-499,999	14	8.7	2	4.8	16	7.9
$500,000-599,999	4	2.5	0	0.0	4	2.0
$600,000-699,999	9	5.6	0	0.0	9	4.4
$700,000-799,999	2	1.2	0	0.0	2	1.0
$800,000 and more	3	1.9	0	0.0	3	1.5
Total	161	100.0	42	100.0	203	100.0
Median Price	$287,000		$250,000		--	

Source: Multiple Listing Service data from Banker & Tradesman, September 2, 2012.

Town Assessor data on the assessed values of residential property in Amherst is presented in the following two tables and provides insights not only into the diversity of the existing housing stock but also the range of values for each dwelling type. The information does not include group quarters, residence halls or dormitories.

Table 2-25 provides information on the assessed values of *single-family homes* that includes 4,089 units, fewer than the 4,415 single-family detached units estimated in the U.S. Census Bureau's American Community Survey for 2008-2010. Of these units, half were assessed between $200,000 and $300,000, not significantly different than the percentage of units that sold in this range between August 2011 and August 2012 as shown in Table 2-24. Very few were valued at less than $200,000 and relatively affordable, only 151 homes, which are likely to be small and in need of repair. Another 28.8% or 1,178 units were valued between $300,000 and $400,000. The median valued single-family home was $293,600 based on Assessor's records, somewhat higher than the median price based on sales of approximately $287,000 (Table 2-24) as well as the $290,000 listed by The Warren Group as of July 2012 (Table 2-23). Amherst also has a high-end market with 250 single-family properties valued at over $500,000.

Table 2-25 also shows the range of values for *condominiums*, which included 1,046 units or about one-quarter the number of single-family homes. Condo values were lower than those for single-family homes with a median of $154,100 as opposed to $293,000 and substantially lower than the median sales prices for condos included in Tables 2-23 and 2-24. In fact, about three-quarters of the condos were valued below $200,000, many involving units in older rental developments that were converted to condos. It is also important to note that it has become

more challenging to secure financing for condos as lenders are applying much more rigorous lending criteria.

Table 2-25
Assessed Values of Single-family Homes and Condominiums, 2012

Assessment	Single-family Homes		Condominiums		Total	
	#	%	#	%	#	%
0-$99,999	2	0.05	12	1.1	14	0.3
$100,000-149,999	10	0.2	469	44.8	479	9.3
$150,000-199,999	139	3.4	293	28.0	432	8.4
$200,000-249,999	993	24.3	147	14.1	1,140	22.2
$250,000-299,999	1,026	25.1	99	9.5	1,125	21.9
$300,000-349,999	714	17.5	10	1.0	724	14.1
$350,000-399,999	464	11.3	7	0.7	471	9.2
$400,000-449,999	297	7.3	2	0.2	299	5.8
$450,000-499,999	194	4.7	3	0.3	197	3.8
$500,000-599,999	158	3.9	3	0.3	161	3.1
$600,000-699,999	58	1.4	1	0.1	59	1.1
$700,000-799,999	21	0.5	0	0.0	21	0.4
$800,000-899,999	4	0.1	0	0.0	4	0.1
$900,000-999,999	3	0.1	0	0.0	3	0.1
Over $1 million	6	0.1	0	0.0	6	0.1
Total	4,089	100.0	1,046	100.0	5,135	100.0

Source: Amherst Assessor, fiscal year 2012.

Assessor's data also indicated that almost half of the *multi-unit dwellings* were assessed between $200,000 and $400,000 as shown in Table 2-26. Of the 384 smaller multi-family properties of two or three units, including structures with permitted accessory apartments, more than three-quarters were valued between $200,000 and $400,000. About 71% of the four (4) to eight (8) unit properties were valued between $300,000 and $500,000 and 90% of the larger multi-family developments of eight units or more were assessed for more than $600,000, 23 or 62% at more than $1 million and ranging up to $11.6 million.

In addition to the properties included in Tables 2-25 and 2-26, there were other types of properties that included:

- Five (5) single-family vacant properties, all assessed below $150,000.
- Thirty-five (35) properties with multiple houses on one house lot, 23 of which were valued between $200,000 and $500,000.
- Two (2) boarding houses that were assessed at $365,000 and $416,000.
- Two (2) properties involved community living or cohousing at Pulpit Hill Road and Spencer Drive at $137,500 and $7.2 million, respectively.
- Four (4) properties that involved building on leased land from a non-profit organization (Charles Lane) assessed from $122,800 to $127,000.
- Forty-one (41) mixed-use properties involving the combination of residential and commercial uses, ranging in value from $257,800 in a warehouse type structure to $2,366,500 with a

restaurant. Most of the mixed-use properties are in combination with retail or office space involving 16 and 13 properties, respectively.

Table 2-26
Assessed Values of Multi-family Housing, 2012

Assessment	Two and Three-Unit Properties + Accessory Apts.		Four to Eight-Unit Properties*		Eight Plus Unit Properties		Total	
	#	%	#	%	#	%	#	%
0-$199,999	1	0.3	1	2.2	0	0.0	2	0.4
$200,000-299,999	75+7	21.4	1	2.2	0	0.0	83	17.8
$300,000-399,999	198+13	54.9	17	37.8	0	0.0	228	48.9
$400,000-499,999	60+5	16.9	15	33.3	3	8.1	83	17.8
$500,000-599,999	8	2.1	7	15.6	1	2.7	16	3.4
$600,000-699,999	11	2.9	2	4.4	4	10.8	17	3.6
$700,000-799,999	3	0.8	0	0.0	3	8.1	6	1.3
$800,000-899,999	1	0.3	1	2.2	3	8.1	5	1.1
$900,000-999,999	1	0.3	0	0.0	0	0.0	1	0.2
Over $1 million	1	0.3	1	2.2	23	62.2	25	5.4
Total	359+25 = 384	100.0	45	100.0	37	100.0	466	100.0

Source: Amherst Assessor, fiscal year 2012.
*Includes properties with commercial uses as well.

As to housing values farther into the future, the Harvard MIT Joint Center for Housing Studies issued its State of the Nation's Housing 2009 report which indicated that the "echo boomers", the children of the post World War II baby boomer generation, offer a massive source of support for housing. The generation is entering the peak home buying and renting ages of 25 to 44 and numbers more than five million people more than did their parents' record-setting group in the 1970s. The study further states that while the echo boomers will likely bolster the housing market, they will also likely enter the market with somewhat lower real incomes than people the same age did decades ago. There is a substantial population of young adults age 21 to 34 in Amherst, and their numbers are expected to increase. It may be the significant presence of this age group that has provided the ballast to keep Amherst home prices from declining significantly. However, the study also suggests that the high unemployment, record foreclosures and rigid lending practices threaten to continue to stifle sales.

Rentals – High costs driven by a large student population
Table 2-27 presents information on rental costs from 1980 to 2010, based on the U.S. Census. The rental market has changed substantially as the median rent almost doubled between 1980 and 1990, going from $287 per month to $520. The median doubled again between 1990 and 2010, to $1,108. In 2000 more than half of the Town's rental units were renting in the $500 to $1,000 price range. By 2010 the market had shifted to where more than half of the rental units were priced beyond $1,000, with almost one-quarter renting for more than $1,500.

Table 2-27
Rental Costs, 1980-2010

Gross Rent	1980		1990		2000		2010	
	#	%	#	%	#	%	#	%
Under $200	627	15.1	288	5.8	258	5.2	19	0.4
$200-299	1,659	40.0	205	4.1	131	2.6	131	2.8
$300-499	1,628	39.2	1,778	35.5	502	10.0	231	5.0
$500-749	236	5.7	1,758	35.1	1,878	37.6	430	9.3
$750-999			567	11.3	1,104	22.1	961	20.9
$1,000-1,499			287	5.7	718	14.4	1,563	33.9
$1,500 +					224	4.5	1,069	23.2
No Cash Rent[12]	137		121	2.4	184	3.7	205	4.4
Total*	4,150	100.0	5,004	100.0	4,999	100.0	4,609	100.0
Median Rent	$287		$520		$687		$1,108	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3 and American Community Survey 2008-2010

Updated rental listings from Craigslist and local realtors in Amherst are offered below (most of these listings involve the tenant paying utilities) and are also offered in Table 2-29. In general, an average one-bedroom unit rents for about $750, a two-bedroom for about $1,200, a three-bedroom for $1,500 and a four-bedroom (typically a house) for $2,000.

One-bedroom Units

- $500, $650 and $810 for basement units in a house
- $575, $625 and $750 for bedrooms in different existing houses with shared living space
- $950 for an apartment within walking distance to the Town Center
- $1,450 for a furnished Sabbatical house

Two-bedroom Units

- $900 for a unit on the second floor of a two-family house
- $980 for an apartment with 775 square feet
- $995 for an apartment in North Amherst in an owner-occupied house
- $1,000 for an apartment with one bath
- $1,200 for a duplex unit near the Town Center
- $1,250 for an apartment within walking distance of the Town Center
- $1,250 for a townhouse condo
- $1,450 for a 1,100 square foot house in North Amherst with a pool
- $2,000 for a 2-bedroom house with a 9-month lease
- $2,150 for an apartment with a sleeping loft in the Town Center

Three-bedroom Units

- $1,000 for a unit on Amherst Road
- $1,400 for a unit at the Bedford Court Condominiums
- $1,500 for a condo at Pine Grove with 1,400 square feet
- $1,500 for a condex unit
- $1,500 for a small house on College Street
- $1,550 for a duplex unit in North Amherst
- $1,550 for an apartment on the second floor of a house

[12] No cash rent involves units where there are no formal rent payments.

- $1,800 for a ranch-style house with an in-law apartment
- $1,800 for an apartment one block away from UMass
- $2,000 renovated ranch in the Echo Hill neighborhood with 1,100 square feet
- $2,550 for a house on Amity Street

Four-bedroom Units

- $1,600, $1,800, $1,900, $1,980, $2,000 and $2,200 for different single-family homes
- $2,400 for a townhouse unit with 1,158 square feet

Most of these apartments require first and last month's rent plus a security deposit equivalent to a month's rent. For a $1,200 apartment, that totals $3,600 in up-front cash, an amount that many prospective tenants just do not have.

Table 2-28
UMass Off Campus Student Housing Listings, July 28th Through September 5, 2012

Rent	Rooms In Existing House	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Under $500	10	1	0	0	0
$500-749	20	4	0	0	0
$750-999	7	0	0	0	0
$1,000-1,499	12	0	3	0	0
$1,500-1,999	8	0	2	1	0
$2,000+	16	1	0	0	1
Total	85	6	5	1	1

Information from UMass Amherst's Off Campus Student Services includes listings of available rental listings for students. Table 2-28 summarizes these listings for July 28th through September 5, 2012, clearly indicating that most of the listings during this period were for units in existing private homes. The units renting for less than $750 were single rooms, those renting for between $1,000 and $2,000 were largely two and three rooms for rent, while those renting for more than $2,000 typically included four bedrooms. The listings also included an additional three units where roommates were being sought to share a room with the rents listed as $950, $1,175 and $1,700.

The UMass website also includes lists of local apartment complexes, all of which are located along the UMass Transit bus routes. These developments include a total of 2,221 units or 44.4% of Amherst's occupied rental units according to the 2010 U.S. Census, a good portion of the town's larger multi-family housing stock. The table also includes some rental costs from some these developments.

Table 2-29
Rental Developments from the UMass Off Campus Student Housing Listings, September 2012

Apartment Complex	Description	Rents
Alpine Commons	38 total units/ Studio, 2, 3 and 4 bedrooms	Studio @ $825, 2-bdrm @ $1,290, 3-bdrm @ $1,860, 4-bdrm @ $2,540 + utilities
Aspen Chase	67 units/1, 2 and 3 bedrooms	1-bdrm @ $1,005, 2-bdrm @ $1,340 + utilities
Amherst Motel	28 units/1 bedrooms	
Brandywine	180 units/1 and 2 bedrooms	
College Inn	35 units/studios	
Colonial Village	200 units/1 and 2 bedrooms	2-bdrm @ $900 + utilities
Crestview	44 units/1 and 2 bedrooms	1-bdrm @ $765-$800 + util.
Gilreath Manor	14 units/3 bedrooms	
Griggs Apartments	10 units/2, 3 and 4 bedrooms	
Hawkins Meadow	80 units/1 and 2 bedrooms	
Mill Hollow	56 units/1 and 2 bedrooms	
Mill Valley Estates*	148 units/2, 3 and 4 bedrooms	
New Fort River Apartments	8/1 and 2 bedrooms	
New Hollister	16 units/2 and 3 bedrooms	
Perry	32 units/1 bedrooms	
Presidential	85 units/ 1, 2 and 3 bedrooms	1-bdrm @ $950, 2-bdrm @ $1,100, 3-bdrm @1,650 + ut.
Puffton Village	378/1, 2 and 3 bedrooms	
Riverside Park Apartments	48/1 and 2 bedrooms	2-bdrm @ $900 + utilities
Rolling Green*	204 unts/1, 2, 3, and 4 bedrooms	1-bdrm @ $1,260, 2-bdrm @ $1,630, 3-bdrm @ $1,865, 4-bdrm @ $2,400
Southpoint	182 units/1 and 2 bedrooms	
The Boulders	256 units/2 bedrooms	
Townehouse	96 units/2 and 3 bedrooms	
177 North Pleasant Street	16 units/studios and 1 bedrooms	1-bdrm @ $825 + electricity
Total Number of Units	2,221 Units	

* Included on the Subsidized Housing Inventory although Rolling Green's affordability restrictions are due to expire in 2013.

2.2.5 Affordability of Existing Housing

While it is useful to have a better understanding of past and current housing costs, it is also important to analyze the implications of these costs on affordability. Tables 2-30 and 2-31 attempt to look at affordability from two different vantage points. Table 2-30 calculates what households earning at various income levels can afford, and Table 2-31 examines some of the housing costs summarized above in Section 2.2.4, estimating what households must earn to afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold of affordability.

Table 2-30 shows how different types of housing are more or less affordable to households earning at median income and at 80% of area median income. Because the large number of students tends to lower median income levels, the median income for Amherst is not much higher than the 80% of median income level for the Springfield area, $53,247 versus $52,000. The calculations in the table also indicate that the amount of down payment has a substantial bearing on what households can afford. A few years ago, before the economic turndown, it had

been fairly easy for purchasers to limit their down payments to 5% or even less as long as they paid private mortgage insurance or qualified for a subsidized mortgage program such as the state's Soft Second Loan Program. Lenders now are typically applying more rigid lending criteria including the need for 20% down payments and stricter credit requirements making homeownership, particularly first-time homeownership, much more challenging. However, as Table 2-30 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down. It should be noted that the figures assume that those earning at or below 80% AMI would qualify for a subsidized mortgage program without a requirement for purchasing private mortgage insurance (PMI).

Table 2-30
Affordability Analysis I
Maximum Affordable Prices Based on Income Levels

Type of Property	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down ***	Estimated Max. Affordable Price 20% Down ***
Single-family	Median Income= $53,247*	$1,331.18	$186,000	$219,000
	80% AMI = $52,000**	$1,300.00	$188,000	$214,000
Condominium	Median Income= $53,247*	$1,331.18	$150,000	$177,000
	80% AMI = $52,000**	$1,300.00	$152,000	$172,000
Two-family	Median Income= $53,247*	$1,331.18	$292,500	$344,000
	80% AMI = $52,000**	$1,300.00	$299,000	$339,000
		30% of Monthly Income	**Estimated Utility Cost**	**Affordable Monthly Rental**
Rental	Median Income= $53,247*	$1,331.18	$135	$1,196.18
	80% AMI = $52,000**	$1,300.00	$135	$1,165.00
	50% AMI = $34,500**	$862.50	$135	$727.50
	30% AMI = $27,000**	$675.00	$135	$540.00

Source: Calculations provided by Karen Sunnarborg.
* Based on U.S. Census Bureau estimates from its American Community Survey, 2008-2010, for Amherst.
** HUD 2012 Income Limits for the Springfield MSA for a household of two (2), which is the average household size in Amherst (2.44 persons). *** Figures based on interest of 5.0, 30-year term, annual property tax rate of $19.74 per thousand, insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount for 95% financing earning at median income (*assumes Soft Second Mortgage or MassHousing mortgages for those earning within 80% AMI that do not require PMI)*, estimated monthly condo fees of $250, and rental income of 75% of $1,000 or $750.

Table 2-30 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, they are more expensive to someone earning the same income. Therefore, a household earning 80% of area median income, for example, can afford a single-family home of about $214,000 with a 20% down payment, but a condo for only $172,000, also with 80% financing. The same household is estimated to be able to buy a two-family house for $339,000 if it can charge $1,000 per month in rent as this income is also considered in mortgage underwriting, usually at about 75% of the rent level. A three-family house is even more affordable with two paying tenants, and it is therefore not surprising that the triple-decker had been such a success as starter housing for those looking to enter into homeownership until zoning largely prohibited the development of this type of structure.

Table 2-30 also looks at what renters can afford at three different rent levels. For example, a two-person household earning at 50% of area median income and earning $34,500 annually could afford a monthly rental of about $727.50, assuming they are paying no more than 30% of their income on housing and pay utility bills that average about $135 per month. A rental this low is increasingly difficult to find in Amherst, where the lowest two-bedroom rental advertised in August through early September 2012 was $900, that required first and last month's rent and a security deposit equivalent to a month's rent. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has a significant impact on affordability. The consequence is that people have to pay much more than they can really afford for their housing.

Table 2-31
Affordability Analysis II
Income Required to Afford Median Prices or Minimum Market Rents

		Estimated Mortgage		Income Required **	
Type of Property	**Median Price***	**5% Down**	**20% Down**	**5% Down**	**20% Down**
Single-family	$290,000	$275,500	$232,000	$81,500	$66,500
Condominium	$203,500	$193,325	$162,800	$65,500	$58,400
Two-family	$343,200	$326,040	$274,560	$63,000	$48,500
	Estimated Market Monthly Rental * **	**Estimated Monthly Utility Costs**	**Income Required**		
Rental					
One-bedroom	$750	$100	$34,000		
Two-bedroom	$1,200	$135	$53,400		
Three-bedroom	$1,500	$165	$66,600		

Source: Calculations provided by Karen Sunnarborg.
* From The Warren Group Town Stats data as of July 2012, and from Assessor's data for two-family homes.
** Figures based on interest of 5.0%, 30-year term, annual property tax rate of $19.74 per thousand, insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, estimated monthly condo fees of $250, and rental income of 75% of $1,000 or $750.
*** Average prices seen in August and early September 2012 in Craigslist and listings from Kamin Real Estate.

Table 2-31 explores affordability from another angle, going from specific housing costs to income instead of the other way around as was the case in Table 2-30. Taking median price levels for single-family homes, condos and two-family homes, the incomes that would be required to afford these prices are calculated, showing the differences between 95% and 80% financing. For example, using the $290,000 median single-family home price as of July 2012, a household would have to earn $81,500 if they could access 95% financing. If they could afford the 20% down payment, an income of $66,500 would be required. The median condo price was $203,500 as of July 2012, requiring an income of $65,500 with 5% down and $58,400 with the 20% down payment. Once again, because of the income generated in a two-family home, this type of property is significantly more affordable.

In regard to rentals, using the average prices advertised in August and early September 2012 on Craigslist and other local listings, a one-bedroom unit renting for $750 would require an income of $34,000, assuming $100 per month in utility bills and that housing expenses are no more than 30% of the household's income. Even so, someone earning minimum wage of $8.00 for 40 hours per week every week during the year would still only earn a gross income of $16,640. Households with two

persons earning the minimum wage would still fall short of the income needed to afford this rent. While there are rents that fall below this level, particularly subsidized rents, market rents tend to be beyond the reach of lower wage earners.

Through the combination of information in Tables 2-30 and 2-31, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap would then be $71,000 as of July 2012 for single-family homes, the difference between $219,000 (based on the median income figure for a household of two and 80% financing) and the median house price of $290,000. It should be noted that the median single-family house price was $311,000 as of the end of 2011, resulting in an affordability gap of $92,000.

The affordability gap for condos is $26,500, the difference between what a median income household can afford, which is calculated to be $177,000 based on 80% financing, and the median condo price of $203,500 as of the end of July 2012. However, the high costs associated with obtaining mortgage financing effectively widen the affordability gap.

Table 2-32
Affordability Analysis III
Relative Affordability of Single-family and Condo Units in Amherst, 2012

Price Range Single-family/Condo*	Income Range	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		Number	%	Number	%
Less than $188,000/ Less than $152,000	Less than 80% AMI	59	1.4	499	47.7
$188,001-$219,000/ $152,001-$177,000	80% - 100%**	404	9.9	171	4.2
$219,001-$342,000/ $177,001-$300,000	100% - 120%***	2,355	57.6	350	33.5
More than $342,000/ More than $300,000	More than 120%***	1,271	31.1	26	2.5
Total		**4,089**	**100.0**	**1,046**	**100.0**

Source: Amherst Assessor's Database for fiscal year 2012. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price. Figures based on a two-person household as the average household size was 2.44 persons based on 2010 census data.
* Includes estimated condo fee of $250 per month and figures are based on 95% financing for the at or below 80% AMI range and 80% financing for the other ranges.
** Median income is based on 2010 census data for Amherst and 80% AMI based on HUD income limits for 2012.
*** Based on multiplying the HUD 60% AMI HUD figure times two (2) for a household of two (2) or $82,800.

Table 2-32 identifies how many single-family homes and condos exist in Amherst that are affordable to those within various income categories, showing that only 59 single-family homes and 499 condos were assessed as being affordable to those earning at or below 80% of area median income. While about one-half of the condos are relatively affordable, many tend to be units that were converted from older rental stock, most of which are small and likely in need of updating. Once again, the ability to obtain financing, including issues related to credit history and cash requirements, can provide substantial barriers to accessing housing. It is also important to note that this analysis is based on assessed values of all properties in Amherst, not what is available on the market (see Table 2-24 for recent market activity and prices).

Table 2-33 demonstrates a need for more affordable homeownership opportunities in Amherst for those earning at or below 80% of area median income. These calculations suggest that of the 860 owner households who were estimated to have earned at or below 80% AMI, there were only 59 single-family homes and 499 condos that would have been affordable to them based on fiscal year 2012 assessed values and other noted assumptions. There is a projected deficit of 302 ownership units for those earning at or below 80% of median income.

Table 2-33
Homeownership Need/Demand Analysis, 2012

Income Group	Income Range*	Affordable Sales Prices Single-family/Condos**	# Owner Households	# Existing Units Single-family/Condos	Deficit -/ Surplus+
Less than 80% AMI	$52,000 and less	Up to $188,000/$152,000	860***	59/499	- 302
80%-100% AMI	$52,001 to $53,247	$214,001-$219,000/ $172,001-$177,000	24***	404/171	+ 551

Source: U.S. Census Bureau's 2008-2010 American Community Survey, 2010 estimates. Amherst Assessor's data for fiscal year 2012.
* For a household of two (2) as the average household size for owners was 2.50 persons per the 2010 US census and based on 2012 HUD income limits for the Springfield area.
** See analysis in Table 2-30. *** Data from Table 2-32 and Table 2-35.

Table 2-34 indicates that there has been a shortage of rental units for those in the lowest income levels with a *deficit of 1,970 units for extremely low-income households* earning less than 30% of area median income and 505 units for those earning between 30% and 50% of area median income, referred to by HUD as very low-income households. Rental subsidy programs typically target these populations, however, this data is certainly affected by the numbers of off-campus students who fall into these lower income ranges.

Table 2-34
Rental Unit Need/Demand Analysis, 2012

Income Group	Income Range*	Affordable Rent**	# Renter Households ***	# Existing Units ****	Deficit -/ Surplus+
Within 30% AMI	$20,700 and less	$382 and less	2,215	245	- 1,970
Between 30% and 50% AMI	$20,701 to $34,500	$383 to $728	935	430	- 505
Between 50% and 80% AMI	$34,501 to $52,000	$729 to $1,165	710	1,514	+ 804

Source: US Census Bureau's 2005-2009 American Community Survey, 2009 estimates.
* For a household of two (2) as the average household size for renters was 2.39 persons per the 2010 US census and based on 2012 HUD income limits for the Springfield area.
** Includes a utility allowance of $135 per month.
*** Extrapolated income data for renters from the US Census Bureau's American Community Survey estimates for 2008-2010 and HUD CHAS report.
**** Extrapolated data on monthly rental costs from the US Census Bureau's American Community Survey estimates for 2008-2010.

In addition to the above analysis of affordability based on spending no more than 30% of a household's income on housing expenses and how this relates to the existing housing stock and financing terms, it is also useful to identify numbers of residents living beyond their means based on their housing costs. The 2008-2010 American Community Survey provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing, defined as spending more than 30% of their income on housing. Estimates indicated that 314 homeowner households who were paying a mortgage (2,763 owners), or 11.4% of these homeowners, were spending between 30% and 34.9% of their income on housing and another 614 or 22.2% were spending more than 35% of their income on housing expenses. In regard to renters who were paying rent (4,404 renters), 514 or 11.7% were spending between 30% and 34.9% of their income on housing and *another 2,578 or 58.5% were allocating 35% or more of their incomes for housing*. This data suggests that *about 4,020 households or 56.1% of all Amherst households who were paying rent or had a mortgage were living in housing that is by common definition beyond their means and unaffordable*. Once again, the large off-campus student population substantially affects the totals for renters who were paying too much for their housing based on their incomes.

HUD provides additional data on housing affordability problems through its CHAS report that identifies cost burdens by household type and whether they are renters or owners, offering a breakdown of households within specific income categories as summarized in Table 2-35. This report, based on 2009 estimates for Amherst, indicates the following:

- Of the 8,910 households counted, 1,580 or 17.7% were spending between 30% and 50% of their income on housing and another 2,705 or 30.4% were spending more than half their income on housing including 2,395 renters and 310 owners.
- There were 2,490 households earning at or below 30% AMI, referred to by HUD as extremely low-income households, and 80% were spending more than 50% of their income on housing including more than half of the owners and 83% of renters in this income category. Many of these renters were students as 1,385 renter households (62.5% of the renters in this income category) were included in the "other renter" category.
- There were 1,190 households earning between 30% and 50% AMI, referred to by HUD as very low-income households, and 44% were spending more than half their income on housing including 48% of the renters and 30% of the owners.
- Of the 1,050 households earning between 50% and 80% AMI, which HUD defines as low- and moderate-income households, 430 were spending too much on housing, including 340 renters and 90 owners, with 230 households spending at least half of their income on housing.
- *Altogether there were 4,730 households with incomes within 80% AMI suggesting that more than half of all households may have qualified for housing assistance based on their income, without consideration for financial assets. Many of these households (at least an estimated 1,385 renter households in the "other renter" category earning at or below 30% AMI) were likely to be college and graduate students living off campus.*
- There were 170 renters and 210 owners age 62 or more, 380 who were experiencing cost burdens including an estimated 450 who were spending at least half their income on housing expenses.
- Of the 990 small families that were renters, 290 were spending more than half of their incomes on housing, most of these with extremely low incomes. Most of the small family homeowners were earning more than 80% AMI.

- There were few large families counted in the data, only 135 renters and 280 owners, with only one-quarter of renters and 14% of owners experiencing cost burdens.

Table 2-35
Type of Households by Income Category and Cost Burdens*, 2009

Type of Household	Households Earning < 30% MFI/# with cost burdens (# spending 50% or more)	Households Earning > 30% to < 50% MFI/ # with cost burdens *	Households Earning > 50% to < 80% MFI/# with cost burdens *	Households Earning > 80% MFI/ # with cost burdens *	Total/# with cost burdens *
Elderly Renters	235/60 (220)	70/30 (0)	120/50 (45)	95/30 (25)	520/170 (290)
Small Family Renters	345/15 (215)	145/65 (55)	185/45 (20)	315/15 (0)	990/140 (290)
Large Family Renters	15/0 (15)	20/20 (0)	40/0 (0)	60/0 (0)	135/20 (15)
Other Renters	1,620/105 (1,385)	705/265 (395)	370/245 (20)	495/15 (0)	3,190/630 (1,800)
Total Renters	2,215/180 (1,835	940/380 (450)	715/340 (85)	965/60 (25)	4,835/960 (2,395)
Elderly Owners	215/55 (105)	135/95 (25)	135/0 (30)	855/60 (0)	1,340/210 (160)
Small Family Owners	30/20 (10)	115/15 (50)	105/35 (0)	1,775/215 (20)	2,025/285 (80)
Large Family Owners	0/0 (0)	0/0 (0)	25/15 (0)	255/25 (0)	280/40 (0)
Other Owners	30/0 (30)	0/0 (0)	70/40 (30)	330/45 (10)	430/85 (70)
Total Owners	275/75 (145)	250/110 (75)	335/90 (60)	3,215/345 (30)	4,075/620 (310)
Total	2,490/255 (1,980)	1,190/490 (525)	1,050/430 (145)	4,180/405 (55)	8,910/1,580 (2,705)

Source: U. S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, 2009.
MFI indicates median family income.
*Cost burdens indicate that households are spending more than 30% of their income on housing. The CHAS data also provides data on those spending more than 50% of earnings on housing as indicated by parentheses ( ).
Large-family households are defined as having five (5) or more members, small families with two (2) to four (4) members.

Another affordability concern is the higher number of foreclosures over the past few years due to the financial crisis. Some homeowners in Amherst have lost their homes or are at risk of possible foreclosure. Recent information on the level of foreclosures indicates that from August 1, 2011 through September 10, 2012, there were 14 foreclosure actions in Amherst, including eleven (11) petitions to foreclose and three (3) actual auctions.[13] In comparison, Northampton had five (5) auctions and the same number of foreclosure petitions filed during this same time period.

With funding from the Community Foundation of Western Massachusetts (CFWM), based in Springfield, Dr. John E. McNally Memorial Fund and several banks, the Valley CDC has been providing counseling to those living in Hampshire County who are at risk or actually facing foreclosure.

2.2.6 Subsidized Housing Inventory (SHI) Including Housing for the Homeless

The state lists 1,035 affordable housing units in Amherst's state-approved Subsidized Housing Inventory (SHI), representing 10.76% of the total year-round housing stock of 9,621 units. Therefore, the Town has passed the Chapter 40B 10% affordability threshold meaning that the Town is exempt from comprehensive permit projects that would enable developers to override

[13] Data available from Banker & Tradesman, September 10, 2012.

local zoning in exchange for meeting state guidelines.[14] This is an accomplishment only 17 towns in the state have met.

While the Town has surpassed the 10% state affordability goal at this time, housing growth will continue to drive up the 10% goal. Moreover, the pending loss of 204 affordable units at the Rolling Green development would bring Amherst's SHI percentage down to 8.5% without the production of additional affordable units and assuming no significant loss of other SHI units.

In calculating a community's progress toward the 10% Chapter 40B goal, the state counts a housing unit as affordable if it meets all of the following criteria:

1. Subsidized by an eligible state or federal program.
2. Subject to a long-term deed restriction limiting occupancy to households earning at or below 80% of area median income for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units).
3. Subject to an Affirmative Fair Housing Marketing Plan.

Federal and state programs offer a number of different definitions of affordable housing. For example, HUD generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) are not more than typically 30% of income. If households are paying more than these amounts, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and heavy cost burdens.

Affordable housing can also be defined according to percentages of median income for the area. Housing subsidy programs can be targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development ($23,330 for a family of three for the Springfield area) and very low-income is defined as households with incomes less than 50% of area median income ($38,800 for a family of three). Low- and moderate-income generally refers to the range between 50% and 80% of area median income ($58,550 for a family of three at the 80% level). These income levels are summarized in Table 2-36.

[14] Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Table 2-36
2012 Income Levels for Affordable Housing in the Springfield Area

# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income	100% of Median Income*
1	$18,100	$30,200	$45,500	$49,140
2	20,700	34,500	52,000	56,160
3	23,300	38,800	58,550	63,180
4	25,850	43,100	65,000	70,200
5	27,950	46,550	70,200	75,816
6	30,000	50,000	75,400	81,432
7	32,100	53,450	80,600	87,048
8	34,150	56,900	85,800	92,664

* As defined by the Community Preservation Coalition for the use of CPA funding.

Additionally, most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% of area median income, however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program subsidizes rental units targeted to households earning no more than 60% of median income. First-time homebuyer programs typically apply income limits of up to 80% of area median income. It is worth noting that according to the 2009 census estimates, 4,730 households or 53.1% of Amherst's total households would have been income-eligible for affordable housing using the 80% of area median income criterion without consideration of financial assets.

The Community Preservation Act allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as "community housing". Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, community housing units for those earning between 80% and 100% of median income (see income levels in Table 2-36), and even some market rate units to help cross-subsidize the more affordable ones. Rental projects often include a couple of tiers below the 80% level. It should be noted, however, that those units that involve occupants with incomes higher than 80% of area median income, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory unless they are part of a Chapter 40B rental development where 100% of the units would qualify for inclusion in the SHI if at least 25% meet 40B income and other guidelines.

Current Inventory

While Amherst has, at least for the present, surpassed the state's 10% affordability goals, at 10.76% as of August 2012, most communities in the state are confronting challenges in boosting their relatively limited supply of affordable housing. Most of Amherst's neighbors' affordable housing levels are visually presented in Figure 2-6, demonstrating Amherst's relative progress. Affordable housing production varies substantially among these communities with Amherst and Hadley above the 10% state affordability threshold, Belchertown in the middle at 6.4%, and the other communities with little or no affordable housing to date.

Figure 2-6
Subsidized Housing Inventory for Amherst and Neighboring Communities

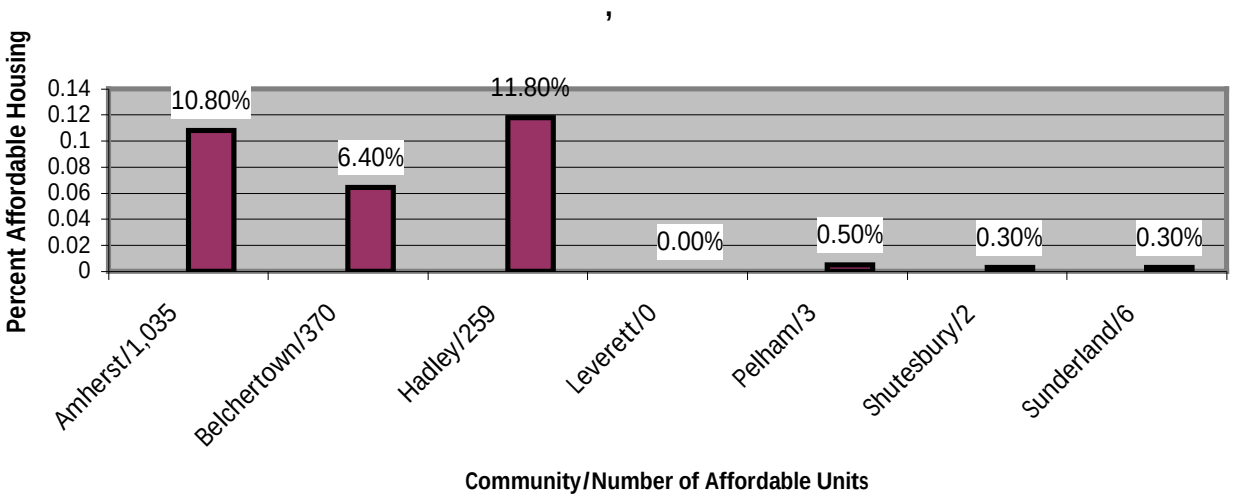


Table 2-37 summarizes the units included in Amherst's Subsidized Housing Inventory (SHI), the list of affordable dwelling units that the state recognizes as eligible for counting towards the town's 10% state affordability goal. Almost all of Amherst's listed 1,035 SHI units are rentals (921 units or 89%), including 81 special needs units in group homes. The Olympia Oaks project, being developed by HAPHousing, will add another 42 units to the SHI for a total of 1,077 units.

As noted in the table, there are a few projects where the affordability restrictions are due to expire that might lead to some loss of SHI units in the future. The most pressing of these projects is Rolling Green with 204 units. The Town has engaged attorneys to explore options for maintaining the development's affordability. Amherst has actually lost SHI units in the recent past, nine (9) rental units at Puffton Village IV in 2009 and six (6) homeownership units on Charles Lane in 2011.

Table 2-37
Amherst's Subsidized Housing Inventory (SHI)

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Watson Farm*	15	Rental/HUD (families)	Yes	Perpetuity
Ann Whalen Apartments*	80	Rental/DHCD (seniors/disabled)	No	Perpetuity
Chestnut Court*	30	Rental/DHCD (seniors/disabled)	No	Perpetuity
Jean Elder House*	23	Rental/DDCD (seniors/disabled)	No	Perpetuity
Sunrise Avenue*	8	Rental/DHCD (seniors/disabled – special needs)	Yes	Perpetuity
John Nutting Apartments*	16	Rental/DHCD (families/disabled)	No	Perpetuity
Scattered Sites*	16	Rental/DHCD (families)	No	Perpetuity
Jenks Street*	4	Rental/DHCD (families)	No	Perpetuity
Amherst Neighborhood Homes	4	Rental/DHCD	No	2021
Clark House	100	Rental/MassHousing (senior/	No	2020

		disabled)		
Mill Valley Estates	148	Rental/DHCD (families)	Yes	2023
Misty Meadows	14	Ownership/DHCD	No	Perpetuity
Misty Meadows*	2	Rental/DHCD (families)	No	Perpetuity
Pomeroy Lane*	25	Rental/DHCD	No	2023
Rolling Green	204	Rental/MassHousing	No	8-20-2013
Village Park	200	Rental/HUD	No	Perpetuity
Habitat for Humanity/West Pomeroy Lane	1	Ownership/DHCD	No	Perpetuity
Cherry Hill Cohousing	10	Ownership/DHCD	No	Perpetuity
DDS Group Homes	81	Rental – Special Needs/DDS	No	NA
Palley Village	4	Ownership/DHCD	No	Perpetuity
Tamarack/Keet House*	8	Rental/Town of Amherst, HUD and MassHousing (families)	No	Perpetuity
Main St. Affordable Housing*	11	Rental/DHCD and MHP (families)	No	2058
Butternut Farm	27	Rental/DHCD and MassHousing	Yes	Perpetuity
Stanley Street/Habitat for Humanity	4	Ownership/DHCD	No	Perpetuity
TOTAL	1,035	921 rentals 81 group homes/special needs 33 ownership	206 units used the comp permit	492 units (47.5%) with use restrictions expiring from 2013 to 2058

Source: Massachusetts Department of Housing and Community Development, August 28, 2012
* Units managed by the Amherst Housing Authority.

The *Amherst Housing Authority (AHA)* manages a total of 238 units (23% of the SHI units) as summarized in Table 2-38.

Table 2-38
Amherst Housing Authority Units

Development Name and Number	**# Units**	**Number of Bedrooms**				**# Accessible Units**
		1	**2**	**3**	**4**	
Watson Farm	15	3	4	4	4	2
Ann Whalen Apartments	80	80	0	0	0	4
Chestnut Court	30	30	0	0	0	0
Jean Elder House	23	Combination of rooms and apts.				0
Sunrise Avenue	8	8 bedrooms/special needs				0
John Nutting Apartments	16	0	0	8	8	16
Scattered Sites	16	0	3	13	0	1
Jenks Street	4	0	0	4	0	0
Misty Meadows (rental)	2	0	2	0	0	0
Tamarack/Keet House	8	0	?	?	0	1
Main St. Affordable Housing*	11	4	5	2	0	0
Pomeroy Lane Cooperative*	25	4	11	9	1	0
Total	238	129	25	40	13	24

Source: Amherst Housing Authority, as of October 3, 2012. * Property is managed by the AHA but owned by Valley Main Street LLC and developed by the Valley CDC in the case of the Main Street project and owned by the cooperative for the Pomeroy Lane Cooperative.

Amherst residents who apply for AHA units must wait at least four (4) years. Watson Farm, a federally funded, family development had a waitlist of 55 Amherst residents with waits of at least six (6) years for these units. For the state financed, scattered site developments for families, including units at Jenks Street and Misty Meadows, there were 84 Amherst residents on the wait list with wait times of at least four (4) years. The Housing Authority, which manages the Main Street Affordable Housing Project, maintains the wait list that included 70 Amherst families with waits going back to 2008, or at least four (4) years. In regard to senior housing, there were 63 Amherst seniors and disabled waiting for units with waits of at least four (4) years. The Housing Authority does not maintain a separate wait list for handicapped accessible units but turnover of these units is rare.

AHA also administers leased housing programs that offer rental subsidies to qualifying households renting units in the private housing market, filling the gap between an established market rent – the Fair Market Rent (FMR) – and a portion of the household's income. The Housing Authority uses the state's centralized waitlist and serves those who live or work in their service area that beyond Amherst includes Hadley, South Hadley, Belchertown and Granby. Because rents are so high in the area, the Housing Authority has received permission to use rents of 120% of Fair Market Rents (FMR). Despite higher payment standards, many applicants who finally come off the wait list are challenged to find units within these limits. Approximately 35% of the households who receive vouchers have been unsuccessful in leasing a unit under the terms of the program within the required 60 days. Also, as Amherst is considered a "community of choice" by the state, when voucher holders are unable to lease a unit in Amherst or other service area communities, they more than likely move instead in an "area of concentrated poverty" within the region.

Of the 413 Section 8 vouchers that the Housing Authority administers, only 239 were subsiding rents in Amherst. Of these 239 units with vouchers, 73 have one bedroom, 113 have two bedrooms, 46 have three bedrooms, and seven (7) include four bedrooms. Also, of those using the 239 vouchers, 18 were seniors, 126 had some type of disability, and 106 were families with children.
There are very long waits for these rental subsidies as those who applied to the program in 2008 are still waiting for assistance. The number of rental subsidies by program is summarized in Table 2-39.

Table 2-39
Number of Rental Subsidies by Program

Rental Subsidy Program	Number of Units/Vouchers
Section 8 Program/federal program	413
Mobile Rental Voucher Program/state program	4
Total	417

Source: Amherst Housing Authority as of October 3, 2012.

Another important partner in housing development is the *Valley CDC,* which recently completed the Main Street Project with 11 affordable units. The organization also provides a wide range of other housing and economic development programs and services such as first-time homebuyer counseling and foreclosure prevention counseling.

HAPHousing (formerly known as HAP, Inc.), the regional non-profit housing organization, has been involved in property development and management in Amherst. The organization is currently in the process of developing Olympia Oaks that includes 42 new rental units with a mix of one, two and three-bedroom apartments in five varying-styled townhouse buildings. The project will also incorporate

outdoor community space and a community building. HAPHousing is developing the project through the comprehensive permit process and expects to begin construction in July 2013.

Pioneer Valley Habitat for Humanity has also developed housing in Amherst including a home on West Pomeroy Lane and four (4) homes on Stanley Street. They are completing a unit on Belchertown Road and are looking for another project in the community.

Another project, *Presidential Apartments*, is being developed through the Town's inclusionary zoning bylaw and will include six (6) affordable units. There are currently 85 existing units but another 54 are proposed that will include 12 one-bedroom units and 42 two-bedrooms.

2.3 Priority Housing Needs

As the affordability analysis indicates in Section 2.2.5 above, significant gaps remain between what many residents can afford and what housing is available. Moreover, the large numbers of students who live off campus are in direct competition with other residents for existing units, increasing demand and thus driving up costs. High housing costs have translated into households spending far too much for their housing with an estimated 2,700 households spending more than half of their incomes on housing in Amherst. Housing growth has primarily been directed to owner-occupied units with some declines in the supply of rental housing since 1990. Amherst needs to focus on increasing the supply of housing at a variety of levels of affordability, paying particular attention to the most vulnerable of its residents.

This Housing Production Plan identifies the range of housing needs in the Amherst community, looking at important subpopulations of its residents. Summary findings for these populations include the following:

Extremely and Very Low-income Residents

There were 2,490 households who earned at or below 30% of area median income in 2009 (the most recently-released data from the HUD CHAS report), and 89% of them were renters. Of these households, 2,235 or 89.8% were paying too much for their housing (255 paying between 30% and 50% of their income on housing costs and 1,980 paying more than half of their income on housing). Calculations on housing demand in Table 2-34 estimate that *there is a deficit of 1,970 units for those renters earning at or below 30% AMI and an additional deficit of 505 rental units for those earning between 30% and 50% AMI for a total deficit of 2,475 units.* It should be noted that a substantial number of those in these extremely low and very low income categories were students, estimated to include 2,325 renters, 370 who were paying between 30% and 50% of their income and 1,780 paying more than half of their income.

Seniors

There were 520 renters 62 years of age or older, 460 or 88.5% who were paying too much for their housing (170 between 30% and 50% of their income and 290 or 55.8% paying more than half of their income on housing). Even some homeowners 62 years of age or more were paying too much. Of the 1,340 elderly owners, 370 or 27.6% were by common definition living in housing that was beyond their means (210 paying between 30% and 50% of their income and 160 paying more than half). *Of particular concern were the seniors who rented and paid more than half of their income on housing, 220 of whom earned less than 30% of area median income.*

Families

Altogether there were 870 families that were paying too much for their housing, including 385 or 44.3% that were paying more than half of their income on housing. More than half (53.4%) or 465 of these families were renters competing against students in the private housing market for rentals. Of the 870 families who were paying too much for their housing, 245 or 28.2% were earning 30% of area median income or less with another 140 or 16.1% families earning between 30% and 50% AMI. As mentioned above, young families are on the decline in Amherst and the community is losing ground as being a place that families starting out on their own can call home.

People with Disabilities

There were 2,450 residents who claimed a physical or mental disability according to the Census Bureau's American Community Survey estimates, representing significant special needs within the Amherst community. The Massachusetts Accessible Housing Registry (MassAccess),[15] shows a great shortage of accessible units throughout the state and only 72 such units in Amherst. The accessibility status of these units falls into three (3) main categories: 19 units that were handicapped accessible or adaptable (11 of which are "income based" such that the income of the occupant qualifies them for the units), 25 units on the ground floor or with elevator access (11 of which were "income based"), and 28 which had no barriers to accessing the units such as stairs (20 of which were "income based"). Assuming an additional 100 plus or minus accessible units where improvements may have been made without the units being included on the Mass Access website, the Town still has a severe shortage of accessible units.[16]

An additional 81 units were part of group homes for developmentally disabled adults who do not require continuous medical or nursing care. These units are administered by the Massachusetts Department of Developmental Disabilities (DDS) or by a provider agency under contract with DDS.

Homeless

Homelessness is a regional problem and in any single year it is estimated that between 1,200 and 1,400 single adults and 500 to 600 families experience a spell of homelessness in the Pioneer Valley region.[17] It is further estimated that the region needs 520 supportive housing units for chronically homeless individuals as well as 100 additional units for chronically homeless families.[18] Springfield has committed to providing half of these units, and the rest needs to be dispersed throughout the region as part of the collaboration to end homelessness through the Western Massachusetts Network to End Homelessness. Of the many challenges to providing housing for the homeless are the lack of resources to rehabilitate apartments, the reduction of Section 8 subsidies, and the forced relocation of the homeless from the Boston area to the Pioneer Valley resulting in an inflated homeless count and strained services.[19]

Annual point-in-time census counts of the homeless living on the streets in Amherst included 15 in 2008 and 16 in 2009, the highest street count of any community in the region in 2009. Additionally, the Interfaith Winter Cot Shelter located in Northampton has identified 15 individuals who consistently report ties to Amherst and Hadley. Moreover, last year Craig's Place served approximately 135 unique individuals between November and April but many of these guests were from outside the community

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[15] MassAccess is a website that was created by Citizens Housing and Planning Association (CHAPA) and other partners to help people with disabilities find affordable and accessible housing in Massachusetts.

[16] Accessible homeownership units are more difficult to identify as there may be homeowners who have made modifications to their homes to promote better accessibility without any intentions of selling in the future.

[17] 2010-2014 HUD Consolidated Plan for the Springfield.

[18] 2010-2014 HUD Consolidated Plan for Holyoke.

[19] 2010-2014 HUD Consolidated Plan for Holyoke.

and many attended the shelter for food and did not stay overnight. It is even more difficult to estimate the number of homeless families as many are doubled up with friends or family. Jessie's House, located in Amherst, is one of two family shelters in Hampshire County but can only accommodate eight (8) families although 90 requests to live there are received monthly. Because of the fluidity of movement of many homeless individuals and families throughout the region and beyond, it is very difficult to accurately quantify the need for housing for the homeless.

Certainly increases in poverty levels, the continuing loss of affordable housing, the foreclosure crisis, in conjunction with the growth in unemployment and underemployment, have exacerbated problems for those individuals and families who are at-risk of becoming homeless. It has become apparent that individuals and families who normally do not access services provided by housing and social service agencies, have been doing so in increasing numbers because of the economic crisis. These economic changes have placed more pressure on the Town and non-profit organizations to provide greater support with fewer resources to prevent family disintegration and loss of housing. In addition to important services, housing should also continue to be developed to serve those who are at risk of homelessness. Providing stable and affordable opportunities for those transitioning out of shelters or special programs remains a high priority for the Town.

Students

Census data indicates that the numbers of college or graduate level students living in Amherst increased from 20,603 in 1990, down to 18,556 by 2000, and then back up to 22,470 by 2010. When the numbers of on campus students are subtracted from this total, an estimated 7,400 students lived off campus in Amherst in 2010. As there were about 5,000 rental units in Amherst in 2010 and 1,125 families and 520 seniors who were renting according to census data, this means that the majority of the rental units, or about 3,300 units, were occupied by students, most doubling up to afford the going rents.

The high demand from students does have repercussions on the town's housing as such demand fuels higher prices, which lower income, long-term residents find difficult to afford. This scenario further translates into renters paying far too much for housing. Moreover, high demand fuels efforts to convert existing owner-occupied housing to student rentals, stirring concerns about potentially unruly neighbors. Additionally, UMass is growing and the University expects to enroll 3,374 additional students by 2020. Assuming a similar level of off-campus residency, at least an additional 2,000 students will be seeking housing in the area, placing more pressure on existing housing in Amherst. The balance of students and year-round residents has shifted largely in favor of the students to the detriment of neighborhoods and community character, and this will only worsen as the University grows unless there is a significant amount of new housing developed in Amherst.

Workforce Housing

Table 2-33, in Section 2 of this Plan, estimates that there is not a shortage of units for those earning above 80% of area median income. However, this does not mean that the units that are available to those above this level are in standard condition.

As indicated in Table 2-40, while the Housing Production goals included in Section 4 appear to be a daunting challenge, they fall substantially below the actual need in the Amherst community.

Table 2-40
Unmet Housing Needs in Amherst

Population in Need	Housing Available	Unmet Need*	Recommended in HPP For Next Five Years**
Extremely Low Income (Within 30% AMI)	2,490	1,970 (about 1,500 are likely students)	200 units (rentals) or 83% of annual production goal of 48 units over 5 years
Very Low Income (30% to 50% AMI)	1,190	505	
Low to Moderate Income (50% to 80% AMI)	1,050	575	40 (homeownership)
Families***	3,430	870	150
Seniors***	1,860	830	50
People with Disabilities***	72 (MassAccess) + est. 100 other units+ 81 DDS units = 253	2,200	25
Homeless***	18 beds at Craigs Place + 8 units at Jessie's House	15	Part of the 200 units listed above

Sources: U.S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, 2009, MassAccess, and Massachusetts Department of Housing and Community Development, August 28, 2012.
* Includes all those spending too much on their housing. ** Based on five-year production goals that total 48 units/year. *** These population groups are also largely incorporated in the numbers of those with unmet housing needs earning at extremely low and very low income levels. The 2,200 unmet need is based on total number claiming a disability minus units that are handicapped accessible and/or have supportive services.

Based on the relative needs of these subpopulations and input from a wide variety of sources, including demographic and housing characteristics and trends (Section 2.1 and 2.2), housing goals and objectives (Section 1.2), prior planning efforts, and community input, the following priority housing needs have been identified, each with indictors of need within the community. These are listed in the order of priority with highest priority given to rental housing targeted to the most vulnerable of the community's residents, those with very limited incomes who are in direct competition with students for rental housing and who are spending far too much on their housing costs. This is especially important in the context that no new unsubsidized multi-family rental housing has been built during the last couple of decades.

- ***Rental housing for families***
  There is a significant need to house families, particularly those earning within very low income categories and the growing numbers of smaller households that are increasingly including single parents with children.

  Indicators of Need:
  Calculations in Table 2-34 indicate that there has been a shortage of rental units for those in the lowest income levels with a deficit of 1,970 units for extremely low-income households earning less than 30% of area median income and 505 units for those earning between 30% and 50% of area median income, referred to by HUD as very low-income households. Rental subsidy programs typically target these populations. It should be noted however, that this data is certainly affected by the numbers of off-campus students who fall into these lower income ranges.

There were 444 families, representing about 10% of all families in Amherst, who were living in poverty in 2010. These included 255 female-headed households with children and 516 children, or 16% of all children 18 years of age or younger.

More than one-third (35.1%) of the households with children were headed by one parent (83.2% of these involved single mothers) suggesting a compelling need for affordable housing for families with only one income. *This data suggests a pressing need for a greater number of smaller units to accommodate a growing population of small households.*

Almost one-third of those households with householders in the 25 to 44-age range had incomes below $25,000, many likely with small children.

Of the 990 small families that were renters, 290 were spending more than half of their incomes on housing, most of these with extremely low incomes.

Watson Farm, a federally funded, family development has a waitlist of 55 Amherst families with waits of at least six (6) years. For the state financed, scattered site development for families, including rental units at Jenks Street and Misty Meadows, there were 84 Amherst residents on the wait list with wait times of at least four (4) years. The Housing Authority, which manages the Main Street Affordable Housing Project, maintains the wait list that included 70 Amherst families with waits going back to 2008, or at least four (4) years.

There is substantial demand for AHA rental subsidies with waits of at least four (4) years to obtain a voucher.

Rental costs are high. In general, an average two-bedroom unit rents for about $1,200, a three-bedroom for $1,500 and a four-bedroom (typically a house) for $2,000. These rents require incomes close to the maximum HUD limits for a household earning at 80% of area median income, well out of reach of lower income families. Also, landlords typically expect first and last month's rent and a security deposit when the lease is signed, a sum that blocks many households from securing decent housing.

- ***Rental housing for individuals***
  There is also a clear need for smaller housing units for those individuals with lower-paying jobs who are encountering serious difficulty finding housing that they can afford in Amherst. Some of these individuals have disabilities. Some are children who were raised locally and want to return to Amherst, while others are older, perhaps divorced with children who moved out on their own or finding it difficult to continue to live in town on fixed incomes. Some have struggled with homelessness, others are recent immigrants working in local businesses with limited pay. What they all share is the need for a safe, decent and affordable place to live.

  Indicators of Need:
  The 2010 census counts indicated that 2,530 residents or 27.3% of all households, including 58% of all non-family households, lived alone. These numbers do not include the student population housed in dormitories that included approximately 15,113 residents.

About one-third (32.2%) of all residents over 65 lived alone.

Of the 520 elderly renters (age 62 and over), 170 were spending between 30% and 50% of their income on housing with 290 spending more than half of their income on housing expenses. Almost all of these seniors were earning at or below 30% of area median income.

Most seniors with fixed incomes and relying substantially on Social Security find that when they lose their spouse, their income may not be sufficient to afford their current housing and other expenses.

In regard to senior housing, there were 63 Amherst seniors waiting for Housing Authority units with waits of at least four (4) years.

Representatives from the Amherst Senior Center suggest a great need for more affordable rental units within walking distance of the Town Center, close to transportation and services.

A one-bedroom unit renting for $750 would require an income of $34,000, assuming $100 per month in utility bills and that housing expenses were no more than 30% of the household's income. Even so, someone earning minimum wage of $8.00 for 40 hours per week every week during the year would still only earn a gross income of $16,640. While there are rents that fall below this level, such as basement apartments and shared bedrooms in existing homes as well as subsidized rents, market rents tend to be beyond the reach of lower wage earners.

The vacancy rate for rental units in 2010 was 3.5%, well below state and national levels and representative of extremely tight market conditions.

- ***Preservation of the existing affordable rental stock***
  The preservation of existing affordable rental units is essential to maintaining an affordable housing stock well into the future. This rental housing, including both units that are subsidized and in the private housing market, is more cost effective to rehabilitate and maintain than to build new. Moreover, efforts are needed to maintain affordability restrictions on subsidized housing in perpetuity to the greatest extent possible, so as not to lose affordability based on expiring use restrictions.

  Indicators of Need:
  The possible loss of 204 affordable units at the Rolling Green development would bring Amherst's SHI percentage down to 8.5% without the production of additional affordable units and assuming no significant loss of other SHI units. More importantly, it would likely wreak havoc in the lives of those who rely on the affordable rents (41 of the units are subsidized), forcing them to leave the development in search of very limited affordable housing options elsewhere, perhaps outside of the community.

  All strategies that preserve existing rental housing, at all affordability levels, should be explored. Because preservation is so cost-effective compared with the creation of new rental units, this needs to include supporting private sector providers as well as those in the Subsidized Housing Inventory. It is also useful to note that many private landlords

may be in fact subsidizing their tenants, keeping rents at below market value to enable their tenants to remain in their units.

There was a loss of 40 rental units between 1990 and 2010 and a reduction of rental units as a percentage of all occupied units from about 60% in 1990 to 54% by 2010.

About 22% of Amherst's housing units were built before World War II, but local housing development did not really take-off until after 1960 when UMass emerged as a major research institution. From 1960 through 1980, the Town added another 3,416 units, more than doubling the size of its housing stock. Because of the relative age of existing housing, it is likely that many units may have remnants of lead-based paint and/or deferred housing maintenance needs.

Many low- and moderate- income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Improvements should incorporate modifications to improve handicapped accessibility and eliminate lead-based paint and housing code violations.

There are growing concerns about the conversion of owner-occupied structures to student housing accompanied by a lack of investment by the landlord. Students are influenced by their environment, and poor housing conditions may contribute to a lack of care on their part in the property, the neighborhood and at times behavior.

- ***Affordable homeownership for families***
  Market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households. Prior generations have had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the average home price to average income ratio was much lower than it is today, making homeownership more accessible. Given current economic conditions, the ability to obtain financing will likely become only more challenging for today's first-time homebuyers without subsidized homeownership. Infill development and the redevelopment/reuse of existing properties in partnership with non-profit organizations and private builders offer the best options for increasing affordable homeownership opportunities in Amherst.

  Indicators of Need:
  Calculations of the need for more affordable homeownership units in Table 2-33 indicate that there is at least a 300-unit deficit of such units that are affordable to those earning at or below 80% of area median income.

  The large gap between incomes and the entry cost of homeownership force first-time homebuyers to look elsewhere for housing they can afford. The affordability gap was $71,000 as of July 2012 for single-family homes, the difference between $219,000 (what a median income household of two can afford with 80% financing) and the median house price of $290,000. It should be noted that the median single-family house price was $311,000 as of the end of 2011, resulting in an affordability gap of $92,000. Down payment and closing costs of about $45,000 effectively increase the affordability gap substantially. Credit problems also pose substantial barriers to homeownership.

While condo prices are lower, it has become very difficult to obtain financing for condominiums and monthly fees raise housing expenses, limiting how much can be borrowed.

Almost all of the Town's existing subsidized housing units are rentals.

The 2010 vacancy rate for homeownership units was 1.4%, reflecting very tight market conditions.

- ***Housing for at risk and special needs populations***
  Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services. Providing stable and affordable opportunities for those transitioning out of shelters or special programs remains a high priority.

  Indicators of Need:
  Service providers indicate that there have been approximately 15 persons who have some connection to Amherst who are regularly homeless, although this number is difficult to pin down given the mobility of these individuals.

  There were a total of 2,450 residents who claimed a physical or mental disability according to the Census Bureau's American Community Survey estimates, representing significant special needs within the Amherst community. This suggests that the Town make a concerted effort to integrate special needs housing, units that are handicapped accessible, and housing with supportive services into its planning for affordable housing development.

  The Housing Authority does not maintain a separate wait list for handicapped accessible units but turnover of these units is rare.

  The Massachusetts Accessible Housing Registry (MassAccess),[20] shows a great shortage of accessible units throughout the state and recognizes the existence of only 72 handicapped accessible units in Amherst.

  When the issue of accessibility is coupled with affordability, choices become severely diminished for families or individuals looking for such housing. They may become at risk of homelessness.

  The number of those 65 years of age and older almost doubled between 1980 and 2010, from 1,412 to 2,795 residents or from 4.2% to 7.4% of the total population. The frail elderly, 85 years of age or older, increased from 150 in 1980 to almost 500 by 2010, many who require supportive services to remain in their homes.

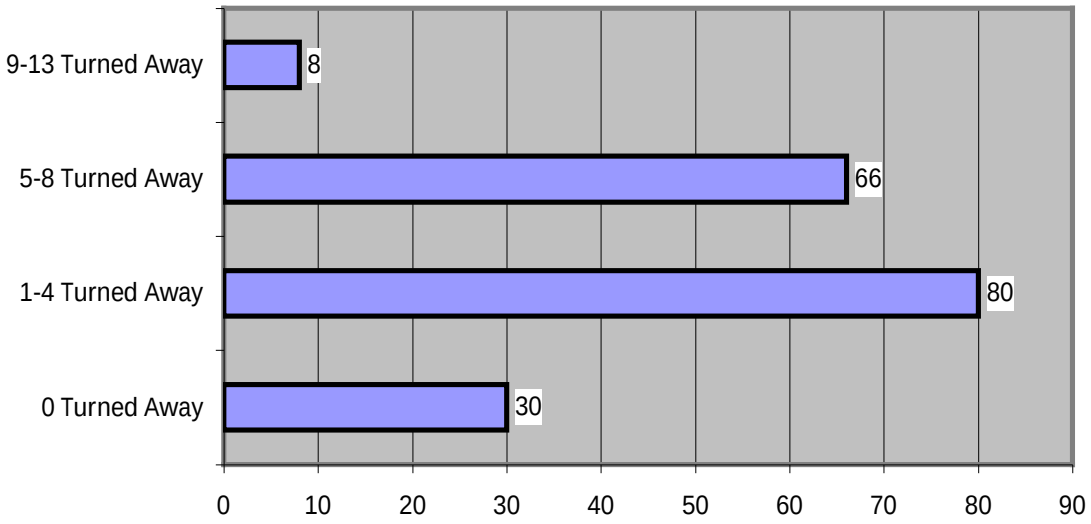
  Representatives from the Senior Center suggest that there has been tremendous growth in older adults needing more services, including the basics such as food.

[20] MassAccess is a website that was created by Citizens Housing and Planning Association (CHAPA) and other partners to help people with disabilities find affordable and accessible housing in Massachusetts.

The town has an emergency shelter, Craig's Doors (also known as Craig's Place), with 22 beds, which operates from November 1st through April 30th. The shelter offers a safe and warm place for those who are homeless including on-site social and medical services on a weekly basis. The First Baptist Church and Amherst Community Connections provide food for guests in the evening. The collaboration of the Town, social service agencies,[21] faith communities, caring individuals, staff and the shelter's host, the First Baptist Church, has created an effective operation. During the past two (2) years, at least 14 guests of the shelter have started working and ten (10) have transitioned out of shelter into apartments. However the shelter cannot meet current need as demonstrated by the numbers that must be turned away in Figure 2-7.

Figure 2-7

Number Turned Away From Shelter, 10-30-11 Through 4-30-12



A summary of the guests who are served by Craig's Place is provided in Table 2-41. This data suggests that most of the shelter's guests were predominantly White, male, younger and chronically homeless. Most also obtain some type of income, most likely SSI or SSDI. About one-fifth of the guests have been women. It is also not surprising that the number of stays increased as temperatures declined in the winter.

Amherst also has an eight-unit homeless shelter for families at Jessie's Place, which receives about 90 requests to live there each month.

[21] Social service collaborators include the Amherst Housing Authority, Elliott Community Services, Health Services for the Homeless, ServiceNet, Amherst Community Connections, South Middlesex Opportunities Council, First Baptist Church, Amherst Survival Center, and Not Bread Alone. Other groups which have been supportive of Craig's Place include Amherst College Homeless Connect, UMass Rotaract Club, Amherst College Global Med., Grace Episcopal Church, Jewish Community of Amherst, Mercy House, South Congregational Church, Unitarian Universalist Society of Amherst, and Vita Nova Church.

The region is pursuing the Housing First model as an alternative to the current emergency and transitional shelter system. Permanent housing needs to be built to provide much needed rapid response units.

Table 2-41
Summary of Those Served at Craig's Place, October 30, 2011 Through April 30, 2012

	10-30-11 Through 12-31-11	1-1-12 Through 3-31-12	4-1-12 Through 4-30-12	Total Guests Served
Total guests served	83	140	58	161
Men	79%	80%	79%	80%
Women	21%	20%	21%	20%
Racial breakdown				
White	69%	64%	72%	66%
Hispanic	7%	9%	3%	9%
Black	20%	19%	21%	14%
Other	4%	2%	3%	3%
Average number of guests per night	15	16	16	16
Percent of guests chronically homeless*	61%	60% (year to date)	67%	56%
Percentage physically or mentally disabled	58%	67% (year to date)	67%	63%
Percentage with sub-stance abuse problems	35%	48% (year to date)	61%	50%
Percentage reporting some type of income	42%	68% (year to date)	71%	68%
Percentage over 60	4%	7% (year to date)	10%	8%
Veteran	--	10% (year to date)	14%	11%
Number seen by a social worker	20	30	10	60
Number seen by a physician	16	52	20	88
Number found or placed in housing	5	10	3	18
Number assisted with employment	4	15	4	23

*HUD's definition of someone chronically homeless is an unaccompanied disabled individual who has been continuously homeless for at least one year.

A summary of housing goals based on these priorities is provided in Table 2-42, premised on producing an average of 48 affordable units per year, reflective of production goals under the state Housing Production guidelines, and a balance of about 85% to 15% rental versus homeownership units. At least 10% of the new units produced should include handicapped accessibility and/or supportive services for special needs populations and seniors. Goals for housing rehabilitation are based on at least five (5) units per year and the ability to secure necessary subsidy funds.[22]

[22] While the Town has used CDBG funds for small loans to improve properties in the past, it never operated a full Housing Rehabilitation Program. With the loss of the Town's mini-entitlement status for CDBG funding, other resources will have to be located to make a housing rehab initiative feasible (see strategy 5.4.2 in Section 5).

Table 2-42
Housing Production Goals Based on Types of Units

Type of Units	1-Year Goal	5-Year Goal
Rental Housing Families Individuals/Seniors	40 units 30 10	200 units 150 units 50 units
Homeownership Units	8 units	40 units
Total	48 units	240 units
Handicapped accessibility and/or supportive services/about 10% of new units produced	5 units	25 units
Promote housing assistance for property Improvements	5 participants in improvement programs	20 participants in improvement programs starting in Year 2

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Section 3

CHALLENGES TO DEVELOPMENT

3. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

As the Housing Needs Assessment indicates, there are a number of housing needs that the Town is committed to addressing to provide safer and more affordable housing in the community. Nevertheless, producing such housing is not an easy task and there continue to be formidable development challenges in Amherst that include the following:

- ***Large and increasing student population***

  College and graduate students from UMass, Amherst College, and Hampshire College are a major segment of Amherst's population, and the town's population growth has been directly linked to the fluctuations in student enrollments, mostly UMass enrollments. Census data indicates that the number of college and graduate students living in Amherst increased from 20,603 in 1990, down to 18,556 by 2000, and then back up to 22,470 by 2010. Students in fact comprised from 58.5% of the population in 1990, down to 53.2% in 2000, and then up to 59.3% by 2010. Those who lived off campus, competing with full-time residents for limited affordable housing, ranged from 51.8% of the total full-time, year-round residents in 1990, to 38.4% in 2000, and then up to 47.9% by 2010. While Amherst and Hampshire Colleges do not expect any significant increases in enrollments and almost all students live on campus, the University of Massachusetts projects that it will add 3,374 new students by 2020.

  While these institutions have provided the town with a robust economic engine, driving the local economy and supporting the community's character, they have also had a profound impact on housing needs. Not only do residents compete for the limited supply of available housing, particularly rental housing, but there has been an increasing trend towards converting existing single-family or small multi-family units to student housing. Behavioral problems of some students have roused further concerns in neighborhoods. These impacts are not only felt in Amherst but throughout the Pioneer Valley.

  Mitigation Measures: Strategies 5.1.2 and 5.1.4 involve opportunities to enhance town-gown relationships. For example, the Town is working with the University of Massachusetts through the Safe and Healthy Neighborhood Initiative, working with both staff and administration through a special working group. This group is developing an initiative to require all owners with rental units to register their properties with the Town. Other proposed measures of cooperation include increased communication between the Town's Housing and Sheltering Committee and UMass Office of Off-Campus Housing, potentially including UMass representation on the Housing Committee. Other potential strategies include working cooperatively with the University to support their expansion of student housing on their campus, to find creative avenues of integrating private residential development on UMass property, and to identify other development opportunities in town that would be particularly conducive to student housing or mixed student/resident housing. It is also important to note that not all students live in Amherst and regional solutions to the student housing issue will be required, potentially in partnership with neighboring towns.

- ***Zoning***

  As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Amherst's Zoning Bylaw includes some progressive regulations to direct development to appropriate locations and promote some housing diversity, but these provisions have

largely been stop-gap measures and the bylaw remains essentially unchanged since the 1970s. While historic development and planning studies all emphasized the importance of reinforcing the Town and village centers, outdated zoning has curtailed such development.

The Amherst Zoning Bylaw has six (6) residential zoning districts and one (1) overlay district including:

- R-LD Low Density Residence (provides only limited development in environmentally sensitive or agricultural areas)
- R-F Fraternity Residence (very small area with very few parcels)
- R-O Outlying Residence (transitional district between Low Density Residence and the medium density R-N District)
- R-N Neighborhood Residence (medium density areas for lands adjacent to higher density residential districts)
- R-VC Village Center Residence (residential neighborhoods within and adjacent to village centers that allow medium densities and mixed residential and office uses)
- R-G General Residence (residential neighborhoods of medium to higher densities in areas near the Town Center as well as between the University and Town Center)
- PURD Planned Unit Residential Development (overlay district to provide a mixture of housing types and open space, reductions in dimensional requirements, and greater densities than allowed by the underlying zoning)

There are also six (6) business districts, four (4) where residential uses are allowed that include the following:

- BG General Business (provides for a mixed-use area of high density in the Town Center)
- B-VC Village Center Business (provides for a mix of uses in the village centers, including housing of moderate to high density)
- B-N Neighborhood Business (provides for areas of mixed uses and moderate density within or near residential neighborhoods or as a transitional zone between business areas and residential neighborhoods)
- B-L Limited Business (provides areas of moderate density and mixed uses, including multi-family housing, in areas between high density business districts and high density residential districts or along arterial or primary roads)
- COM Commercial (provides for a mixed-use area where housing is allowed).

The Bylaw also includes three (3) Industrial or Research Park Districts, four (4) Special Districts, and four (4) Resource Protection Districts.

Table 3-1
Dimensional Regulations by Zoning District[23]

	R-LD	R-O	R-N	R-VC	R-G	R-F	B-G	B-VC	B-N	B-L
Min. Lot Size	80,000	30,000	20,000	15,000	12,000	40,000	12,000	15,000	15,000	20,000
Add. Lot Area/ Family	10,000	10,000	6,000	4,000	2,500		1,250	2,500	1,500	4,000
Min. Frontage	200	150	120	120	100	150	100	100	100	125
Min. Front Setback	30	25	20	15	15	25	20	10	10	20
Min. Side/Rear Setback	20	25	15	15	10	20	*	25	10	25
Max. Lot Coverage	15%	25%	30%	40%	40%	45%	95%	70%	65%	70%/ 85%
Max. Floors	2½	2½	3	3	3	3	4	3	3	3

Note: Dimensions are in square feet or linear feet unless otherwise noted.
* Rear and side yards should be 20 feet if property is adjoining a Residence District otherwise are not required unless provided and then must be 10 feet. NOTE: The Zoning Bylaw includes a number of footnotes for the Dimensional Regulations that provide some modifications or greater detail concerning the above requirements.

The dimensional requirements for the residential and pertinent business districts are summarized in Table 3-2. Minimum lot sizes range from 12,000 square feet in the General Business District to 80,000 square feet or almost two (2) acres in the Low Density Residence District with between about a half-acre to one acre in most of the other Residence Districts. Large lot zoning has been used to protect the environment, a particularly important issue in Amherst, and to also slow the growth of development. Such zoning can also lead to inefficiencies in the development of land, which the town has tried to partially remedy through its cluster zoning (as the reduced dimensional requirements indicate in the table), PURD and OSCD bylaws described later in this section.

The uses that are allowed in each of the major districts are presented in Table 4-2. Single-family homes are allowed by right in all Residence Districts with the exception of the Fraternity District and are not permitted in the Business Districts. Two-family structures are allowed by Special Permit in the lower density Residence Districts and by-right with Site Plan Approval in the other Residence Districts besides the Fraternity District. Multi-family structures, including town houses and apartment buildings, are not allowed in the lower density Residence Districts or Fraternity District and by Special Permit in the higher density Residence Districts and Business Districts except the General Business District where they are permitted by right with Site Plan Approval. Town houses and apartment buildings must be close to a heavily traveled street, to a business or educational district, or an area already developed for multi-family use. Each apartment building must have of at least three (3) units and not more than 24 units and be connected to the public sewer system prior to occupancy. Regulations for other residential uses are also included in Table 3-2.

[23] Amherst Zoning Bylaw, Article 3, Table 3 and Article 4, Table 2.

Table 3-2
Schedule of Zoning Regulations for Housing-related Uses[24]

Uses	R-LD	R-O	R-N	R-VC	R-G	R-F	B-G	B-VC	B-N	B-L
Single-family	Y	Y	Y	Y	Y	N	N	N	N	N
Two-family	SP	SP	SP	SPR	SPR	N	N	N	SPR	N
Town House	N	N	N	SP	SP	N	SPR	SP	SP	SP
Apartments	N	N	N	SP	SP	N	SPR	SP	SP	SP
Supplemental Apt.	SP	SP	SP	SP	SP					
Apt. in Comm. Building	N	N	N	SP	N	N	SPR	SPR	SPR	SPR
Boarding/ Rooming House	N	N	N	SP	N	N	SPR	SP	SP	SP
Cong. Living For Elderly	N	N	N	SP	N	N	SPR	SP	SP	SP
Conversion To Multiple Dwel.	SP	SP	SP	SP	SP	N	SPR	SP	SP	SP
Cluster Dev.	SPR	SPR	SPR	SPR	SPR	N				
PURD	N	SP*	SP*	SP	SP	N				
Open Space Comm. Dev.	SPP	SPPP	SPP	SPP	SPP	N				

Y = Permitted; SP = Special Permit of Board of Appeals; SPP = Special Permit of the Planning Board; SPR = By right with Site Plan Approval; N = Prohibited
* Only applies to areas in the designated PURD Overlay District

The Zoning Bylaw also includes specific provisions to promote smart growth development and affordable housing, directing future development to appropriate locations. There are also a number of provisions regarding the conversion of various types of properties that involve housing as well. These provisions include:

Cluster Development [25]
This development approach involves more compact, clustered residential development with reduced lot sizes and permanently preserved open space. As cited in the Zoning Bylaw, this type of zoning provides a number of important benefits among them a more efficient use of land and increased options for affordable housing. Single-family detached homes (must be a minimum of 40% of all units), nonzero lot line single-family dwellings (minimum of 20% of all units), two-family detached homes or duplexes (maximum of 60% of all units), attached dwellings (maximum of 30% of all units) or other allowed accessory buildings are allowed. The minimum lot area for the entire development must be at least five (5) acres, and a minimum of 50% of the lots must be reduced at least 25% in area from the minimum standard lot size required in the zoning district in which the parcel is located.

There are separate requirements for cluster development in the Farmland Conservation District, decreasing the allowed density. There is also a separate section for promoting affordable housing within a cluster development, increasing the allowed density if a

[24] Amherst Zoning Bylaw, Section 3.3.
[25] Amherst Zoning Bylaw, Section 4.3.

minimum of 10% of the total units are affordable but allowing no more than 120% of the maximum number of units that would be allowed under the calculations of a typical cluster development. The bylaw allows only attached units in cluster developments that include affordable units. Dimensional requirements are also reduced in affordable cluster developments as shown in Table 3-3.

Table 3-3
Dimensional Regulations for Affordable Cluster Developments[26]

Minimum Requirements	R-LD		R-O		R-N		R-VC	
	SF	Duplex/ Attached	SF	Duplex/ Attached	SF	Duplex/ Attached	SF	Duplex/ Attached
Min. Lot Size	25,000	25,000	15,000	15,000	10,000	10,000	7,500	7,500
Add. Lot Area/ Family*	--	10,000	--	6,000	--	4,000	--	2,500
Min. Frontage	100	100	100	100	80	80	60	60
Min. Front Setback*	20	20	20	20	15	15	10	10
Min. Side/Rear Setback*	15	15	15	15	15	15	10	10
Max. Lot Coverage	15%	15%	25%	25%	30%	35%	40%	45%

* Requirements may be modified by the Planning Board by Special Permit.

Planned Unit Residential Development[27]

Planned Unit Residential Development (PURD) involves mixed-use development on a minimum of a 134,500 square foot lot that includes residential, open space, and other uses as well as a mix of building types. This development allows more density than would normally be permitted in the district without detracting from the livability and aesthetic qualities of the environment. All types of residential dwellings are allowed, and separate lots for single-family and two-family units are permitted but not required. For townhouses (with or without separate lots) and multi-family units, two (2) times the minimum additional lot area per family for the applicable zoning district is used to calculate the maximum density. At least 1,000 feet per unit must be provided as open space for active or passive recreation. The maximum percentage of dwelling units that can be any one housing type is 75%. There are no specific requirements for the inclusion of affordable housing, although the inclusionary zoning bylaw would be applicable for such development (see details below).

Open Space Community Development[28]

An Open Space Community Development (OSCD) is a primarily residential development that is in individual or common ownership. Development under this bylaw can include a mix of housing types as well as selected non-residential uses that are compatible with and supportive of the housing (such as community space, library, laundry, place of worship, office space, studios or workspaces, and other shared facilities). The bylaw allows reduced dimensional requirements, promoting more flexible development, including the more compact and efficient use of the land so as to increase options for

[26] Amherst Zoning Bylaw, Article 4, Section 4.332.
[27] Amherst Zoning Bylaw, Section 4.4.
[28] Amherst Zoning Bylaw, Section 4.5.

affordable housing and preserve open space. There is a formula for calculating maximum density as well as density bonuses for both affordable housing and handicapped accessible housing, not to exceed 20% of the maximum density otherwise permitted. Open space requirements range from 50% in the R-G and R-VC Districts, to 60% in the R-N district, 65% in the R-O District, and 75% in the R-LD District.

Supplemental Apartments[29]

The Zoning Bylaw defines supplemental apartments as "a small accessory dwelling unit incorporated as part of and subordinate to a single-family detached dwelling". These units are exempt from the additional lot area/family requirements. Moreover, the bylaw states that the "apartments are intended to meet the changing housing needs of owner-occupied households, including housing for relatives and others associated with the household, and the provision of small, individual rental units". These accessory apartments cannot contain more than 800 square feet or, if the apartment is fully handicapped accessible, can be up to 900 square feet. The owner of the property must reside in one of the units and no more than three (3) people can occupy the supplemental apartment. Also, the supplemental apartment must be attached to the main structure such that it is "incorporated as part of the single-family home". It cannot be attached by a breezeway only.

Subdividable/Converted Dwellings[30]

The Zoning Bylaw defines a subdividable dwelling as a "building constructed for potential multi-family residential purposes as its principal use and having an exterior appearance and footprint substantially consistent with those of a one-family detached dwelling. The internal construction design allows for the ease of both conversion into more dwelling units, and consolidation into fewer dwelling units, all within the maximum number established under Section 3.324 of this Bylaw".[31] A subdividable dwelling is allowed by Special Permit of the Board of Appeals in the Residence and Business Districts with the exception of the Fraternity District. A single-family home can be divided into no more than three (3) units and at least one (1) of the units must be owner-occupied. A management plan and landscape plan are required as part of the application.

Converted Dwelling[32]

The Zoning Bylaw defines a converted dwelling as a "unit in or attached to an existing residence of ten or more years in age, or a detached structure constructed prior to 1964, located on a lot where at least one dwelling unit lawfully existed prior to conversion".[33] The conversion of the structure cannot exceed the total number of units allowed on the lot, not to exceed four (4) in the R-N, R-O and R-LD Districts and six (6) in the R-VC, R-G, B-G, B-L and B-VC Districts. A Special Permit from the Board of Appeals is required in most of these districts with Site Plan Approval in the B-G District. No significant exterior changes are allowed, and the conversion must be suitably located,

[29] Amherst Zoning Bylaw, Section 5.011.
[30] Amherst Zoning Bylaw, Section 3.3240.
[31] Amherst Zoning Bylaw, Article 12.
[32] Amherst Zoning Bylaw, Section 3.3241.
[33] Amherst Zoning Bylaw, Article 12.

either close to heavily traveled streets or business areas, already developed as multi-family use, or be from one to two units with one of the units being owner-occupied. The units must be connected to public sewer and modifications to dimensional requirements can be approved when an additional unit is added. A management plan and landscape plan are required as part of the application.

Demolition Delay Bylaw[34]

Amherst's zoning discourages the demolition of buildings of historical or architectural significance by delaying the issuance of a demolition permit by 12 months for those properties that the Historical Commission has determined have such significance. After an application for a demolition permit is received by the Building Commissioner, it is transferred to the Historical Commission for review. The Historical Commission has 35 days to hold a hearing and determine the property's significance, whether it be listed on, or located within an area listed on, the National Register of Historic Places or pending application to the Register. A property might also be considered of significance if it meets the criteria of historic importance, architectural importance or geographic importance as defined in the bylaw. The Building Commissioner may decide to issue the demolition of a significant structure if it poses a health or safety hazard, there is no reasonable likelihood that the owner or some other person or group could restore it, or the owner has made a good faith effort to try to restore it but has been unsuccessful.

Inclusionary Zoning[35]

Amherst has adopted inclusionary zoning to promote housing diversity and affordability (including units within 80% AMI as well as an income range of 80% to 120% AMI, although the units in the latter range would not be eligible for inclusion in the SHI) by requiring that residential uses that require Special Permits over a certain size include some amount of affordable housing. These thresholds are summarized in Table 3-4.

Table 3-4
Inclusionary Zoning Requirements

Total Development Unit Count	Required Affordable Units Provision
1-9 Units	None
10-14 Units	Minimum of 1 Unit
15-20 Units	Minimum of 2 Units
21 Units or more	Minimum of 12% of the Unit Count

Where two (2) or more affordable units are required, a minimum of 49% of affordable units must be created that meet all requirements for inclusion in the Subsidized Housing Inventory (SHI). As with the other provisions that provide incentives for the inclusion of affordable units (cluster development and OSCD), the affordable units must be dispersed throughout the development and comparable to the market units in terms of the quality of design, materials, and general appearance.

[34] Amherst Zoning Bylaw, Article 13.
[35] Amherst Zoning Bylaw, Article 15.

Mitigation Measures
Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to strategically guide development. To most effectively and efficiently execute the strategies included in this Plan, greater clarity and flexibility will be needed in the Town's Zoning Bylaw, and new regulation will be required to capture more affordable units and better guide new development to specific "smarter" locations. *This Housing Plan strives to outline a combination of local regulatory requirements, use of state affordable housing resident requirements, and appropriate site selection and design guidelines that will provide an effective set of controls for future development prospects.*

Amherst's Zoning Bylaw attempts to promote smart growth principles, guiding development towards areas that are more appropriate for higher density and more compact development such as the Town Center and village areas. However in its current form, zoning is not always responsive to community needs. For example, some of the most prized areas of the community, where residential and commercial values are the highest, were built years before current zoning was put in place and would not be allowed under the existing code.

As noted in the Introduction to Section 5, the combination of existing zoning restrictions and current market conditions have led to very slow housing growth, the inefficient use of land, and high housing demand, particularly in the context of ever-increasing student enrollment at UMass. The Town has not approved multi-family housing of more than a few units that has not been developed as affordable housing with deed restrictions in decades. While the Planning Board had tried to tackle some of the housing supply issues in a "smart" sustainable way through proposals to rezone village centers, many residents have become increasingly concerned that any new housing would ultimately be occupied by students – the "build it and they will come" outlook on new development.

Consequently, the Planning Board has recently been focusing on zoning changes to better regulate rental properties to insure that there are better controls in place to protect residents against increasing student disturbances in neighborhoods. For example, during the Special Fall Town Meeting of 2012, the following zoning amendments were approved that dealt mostly with smaller developments of between two (2) and six (6) units, particularly converted units:

- *Article 13: Two-family Dwellings*
  The Article stipulated that two-family detached dwellings (duplexes) must have an external appearance and footprint that is compatible in terms of design with single-family dwellings in the surrounding neighborhood. The Article further specified that not more than four (4) unrelated persons could reside in a non-owner occupied duplex unit, where both units are rented. Under these circumstances, the ongoing services of a qualified professional property management company or presence of an on-site resident manager will be required as a condition for approval of the required Special Permit.

- *Article 14: Converted Dwellings*
  Converted dwellings involve existing residences, a structure attached to an existing residence, or a detached structure that is converted to a dwelling unit or units not to exceed four (4) units in the R-G, R-VC, R-N, R-O and R-LD districts and six (6) units in the

B-G, B-L and B-VC districts.[36] A Special Permit is required for these conversions and the converted dwellings must be compatible with existing uses and structures in the districts. Also, conversions cannot involve the demolition or removal of any structures on the property and no more than a 20% increase in the gross square footage from any new building footprint. However, up to 40% of the gross square footage of new habitable space might be allowed if the conversion addresses urgent and compelling issues of public safety or health, the creation of at least one (1) dwelling that is fully handicapped accessible, at least one (1) unit that is permanently affordable and eligible for inclusion in the Subsidized Housing Inventory (SHI), the result of sustainable construction practices,[37] or involves one (1) or more historic buildings.

The Article also includes a provision for allowing the conversion of a non-conforming single-family detached dwelling to two (2) or more dwelling units in those districts where two-family detached units have not been permitted. Moreover, any converted dwelling use in the R-G, R-VC, R-N, R-O, and R-LD districts must have the ongoing services of a qualified professional property management company or on-site manager.

- *Article 15: Zoning Definitions*
  This Article redefined a number of definitions including a dwelling unit, family household, habitable space, principal residence, and resident manager.

- *Article 17: Converted Dwelling (petition)*
  This Article requires that all converted dwellings, no matter where they are located, be owner-occupied or have a resident manager.

It is likely that the Town will bring additional provisions to the Annual Town Meeting in 2013, including a requirement that all rental property owners obtain licenses to rent their units, thereby better regulating rental units.

Once these rental regulations are in place, the Planning Board will begin to turn to the housing supply issue again, focusing on opportunities that 1) increase the allowable size and scale of development in appropriate locations (strategies 5.1.4, 5.1.6, 5.2.4, and 5.2.5), and 2) address smaller-scale infill and conversion alternatives (strategies 5.2.3, 5.2.4, 5.2.5, and 5.1.6).

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[36] The revised definition of a converted dwelling is as follows: A use containing one or more dwelling units created predominantly through the conversion of existing residential or non-residential space, where said units are located in or attached to an existing residence of ten or more years of age, or a detached structure constructed prior to 1964, located on a lot where at least one dwelling unit lawfully existed prior to the conversion. A converted dwelling use may include portions of dwelling units created through new construction, but no new dwelling units in a converted dwelling use may be created as a result of new construction alone. Proposed multi-unit residential uses not meeting the thresholds established for the conversion of existing space shall be considered to be the residential use category most closely corresponding to the total number of new dwelling units they include and the nature of the use, as determined by the Zoning Enforcement Officer or Special Permit Granting Authority or Permit Granting Board, as applicable.

[37] Sustainable construction practices include but are not limited to significant improvements in energy efficiency, retention or reuse of significant amounts of existing structural members and architectural elements, and solar orientation and design.

- ***Limited Developable Property***
  With the building boom of the 1960s, development in Amherst moved away from the Town and village centers to the subdivision of open space and more recently to areas contiguous to these older subdivisions. Development has been predominantly focused on owner-occupied dwellings with larger lots consuming more and more land over the last several decades. Most prime properties have been developed, and there are fewer parcels available that do not involve development restrictions or environmental issues, such as wetlands. As a result, it will become increasingly challenging to locate development opportunities for affordable housing. Moreover, the Town owns very little property, and therefore, unlike many communities, it has a limited ability to convey surplus municipal property for the purpose of affordable housing development.

  Mitigations Measures
  Because of the limited amount of developable property, it is all the more important that the new units that are created help diversify the housing stock and provide greater affordability. This Plan suggests several zoning mechanisms to mandate and better incentivize affordable units (see strategies 5.1.6, 5.2.2, 5.2.3, 5.2.4, and 5.2.5 for example) as well as strategies to promote more housing choices (see strategy 5.1.6 in particular). It also includes several properties that are owned by the Town that might be suitable for some amount of affordable housing (strategy 5.2.5).

- ***Environmental Concerns***
  Amherst's rural landscape that accommodates natural, wildlife, recreational and agricultural areas, has a huge impact in defining the community's character. The Town has been active in protecting its natural resources and has 2,573 acres of land protected for conservation purposes.[38] Moreover, Amherst includes approximately 53 acres of water bodies including the Mill and Fort Rivers and Lawrence Swamp, a significant wetland and a habitat for rare species.

  The Town's municipal water and sewer systems service 93% of the homes in Amherst and all local businesses. There is also excess capacity to support additional growth. Still there are locations in the town that do not have such service including parts of North and South Amherst where property owners are reliant on septic systems and wells. The septic systems may pose a threat to water quality.

  Mitigations Measures
  The implementation of Best Management Practices is essential to protecting the Town's natural resources, particularly the quality of its water supply. The Town's Master Plan includes a number of strategies to conserve critical tracts of land and protect wildlife and water resources including identifying and permanently protecting environmentally sensitive areas and promoting transfers of development rights (TDR) among others. Efforts to promote infill development in existing neighborhoods and cluster development on larger parcels to preserve natural amenities are key to future housing development planning. In fact, the primary housing goal in the Master Plan and adopted by this Housing Plan is to create "a mix of housing that meets the physical

[38] Approximately 68% of the town's land is protected from development, 43% is permanently protected, and the Town of Amherst owns 1.4% of total land area.

needs of and is affordable to the broadest possible spectrum of our community, and that minimizes the impact on the environment".

- ***Access to Funding***
  While the Town has more housing resources available than it has had in the past to promote affordable housing, including Community Preservation and CDBG funding, subsidy funds still remain in short supply and are highly competitive. Moreover, Amherst recently lost its designation as a mini-entitlement community for CDBG funding and after 2013 will likely have to apply for funding on a competitive basis. In regard to state funds, several sponsors of developments in Amherst, such as Valley CDC and HAPHousing, have received financing from a number of state programs for affordable housing development. These awards have been essential to insuring the financial feasibility of the units produced, but these funds are extremely competitive. Moreover, the town has access to rental assistance vouchers, but these are in very short supply with only 417 units managed by the Amherst Housing Authority. It is also likely that state and federal subsidy funds will continue to decrease somewhat in the near future, which will further challenge the community's ability to meet local needs and production goals.

  Mitigations Measures
  This Housing Plan provides guidance on the use of Community Preservation Funds, CDBG and other funding for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources.

- ***Community Perceptions***
  In most communities, residents are concerned about the impacts that new development has on local services and the quality of life. They may also have negative impressions of affordable housing and question whether there is a real need for such development in their town. There is also a general local impression that there is simply no real room for more development and an accompanying resistance to changing the status quo. Moreover, some residents in Amherst are likely be worried that students will probably gobble up any new housing that is produced. Therefore, local opposition to new development is more likely the norm than the exception. On the other hand, given such high real estate prices, more people are recognizing that the new kindergarten teacher, their grown children, or their elderly neighbor may not be able to afford to live or remain in the community.

  Mitigations Measures
  Ongoing community outreach and education (see strategy 5.1.1) will be necessary to continue to acquaint the community with housing needs and garner local support and ultimately approvals for new housing initiatives. This Housing Production Plan also offers an excellent opportunity to showcase the issue of affordable housing, providing information to the community on local needs and proactive measures to meet these needs. It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have genuine opportunities for input.

AMHERST, MASS
FOUNDED 1759

Section 4

HOUSING PRODUCTION GOALS

4. HOUSING PRODUCTION GOALS

This Housing Production Plan establishes housing production goals for the next five years, although the plan recognizes the challenges of meeting these production goals. The Massachusetts Department of Housing and Community Development (DHCD) introduced the Planned Production Program in December 2002, in accordance with regulations that were meant to provide municipalities with greater local control over housing development. Under the Program, cities and towns are now required to prepare and adopt a Housing Plan that demonstrated the production of an increase of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.[39] If DHCD certifies that the locality had complied with its annual goals or that it had met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.[40]

Annual production goals for Amherst include at least 48 affordable units, a formidable challenge. If the Town produces 96 affordable units in any calendar year, it will have a two-year period during which it will be able deny inappropriate 40B applications that do not meet local needs, without the developer's ability to appeal the decision.

Using the priority needs established in Section 3 and the strategies summarized under Section 5, the Town of Amherst has developed a Housing Production Program to chart affordable housing activity over the next five (5) years with some longer-term actions also included. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income.

- Rental projects will primarily target households earning at or below 60% of area median income and lower.

- It should be noted that the Town can provide CPA assistance to subsidize units for those earning between 80% and 100% of area median income, sometimes referred to as "community housing" units, however these units cannot count as part of the Subsidized Housing Inventory.

- Projections are based on no fewer than four (4) units per acre, averaging about eight (8) total bedrooms. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density.

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[39] Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

[40] If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

- Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or the "friendly" comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing CPA funding where appropriate.

- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section 2.3) with about 85% of the units directed to rentals. The Town will work with developers to promote a diversity of housing types targeted to different populations with housing needs including families, older adults and other individuals with special needs to offer a wider range of housing options for residents.

Table 4-1: Amherst Housing Production Program

Strategies by Year Name/Housing Type	Affordable Units < 80% AMI	Workforce Units or Ineligible for SHI	Total # Units*
Year 1 – 2013			
Development of public property/Olympia Oaks -- rental	42	0	42
Development of public property/Habitat for Humanity -- homeownership	1	0	1
Private development/inclusionary zoning—Presidential Apartments	6	0	54
Subtotal	*49*	*0*	*97*
Year 2 – 2014			
Development of public property/40B – rental	25	0	25
Development of public property/Habitat for Humanity – homeownership	2	0	2
Private development/inclusionary zoning	6	0	40
Subtotal	*33*	*0*	*67*
Year 3 – 2015			
Development of public property/40B -- rental	25	0	25
Private development/inclusionary zoning – homeownership	8	0	50
Development of public property/Habitat for Humanity – homeownership	2	0	2
Private development/group home – special needs rental	8	0	8
Private development/accessory apartments	0	4	4
Housing Rehab Program	5	0	5
Subtotal	*48*	*4*	*94*
Year 4 – 2016			
Private development/village center – rental	40	0	40
Development of public property/Habitat for Humanity – homeownership	3	0	3
Private development/accessory apartments	0	4	4
Housing Rehab Program	5	0	5
Subtotal	*48*	*4*	*52*
Year 5 – 2017			
Development of public property/40B -- rental	25	0	25
Development of public property/Habitat for Humanity – homeownership	2	0	2
Private site development/village center rezoning -- homeownership	5	0	30
Student housing development on private site near UMass campus/rental	0	100	100
Private development/accessory apartments	0	4	4
Housing Rehab Program	5	0	5
Private development/40B – rental (based on Main Street Affordable Homes model)	11	0	11
Subtotal	*48*	*104*	*177*
Total	**226**	**112**	**487**

* The totals include market rate units in addition to the affordable and workforce units.

AMHERST, MASS
FOUNDED 1759

Section 5

HOUSING STRATEGIES

5.1 Ongoing Strategies
5.2 Shorter-term Strategies
5.3 Longer-term Strategies

5. HOUSING STRATEGIES

Amherst is a small town and, unlike many cities, does not have substantial state or federal funding to support local housing initiatives on an ongoing basis. Nevertheless, Amherst has long had a local structure in place to coordinate housing activities. This structure, with recommended changes, will provide the necessary framework for implementing the strategies included in this Housing Production Plan. Existing organizations and resources for implementation include the following:

The Town's *of Community Development Department (CDD)* provides a variety of services to low- and moderate-income Amherst residents related to affordable housing and social services. The department administers federal funding through the *Community Development Block Grant* (CDBG) and coordinates emergency assistance using interest from the Alfred Field Charitable Trust Fund.[41] Working cooperatively with numerous committees and organizations, as well as providing staff support to the CDBG Advisory Committee and the Housing and Sheltering Committee, the CDD provides a variety of programs in the community related to housing including the following:

- *First-time Homebuyer* Program, administered by the Valley CDC, that provides grants of $4,500 to help eligible first-time home purchasers pay some of the upfront costs such as the down payment and/or closing costs on single and multi-family units or condominiums in Amherst.
- *Funding for the Emergency Shelter* as well as *emergency assistance* to those at risk of homelessness such as rental arrears or utility payments when threatened with eviction.
- *Support for affordable housing development* through funding for acquisition and/or development for such projects as Olympia Oaks and Main Street Affordable Housing.

During the past few years, Amherst has received approximately $1 million in CDBG funds annually. Unfortunately the Town recently lost its mini-entitlement status and for fiscal year 2013 applications (due in February), the Town will receive transitional assistance of approximately $450,000 with the option of applying competitively to the state to secure more.

The *Amherst Planning Department* creates and implements planning initiatives and regulatory mechanisms for the protection and preservation of the Town. In addition to regularly updating the Town's Zoning Bylaw, the Planning Department updated the Town's Master Plan, which was adopted by the Planning Board in 2010.

The Town's *Housing and Sheltering Committee,* the sponsor of this Housing Production Plan, was relatively recently established by the Select Board as the municipal entity responsible for assessing community needs and making recommendations to the Select Board on how to address these needs through new housing opportunities and ways to preserve the existing housing stock. The Committee is also charged with seeking regional solutions and support for permanent supportive housing. It should be noted that the Town had established one of the earliest local Housing Partnerships in the state back in 1987, and recently merged this committee with the prior Homelessness Committee to form the Housing and Sheltering Committee.

The *Amherst Housing Authority (AHA)* is the local public housing agency that manages a total of 238 subsidized housing units for low-income community residents (see Table 2-38 for a list of

[41] The Alfred Field Charitable Trust Fund is an interest bearing account yielding about $1,500 to $2,500 annually to support emergency assistance for low- and moderate-income residents.

these properties). AHA also administers 417 units of mobile rental vouchers that offer rental subsidies to qualifying households renting units in the private housing market, filling the gap between an established market rent – the Fair Market Rent (FMR) – and a portion of the household's income.

The Town of Amherst was one of the first communities in the state to approve the *Community Preservation Act*, which has provided important local funding for affordable housing.[42] In February 2001, Amherst residents adopted the Community Preservation Act with a surcharge of 1%, exempting the first $100,000 of a property's value as well as the participation of low-income property owners. To date, approximately $3 million has been raised from the Town's surcharge with the state's share of more than $1.7 million for a total of about $4.7 million available. About $1 million has been expended on affordable housing initiatives. The state's share has decreased over the last several years, largely the result of the depressed housing market as the fees from the Registry of Deeds are the main source of the state's match.

Other local and regional entities also bolster the Town's housing efforts, including the Valley CDC, HAPHousing, Inc., and Pioneer Valley Habitat for Humanity, Craig's Doors, and Amherst Community Connection. In addition to developing affordable housing, these organizations administer housing-related programs such as the First-time Homebuyer Program mentioned above, foreclosure counseling, homeless shelter services and counseling programs for first-time homebuyers.

Town residents are also important in providing the necessary political support to approve important housing initiatives, including the strategies that are included in this *Housing Production Plan* which will boost the Town's capacity to promote affordable housing as it provides the necessary blueprint for prioritizing and implementing affordable housing initiatives based on documented local needs, community input and existing resources. The Plan will also provide important guidance on how to invest local funding for housing and serve as a comprehensive resource on housing issues in Amherst that can be readily updated as necessary.

The strategies outlined below are derived primarily from the 2010 Master Plan, the Housing Needs Assessment in Section 2, local housing goals and objectives, meetings with local leaders and residents, and the experience of Amherst and other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the timeframe for implementation – those that are being implemented on an ongoing basis, those to be implemented within Years 1 and 2, where some immediate action is required, those within Years 3 to 5, and some for longer-term consideration. A summary of these actions is included in Table 1 of the Executive Summary.

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[42] In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% funded through new fees at the Registry of Deeds and Land Court. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case Town Meeting, how to spend the Community Preservation Fund.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:[43]

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*
    - Rezone village centers and ease restrictions on infill development (under strategy 5.2.4)
    - Pursue 40R/40S Smart Growth or Compact Neighborhoods smart growth zoning (strategy 5.3.1)
    - Allow two-family structures in all residential zoning districts (strategy 5.3.2)
    - Adopt a TDR bylaw (strategy 5.3.3)

- *Identification of specific sties for which the municipality will encourage the filing of comprehensive permit projects;*
    - Continue to make suitable public property available for affordable housing (strategy 5.2.5)
    - Continue to partner with developers on privately-owned properties including the use of the "friendly 40B" process (strategy 5.1.6)

- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
    - Continue to partner with developers on privately-owned properties (strategy 5.1.6) that mentions a number of housing types to meet diverse housing needs in the community including:
        - Multi-family housing
        - Mixed-use development
        - Cohousing
        - Live/work units
        - Adaptive reuse
        - Cottage or bungalow style clustered development
        - Congregate housing
        - Group homes
        - Service-enriched housing for seniors
        - Housing First/Rapid Rehousing units with supportive services for the chronically homeless
    - Rezone village centers (strategy 5.2.4)
    - Modify the supplemental apartment bylaw (strategy 5.2.3)
    - As indicated in strategy 5.2.5, the Town should explore the acquisition of property and work with developers to create affordable housing in line with smart growth principles including:
        - The redevelopment of existing structures,
        - Infill site development,
        - Development of clustered housing in underutilized locations with some existing or planned infrastructure,

[43] Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

        - Parcels large enough to accommodate clustered housing, and
        - Mixed-use properties in the Town Center, village areas or along commercial corridors.
    - Pursue 40R/40S or Compact Neighborhoods smart growth zoning (strategy 5.3.1)
    - Allow two-family structures in all residential zoning districts (strategy 5.3.2)

- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
    - Continue to make suitable public property available for affordable housing (strategy 5.2.5)

- *Participation in regional collaborations addressing housing development*
    - Promote existing regional housing programs and services directed to assisting residents (strategy 5.1.1)
    - Work cooperatively to increase student housing including potential regional solutions (strategy 5.1.4)
    - Fund Housing Rehab efforts including the potential collaboration with nearby communities (strategy 5.2.7)

This Housing Production Plan embraces the Master Plan's primary goal and specific objectives, which in addition to identified priority housing needs (see Section 2.3), become the context for recommending specific strategies for the Town to pursue in its efforts to produce affordable housing. There are instances where housing initiatives might be promoted to meet local needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments and two-family structures, mixed-income housing that includes "community housing" or "workforce housing" units, student housing, etc.)[44]. More commonly, housing affordability is being referred to as either little "a" affordability, meaning that the units do not meet all state requirements for inclusion in the Subsidized Housing Inventory (SHI) but still meet local housing needs, versus big "A" affordability for those units that can be counted as part of the SHI.

These housing strategies are also based on an incremental approach for addressing the Town's major housing challenges including existing zoning that limits the development of most types of housing beyond single-family homes in most areas. Local zoning, in tandem with increasing demand and some fall-off of market conditions, has resulted in a shortage of housing. During the 1970's and 1980's when UMass was rapidly expanding, major multi-family development occurred in response to a growing number of students looking for off-campus housing. From 1960 through 1980, the Town added 3,416 units, more than doubling the size of its housing stock. Following this surge in housing supply, Town leaders decided that it was in the best interest of the community to strictly minimize further multi-family development and made major changes to the Zoning Bylaw. Outside of on-campus housing development, the only viable way to now provide multi-family housing for students is to convert existing single-family homes to multiple units. Consequently, housing supply has not been able to keep up with growing demand for housing, particularly from increasing UMass enrollments.

[44] Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.

There is general recognition that higher education is the major driver of the Town's economy and provides other social and cultural benefits to the community that make Amherst a special place to live and work. It is also acknowledged that students lend an important vitality to the town and have been living quietly in most multi-family developments in town along with long-term, year-round residents. Nevertheless, the growing imbalance between housing supply and demand has become more visible during the last few years. Residents have expressed growing concern about out of town real estate interests buying single-family homes in existing neighborhoods and converting them to student housing simultaneous to increases in disruptive behavior on the part of unruly students. While the Planning Board had tried to tackle some of the housing supply issues in a "smart" sustainable way through proposals to rezone village centers, it became clear that residents were increasingly reluctant to approve new housing opportunities if the end result was just more housing for students in the absence of effective safeguards against ensuing troublesome behavior.

Consequently, the Planning Board and Safe and Healthy Neighborhoods Program have recently focused on zoning changes to better regulate rental properties to insure that there are improved controls in place to protect residents against increasing student disturbances in neighborhoods. Some of these are detailed in Section 3 under zoning. Following the effective implementation of these rental regulations, the Planning Board expects to turn its attention once again to zoning that will increase housing supply, focusing on infill, redevelopment, and village center development opportunities.

Within the context of this history, local needs, existing resources, affordability requirements and housing goals, the following housing strategies are proposed, also listed in Table 1 and Table 5-2. ***It is important to note that these strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels.*** Many of these actions were recommended in the Town's Master Plan. Moreover, these actions present opportunities to judiciously invest funding to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, modify or create new local zoning provisions and development policies, help preserve the existing affordable housing stock, and build local capacity.

It should be further noted that Section 6 of this Housing Plan incorporates visual representations of specific housing strategies, providing conceptual demonstrations of the physical impacts of proposed actions.

5.1 Ongoing Strategies

The following strategies are part of the Town's ongoing affordable housing agenda and are highlighted here to note their importance in this Housing Production Plan.

5.1.1 Conduct Ongoing Community Education

Responsible Parties: Sponsors of affordable housing-related initiatives

Current Status: Because most of the housing strategies in this Housing Plan rely on local approvals, including those of Town Meeting, community support for new initiatives has and will continue to be essential. Strategic efforts to better inform residents and local leaders on the issue of affordable housing and specific new initiatives can build support by generating a greater understanding of the benefits of affordable housing, reducing misinformation and dispelling negative stereotypes. These

outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

The Community Development Department held several meetings to insure substantial civic engagement of local leaders and community residents in regard to this Housing Plan. A public meeting to present the Housing Needs Assessment and obtain input on how best the Town should move forward in regard to promoting affordable housing was held on October 24, 2012. An additional meeting to present the draft Housing Plan to local leaders and the community was held on March 5, 2013. As the Town moves forward in implementing this Housing Production Plan, other opportunities to engage local leaders and residents alike will be pivotal.

Next Steps: The Town of Amherst will continue to focus on ways to effectively communicate with the community on housing initiatives. As noted above, the presentation of this Housing Production Plan offers an excellent opportunity to bring attention to the issue of affordable housing, providing information on housing needs and proposed strategies that can help attract community support for affordable housing projects, programs and services. Other education opportunities include:

- *Forums on specific new initiatives*
  As the Town proposes new housing-related initiatives, including new zoning, the sponsoring entity will hold community meetings to insure a broad and transparent presentation of these recommendations to other local leaders and residents, providing important information on what is being proposed and opportunities for feedback before local approvals are formally requested.

- *Annual housing summits*
  Most communities lack an effective mechanism for promoting regular communication among relevant municipal boards and committees on issues related to affordable housing. Having at least an annual forum to share information on current housing issues will help foster greater collaboration among these entities. Historically, the Town's housing committee and the Amherst Housing Authority have co-sponsored a number of community housing forums and related events. Additionally, inviting residents and other local and regional stakeholders, such as non-profit housing organizations and developers, can help foster partnerships, local interest, improved communication and ultimately community support.

- *Public information on existing programs and services*
  Despite a sluggish housing market, high housing costs are still creating problems for lower income residents. For example, renters continue to confront difficulties finding safe and decent rental units and some are at risk of homelessness. Owners, including older residents living on fixed incomes, are finding it difficult to afford the costs associated with taxes, energy costs, insurance and home improvements, and some are faced with foreclosure. Additionally, some older adults and those with special needs require handicapped adaptations, home repairs and special services to help them live independently in their homes.

  The Town has brochures available for some locally-supported programs, such as the First-time Homebuyer Program and information on local affordable housing policies, organizations and initiatives. It would also be beneficial for the Town, through its Community Development Department, to get the word out about other local and regional programs and services that might assist existing renters and current or prospective homeowners, including referrals to technical and financial resources related to making needed property improvements, reducing

the risk of foreclosure, accessing first-time homebuyer information, etc. (summary information on these programs and services is included in Appendix 2). This can be accomplished by enhancing the Town's website, but also through a brochure that can be widely distributed throughout the community, made available in several languages.

- *Enhanced use of Public Access Television*
  The Town has used local public access television to provide coverage of local events and key Town meetings. The Community Development Department has in fact used such media coverage for its public meetings. Some communities are moving beyond this occasional coverage and using the local cable channels to showcase the issue of affordable housing on a more regular basis. For example, the Town of Harwich, through its Affordable Housing Partnership, has sponsored monthly programs that highlight affordable housing, not only focusing on local initiatives but also providing information on a wide range of housing policy issues. This might be an excellent opportunity to showcase important housing-related issues that will require local approvals such as zoning changes, the conveyance of public property for affordable housing, funding proposals, etc.

- *Educational opportunities for board and committee members*
  Local boards such as the Community Preservation Committee, Zoning Board of Appeals, Planning Board, Housing and Sheltering Committee, potentially the proposed Housing Trust (see strategy 5.2.1), and other interested local leaders will be encouraged to receive ongoing training on affordable housing issues. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation. Moreover, requirements keep changing and local leaders must remain up-to-date. Funding for the professional development of staff will also help keep key professionals informed on important new developments, best practices and regulations.

  The University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC) offers classes periodically throughout the year and will even provide customized training sessions to individual communities. The Massachusetts Housing Partnership (MHP) conducts its Massachusetts Housing Institute at least annually, which is "an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices". Other organizations and agencies, such as DHCD, MHP, Citizens Housing and Planning Association (CHAPA), and the Community Preservation Coalition, also provide conferences and training sessions on a wide variety of housing issues that would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural "how to" booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

- *Pursue Alliances with Local and Regional Organizations*
  There are a number of local and regional organizations whose missions overlap those of this Housing Plan. Partnerships with these groups can provide "mutual advocacy" for important local approvals. Such organizations naturally include all housing developers and service providers, but also organizations focusing on community sustainability issues such as Amherst in Transition.

Required Resources: Donated time of local leaders and staff to attend important community education and outreach activities. Some additional funding would be necessary for the proposed brochure and enhancement of the Town's website as well as some of the training sessions/conferences.

5.1.2 Continue to Pursue Town-Gown Partnerships

Responsible Parties: Select Board, Planning Board and Housing and Sheltering Committee

Current Status: The Town has maintained an active partnership with the University of Massachusetts over the years, recognizing mutual interests as well as the distinct needs of each. In addition to discussions about the University's plans for future expansion, Town and University representatives have been working together to tackle some of the issues that have arisen in the community due to the large presence of students. For example, the University has been part of the Safe and Healthy Neighborhoods Initiative that includes key representatives from the Town (Chair of the Select Board, Fire and Police Chiefs, Health Director, Conservation and Development Director, Planning Board representative and Planning Director, and Building Commissioner), local citizens, and real estate industry. The Safe and Healthy Neighborhoods Initiative has identified several critical health and safety goals regarding housing and residential neighborhoods including:

- Preserving and enhancing existing residential neighborhoods as they evolve over time in response to changing housing needs;
- Creating, preserving, and expanding a housing stock that is safe and healthy and meets the community's diverse needs;
- Preserving and increasing the supply of affordable housing; and
- Pursuing timely and effective enforcement in response to housing complaints.

Another important component of town-gown relationships is the Campus and Community Coalition to Reduce High-Risk Drinking (CCC) that was established in 2005 in an effort to work together to curb excessive drinking, better manage off-campus gatherings, reduce other problem behaviors, and offer fun campus programs for students. This Coalition received a national grant that involves an evidenced-based and data driven collaboration of community stakeholders to identify and resolve problems related to student drinking.

The University also hosts a Community Services Day for its students among other community events, has created Off Campus Student Life Coordinator positions to assist in creating a positive off-campus community, and prepares a Community Relations Newsletter that provides updates on key town-gown initiatives.

Amherst and Hampshire College students live predominantly on campus and tend to have less impact on existing neighborhoods. However, there have been notable situations where these students have made positive contributions to the Amherst community. For example, Amherst students worked with Habitat for Humanity on one of their homes, and faculty members serve on local boards and committees.

Next Steps: The Town will continue to work in collaboration with University representatives on existing coalitions and initiatives and to resolve ongoing problems associated with so many

students living off-campus in the community. The Planning Board has been focusing on zoning changes to better regulate rental housing and this work will continue with the Safe and Healthy Neighborhood Initiative taking a lead role. Clearly the enforcement of these regulations will be an important component for stemming the disruptive behavior of students in existing neighborhoods.

Another potential opportunity to reinforce communication and coordination regarding housing issues would be to have a representative of UMass serve on the Housing and Sheltering Committee. This Plan also recommends that the Town Manager or the Housing and Sheltering Committee be the ongoing line of communication between the Town and UMass regarding housing issues.

Resources Required: Continue staff time from Town representatives on town-gown initiatives as well as the donated time of representatives of key Town boards and committees.

5.1.3 Insure Effective Code Enforcement of Rental Regulations

Responsible Parties: Select Board and Inspection Services Department

Current Status: One of the Town's objectives in its Master Plan involves building and sustaining the Town's capacity for regulatory oversight for Amherst's housing stock and pursuing ways to enhance security. The Planning Board and Safe and Healthy Neighborhoods Initiative have been establishing new regulations to better control rental properties, which will make this oversight more essential yet more challenging.

Next Steps: The Select Board should insure that new rental property regulations are effectively implemented and enforced by insuring that the Inspection Services Department is adequately funded to perform all of its required tasks including the additional work connected with enhanced rental property regulation and enforcement.

Resources Required: Adequate funding to cover existing and new permitting and other regulations connected to rental properties. Staff time from the Inspection Services Department.

5.1.4 Work Cooperatively to Increase Student Housing

Responsible Parties: Select Board, Housing and Sheltering Committee and Planning Board

Current Status: During the 1970's and 1980's when UMass was rapidly expanding, major multi-family development occurred in response to a growing number of students looking for off-campus housing. From 1960 through 1980, the Town added 3,416 units, more than doubling the size of its housing stock. After that new zoning has largely prohibited the development of multi-family housing and new student housing has largely been created through the conversion of single-family dwellings to multiple student units in existing neighborhoods.

The University has recently prepared a Campus Master Plan that is meant to create the foundation for development of the University's Amherst campus over the next half century. During the creation of this Plan, the administration held more than 90 events with key stakeholders that included significant Town representation.

The Master Plan identified general areas on campus for future development and growth to support the future goals of the campus community. These areas include projects along Massachusetts Avenue, the long-term development of the Northwest Greenway, and core campus sites that allow whole building replacement. The Plans include the expansion of housing opportunities. Current building includes the development of a net 1,000 new beds for undergraduates. Nevertheless, the Master Plan acknowledges that these new beds will not solve the persistent problem of the University's aging housing stock and the need for approximately 800 additional beds to initiate full building renovation and meet increasing demand, generally visualized to occur on the south edge of Massachusetts Avenue and the replacement of Lincoln Apartments. The Plan also identifies a growing need for graduate student housing as only 17% of its graduate students have on-campus housing, further recognizing that there is a shortage of housing available within close distance to the campus. Additional residential development of an estimated 1,720 beds is part of a future vision for East Pleasant Street, north of Orchard Hill and along the west edge of the street, but components of the Master Plan are subject to change. Moreover, the University is financially tied to a state bonding cap that limits what development it is able to finance. Despite these financial constraints, the University owns a substantial amount of property that has the potential for meeting the expanding housing needs of its student body.

Pursuant to the goals of the Safe and Healthy Neighborhood Initiative (see strategy 5.1.2), this Housing Plan provides recommendations for meeting the community's diverse housing needs, affordable housing in particular. Expanding the supply of housing in Amherst is essential in the context of increasing demand, particularly given growing student enrollments and the high costs of existing housing. Unless the University and Town come up with solutions to this imbalance between housing supply and demand, market pressures in existing neighborhoods will only worsen.

As students can typically outbid lower income families and individuals for what housing becomes available, new housing will largely continue to be directed to students instead of those longer-term, year-round residents with unmet housing needs under current market conditions without appropriate interventions. These interventions include the imposition of deed restrictions on units that are created as affordable and eligible for counting as part of the Town's Subsidized Housing Inventory (SHI) that eliminates student occupancy, the creation of smaller units with fewer bedrooms that are less conducive to the student market, the introduction of limited-equity cooperatives,[45] and new student housing to relieve some of the pent-up demand.

While the Planning Board has been focused on better regulating rental units to curb negative student behavior, it will need to turn to ways of effectively increasing housing supply. While this Housing Plan focuses on the development of affordable housing, the third intervention mentioned above must also be addressed.

Next Steps: Clearly more student housing is required, which might be accomplished to some degree through the following approaches:

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[45] Affordable, resident-controlled homeownership in which individual share purchase prices are set low so residents do not need mortgage financing to buy into the property.

- Private development on UMass property, where private developers obtain the rights to develop and then lease new housing to the University (this likely requires state legislative approval to allow private development on campus);
- Remaining pockets of developable property near the UMass campus that with zoning relief each might accommodate 100 to 150 units of student housing;
- Parking lots in proximity to UMass;
- The redevelopment of older and less well maintained apartment complexes that already include a considerable number of students through a demolition and rebuild strategy to increase the number of units and eliminate code violations;
- The development of student housing on larger parcels that are relatively segregated from existing neighborhoods through a special overlay district with design standards; and
- Village center development that could accommodate mixed-income housing that includes affordable housing as well as some units for students.

The Town will continue to work cooperatively with the University to support their expansion of student housing on their campus, to find creative avenues of integrating private residential development on UMass property, and to identify other development opportunities in town that would be particularly conducive to student housing or mixed student/resident housing. It is also important to note that not all students live in Amherst and regional solutions to the student housing issue will be required, potentially in partnership with neighboring towns.

While Hampshire College does not have significant amounts of students living off campus, it does own quite a bit of land. Some of this property might potentially be developed for the mutual benefit of the college and community into staff and faculty housing, for example, to take some of the market pressure off of existing units. Coordinated efforts to rebuild the Atkins Corner village area should be explored (see strategy 5.2.4). Housing efforts such as that conducted in partnership with Amherst College and Habitat for Humanity are also worth replication.

Required Resources: Staff time from the Planning Department and Community Development Department as well as donated time of members of the Select Board, Planning Board and Housing and Sheltering Committee as well as other Town representatives to work with UMass and private developers on expanding student housing opportunities.

Projected Number of Affordable Units: While student housing would not be eligible for inclusion in the SHI, it would alleviate some intense market pressures within the community, particularly in existing neighborhoods close to the UMass campus.

5.1.5 Continue Support for Current CDBG-Funded Housing Assistance Programs

Responsible Parties: Select Board, Housing and Sheltering Committee and Community Preservation Committee

Current Status: The Town's Community Development Department (CDD) oversees a variety of services to low- and moderate-income Amherst residents related to affordable housing and social services, funded largely through the Community Development Block Grant (CDBG) including:

- *Funding for the Emergency Shelter* as well as *emergency assistance* to non-profit organizations that provide shelters and assistance to homeless residents, abused women and children, as well as residents with physical or mental disabilities including those with HIV/AIDS. The main emphasis of such assistance is homelessness prevention and programs that provide financial assistance with case management, advocacy, and court support to low- and moderate-income individuals and families who are at risk of becoming homeless. Emergency assistance also includes rental arrears or utility payments when households are threatened with eviction.

- *Support for affordable housing development* through funding for acquisition and/or development for such projects as Olympia Oaks and Main Street Affordable Housing.

- *First-time Homebuyer* Program, administered by the Valley CDC, provides grants of $4,500 to help eligible first-time home purchasers pay some of the upfront costs such as the down payment and/or closing costs on single and multi-family units or condominiums in Amherst. This program would dovetail nicely with the Mortgage Assistance Program proposed in strategy 5.3.5.

- *Support for the Amherst Housing Authority (AHA)* that has provided critical resources for necessary capital improvements.

In the recent past, Amherst has received approximately $1 million in CDBG funds annually. Unfortunately the Town recently lost its mini-entitlement status and for fiscal year 2013 applications (due in February), the Town will receive transitional assistance of approximately $450,000 with the option of applying competitively to secure more.

Next Steps: The Housing and Sheltering Committee should work closely with the Select Board and Community Preservation Committee to find funding for these programs with staff support from the Community Development Department. Because these CDBG-funded programs have provided important support for low- and moderate-income Amherst residents, they should be continued. Potential replacement funds include CDBG funds from the state's competitive pool, Community Preservation funding, HOME Program funding from the state's competitive pool, proposed Housing Trust Funds (see strategy 5.2.1), and the Alfred Field Charitable Trust Fund that already funds some of the emergency assistance.

Required Resources: Approximately $1 million in funding per year will be required to maintain these programs.

Projected # Affordable Units Produced: The funding will be primarily directed to providing services and but may also directly produce affordable units.

5.1.6 Continue to Partner with Developers on Privately-owned Properties

Responsible Parties: Housing and Sheltering Committee and Planning Board

Current Status: To implement the actions included in this Housing Plan, it will be essential for the Town to continue to reach out to the development community and sources of public and private financing to

secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to focus on joint ventures with developers – for profit and non-profit – to create affordable units, which the Town has been actively pursuing over the past few years. Because government subsidies for affordable housing continue to be extremely limited and competitive, it will be essential for the Town to strongly advocate for important development opportunities and to use tools such as new zoning, the "friendly" 40B process, and 40R or Compact Neighborhoods Programs that rely on mandates for including affordable housing as well as internal subsidies to boost affordable housing production.

The Town will also encourage developers to incorporate a number of important principles into their developments including:

- Universal design and "visitability" standards, particularly given the high number of seniors and those with special needs in the community;
- Sustainable development principles that include a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations;
- High energy efficiency requirements that result in reduced operating costs; and
- Communication and cooperation with neighboring property owners during the development process.

The Town already has a solid track record partnering with developers on affordable housing development including HAPHousing, the Valley CDC, and the Pioneer Valley Habitat for Humanity. Numbers of other developers and property owners have approached local staff and officials regarding their interest in developing affordable housing in Amherst. With new incentives created in the Zoning Bylaw to promote affordable housing, the availability of the "friendly" 40B option, and small by-right development projects, the Town is in a good position to continue this partnership with developers, supporting new development that incorporates affordable units.

Next Steps: The Town, with staff support from the Community Development and Planning Departments, should continue to forge partnerships with developers and service providers to produce diverse housing types to meet the identified range of housing needs in Amherst as summarized in Section 2.3 of this Housing Plan. As mentioned earlier in this Plan, the Town is particularly interested in focusing on housing development opportunities that 1) increase the allowable size and scale of development in appropriate locations, and 2) address smaller-scale infill and conversion alternatives. The Town will focus on the following approaches to creating new affordable units on privately-owned parcels in line with "smart growth" principles and diverse housing needs:

- *Zoning Changes:* The zoning strategies that are proposed in this Housing Production Plan should help provide the necessary framework and incentives to attract new development that will include affordable housing. A particular opportunity is the redevelopment of village centers that will incorporate mixed-income housing and mixed residential and commercial uses. These zoning changes suggest greater zoning incentives for the inclusion of affordable or workforce housing in new development, including the promotion of small year-round rentals through accessory apartments and two-family homes.

- *Chapter 40B:* Comprehensive permits, particularly the "friendly" 40B process through the state's Local Initiative Program (LIP), have proven to be a useful tool in many communities for projects that require significant waivers of local zoning but meet local needs and priorities. Even though Amherst has surpassed the 10% state affordability threshold, it decided to use this 40B process on its Olympia Oaks and Butternut Farm projects. Because subsidy funds for affordable housing are so limited, development options that take advantage of market units to cross subsidize affordable ones are pragmatic approaches to financing housing in the short-term, particularly in Amherst where market prices still tend to be quite high. Also, because the development of multi-family housing in Amherst is so limited by zoning, the waivers of existing provisions greatly streamline the regulatory process.

  Locations where the "friendly" 40B process make the most sense include areas along Amherst's village centers, commercial corridors that are closest to transportation and services, possible nonresidential properties that might be converted to residential use, and cluster developments.

- *Infill Development:* The Town will continue to work with developers to identify opportunities for affordable housing development in the Town Center, villages and existing neighborhoods, some of which could likely be developed by-right, others relying on rezoning or Chapter 40B. Moreover, the Town has 81 units of special needs housing in group homes that has been developed by-right in existing neighborhoods.

While traditional models of rental and ownership housing tend to be the norm in most communities, largely in response to zoning and financing constraints, beyond the importance of producing multi-family housing, there are innovative housing types that have been proven effective in Amherst as well as other communities that address particular housing needs, including affordability, that should be promoted in future development. These include the following:

- *Live-work space:* Live-work space, sometimes referred to as zero commute housing, are spaces where artists combine their residence with their work area, typically in an open floor plan offering large, flexible work areas. There is wide recognition that artists help make municipalities more livable, contributing to the cultural and commercial vitality of the community, but the availability of affordable studio and living space continues to be an issue for local artists. The promotion of first-floor gallery or retail space with live/work space for artists in the upper floors is a good model for adapting to Amherst's Town Center. There may even be opportunities for targeted funding to encourage such development as well as collaborations with cultural organizations. For example, the City of Lynn has revised its zoning and has promoted artist live/work space in its downtown.

- *Cohousing:* The cohousing concept originated in Denmark with a focus on knowing one's neighbors and providing a safe and nurturing environment for children and harks back to the "intentional communities" concept that was introduced in the United States back into the mid-19th Century. These developments are cooperative neighborhoods, typically with homes clustered around a common building with facilities that are shared by all residents (dining room, kitchen, play rooms, library). Amherst has a co-housing development at Cherry Hill, which has received wide recognition for its design and is a useful model for future development.

- *Adaptive reuse*: Adaptive reuse involves the conversion of nonresidential properties – such as institutional, commercial and even industrial properties – into housing. An example of adaptive

reuse is the Jean Elder House that involved the conversion of a fraternity house by the Amherst Housing Authority. Because Amherst is relatively built-out, opportunities to convert existing nonresidential properties to mixed-income housing should be pursued.

- *Mixed-use, "above the shop" type housing*: The Zoning Bylaw does allow housing above commercial or retail space by Special Permit in the R-VC Districts and by-right with site plan review in all business districts. Such development provides a number of benefits for the community such as creating housing opportunities in close proximity to services and transportation, thus reducing the reliance on the automobile; directing housing to areas that can accommodate greater density; promoting the vitality of business areas after store hours; and providing smaller units for individuals and smaller households. Clearly artist live/work space would fit in well with this type of development as mentioned above. This type of housing should be promoted in the Town Center and all villages.

- *Group homes*: Groups homes provide small settings for special needs groups in existing homes in residential neighborhoods. Each bedroom in a group home is eligible for counting in the Subsidized Housing Inventory. Amherst has 81 such units, sponsored by the state's Department of Developmental Services (DDS).

- *Congregate settings*: Congregate housing can take many forms and other names for such housing have included supported housing, life-care homes, congregate retirement housing, congregate senior communities, residential care, sheltered housing, enriched housing, single room occupancy (SRO) housing, enhanced single room occupancy (ESRO), safe havens,[46] and even assisted living. Cohousing and group homes, described above, also share elements of congregate living.

  Congregate housing, including Single Room Occupancy (SRO's) units in rooming houses, has served as a valuable source of affordable housing for low-income individuals. This type of housing, with supportive services, is particularly responsive to the Housing First[47] approach to meeting the needs of chronically homeless individuals. There are a couple of rooming houses in Amherst, for example, that serve important local needs that should be preserved.

- *Co-operative Housing (co-ops):* Co-operative housing is a form of shared ownership where all residents own shares in the property which entitles them to a long-term lease and a vote in the governance of the property. Limited equity co-ops are a form of affordable, resident-controlled homeownership in which individual share purchase prices are set low so residents do not need mortgage financing to buy in. Also, like rental properties, co-ops may be syndicated to raise money for construction.

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[46] Safe Haven Programs are directed to providing service-enriched housing for the chronically homeless mentally ill.

[47] During recent years there has been a shift to preventing homelessness by quickly providing housing with wrap-around services as needed through a rapid response Housing First model. This approach has proven effective in other places around the country. "Housing First" is an alternative to the current emergency and transitional shelter system of providing temporary housing for the homeless and is premised on the belief that vulnerable and at-risk homeless families and individuals are more responsive to interventions and social service support *after they are in their own housing*, rather than while living in temporary facilities.

- *Cottage-style or bungalow type housing clusters:* This type of housing has been popular in the West Coast of the country where there is an intense focus on smart growth development principles. The model involves the development of small cottages or bungalows that are clustered around a community green space. This housing type targets empty nesters, single professionals, and young couples. Such development provides opportunities for the ownership of small, detached dwellings within or on the fringe of existing neighborhoods (sometimes referred to as pocket neighborhoods), often enhancing affordability while simultaneously encouraging the creation of more useable open space for the residents through flexibility in density. This model also provides an infill housing option in areas with reasonable proximity to transportation and businesses. It is worth noting that some of these projects have shared parking lots or on-street parking, reducing the costs of each unit having its own driveway and parking garage, which for small projects can end up being a real cost and land consumer.

- *Service-enriched housing for seniors:* As discussed in the Housing Needs Assessment, there has been a substantial upsurge in the population 65 years or older. Clearly there is a compelling need for the development of additional affordable housing for the elderly, including service enriched housing through assisted living developments or units with some array of supportive services to help seniors, particularly the very low-income frail elderly, live independently in place. There is also a need for more single-story units to support the living conditions of those who have accessibility limitations including the use of stairs.

- *Housing First/Rapid Rehousing for the Chronically Homeless:* Homelessness prevention is the most cost-effective response to those who are at-risk of homelessness. However, when losing ones home cannot be avoided, the next best response is a "rapid rehouse" approach of moving households into housing. The Housing First model of moving homeless individuals and families into permanent affordable housing with supportive services is an extremely effective approach for stabilizing those confronted with chronic homelessness. It is in fact far less costly than the alternative of providing emergency services if homelessness continues. The Town needs to continue to work with developers and service providers to produce deeply subsidized permanent housing units for both homeless individuals and families that include wrap-around supportive services (e.g., case management, health and mental health care, drug and alcohol counseling, job counseling and placement, life skills classes, financial literacy training, parent classes, children's program and support groups, etc.).

Many of these models can be developed on an infill basis as mixed-income housing, serving a range of needs. The approaches, with only a couple of exceptions, can also be adapted as rental or ownership, depending upon the goals of the project sponsor and available financing. Some rezoning or the use of the comprehensive permit would likely be required to adapt some of these approaches to Amherst.

The Housing and Sheltering Committee and Planning Board will reach out to local developers who have been active in producing affordable housing in Amherst and nearby communities to discuss the Town's interest in promoting these types of development, possible areas and opportunities for new development, and local guidelines and priorities. This outreach was incorporated into the planning process for this Housing Plan, as developers were invited and encouraged to attend special meetings to learn about the draft Plan and to provide input. Additional meetings or workshops with developers and rental property owners should be pursued over the next few years, and the Town might consider annual meetings with developers, non-profit and for profit, to promote the continued exchange of information on potential development opportunities and ultimately the production of affordable housing.

Required Resources: The promotion of affordable housing through more innovative and "smart" development to meet priority housing needs will involve the following types of Town support:

- *Rezoning:* The zoning changes described in this Plan should help encourage the development of these housing models, incorporating affordability. Zoning amendments to better promote infill housing and village center development should help diversify the housing stock in locations that are most appropriate.

- *Predevelopment funding:* CPA, and CDBG funding as well as potential funding from the proposed Housing Trust could provide resources to support preliminary feasibility analyses for new developments. Such funds could be offered as a grant if it is ultimately found that the project is infeasible and as a loan to be repaid if the project is developed. State assistance under the Priority Development Fund might also be accessed in support of predevelopment funding.

- *Community outreach and advocacy:* Efforts will need to be made to provide information to the community, abutters in particular, on new developments to help bolster local support as discussed in strategy 5.1.1. Also, it will be important for local leaders, including members of the Select Board, Planning Board and Housing and Sheltering Committee to get behind affordable housing developments, to help fine-tune development proposals to best meet local needs and address community concerns, to advocate for their support, and to ultimately insure sufficient funding and necessary regulatory approvals.

- *Gap financing:* Local funding – including CPA and CDBG funding (although the continuation of this important resource is in question), and potentially Housing Trust Funds – would also be needed as "gap fillers" to help reduce the gap between the total costs of development and the affordable rent or purchase price of the units. This local commitment is often critical to leveraging other public and private funding.

- *Supportive services:* To meet the needs of special populations – including seniors, the disabled, and chronically homeless – housing is not enough. Supportive services are also required to allow occupants to remain safe, independent and thrive as contributing members of the community. Town funding to continue to support such services is essential.

To effectively guide development, the Housing and Sheltering Committee will meet with developers of proposed projects that involve affordable housing from their early conceptual stages, providing important feedback to developers on preliminary plans. The expedited permitting and waiver of permitting fees are also proposed as incentives for promoting affordable housing development (see strategies 5.2.2 and 5.3.4).

Staff time from the Community Development and Planning Departments will also be required to meet with developers and provide guidance on project planning and permitting.

Projected # Affordable Units Produced: 84 units (based on estimates in Table 4-1)

5.2 Short-term Strategies

The following strategies represent the key components of this Housing Production Plan, to be implemented during its five-year term. As noted, some of the strategies are expected to be implemented within the next two (2) years, involving some immediate attention, while the others are designated for implementation between Years 3 and 5.

5.2.1 Establish and Capitalize a Municipal Affordable Housing Trust Fund (MAHTF)

Timeframe: Years 1-2
Responsible Parties: Select Board

Current Status: On June 7, 2005, the Municipal Affordable Housing Trust Fund Act was enacted, which simplified the process of establishing housing funds that are dedicated to subsidizing affordable housing. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed and confirmed by the Select Board. Per statute, the Chief Elected Official must be one of the members of the Trust. While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, most trusts opt to dispose of property through a sale or long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction one.

The Town of Amherst has not established a dedicated housing fund. While Amherst does have an inclusionary zoning bylaw it does not have a provision that allows developers to pay cash in-lieu of constructing actual units although this is proposed as part of this Housing Plan (see strategy 5.2.2). Nevertheless, actual affordable units are strongly preferred as opposed to fees in-lieu of units.

Some communities have decided to commit CPA funding on an annual basis to Housing Trust Funds without targeting the funding to any specific initiative. For example, the Towns of Grafton and Sudbury have been directing 10% of their annual CPA allocation to their Trust Funds. The Trusts are encouraged to apply for additional CPA funds for specific projects. Scituate's Town Meeting funded its Housing Trust with $700,000 of Community Preservation funding from its community housing reserves. The Town of Harwich has committed lease payments from its cell tower as well as sale proceeds of a Town-owned property (fetching more than a million dollars) to its Housing Trust Fund.

Next Steps: The Amherst Select Board should establish a Municipal Affordable Housing Trust Fund through a Town warrant article and appoint members to the Board of Trustees. This entity would be staffed by the Community Development Department. Detailed information on forming a Municipal Affordable Housing Trust Fund is included in a guidebook prepared by the Massachusetts Housing Partnership.[48]

[48] Massachusetts Housing Partnership, "Municipal Affordable Housing Trust Guidebook: How to Envision, Shape, Get Support and Succeed with Our Community's Local Housing Trust", November 2009.

While some communities have separate Housing Trust Funds as well as an existing Housing Committee or Housing Partnership, others have decided to have the Housing Trust function not only as fiscal agent of the Housing Trust Fund but also as the municipality's permanent committee for overseeing housing issues and the implementation of the Housing Production Plan, defining housing policy issues that are in the public interest, serving as the Town's development review committee for affordable housing projects, and working with the Planning Board to establish new zoning to promote affordable housing.

The Select Board, in tandem with the Housing and Sheltering Committee and with staff support from the Community Development Department, will determine whether to keep the Housing and Sheltering Committee or fold it into the Affordable Housing Trust, potentially appointing most of the existing members to the new Trust. Incorporating the Housing and Sheltering Committee into the Housing Trust will not narrow the Committee's mandate but provide the Committee with broader powers including the ability to receive donations, purchase and hold property, convey property and administer a dedicated housing fund. While not required under statute, it is recommended that the new Board of Trustees execute a Declaration of Trust that will be recorded at the Registry of Deeds to provide a record of the establishment of the Trust, including its powers and authority.

Once established, the Amherst Affordable Housing Trust will discuss the prospects of securing CPA funding on an annual basis with the Community Preservation Committee in an amount at least equivalent to the minimal annual allocation for affordable housing or 10%. This funding would also require Town Meeting approval.

Inclusionary zoning may also provide cash resources for a wider range of possible developments that can help capitalize the Affordable Housing Trust Fund (see strategy 5.2.2). Developers may also contribute to the Housing Fund through negotiations on comprehensive permit projects or other local developments. Developers also make additional contributions to these funds if the purchase prices for the market units produced through comprehensive permits are higher than the prices that were projected in their applications and profits are more than the 20% allowed under Chapter 40B.

Resources Required: The process of creating the Affordable Housing Trust Fund is relatively straightforward and can be coordinated by the Community Development Department in concert with the Town Manager and Select Board. Once established, it will be incumbent upon the Town to support efforts to capitalize the Fund including a designated amount of CPA funding per year. Other resources include staff time from the Community Development Department, the Town Manager and the donated time of volunteers to serve as members of the Housing Trust.

5.2.2 Modify the Inclusionary Zoning Ordinance

Timeframe: Years 1-2
Responsible Party: Planning Board with support from the Housing and Sheltering Committee

Current Status: Inclusionary zoning is not the silver bullet for all affordable housing problems, but it is a viable tool for promoting affordable housing as part of future development efforts, adopted by about one-third of all communities in Massachusetts. The Town of Amherst has adopted inclusionary zoning to achieve a number of purposes including:

- Ensuring that new residential development generates affordable housing;
- Ensuring that affordable housing created remains affordable over the long term;
- Maintaining a full mix of housing types and unrestricted geographic distribution of affordable housing opportunities throughout Amherst; and
- To the extent allowed by law, ensuring that preference for new affordable housing is given to eligible persons who live or work in Amherst.[49]

Amherst's inclusionary zoning bylaw was drafted to encourage flexibility and actual unit production. Table 3-4 in Section 3 of this Housing Plan summarizes the requirements for including affordable units in the bylaw such that any project of more than nine (9) units that involves a Special Permit must include at least one (1) affordable unit, with the numbers of units required increasing with the size of the project. For developments of 21 units or more, 12% of the units must be affordable. The existing bylaw also requires that the affordable units be dispersed throughout the project and indistinguishable (at least from the exterior) from the market units, an important provision. Moreover, the bylaw includes an income range between 80% and 120% AMI to capture residents who need housing but do not qualify for "affordable" housing, although these units could not be included in the SHI.

This Housing Production Plan proposes that the Planning Board re-examine the bylaw and make changes to better encourage its effectiveness in producing affordable units. It is also instructive to note that inclusionary zoning typically works best under strong market conditions when development is more prevalent. As Amherst has been encountering some rebounding of market conditions following the national recession of the last few years, more development activity is likely.

Next Steps: The Planning Board, with staff support from the Planning Department, should revisit the inclusionary zoning bylaw and make appropriate revisions to better integrate affordability into future development with support from the Housing and Sheltering Committee. From lessons learned in Amherst and in other communities with inclusionary zoning provisions, the following recommendations are offered:

- *Reestablish the required number of affordable units*
  Establish a simple mandate that 15% of all units that are developed in any single residential or mixed-use project of more than nine (9) units be affordable based on state requirements under the Local Initiative Program (LIP) and eligible for inclusion in the Subsidized Housing Inventory (SHI).

- *Allow off-site development only under exceptional circumstances*
  While it is important to provide the affordable units on-site in a mixed-income context, there may be some benefit to building some further flexibility into the bylaw. For example, the City of Peabody's inclusionary zoning stipulates that units must be provided on-site except under exceptional circumstances approved by their City Council. If the off-site affordable units are not comparable to the market-rate units, a greater percentage of affordable units are required. The Town of Amherst should consider adopting a similar requirement with the Planning Board acting as the arbiter regarding whether project circumstances warrant off-site development.

[49] Amherst Zoning Bylaw, Article 15. State local preference requirements allow up to 70% of the affordable units in any development to be set-aside for those who live or work in the community.

- *Allow a cash-out fee provision*
  While the production of actual affordable units is far preferable to obtaining payments to subsidize affordable units in another development, providing options for developers as part of inclusionary zoning mandates may result in the greater use of the bylaw. However, it will be essential that the formula for calculating the cash-out fee provide sufficient proceeds to fully subsidize the required number of affordable units, despite changes in market conditions, and to insure that the funding will be dedicated to supporting affordable housing. The cash-out fee should be tied in some way to the value of the affordable unit. From a theoretical standpoint that value is commonly considered to be the difference between a unit's market-rate price and the affordable one. This means that the value of the cash-out fee relates to the losses the developer would suffer by building affordable units. Stronger fees typically match the value of the affordable unit not built, allowing the fee to subsidize the same number of units in a separate project.[50]

  A simple formula, adopted by Somerville and Groton for example, would be the difference between the market sales price and the affordable one or $120,000 with the above figures.[51] The per unit fee would be multiplied by the number of affordable units required under the permitting. West Newbury is proposing an inclusionary bylaw that includes a cash-out fee that equals four times the amount equal to 80% of area median income for a family of four.

  As to timing, the Town of Belmont requires that 50% of the calculated payment must be paid prior to the issuance of a building permit with the remaining 50% paid upon the issuance of the final certificate of occupancy. The state's Smart Growth Toolkit suggests timing the payment of the fee to coincide with the schedule for the provision of affordable units as described in Table 5-1.

Table 5-1
Development and Cash-out Payment Schedule

Market Rate Units (% Completed)	Affordable Housing Units (% Required)
Less than 30%	--
30% + 1 unit	10%
Up to 50%	30%
Up to 75%	50%
75% plus 1 unit	70%
Up to 90%	100%

Note: Fractions of units are not counted.

This Housing Production Plan recommends that the Town of Amherst adopt one of these formulas and amend inclusionary zoning provisions accordingly. It may be instructive to invite

[50] A report from the Massachusetts Association of Community Development Corporations (MACDC) entitled "Building Better: Recommendations for Boston's Inclusionary Development Policy", recommended that Boston change its cash-out fee of $97,000 (for 15% of proposed units) to a sliding scale fee formula.[50] Under this formula a two-bedroom market rate unit selling for $300,000 would incur a fee of $85,000, assuming the affordable price of $180,000 and a total per unit development cost of $250,000. Projects with a greater difference between the market sales price and per unit total development costs would have higher cash-out fees than those with a smaller differential. For example, if the per unit total development cost for the above example was $260,000, the per unit cash-out fee would be $80,000.

[51] The per unit formula is B – A = G where A = per unit affordable sale price, B = per unit market sale price, and G = cash-out fee.

local and regional developers, both for profit and non-profit, to a special meeting to obtain their input into revised zoning options. It will be important to insure that changes will better promote the use of inclusionary zoning in Amherst, culminating in more affordable units that reflect the economic context of development.

- *Establish a clear and consistent structure and process for directing inclusionary funds through a dedicated Housing Fund*
  It will be important to ensure that any cash donations through inclusionary zoning are spent solely on the provision of affordable housing. Jurisdictions that allow cash-out fees direct these revenues to special funds that support affordable housing. This Housing Production Plan recommends that the Town of Amherst establish a Municipal Affordable Housing Trust Fund, which would serve this important purpose (see strategy 5.1.2). Members of the Housing Trust, who are appointed by the Select Board, will be responsible for managing this Fund, directing such funding to affordable housing initiatives based on established rules and procedures specified in a Declaration of Trust and allowed under state legislation.

- *Incorporate density/intensity bonuses*
  Studies on inclusionary zoning indicate that mandatory provisions coupled with strong incentives are most effective in promoting affordable housing. It is also certainly important to provide sufficient incentives to developers to make sure that the incorporation of affordable units will be financially feasible. Incentives also reduce the risk of litigation from developers who claim that the mandatory inclusion of affordable units involves a "taking" of their property rights. In fact inclusionary zoning can be legally vulnerable if requirements make it impossible for the developer to earn a reasonable return on the project as a whole. Consequently, it would be prudent for Amherst to specify incentives in the inclusionary zoning bylaw to cover all types of development, these legal questions, and insure that the zoning works economically.

  Amherst's existing inclusionary bylaw includes a reference to density bonuses stating that affordable and accessible dwelling units provided under the bylaw will be counted as meeting requirements for density bonuses under the Cluster Development bylaw (Section 4.55 of the Zoning Bylaw), which allows the maximum density of the development to be increased by the number of affordable units not to exceed 20% of the maximum otherwise permitted. It would be helpful to incorporate more specific language on density bonuses into the bylaw that pertains directly to all residential or mixed-use development of ten (10) units or more.

  Requirements regarding density bonuses range considerably. Marshfield, which has voluntary as opposed to mandatory provisions, specifies that the density bonus units must be equal to the number of As of Right (AOR) units multiplied by 25% and rounded up to the next even number divided by two (2).[52] The City of Melrose allows the developer to build another market unit for every affordable one regardless of minimum lot area or parking requirements for the additional unit or units, although at least 1.5 parking spaces are required per unit. Barnstable waives density requirements and allows reduced minimum lots sizes for projects that are 100% affordable.

[52] For example, a 9-unit AOR development will result in nine AOR units plus 4 units (.25 x 9 = 2.25 units rounded up to 4 units with 2 affordable units and 2 density bonus units or 13 units in total. A 31-unit AOR development would result in 31 AOR unit plus 8 units (.25 x 31 = 7.5 units rounded up to 8 units, 4 affordable and 4 density bonus units) or 39 units.

It will likely take more than one additional market rate unit to subsidize an affordable one in Amherst. The state's Smart Growth Toolkit proposes a baseline density bonus of two additional market units for each affordable one to sufficiently cover the costs of producing the affordable unit. The Toolkit also proposes that the minimum lot area per unit normally allowed in the district be reduced by that amount that is necessary to permit the inclusion of two additional market units on the lot for each one required affordable unit. Moreover, the bylaw could add a voluntary inclusionary zoning bonus for affordable units produced beyond the required number, extending the density bonus of two market units for each additional affordable unit up to a maximum number of project units. Typically a 50% net increase over the original property yield before any density bonuses were applied is recommended.

While most communities with inclusionary zoning provide density bonuses, it may be useful to consider some intensity bonuses as well such as a reduction in minimum lot sizes (Marshfield, for example, allows a 25% reduction) or parking that also translates into lower development costs by reducing road construction, infrastructure installation and site preparation costs. FAR bonuses have also been used such that, for example, the FAR allowed in the particular zoning district for residential uses can be increased by 30% where at least 50% of the additional FAR is allocated to the affordable units. In a mixed-use development, the increased FAR may be applied to the entire lot, however, any resulting gross floor area increase should apply only to the residential use.

Another incentive for consideration would be to expedite permitting for developments that involve inclusionary zoning, providing greater predictability in the development process. Because time is money in the project development process, such expediting can translate into a meaningful incentive for developers (see strategy 5.2.7).

- *Clarify rules to ensure predictability for developers and compliance with state requirements*
  Transparency and more predictability in the development and permitting processes are crucial to developers as noted above. Clear procedural policies help developers plan for their projects with knowledge of what will be expected. As suggested above, developers would respond positively to an expedited permitting process for inclusionary zoning projects. Another important requirement that might be added to the bylaw would be to insure that the affordable housing units are provided coincident to the development of the market units (see Table 5.1 for a proposed development schedule).

  This Housing Production Plan recommends that the Town of Amherst reach out to developers on new inclusionary zoning provisions, potentially presenting them at a special meeting and obtaining their feedback. It would also be helpful to summarize the inclusionary zoning requirements in a brochure when adopted.

Required Resources: Donated time of members of the Planning Board to amend the bylaw and coordinate the necessary approvals with staff support from the Planning Department. The monitoring of projects to insure continued affordability based on use restrictions would be the responsibility of the project sponsor with oversight from the Community Development Department. All affordable units added through such an bylaw need to be registered with the state to be included as part of the Town's Subsidized Housing Inventory, applied through the

Local Initiative Program (LIP) administered by DHCD (see Appendix 2 for details on the Local Initiative Program, Local Action Units in particular).

5.2.3 Modify the Supplemental Apartment Bylaw

Timeframe: Years 1-2
Responsible Parties: Planning Board in coordination with the Housing and Sheltering Committee and with input from the Inspection Services Department

Current Status: The Zoning Bylaw defines supplemental apartments as "a small accessory dwelling unit incorporated as part of and subordinate to a single-family detached dwelling". These units are exempt from the additional lot area/family requirements. Moreover, the bylaw states that the "apartments are intended to meet the changing housing needs of owner-occupied households, including housing for relatives and others associated with the household, and the provision of small, individual rental units". These accessory apartments cannot contain more than 800 square feet but can be up to 900 square feet if the apartment is fully handicapped accessible. The owner of the property must reside in one of the units and no more than three (3) people can occupy the supplemental apartment. Also, the supplemental apartment must be attached to the main structure such that it is "incorporated as part of the single-family home". It cannot be attached by a breezeway only.

Supplemental or accessory apartments, which are secondary to the principal dwelling, are helpful in meeting a number of public policy objectives as they:

- Enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, some young families or moderate-income households might be able to afford homeownership if they could count on income from an accessory apartment.
- Provide appropriately sized units for growing numbers of smaller households.
- Offer inexpensive ways of increasing the rental housing stock at lower cost than new construction and without the loss of open space, without significant impact on the surrounding neighborhood, and without additional Town services such as streets or utilities.
- Provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent.
- Offer good opportunities for keeping extended families in closer contact.
- Generate tax revenue in a locality because accessory units add value to existing homes.

Next Steps: Because accessory apartments provide small rental units that diversify the housing stock within the confines of existing dwellings or lots, the Town should amend the bylaw to better promote such units even if they are not currently eligible for inclusion in the Subsidized Housing Inventory. To comply with state Local Initiative Program (LIP) regulations and have the units counted in the SHI, the Town would have to stipulate that owners of all "affordable" accessory apartments select tenants from a lottery-ranked list of interested and eligible tenants, following an affirmative marketing process. Also all accessory units would have to be deed restricted to insure the long-term affordability of the accessory units. Promoting these units, while not requiring state-approved affordability, would support local community needs for smaller, little "a" affordable units.

The Planning Board, with support from the Planning Department, will consider possible modifications to the existing bylaw by allowing the following:

- Development in detached structures (such as over a garage),
- Possible by-right provisions,
- Insurance of enforcement provisions,
- Design guidelines to insure that structures still look like single-family homes;
- A reduction in parking requirements; and
- Possible granting of approvals for existing accessory apartments that do not have the necessary permits after appropriate inspections.

Required Resources: The donated time of the Planning Board and staff time from the Planning Department to revise the Zoning Bylaw. Ongoing staff time from the Inspection Services Department for application, inspection and enforcement activities. Some permitting fees will offset some of these expenses.

5.2.4 Rezone Village Centers

Timeframe: Years 1-2
Responsible Parties: Planning Board in coordination with the Housing and Sheltering Committee

Current Status: The Planning Board has been working on bylaws to rezone several village areas in an effort to revitalize these areas through mixed-income and mixed-use development. Such development is based on "smart growth" principles that direct development to areas where higher density is more appropriate, away from "greenfields" and environmentally sensitive locations.

For the 2012 Annual Town Meeting, the Planning Board presented zoning amendments for North Amherst and Atkins Corners (in South Amherst) Village Centers, which came close but did not secure the required two-thirds votes of approval. Much of the concern regarding these provisions came from residents who lived in or near these areas. These residents were largely convinced that any new housing that would be built as part of the new zoning would ultimately be occupied by students who, based on increasingly disruptive behavior in other parts of town, they believed would unlikely be good neighbors. At Atkins Corner people were concerned about the new roadway configuration and wanted to see how it functioned before doing a major rezoning. The roadway is now complete.

Since then the Planning Board has focused on appropriate ways to better regulate rental units as commercial enterprises that would result in less neighborhood disruption by hopefully more accountable landlords. Nevertheless, because of the serious imbalance between housing supply and demand in Amherst, confirmed by high housing prices and substantial affordability gaps (see Section 2.2.5), much more housing is needed. While much of the town is relatively built-out, opportunities for new development should focus on appropriate locations where infill or redevelopment make the most sense, including the Town and village centers.

A major focus of this rezoning will be to ease restrictions on infill development. Current zoning still presents significant challenges to developing housing in existing neighborhoods on an infill basis that would enable the Town to more fully revert to historic patterns of development for future

sustainability.[53] The Town's compact Victorian neighborhoods would look very different if existing zoning had been in place more than a century ago. The combination of anxiety regarding density, a growth mindset that focuses on new subdivision mentality, and Not in My Backyard (NIMBY) attitudes has put strangleholds on infill development.

Current zoning is out of character with the community's best neighborhoods. For example, a two-family house in the Neighborhood Resident District (R-N) requires at least a 26,000 square foot lot, while many lots in this zone are less than 10,000 square feet. The combination of minimum lot sizes and other zoning requirements (minimum frontage, setbacks and open space requirements) would render most residential properties in the traditional neighborhoods of the town as nonconforming under existing zoning.

The importance of promoting infill development can be summarized by contributions to the environment, economy and equity as follows:

Environment
Reduces the need for new infrastructure
Can be more energy efficient with lower carbon emissions
Is less damaging to natural systems than "greenfield" development[54]

Economy
Can increase the number of shoppers walking to local businesses
Can create more commercial real estate leading to more jobs
Makes public transit more viable

Equity
Can create more housing and work spaces where people want to live and work
Can provide a wide range of housing types that meet peoples' needs

Next Steps: Through rezoning of villages, the Town will provide the framework that will guide future development in the best interests of the community, including the following considerations:

- Limits on the number of bedrooms per unit, allowing a mix of studios to three-bedroom units to discourage eight (8) students living together (one- and two-bedroom units do not typically lend themselves to the student market but would be very helpful in meeting the needs of increasing numbers of smaller households in town);
- Application of form-based zoning that focuses on the form of the building instead of the use;
- Commercial uses on street level;
- Multi-story development on the street with parking in the core;
- Potential of shared parking, which Northampton has adopted in particular areas;
- The inclusion of affordable housing; and
- The integration of 40R/40S or Compact Neighborhoods requirements (see strategy? 5.2.3 below).

[53] Infill development involves new construction of redevelopment that "fills in" empty lots or adds units or uses in areas that are already developed.
[54] Greenfield development involves building on unbuilt green or open spaces.

Recent development suggests a pent-up demand for housing in mixed-use settings. For example, Boltwood Place, a recent mixed-use development in the Town Center, included eleven (11) market units and received more than 100 applications.

While village center zoning proposals have been developed for East Amherst and North Amherst areas, they can be revisited at some time in the future for reconsideration. These and other opportunities for village center development that deserve attention include the following:

- *Atkins Corner* in South Amherst has considerable amounts of open space and limited existing neighborhood fabric. There are opportunities to create a village center at the intersection of West Street and Bay Road, reinforcing the Atkins Farm Market. The Town could work cooperatively with Hampshire College which owns a considerable amount of property in the area.

- *Cushman Village*, a historic mill village, also provides an opportunity for new infill development.

- *East Street Village Center*, a Historic District, includes the former and vacant East Street School. The conversion of this historic property to mixed-income or affordable housing would be advantageous. Underutilized playing fields behind the school could continue to provide open space with cottage-style houses, duplexes or fourplexes clustered around it. There are additional development opportunities stretching along both sides of College Street and mixed-use development could reinforce the village center. The availability of small single-family homes in relatively poor condition provides another opportunity for converting these homes to long-term affordability when they become available for sale (see strategy 5.4.3) or redeveloping into higher density housing.

- *North Amherst Village Center* includes retail uses and a public library. Some of the commercial uses could be redeveloped to incorporate housing, including affordable housing, "above the shop". Other undeveloped or underutilized parcels in the area could provide additional housing and commercial opportunities.

- The *Depot District* includes some underutilized residential sites that could be redeveloped to link College Street to Main Street, incorporating some affordable housing and mixed-uses. The proximity to the Town Center is an advantage to those at all income levels.

- *Pomeroy Village* includes an open field that would be ideal for multi-family housing or mixed-use development that will add to the vitality of the area.

The Planning Board and Housing and Sheltering Committee should work together to recommend zoning changes to more appropriately promote infill development that will enable the Town to do the following more effectively, recognizing that some of these approaches will work better in certain neighborhoods than others:

- Develop brown/grayfields[55]
- Build taller by adding stories
- Increase allowed residential densities

[55] Development on sites that have been developed in the past with some need to remediate environmental hazards.

- Add units through additions to existing buildings
- Add units within existing buildings
- Fill gaps in existing streets including vacant side lots
- Build a larger number of small units on a lot that would currently only allow a single large structure (small cluster development)
- Encourage multiple uses within single structures (multipurpose spaces, mixed-use development, live-work spaces)

Section 6 includes some visual representations of particular sites in village centers that would lend themselves to housing development that includes affordable housing.

Required Resources: This strategy will require volunteer time from the Planning Board and Housing and Sheltering Committee as well as staff time from the Planning and Community Development Departments. It will also involve a considerable process to involve the communities in the development of the bylaws. Resources to subsidize the development and insure the integration of affordable housing will also be required. Certainly the subsidies that are included as part of Chapter 40R/40S Smart Growth zoning would be extremely useful. Funding from the state's Priority Development Fund might be available to hire a consultant to assist in this rezoning. There are other available subsidies that are targeted to mixed-use development that are summarized in Appendix 2.

5.2.5 Continue to Make Suitable Public Property Available for Affordable Housing

Timeframe: Years 1-2
Responsible Parties: Select Board and Housing and Sheltering Committee

Current Status: As mentioned in Section 4, major obstacles to developing affordable housing in Amherst include the limited availability of developable property, publicly-owned property in particular. While the major thrust of many communities' proactive housing agendas has been the development of publicly-owned properties that are suitable for some amount of affordable housing, this is more difficult to do in Amherst as there are fewer options available. Nevertheless, affordable housing on Town-owned parcels has occurred through the Olympia Oaks development, to start construction in July 2013, as well as another Habitat for Humanity home for a total of 43 units. Moreover, an additional 222 units have been developed on property owned by the Amherst Housing Authority.

There are also several undeveloped municipally owned parcels that might be potentially appropriate for residential or mixed-use development, including some amount of affordable housing, such as:

- The former East Street School that is currently vacant and includes some additional vacant property;
- The North Amherst School that will become vacant, also some available land;
- "Cow field" in North Amherst Village, north of the North Amherst School;
- The Old Hawthorne Farm with approximately seven (7) acres which the Town acquired on West Pleasant Street with CPA funding for multiple purposes that might accommodate some affordable housing and recreation; and
- Several existing parking lots where some development could also be accommodated.

The Town of Amherst may also decide to acquire additional privately owned sites for the purposes of protecting open space, providing for particular municipal uses, and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Additional smaller sites may become available as well to build affordable new starter homes, housing for empty nesters, special needs units, or housing for the formerly homeless on in infill basis. Some limited opportunities may also be available through the taking of tax-foreclosed properties for affordable housing. Ideally this property would then be transferred to the proposed Housing Trust (see strategy 5.1.2) following Town Meeting approval, which would then prepare and issue a Request for Proposals (RFP) to select a developer.

As the Town becomes alert to opportunities for acquiring property that would be suitable for some amount of affordable housing, even tax foreclosed properties, such properties would ideally meet a number of "smart growth" principals such as:

- The redevelopment of existing structures,
- Infill site development,
- Development of clustered housing in underutilized locations with some existing or planned infrastructure,
- Parcels large enough to accommodate clustered housing, and
- Mixed-use properties in the Town Center, village areas or along commercial corridors.

Section 6 includes some visual representations of particular Town-owned sites that would lend themselves to housing development that includes affordable housing.

Next Steps: The Community Development and Planning Departments, under the oversight of the Select Board, including potentially the proposed Housing Trust as well as other appropriate Town boards and committees, should identify and pursue surplus municipal property or acquire private property for the development of affordable housing. For example, the Towns of Carlisle and Falmouth acquired land for affordable housing development including open space preservation and other public benefits, similar to Amherst's acquisition of the Old Hawthorn Farm. Like these communities, Amherst could choose to bond CPA funds to cover site acquisition costs in the future.

For such publicly-owned properties, when identified, the Town will provide the following types of assistance:

- *Predevelopment Costs:* Where appropriate, the Town will support the costs of preliminary feasibility analyses of existing Town-owned properties or on sites identified on the open market through negotiations with interested sellers for reduced prices or through tax foreclosures that might potentially include some amount of affordable housing. Such analyses could be funded through Community Preservation funds or the proposed Housing Trust Fund.

- *Preparation of the RFP:* Following the necessary approvals for the conveyance of Town-owned properties, the Community Development Department in concert with the Town Manager and potentially a housing consultant, will prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town's specific project requirements. They will then select a developer based also on identified criteria included in the RFP. Projects may require densities or

other regulatory relief beyond what is allowed under existing zoning, and this might be obtained through normal regulatory channels or the "friendly" comprehensive permit process through DHCD's Local Initiative Program (LIP).

- *Conveyance of Property:* The Town will convey the property to the selected developer at a nominal cost, representing a significant subsidy that will help make the project financially feasible.

- *Project Financing:* Additionally, the Town will need to be involved in helping the selected developer attract the necessary financial and technical support. Evidence of municipal support is often critical when seeking financial or technical assistance from regional, state and federal agencies. CPA funding or proposed Housing Trust Funds are very helpful in leveraging limited and competitive state and federal funding.

- *Project Advocacy*: The Town will not only establish the terms and conditions of development through the RFP, but will also advocate for the project, supporting the developer in obtaining the necessary permits and community support.

- *Potential Fee Waivers and Expedited Permitting*
  As proposed in strategies 5.2.2 and 5.3.4, the Town might adopt policies that would waive permit fees for developments that include affordable housing and also expedite permitting to bring greater predictability to the development process while also saving significant time and money.

Required Resources: Resources will be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the "friendly" comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Despite the fact that Amherst has passed the 10% threshold of affordability under Chapter 40B, the Town recently used the "friendly" comprehensive permit process in the development of Olympia Oaks with HAPHousing as the developer. Given relatively high market prices, extremely limited public financing for affordable housing, and zoning constraints, the "friendly" 40B process can continue to be a useful strategy for producing affordable housing in Amherst, particularly when faced with considerable zoning impediments.

Affordable housing development typically requires public subsidies through the state and federal government and other financial institutions. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often needed to fill the gaps. Even some Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover, as was the case with Olympia Oaks. A mix of financial and technical resources will be required to continue to produce affordable units in Amherst. Appendix 2 includes summaries of most of these housing assistance programs.

Other resources include the donated time of members of Town boards and committees (such as the Housing and Sheltering Committee, Assessing, ZBA, the Planning Board, Community Preservation

Committee, and proposed Housing Trust), including staff coordination from the Community Development and Planning Departments.

Projected # Affordable Units Produced: 127 units (based on estimates in Table 4-1)

5.2.6 Monitor and Maintain SHI Units

Timeframe: Years 3-5
Responsible Party: Housing and Sheltering Committee

Current Status: Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of housing units can be in jeopardy in the future. Amherst has actually lost SHI units in the recent past, nine (9) rental units at Puffton Village IV in 2009 and six (6) homeownership units on Charles Lane in 2011.

As noted in Table 2-37 of this Plan, there are a few projects where the affordability restrictions are due to expire that might lead to some loss of SHI units in the future. The most pressing of these projects is Rolling Green with 204 units that would bring Amherst's SHI percentage down to 8.5% without the production of additional affordable units and assuming no significant loss of other SHI units. More importantly, it would likely wreak havoc in the lives of those who rely on the affordable rents (41 of the units are subsidized), forcing them to leave the development in search of very limited affordable housing options elsewhere, perhaps having to move outside of the community. The Town has engaged attorneys to explore options for maintaining the development's affordability.

Next Steps: It is important to insure that all affordable housing units that are produced according to state requirements remain a part of the Town's Subsidized Housing Inventory for as long as possible. The Community Development Department should continue to closely monitor developments with "expiring" affordable units, communicating regularly with the attorneys who are exploring avenues for preserving affordability at Rolling Green. It should intervene as necessary to maintain the units as affordable through attracting a new purchaser and refinancing if necessary, and even going through the court system if appropriate. There are a number of non-profit organizations that specialize in the acquisition and refinancing of these "expiring use" developments and recent state funding under Chapter 40T[56] has provided a good mechanism for refinancing many of these projects.

Resources Required: Staff time form the Community Development Department.

Projected # Affordable Units Produced: Will not increase the number of affordable units but will limit decreases in SHI units.

[56] Chapter 40T, which passed in 2009, has several provisions aimed at giving tenants of affordable housing plenty of notice and resources if their landlord decides to pursue the conversion of the property to market rate after affordability restrictions have expired. One of these provisions gives DHCD the right of first refusal when a building with affordable units comes up for sale. DHCD does not buy the properties outright, but relies on a pre-approved list of affordable housing developers with whom it works to help acquire and manage the property, insuring extended and long-term affordability.

5.2.7 Fund Housing Rehabilitation Efforts

Timeframe: Years 3-5
Responsible Parties: Select Board and Housing and Sheltering Committee

Current Status: The priority housing needs that are described in Section 2.3 of this Housing Plan indicate that because of the relative age of existing housing, it is likely that many units may have remnants of lead-based paint and/or deferred housing maintenance needs. Moreover, many low- and moderate- income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Improvements should incorporate modifications to improve handicapped accessibility and eliminate lead-based paint, where appropriate, as well as housing code violations.

Many communities have supported local Housing Rehabilitation Programs, typically through CDBG funds. Such funding is becoming more limited and competitive, and as noted in other parts of this Housing Plan, Amherst has lost its mini-entitlement status for obtaining an annual allocation of CDBG funding and will likely have to apply competitively to the state for such funding after a transitional year in 2013. Amherst provided some small loans for property improvements in the past but has never introduced a full Housing Rehab Program.

The Pioneer Valley Planning Commission has applied to the state for CDBG funds for housing rehab on the behalf of a number of communities and has administered these programs. Also, some communities have been using CPA funding to support Housing Rehab Programs, but there is some question regarding the eligibility of such funds for properties that were not actually acquired through CPA funding. The capitalization of the Affordable Housing Trust Fund that is recommended in this Housing Plan (see strategy 5.2.1) might also provide another resource for funding housing rehab.

Next Steps: Despite limited funding options, the Town should explore resources for funding housing rehabilitation assistance for qualifying property owners in Amherst. There are numerous models of these programs that could be adapted in Amherst, potentially in partnership with other nearby communities such as Northampton and Easthampton, administered with funding support by the Valley CDC for example.

Required Resources: Funding of approximately $100,000 per year to rehabilitate about five (5) properties with some additional administrative support.

Projected # Affordable Units Produced: An estimated 15 units, depending upon project funding. Deed restrictions, typically with terms of 15 years, are required to have the units qualify as affordable.

5.3 Longer-term Strategies

The following strategies represent additional opportunities for promoting affordable housing in Amherst that might potentially be introduced within the five-year term of the Housing Plan or shortly thereafter.

5.3.1 Pursue 40R/40S or Compact Neighborhoods Smart Growth Zoning

Responsible Parties: Planning Board in coordination with the Housing and Sheltering Committee

Current Status: In 2004, the state legislature approved the Chapter 40R zoning tool for communities in recognition that escalating housing prices, beyond the reach of increasing numbers of state residents, were causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The statute defines 40R as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves open space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions."[57] The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows "as-of-right" residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides *two types of payments to municipalities* (one based on the number of projected housing units and another for each unit that receives a building permit); and
- Encourages open space and protects historic districts.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to municipalities that they would not be saddled with the extra school costs caused by school-aged children who might move into new housing built under 40R. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

A joint report from Citizens Housing and Planning Association (CHAPA) and the Metropolitan Area Planning Council (MAPC)[58] identified 27 cities and towns that had fully-approved 40R districts that collectively permitted the construction of almost 10,000 housing units if fully developed as of August 2009 (including 2,100 affordable units), just four and a half years after the program regulations were issued. Another 20 communities had begun the process of establishing a 40R district or were seriously considering the program. As of August 2009, 17 districts had given approval for 3,200 units and nine (9) had a combined total of 1,100 units under construction. The communities with approved districts were scattered throughout the state, from Pittsfield and Northampton in Western and Central Massachusetts,

[57] Massachusetts General Law, Chapter 40R, Section 11.

[58] Ann Verrilli and Jennifer Raitt, "The Use of Chapter 40R in Massachusetts As a Tool for Smart Growth and Affordable Housing Production", October 2009.

to Plymouth on the South Shore, and to Amesbury on the North Shore.[59] The 27 communities with approved districts are eligible to receive $36.8 million in 40R payments if their districts are fully built, working out to about $17,100 per projected affordable unit if only 20% of the units are affordable. As of August 2009, $10.56 million had been paid out by the state. For example, the overlay district in Amesbury projects 249 total housing units of which 225 would receive 40R funding, including 50 affordable units, for a total of $1,025,000. It is also worth noting, that contrary to common belief, most 40R districts are not "transit" or "concentrated development" locations as the majority of the districts were approved under the "highly suitable" standard for somewhat higher-density development. More detailed information on 40R is included in Attachment 2.

DHCD recently announced "Compact Neighborhoods" that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of "future zoned units" in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;
- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions on age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the elderly, persons with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encouraging housing that is priced to meet the needs of households across a broad range of incomes and needs.

Next Steps: The Town of Amherst, through its Planning Department, will explore opportunities to create Smart Growth Overlay Districts through 40R/40S and/or Compact Neighborhoods. Most of the village areas would lend themselves to this type of zoning and these tools could be incorporated into the rezoning discussed in strategy 5.3.1 above.

The formal steps involved in creating the 40R Overlay District are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;

[59] Districts with approved projects as of August 2009 included Amesbury, Boston, Chelsea, Haverhill, Holyoke, Lakeville, Lawrence, Lowell, Lunenburg, Lynnfield, Natick, North Reading, Northampton, Norwood, Pittsfield, Plymouth, Sharon and Westfield.

- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of projected units on which its subsidy is based and the amount of payment.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an "as-of-right" base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from DHCD; and
- Adopt the Compact Neighborhood Zoning.

Required Resources: Donated time of members of the Planning Board to prepare the necessary zoning with staff time from the Planning Department and input/advocacy from the Housing and Sheltering Committee and Community Development Department.

5.3.2 Allow Two-family Dwellings As-of-Right in All Residential Districts

Responsible Party: Planning Board with support from the Housing and Sheltering Committee

Current Status: Small multi-family housing, especially two-family units, are particularly conducive to affordable housing in the following configurations:

- One unit on top of the other, either as a rental in an owner-occupied property, two condos, or even two rentals managed by a non-profit organization or the Housing Authority.
- Side-by-side duplex units in either a one-story, two- or three-story configurations.

The rental unit in an owner-occupied property provides rental income that is calculated into the financial analysis for obtaining a mortgage, allowing lower income working households to purchase a home. This provides excellent starter housing. Housing market conditions have put most of the existing homes in Amherst well out of reach of most first-time homebuyers without substantial subsidies. The two-family home model also provides a rental unit to further diversify the town's housing stock, offering small rental units to those with more limited financial means. These units are particularly conducive to the growing number of smaller households in Amherst. These properties can also be well designed to fit into existing neighborhoods, even indistinguishable from larger single-family homes.

Next Steps: Amherst's current zoning bylaw allows the development of two-family structures by Special Permit in the lower density Residence Districts and by-right with Site Plan Approval in the other Residence Districts besides the Fraternity District. The Town will explore the adoption of a bylaw to allow two-family homes by-right in all residential districts under specific design guidelines. The bylaw should also reduce or eliminate the lot size requirement differences for one-and two-family homes. Some consideration should be given to providing incentives for creating one of the units as affordable such as a special grant or density bonuses.

Resources Required: Donated time of members of the Planning Board, Housing and Sheltering Committee or proposed Housing Trust to prepare the bylaw with staff support from the Planning Department.

5.3.3 Adopt a Transfer of Development Rights (TDR) Bylaw

Responsible Parties: Planning Board in coordination with the Housing and Sheltering Committee

Current Status: The Planning Board has prepared a draft Transfer of Development Rights (TDR) bylaw, but is focusing in the short-term on rental regulations. TDR involves the conveyance of development rights by deed, easement or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others. Zoning provisions allow this transfer to take place and in some cases can identify "receiving zones", that are growth incentive areas such as village centers or transportation nodes where more concentrated development is promoted as opposed to "sending zones" where development is discouraged. This strategy is particularly effective when the town has valuable resources that need protection, such as scenic views, historic buildings and critical wildlife habitats and water resources, while other parts of town are suitable for development at densities greater than those currently allowed under zoning.

Next Steps: After the Planning Board has received approvals for priority rental regulations during the next year or so, it will focus efforts on zoning strategies to increase the housing supply in ways that will be sustainable and promote "smart" growth development. At this point, it will fine-tune its draft TDR bylaw, hold community meetings to obtain input, and seek the necessary approvals. The obvious "sending zones" in Amherst include existing farmland, conservation areas and historic resources while "receiving zones" are those where denser development will be encouraged including the Town Center and village areas.

Required Resources: Donated time of members of the Planning Board to finalize the zoning amendment with staff time from the Planning Department and input/advocacy from the Housing and Sheltering Committee and Community Development Department.

5.3.4 Waive Permitting Fees for Affordable Housing

Responsible Parties: Planning Board in coordination with the Housing and Sheltering Committee

Current Status: Many communities have waived application/permit fees, including water and sewer connection fees, for affordable housing developments, either for certain types of projects or on a case-by-case basis. All regulatory fees become part of a development budget that affects the affordability of the housing produced. The waiver of regulatory fees is another area where the Town might have some capability of directly affecting project costs and affordability.

Next Steps: The Town of Amherst should consider making fee waivers an institutionalized part of the Town's housing efforts. The Housing and Sheltering Committee should work with the Planning Board, Select Board, Inspection Services Department and other appropriate Town boards and committees to determine what types of projects would qualify for this waiver (e.g., non-profit developers, projects that require housing subsidy funds to be feasible, projects meeting Housing Production requirements) and the projected amount of foregone revenue that would result.

This action is unlikely to by itself create affordable units, however, it represents an additional commitment on the part of the Town to support new affordable unit production that will help

leverage other public and private resources for project financing and contribute to project affordability.

Resources Required: Foregone revenue received from the amount of fees waived in support of new affordable unit development as well as donated time from members of various boards and committees and staff time from Inspection Services, Planning and Community Development Departments and most likely the intervention of the Town Manager.

5.3.5 Convert Existing Housing to Long-term Affordability Through a Mortgage Assistance Program

Responsible Party: Housing and Sheltering Committee

Current Status: Amherst should consider pursuing opportunities to convert existing market units to state-defined "affordable" ones, thus insuring the long-term affordability of existing units. This approach is generally referred to as mortgage assistance programs or buy-down programs that provide subsidies to qualified first-time homebuyers to fill the gap between the market purchase price and an affordable one as calculated by formula under the state's Local Initiative Program (LIP). Such programs have been adopted in a number of towns and cities in the state. Purchasers are pre-qualified through the program before they are able to search in the private housing market for a qualifying home and deed restrictions are required. Purchasers are also required to attend first-time homebuyer classes and encouraged to explore more affordable mortgage financing such as loans through the state's Soft Second Loan Program. Such programs are available in Chatham, Marshfield, Acton, Cambridge, Newton, and Bourne, largely subsidized through Community Preservation funding.

It is important to note that the timing for such a housing strategy may be good as market prices have declined somewhat over the past several years with the median single-family house price dipping from about $360,000 in 2008 to $290,000 by July 2012. Consequently, the affordability gap has decreased and thus the need for less subsidy per purchaser.

The mortgage assistance program approach would involve some entity marketing the available subsidy/program, qualifying applicants, conducting a lottery to select participants, instructing the "winning" applicants on locating an appropriate home, and providing the subsidy at the mortgage closing. Because the Valley CDC administers the Town's First-time Homebuyer Program, their oversight of this program, with accompanying administration fee, would make good sense. In fact the downpayment and closing cost assistance from the currently-funded First-time Homebuyer Program would dovetail nicely with the mortgage assistance program.

The Town might entertain allocating some subsidy to those earning more than 80% of area median income (AMI) and still priced out of the private market that would enable the program to process applications on a first-come, first-served basis, without the need for a lottery, although the units would not be eligible for inclusion in the Subsidized Housing Inventory (SHI). Consequently, these over 80% AMI units would not count towards Amherst's annual housing production goals or the state's 10% affordability goal, but might still serve some local needs.

Typically mortgage assistance programs involve 0% deferred loans secured by a mortgage and promissory note as well as a deed restriction for a period of at least 30 years (if units are included in the SHI, the state's universal deed rider must be used which requires affordability in perpetuity). If the property is sold, refinanced or transferred during the term of the deed

restriction, the full amount of the subsidy is repaid and deposited back into a dedicated housing fund, typically an Affordable Housing Trust Fund (see strategy 5.2.1). It is likely that a program in Amherst would work with a maximum subsidy of $75,000,[60] the difference between the market price and what is needed for the transaction based on the purchaser's income and a requirement that the purchaser contribute at least 1.5% of their own funding at closing unless they qualify for a subsidized mortgage program under MassHousing for example that allows 100% financing.

Next Steps: The program would involve the following implementation process:

- *Obtain funding approval*: The Housing and Sheltering Committee would obtain CPA funding through an application to the Community Preservation Committee and Town Meeting approval. The CPA funding, once awarded, would be deposited into the proposed Housing Trust Fund (see strategy 5.2.1) or other special reserve fund.
- *Prepare standard program documents*: The program's application materials, mortgage, note, and deed rider would be prepared based on sample documents from existing programs. These documents should be reviewed and approved by Town Counsel and DHCD prior to the commencement of program operations.
- *Submit and obtain approval of LAU application*: The Town would complete a Local Action Unit (LAU) application and submit it to the state, with an accompanying Affirmative Fair Housing Marketing Plan, in order for the units targeted to the lower income range (80% or below) to be eligible for inclusion in the SHI.
- *Implement the marketing plan*
- *Begin accepting applications*: An important part of this process is determining the eligibility of all applicants. A lottery must be conducted for those determined eligible who are earning within 80% AMI.
- *Prepare acceptance letters*: After the application has been determined complete and the applicant determined eligible, the a certified letter to all applicants indicating either their formal acceptance into the program and specifying next steps or why they do not meet eligibility criteria. It may be prudent to send these letters to several of the top ranked applicants initially given available funding constraints.
- *Inspect properties*: The program administrator will inspect the properties to determine whether improvements are necessary and cannot be accommodated by another program. The inspector would estimate their costs and work with the prospective purchaser to put the work out to bid, select a contractor, and enter into a contract for work to commence following closing of the property and before occupancy as long as there is enough subsidy available so as not to exceed maximum subsidy limits.
- *Establish time limits:* Applicants should be given a specified period of time, say no more than four (4) months, to locate a property that meets all program requirements. The applicant should contact the program administrator and discuss the property prior to entering into a contract. Once given the go-ahead, the purchaser must execute the Purchase and Sale Agreement and obtain mortgage financing.
- *Prepare closing documents* including the deed rider, mortgage and promissory note.
- *Coordinate closing with lender:* Working with the purchaser, the closing attorney, the lender, and program administrator should schedule and attend the closing, when they will execute the necessary documents and provide the participant with the subsidy.

[60] The difference between the market price of below median priced homes or condos and what a household can afford based on 70% AMI per DHCD's formula plus some allowance for home improvements.

- *Record documents*: Record the deed rider, mortgage and note at the Registry of Deeds.
- *Maintain wait lists*: Wait lists will be maintained to be used when one of the applicants who has been given the go-ahead to find a home to purchase drops out or fails to meet program time constraints or as funding remains unallocated and new funding becomes available.
- *Enforce program requirements*. The program administrator should insure that all program requirements are met and if the property is sold, refinanced or transferred, that the subsidy is returned to the dedicated Housing Fund. It will also be necessary to insure that all participants attend post-purchase homebuyer counseling within six (6) months of occupancy, often a program requirement.

Required Resources: The donated time of members of the Housing and Sheltering Committee as well as the costs associated with administering the program. The program can charge an administrative fee to offset costs somewhat, but this should not be more than $300.

A list of all of the ongoing as well as short and long-term strategies are summarized in Table 5-2.

Table 5-2

STRATEGIES TO MAINTAIN AND EXPAND AFFORDABLE HOUSING IN AMHERST

Strategies	Priority for Implementation	Section/Page
Conduct ongoing community education	Ongoing	5.1.1/81
Continue to pursue Town-Gown partnerships	Ongoing	5.1.2/84
Insure effective enforcement of rental regulations	Ongoing	5.1.3/85
Work cooperatively to increase student housing	Ongoing	5.1.4/85
Continue support for current CDBG-funded housing assistance programs	Ongoing	5.1.5/87
Continue to partner with developers on privately-owned property	Ongoing	5.1.6/88
Establish and capitalize a MAHTF	1-2 Year Implementation	5.2.1/94
Modify inclusionary zoning bylaw - Expedite permitting for affordable housing	1-2 Year Implementation	5.2.2/95
Modify supplemental apartment bylaw	1-2 Year Implementation	5.2.3/100
Rezone village centers - Ease restrictions on infill development	1-2 Year Implementation	5.2.4/101
Continue to make suitable public property available for affordable housing	1-2 Year Implementation	5.2.5/104
Monitor and maintain SHI units	3-5 Year Implementation	5.2.6/107
Fund housing rehab efforts	3-5 Year Implementation	5.2.7/108
Pursue 40R/40S or Compact Neighborhoods Smart growth zoning	Longer Term Implementation	5.3.1/109
Allow two-family structures in all residential zoning districts	Longer Term Implementation	5.3.2/111
Adopt a TDR bylaw	Longer Term Implementation	5.3.3/112
Waive permitting fees for affordable housing	Longer Term Implementation	5.3.4/112
Convert existing housing to long-term affordability	Longer Term Implementation	5.3.5/113

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Section 6

VISUAL REPRESENTATIONS OF DEVELOPMENT OPPORTUNITIES

6.1 Context for Affordable Housing Development
6.2 Affordable Housing Development Opportunities
6.3 Amherst Town Center
6.4 Amherst Town Center North
6.5 East Amherst Village
6.6 Pomeroy Village Center

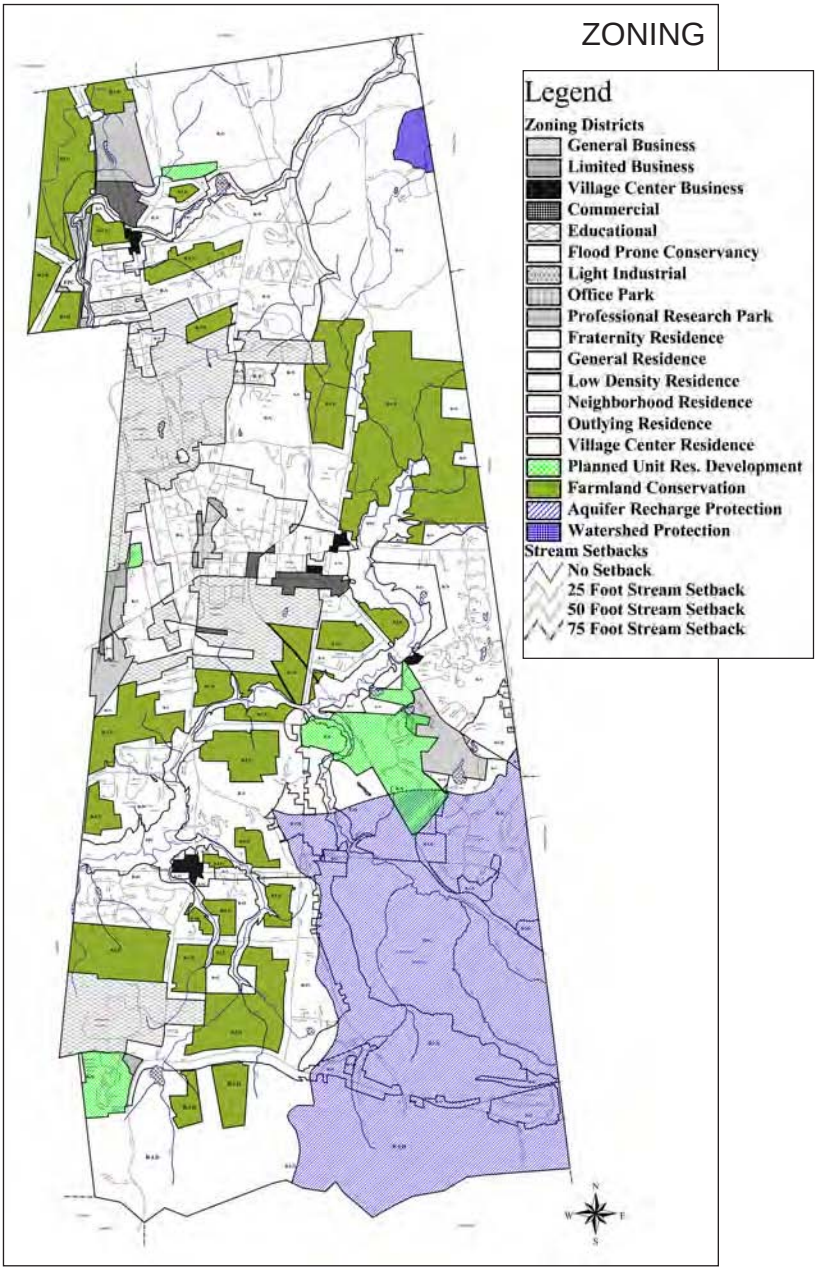
To meet Amherst's need for affordable housing the town will have to establish goals and policies that facilitate new development. But it is critically important that new housing fit into the fabric of the community, reinforce the character of Amherst's neighborhoods, support local business, define open space - and contribute to a broad range of other civic goals. Since most housing is built by developers the City should be proactive - defining what kind of development it wants, and where. This will help insure that housing goals are met with the support of the entire Amherst community.

The following pages lay out factors that should be taken into account in formulating planning goals, note sites where development should be considered, and suggest design prototypes for four typical sites. These hypothetical planning studies illustrate general approaches to design that could take place on a variety of sites, showing how market forces can be used to meet the need for affordable housing.

The development of new housing in Amherst will take place within the context of the city's streets, colleges, business districts, residential neighborhoods and open spaces. These features contribute to Amherst's distinctive character that ranges from urban to rural.

The town's zoning, regulatory requirements, and strong citizen concern about planning and design issues make it critically important that new housing is designed to be appropriate for this context. Formulating proposals for affordable housing must begin with an understanding of what defines the town's neighborhoods, even as the proliferation of student housing has begun to change their character. Student demand will continue to impact the market and affect public attitudes to development as big old houses get converted into apartments and prices continue to rise.

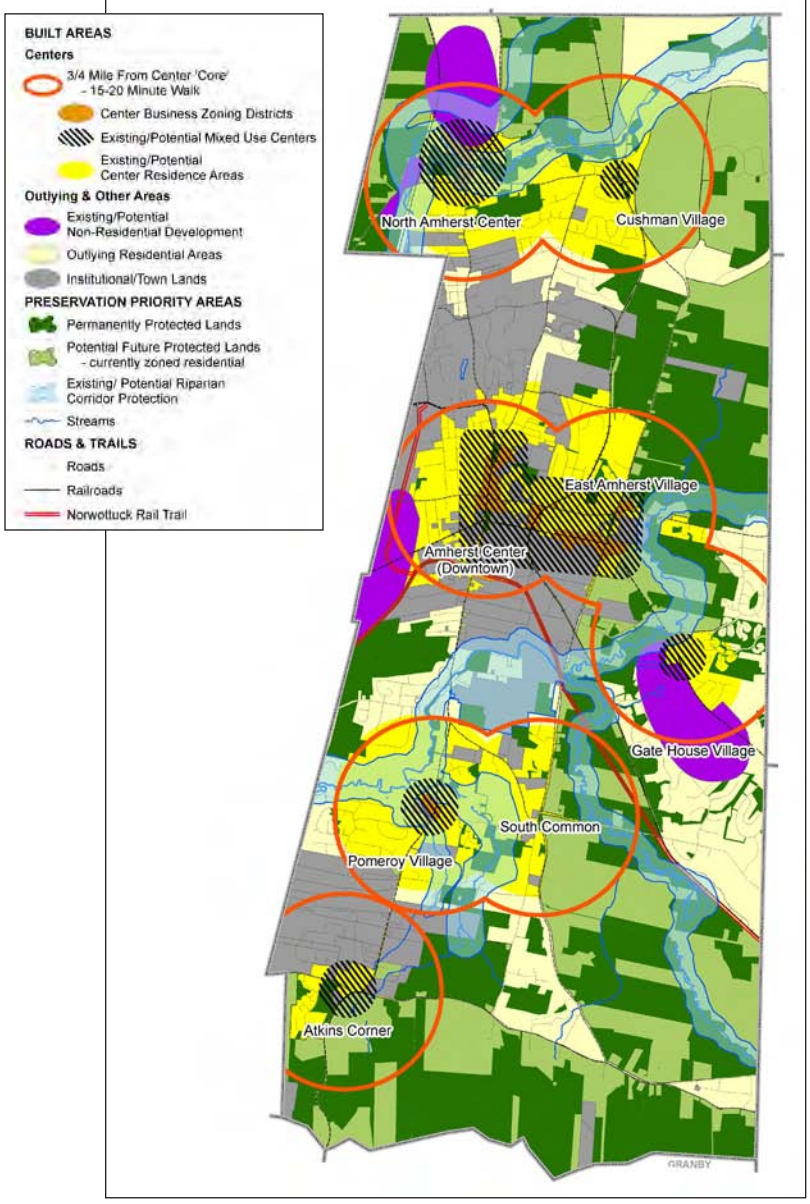
Amherst Center has a traditional New England feeling, with residential areas clustered around the predominately 2 and 3 story downtown. Despite the traffic, it is a pedestrian friendly area with buildings close to the sidewalk. Students and staff from nearby Amherst College, and the University of Massachusetts a mile away, add vitality to the commercial core. Nearby areas are more automobile oriented with strip commercial, apartment complexes and housing developments interspersed with wooded areas and agricultural



uses. Areas further out are more rural in character, with village centers offering limited retail options to the mostly single family houses that line the roads.

Zoning helps conserve the town's natural resources, recognizes the 3 college's significant land ownership, allocates space for commercial enterprises, and protects residential neighborhoods. Zoning doesn't insure that designs are sensitively executed, or that dense but appropriate development won't get rejected when it could have a positive influence, but it is the primary mechanism the City uses to control what gets built and prevent inappropriate construction.

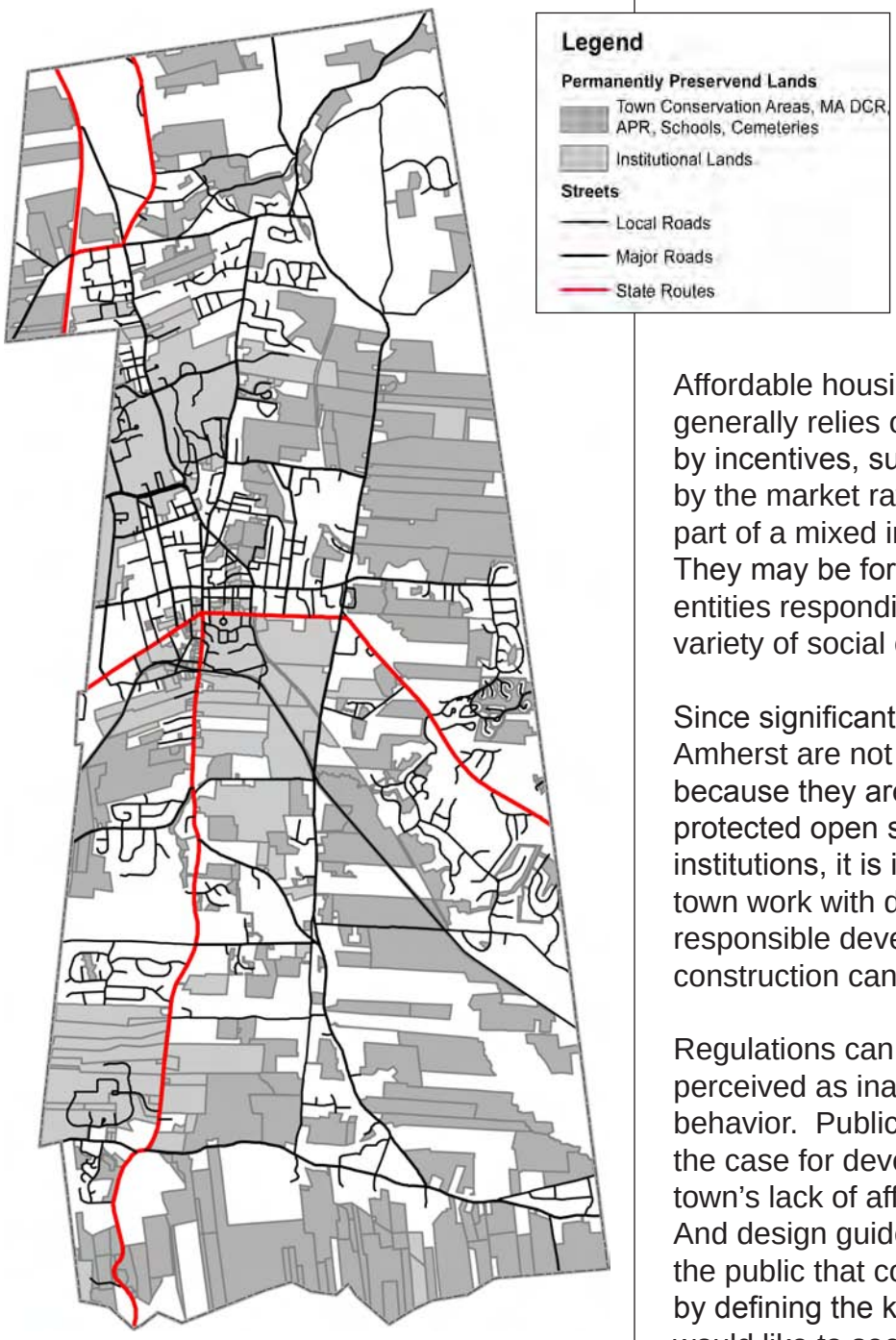
LAND USE POLICY



40B allows developers to override local zoning under certain conditions, making it important that Amherst define its development goals. This will allow the city to actively negotiate with development partners on the design of "friendly 40Bs" that can benefit public and private interests.

New mixed use construction or adaptive reuse in Amherst Center can help support local businesses and reinforce its character as a tightly knit community. Housing combined with commercial development in nearby areas can help give them a pedestrian oriented quality that returns Amherst to its New England roots. And development in the village centers, long a goal for the town, offers the opportunity for affordable and mixed income development that can reinforce a small scale commercial core. Sensitive development in any of these areas should recognize the importance of open space by clustering development around green spaces large or small.

UNDEVELOPABLE LAND MAP



Affordable housing construction generally relies on developers supported by incentives, subsidies, tax credits, and by the market rate housing that may be part of a mixed income development. They may be for-profit or non-profit entities responding to the market and a variety of social concerns.

Since significant amounts of land in Amherst are not open to development because they are wetlands, parks, protected open spaces, or owned by institutions, it is important that the town work with developers to support responsible development in areas where construction can take place.

Regulations can help control what is perceived as inappropriate student behavior. Public outreach can help build the case for development solutions to the town's lack of affordable housing options. And design guidelines can help reassure the public that construction is appropriate by defining the kind of planning the town would like to see.

Stylistic features – the shapes of windows, the pitches of roofs, the materials that are used and the way they are detailed – are generally less important than having thoughtful planning strategies. Historic features can be used inappropriately, and modern materials and details can be used sensitively, suggesting that the incorporation of particular stylistic features should not necessarily be a requirement for new development. Providing a pedestrian oriented site layout, a scale and massing that creates an animated streetscape, and welcoming entries that tie buildings to the public realm may make more effective connections to Amherst's traditions than traditional stylistic features used out of context.

Some of the typical Amherst districts and their defining features include:

South Pleasant St. Three and four story buildings define main thoroughfares and the Common, and contribute to the town's character. Ground floors are generally retail, with offices and housing opportunities on floors above.

Prospect St. Just beyond the town's commercial center, stately old houses line the streets. Many in the area have been subdivided and are often rented to students. Maintaining the stock of older houses could be a Town priority.

Central Business District – The center of Amherst is primarily mixed use - retail below and commercial above, with the opportunity for housing as well. Buildings are set close to or right on the sidewalk, and may form a continuous frontage along the street. Not everyone wants to live in a mixed use neighborhood, but apartments above shops create a sense of vitality and are often appropriate for younger workers or the retired who need affordable housing.

Surrounding areas are primarily residential with many big old houses spaced fairly close together. Many have been converted to apartments, and this trend is likely to continue.

A number of large parking lots are distributed throughout the central business district. They break up the continuity of the downtown fabric - while meeting an important need. The town should continue to look at comprehensive approaches to parking that will allow development without inconveniencing residents and businesses.

Railroad St. Modest houses within walking distance of Amherst Center offer affordability and help keep Amherst a diverse community despite the rising cost of housing.

North Amherst. Smaller village centers are built around libraries, churches, and neighborhood retail and are often surrounded by undeveloped land that offers opportunities for growth.

Inner Residential Neighborhoods – Relatively dense residential neighborhoods surround the multi-use central business district. The density gives the neighborhoods character, reduces the need for cars, and supports local businesses in the area.

Many big old houses accommodate more than one family or have been converted to non-residential or academic uses. There are also clusters of smaller houses. Wooded areas, commercial and industrial uses, apartments and railroad lines break the continuity of the fabric.

Infill housing can help knit neighborhoods together and connect Amherst Center to surrounding communities - while protecting open space, surrounding neighborhoods, and neighborhood businesses.

Peripheral Residential Areas – Further out from the central business district residential development has tended to be less dense and is primarily for single families. The student market and need for affordable housing has encouraged the construction of apartment complexes.

Smaller village centers surround intersections. Some, like North Amherst with its library, church and retail offer a charming image of small town living. Others are too small or lack the pedestrian character and shared amenities to establish a sense of place.

Housing development can help them cross the threshold and become centers of community life - although there has been resistance from those concerned about the changes this could bring to the established neighborhoods.

South East St. Away from Amherst Center multi-family housing has taken a variety of forms. With proper planning it can create an effective transition from the town center to the rural areas around it - although this has not always happened.

Belchertown Rd. Auto oriented development provides valuable services but does not always create an attractive pedestrian environment. Redevelopment can increase property values while strengthening the neighborhood's character.

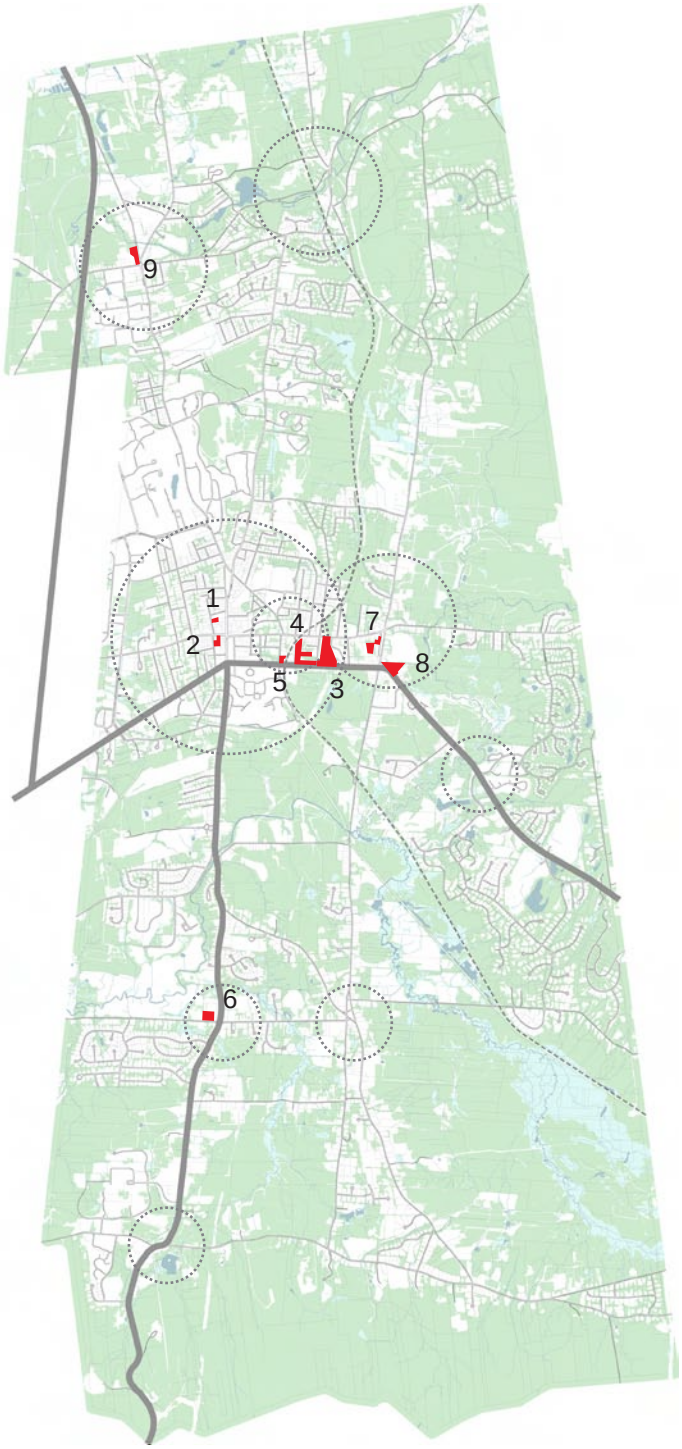
Main St. Clustered housing can make effective use of smaller parcels, reinforcing the neighborhood character and defining attractive open space.

Strip Retail Areas – Amherst's strip retail areas are important to the town, providing goods and services residents need, jobs, and significant tax revenues. They tend to be surrounded by parking and add little to, or detract from, the town's unique character and sense of place.

Creative thinking about these areas could allow for the development of affordable housing while reducing the conflict between these uses and adjacent neighborhoods.

Open Spaces – Amherst is filled with a variety of opens spaces: parks, cemeteries, farms, wetlands and conservation areas. Open space contributes to the quality of life in the town, offering a contrast to denser Amherst Center development and a connection to nature and the agrarian past. Many are protected from development because of the important social or environmental role they play.

Carefully designed development can define open spaces, making them more accessible. The protection of open spaces and the promotion of other worthwhile uses – like affordable housing - can be balanced through thoughtful planning and design



Amherst offers a series of sites where housing development could put under-utilized land to productive use while respecting the surrounding context and neighborhood fabric. Some are downtown where there is a strong sense of place; some are in adjacent areas where cars and strip commercial dominate, and others are in village centers that could be strengthened by appropriate growth.

A few of these sites are illustrated here to suggest the kind of productive transformation housing development can allow - in addition to offering the affordability that a diverse community needs. Appropriately designed it can align with a variety of other civic goals: downtown revitalization; the development of walkable communities; open space access; and the preservation of local businesses.

The best opportunities for affordable housing development are likely to be near village centers. This helps support shops and cafes and reduces the dependency on cars.

North Prospect St. Parking is critical for downtown vitality, but doesn't preclude housing construction. Apartments could line the street with parking behind and below, balancing a number of Town needs.

Amity St. Parking currently breaks the continuity of the retail frontage on Amity St. and the residential along South Prospect. Parking could be accommodated below or behind new construction to strengthen the neighborhood character along both streets.

College St. The Depot district is constrained by overhead powerline easements, railroad tracks, and the lack of a clear neighborhood character. Residential or mixed use development along College St. could help connect Amherst Center to Belchertown Rd. while still leaving room for other uses.

Railroad Street. Underutilized residential sites could be redeveloped to link College St. to Main St. while providing affordable and mixed use housing. The proximity to Amherst Center is advantageous to those at all income levels.

College St. This is a pivotal site where Amherst College could connect to nearby commercial and residential neighborhoods. Retail uses could hold the corner with residential uses above or behind.

West Pomeroy Ln. An open field adjacent to Pomeroy village offers the opportunity for multifamily housing or mixed use development. Residential will add to the vitality of the village center, while commercial will offer services for those living in the area, as well as job opportunities.

S. East St. Conversion of the East Street School to housing would preserve this historic structure while providing mixed income or affordable housing. Adjacent open spaces offer the opportunity for expansion.

South East St. Underutilized playing fields could provide open space with housing clustered around it-style houses, duplexes or fourplexes could be nested into the tree-wrapped landscape.

Belchertown Rd. This major crossroads has confusing circulation patterns and development that prioritizes parking and cars over pedestrians. Mixed use development could reinforce the village center character, provide affordable housing and retail, and clarify the structure of streets and walking spaces.

North Amherst. The village center provides a focus for community life that includes a branch library and retail, but abuts a series of parcels that could provide additional housing and commercial options. Existing commercial properties could include housing above, and industrial sites could be redeveloped as cluster housing.

CONCEPTUAL DEVELOPMENT SCENARIOS

Amherst Town Center

Amherst Town Center North

East Amherst Village Center

Pomeroy Village Center

The following pages illustrate the kind of development that could provide affordable housing, along with market rate housing and commercial development as appropriate. By defining pedestrian oriented streets, defining open space and supporting existing and new commercial development, these proposals reinforce the character of Amherst while creating much-needed housing.

CONCEPTUAL DEVELOPMENT SCENARIOS LOCATIONS

AMHERST TOWN CENTER

This is a pivotal site - connecting the commercial core to the surrounding residential areas. Two new buildings with different massings recognize the transitional nature of this corner.

A proposed 4 story building on Amity Street matches the height of buildings around the corner on South Pleasant St. A three story building on South Prospect is closer in height to the residential buildings across the street.

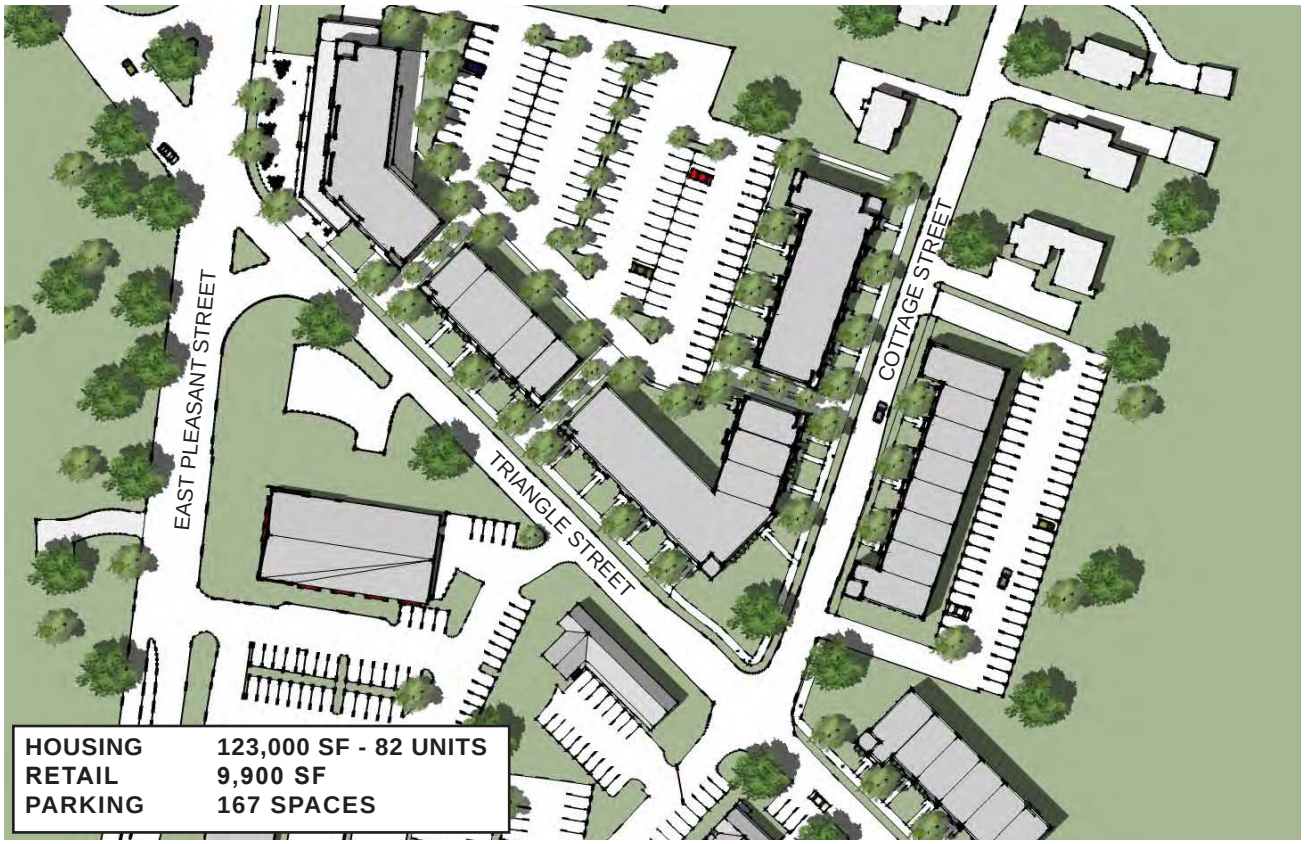
Housing over commercial space helps support local businesses and should have a significant affordable component. It could include artist's work-live studios that contribute to Amherst's creative culture.

The buildings step down as they approach the residential neighbors. The entry to the apartments is on the corner, with ground floor residential in the adjacent proposed building.

Parking is behind the buildings, allowing new facades to address the street. It can serve both residential and commercial tenants.

Development in Amherst Center should reinforce existing patterns of development with relatively dense three or four story buildings along the street and parking hidden behind. First floor retail will allow the existing bank to remain, support downtown vitality, and protect the privacy of residents above. On side streets abutting existing houses lower scale buildings and ground floor residential are appropriate. Building massing can respond to the adjacent context while providing terraces, bays, and loft living options for affordable and market rate housing. There are a variety of sites where this kind of development would complement the existing town fabric.

AMHERST TOWN CENTER NORTH



Mixed use development might be primarily residential with commercial at the corner of Triangle and East Pleasant. Parking would be located behind, screened from view.

First floor retail could be a restaurant or a food store and might feature a patio with outdoor dining. Parking could be shared with the residential.

Four stories of construction would not be out of place on the prominent corner, and could then step down towards the side streets and residential areas.

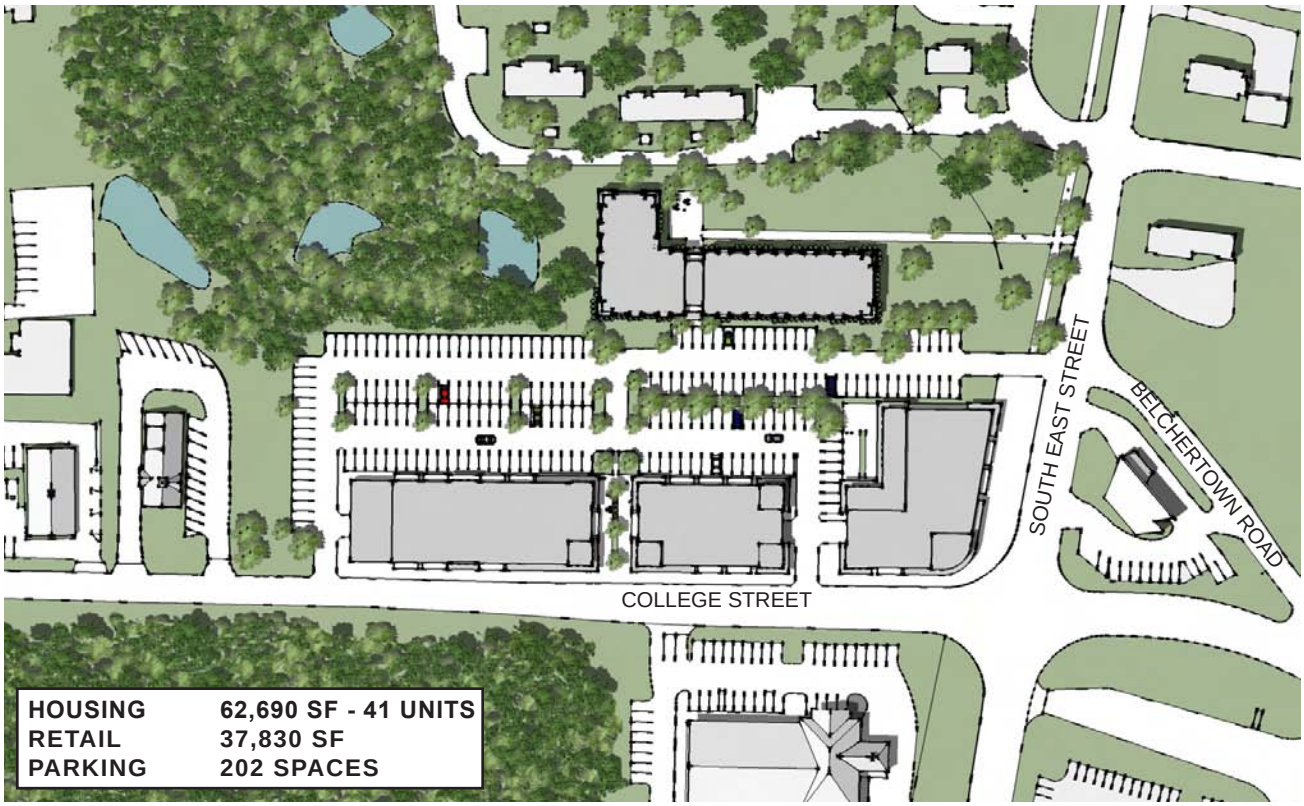
Front steps help maintain a sense of privacy for residents, but accessible units are also an important component of any housing development.

Townhouses maintain a residential scale with individual entries lining the sidewalk, but maintain a high enough density to begin to meet Amherst's substantial need for more housing.

Mixed use development that includes housing and retail can extend the small town character of Amherst Center to adjacent areas that have become dominated by cars and parking lots. A restaurant or market can face prominent streets and intersections with housing above and adjacent to it. Townhouses create a pedestrian scaled sequence of entries and bays that form a transition to single family houses beyond.

Parking can occupy the back of the lot allowing ground floor retail and residential entries to define the street front. Buildings can be broken to allow views and access to open space.

EAST AMHERST VILLAGE



New commercial buildings line College St. to help create a strong pedestrian character. A residential building occupies the area behind it, linked to South East St. as it transitions into a residential area.

Parking could serve both the commercial and residential buildings; one using it primarily during the day, the other primarily at night.

Housing faces away from the stores and restaurants behind it, and towards the open spaces, wetland areas, and residential neighborhoods.

Bays, terraces and balconies can be a part of residential development whether it is affordable or market rate. Mixed income development often allows high design standards to be achievable.

Residential development combined with commercial is good for business, and allows more people to walk to local shopping. Outdoor dining and greenery provide neighborhood amenities.

Sites along streets and highways can accommodate mixed use development by lining them with commercial uses and building housing right behind. This helps make the transition from commercial to residential uses, and allows parking to be shared. Efficient planning allows limited space to be used more effectively making development more economical and housing more affordable. And by making the best use of buildable land, wetlands can be protected and open space maintained while realizing the economic potential of land.

This kind of development is especially appropriate near established neighborhoods, where pedestrian friendly planning encourages people to walk and feel a connection to Amherst Center.

POMEROY VILLAGE CENTER

Buildings are clustered around courtyards that provide greenery and parking, and maintain a residential scale appropriate to the area's semi-rural location.

Multiple entries, porches and articulated massing suggest a village-like neighborhood that could include both market rate and affordable apartments or townhouses.

Ground floors could include small businesses: a lawyer's or accountant's office, a small boutique, or an artist's studio. The owner could live up above.

Although parking is necessary, it doesn't need to dominate new housing development. Good planning can encourage people to walk - which has health and environmental benefits.

New housing doesn't need to imitate traditional building to offer the kind of comfortable and affordable environments balancing community and privacy that should be encouraged throughout Amherst.

Housing can reinforce the centrality of village centers, support local businesses, and create walkable communities. Clustering buildings together helps to define meaningful green space and create real neighborhoods. Parking can be screened from the street letting thoughtfully articulated buildings suggest the character of a New England village. Flats and townhouses can both be accommodated in these kinds of small scale buildings.

Clustered development allows density to be kept relatively high while fitting into a semi-rural context. This helps keep housing affordable in relation to more dispersed housing. There are numerous sites around Amherst where this kind of development would be appropriate.

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Section 6

APPENDICES

Appendix 1: Glossary of Housing Terms
Appendix 2: Summary of Housing Regulations/Resources

APPENDIX 1
Glossary of Housing Terms

40R/40S
State legislation that provides cash incentives to municipalities that adopt smart growth overlay districts that also increase housing production, including affordable housing (see Appendix 2 for details).

Affordable Housing
A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

Area Median Income (AMI)
The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as "MFI" or median family income.

Chapter 40B
The state's comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B
The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds' fees.

Cluster Development
A site planning technique that concentrates buildings in specific areas on the site to allow the remaining land to be used for other uses, most typically open space preservation. Some provisions allow density bonuses for certain conditions of development, including affordable housing.

Comprehensive Permit
Expedited permitting process for developers building affordable housing under Chapter 40B "anti-snob zoning" law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers (see Appendix 2 for details).

Conservation Development
A project that conserves open space, protects site features and provides flexibility in the siting of structures, services and infrastructure.

Department of Housing and Community Development (DHCD)
DHCD is the state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Design Guidelines
A set of discretionary standards, including design and performance criteria, developed as a public policy to guide the planning and land development.

Easements
The right to use property for specific purposes or to gain access to another property.

Energy Star
A voluntary labeling program of the US Environmental Protection Agency (EPA) and the US Department of Energy that identifies energy efficient products.

Enhanced Single Room Occupancy (ESRO)
A single person room with a private bath and/or kitchen rather than shared facilities.

Expedited Permitting
The state's Chapter 43D Program allows a community to gain state incentives for projects meeting certain criteria and permitted within a 180-day regulatory process.

Fair Housing Act
Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Form-based Zoning
Zoning regulations that define desired building and site characteristics but do not strictly regulate the uses.

Green Building
A term used to describe buildings that have been designed or retrofitted to reduce energy consumption.

Inclusionary Zoning
Inclusionary zoning is a zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development
Infill development is the practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Such development promotes compact development, which in turn allows undeveloped land to remain open and green.

Jobs/Housing Balance
A measure of the harmony between available jobs and housing in a specific area.

LEED
Leadership in Energy and Environmental Design (LEED) is a voluntary standard for developing high performance, sustainable buildings that significantly reduce energy consumption. There are various standards, including silver, gold and platinum, which are awarded to particular properties through a certification process.

Local Initiative Program (LIP)
LIP is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income (see Appendix 2 for more details).

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)
MassHousing is a quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)
The term, MSA, is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development
Mixed-income development includes housing for various income levels.

Mixed-Use Development
Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning
A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Planned Development
A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.

Public Housing Agency (PHA)
A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Non-profit Housing Organizations
Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. HAPHousing, Inc. serves as Amherst's regional non-profit housing organization.

Regional Planning Agencies (RPAs)
These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Pioneer Valley Planning Commission (PVPC) serves as Amherst's Regional Planning Agency.

Request for Proposals (RFP)
A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8
Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Single Room Occupancy (SRO)
A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and /or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.

Smart Growth
The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth

principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy
Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the "layering" of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, "internal subsidies" refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to "cross subsidize" the affordable ones.

Subsidized Housing Inventory (SHI)
This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

Sustainability
Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations.

Transfer of Development Rights (TDR)
A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

Transit Oriented Development (TOD)
Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

U.S. Department of Housing and Urban Development (HUD)
The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

APPENDIX 2
Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for "comprehensive permits" submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a "subsidized" development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met[1]:

- The community has met the statutory minimum by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community's land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community's land area.

[1] Section 56.03 of the new Chapter 40B regulations.

- The community has made "recent progress" adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.
- The application is for a "large project" that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A "related application" for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA's decision to the state's Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.[2] Recently approved regulations add a new requirement that ZBA's provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can or cannot count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

Applicants wishing to appeal the ZBA decision based on appeal-proof grounds must notify the ZBA and DHCD in writing within 15 days of receipt of the ZBA notice. If the applicant appeals, DHCD will review materials from the ZBA and applicant and issue a decision within 30days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA's position). Either the ZBA or application can appeal DHCD's decision by filing an interlocutory appeal with the Housing appeals Committee (HAC) within 20 days of receiving DHCD's decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these "appeal-proof" grounds.

Chapter 40B also addresses when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*
  Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.

- *Certificate of Occupancy*
  Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued with 18 months.

[2] Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

- *Large Phased Projects*
  If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- *Projects with Expired Use Restrictions*
  Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.

- *Biennial Municipal Reporting*
  Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Municipalities are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including residents, employees of the City of Amherst (including the school district) or employees of businesses located in the city.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local City Council/Select Board for a 30-day comment period. The City Council/Select Board solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the City Council/Select Board for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.

- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principle in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

Chapter 40B regulations related to the hearing process include:

- The hearing must be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that there rules are consistent with Chapter 40B.

- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units that the minimum threshold required by DHCD guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the

Superior Court or Land Court, but even for abutters, establishing "standing" in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate "legal error" in the decision of the ZBA or HAC.

B. Housing Production Regulations

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (40 units and 80 units, respectively, for Amherst) for *approval* by DHCD.[3]
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the certification documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure include future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
  - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
  - Identification of specific sites on which comprehensive permit applications will be encouraged.
  - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
  - Municipally owned parcels for which development proposals will be sought.
  - Participation in regional collaborations addressing housing development.

Plans must be adopted by the City Council and Planning Board, and the term of an approved plan is five (5) years.

C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that "the state provide financial and other incentives to local communities that pass

[3] Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income".[4]

The statute defines 40R as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions."[5] The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows "as-of-right" residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Payments

Incentive Units	Payments
Up to 20	$10,000
21-100	$75,000
101-200	$200,000
210-500	$350,000
501 or more	$600,000

There are also density bonus payments of $3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would prepare the Zoning Districts bylaw for Town Meeting enactment, would be "able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood."[6]

The principal benefits of 40R include:

[4] Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, "A Housing Strategy for Smart Growth and Economic Development: Executive Summary", October 30, 2003, p. 3.
[5] Massachusetts General Law, Chapter 40R, Section 11.
[6] "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," p. 4.

- Expands a community's planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The City/Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The City/Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The City/Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The City/Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

D. <u>Local Initiative Program (LIP) Guidelines</u>

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called "friendly" 40B's, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

Income and Assets

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted "over 55" housing.
- For homeownership projects, assets may not be greater than $75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than $200,000.
- Income and asset limits determine eligibility for lottery participation.

Allowable Sales Prices and Rents[7]

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and payed by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees[8], private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

Allowable Financing and Costs

- Allowable development costs include the "as is" value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the "as is" market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the City Council/Select Board where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.

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[7] DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

[8] DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

Marketing and Outreach (refer to state Affirmative Fair Housing Marketing Plan guidelines dated June 25, 2008.)

- Marketing and outreach, including lottery administration must adhere to all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008).
    - The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
    - Marketing materials must be available/application process open for a period of at least 60 days.
    - Marketing should begin about six (6) months before occupancy.
    - Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on "households" = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for

calculating purchase prices of the affordable units for which LIP has a formula as noted above).

- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath
2 bedrooms – 900 square feet/1 bath
3 bedrooms – 1,200 square feet/ 1 ½ baths
4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – "friendly" comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality's chief elected official, and the local housing partnership, trust or other designated local housing entity, if applicable. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by DHCD.
5. Developer's profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – "friendly" comprehensive permit projects – is as follows:

1. Application process
   - Developer meets with Town
   - Developer and Town agree to proposal
   - Town chief elected officer submits application to DHCD with developer's input

2. DHCD review involves the consideration of:
   - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
   - Number and type of units,

- Pricing of units to be affordable to households earning no more than 70% of area median income,
- Affirmative marketing plan,
- Financing, and
- Site visit.

3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.

4. Zoning Board of Appeals holds hearing
   - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
   - Developer forms a limited dividend corporation that limits profits.
   - The developer and Town sign a regulatory agreement.

5. Marketing
   - An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
   - Local preference is limited to a maximum of 70% of the affordable units.
   - Marketing materials must be available/application process open for a period of at least 60 days.
   - Lottery must be held.

6. DHCD approval must include
   - Marketing plan, lottery application, and lottery explanatory materials
   - Regulatory agreement (DHCD is a signatory)
   - Deed rider (Use standard LIP document)
   - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for "friendly" 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD's web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: Janice.lesniak@state.ma.us. For resale questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: elsa.campbell@state.ma.us).

E. MassWorks Infrastructure Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:

- Public Works Economic Development (PWED)
- Community Development Action Grant (CDAG)
- Growth Districts Initiative (GDI) Grant Program
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Amherst are described below.[9]

A. Technical Assistance

1. Priority Development Fund[10]

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making $3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts and Compact Neighborhood Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;

[9] Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts, Produced by the Citizen's Housing and Planning Association, June 1999.

[10] Description taken from the state's program description.

- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to $50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as "Initiatives of Exceptional Merit," in order to increase the amount of assistance and scope of services for certain projects.

2. Peer-to-Peer Technical Assistance

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than $1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited (contact is Karl McLaurin at DHCD). To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the City Council/Select Board or letter from the Mayor/Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the municipality must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

3. MHP Intensive Community Support Team

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this

initiative, should contact the MHP Fund directly for more information. (Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

4. MHP Chapter 40B Technical Assistance Program

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to $10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information. (Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development "uneconomic".
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

B. <u>Housing Development</u>

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. HOME Program

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;

- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is $750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is $50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

Unlike most cities, Amherst does not receive an annual allocation of HOME funding directly from the state, but is part of the North Shore HOME Consortium, receiving a small annual allocation and access to further funding from a competitive pool.

2. Community Development Block Grant Program (CDBG)

Unfortunately the Town recently lost its mini-entitlement status and for fiscal year 2013 applications, which are due in February, the Town will receive transitional assistance of approximately $450,000 with the option of applying competitively to secure more from the state. CDBG funding has been used for a variety of housing-related programs including the First-time Homebuyer Program administered by the Valley CDC, support for the local emergency shelter, emergency financial assistance for those at risk of homelessness, and financing for affordable housing development.

3. Housing Stabilization Fund (HSF)

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is $750,000 and the maximum per unit is $65,000 for communities that do not receive HOME or CDBG

funds directly from HUD, and $50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. Housing Innovations Fund (HIF)

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than $500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. Federal Home Loan Bank Board's Affordable Housing Program (AHP)

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to $300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. MHP Permanent Rental Financing Program

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from $100,000 loans to amounts of $2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to $40,000 per affordable unit up to a maximum of $500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from $250,000 to $5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. OneSource Program

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from $250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource

Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. Section 8 Rental Assistance (Housing Choice Voucher Program)

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

11. District Improvement Financing Program (DIF)

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

12. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

13. Community Based Housing Program

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of $750,000 per project.

14. Neighborhood Rental Initiative Program (NRI)

The Massachusetts Housing Partnership has introduced the Neighborhood Rental Initiative Program (NRI) to support the development of affordable rental housing in suburban and high-opportunity communities. MHP has committed $5 million to the program in zero percent interest, second mortgage financing. The program is targeted towards 219 communities characterized by such factors as good

schools, proximity to jobs, higher housing costs and a shortage of affordable housing, including Amherst. Applicants may request up to $75,000 per affordable unit, which for this program is defined as units serving those earning at or below 50% of area median income for a maximum project subsidy of $750,000. The minimum project size is five (5) units and 50% of the units must have two (2) or more bedrooms. NRI second mortgage financing must be used in combination with at least $250,000 in MHP first-mortgage financing.

15. Compact Neighborhoods Program

DHCD recently announced "Compact Neighborhoods" that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of "future zoned units" in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;
- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions to age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the elderly, persons with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encourage housing that is priced to meet the needs of households across a broad range of incomes and needs.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an "as-of-right" base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from DHCD; and
- Adopt the Compact Neighborhood Zoning.

C. <u>Homebuyer Financing and Counseling</u>

1. Soft Second Loan Program

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent $1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or $20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an

interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Amherst is already a participating community in the Program.

For over 20 years, MHP has made homeownership possible for low- and moderate-income homebuyers by offering the Soft Second Loan Program. Since 1990, Soft Second has helped over 17,000 families purchase their first home and has provided over $2.7 billion in private mortgage financing. Soft Second will continue to be available through the end of 2013 but MHP will be transitioning the program from a two-mortgage structure to one and will relaunch the program as the ONE Mortgage Program. MHP and its partner banks expect to start making ONE Mortgages by the summer of 2013. Like Soft Second, ONE will offer first-time homebuyers a discounted fixed interest rate, a low down payment and will not require the homebuyer to purchase costly private mortgage insurance.

2. MassHousing Mortgages

MassHousing has mortgage financing available with low or no down payment requirements as well as 30 to 40-year fixed rates for qualifying low- and moderate-income first-time homebuyers as well as those looking to move up or refinance. The income limit is $90,720 for those purchasing in Hampshire County. Borrowers apply for the mortgages through participating lenders. The program builds in mortgage insurance to help pay the mortgage in case of job loss.

3. Homebuyer Counseling

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organizations that offer these workshops in closest proximity to Amherst include the Valley CDC and HapHousing, Inc.

4. Self-Help Housing.

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

5. First-time Homebuyer Program

Administered by the Valley CDC, the Town has allocated CDBG funding to support four (4) grants of $4,500 to cover down payments and closing costs for eligible purchasers of homes or condos in Amherst. Participants must have incomes within 80% of area median income and have an accepted offer to purchase prior to applying for program assistance.

D. <u>Home Improvement Financing</u>

1. MassHousing Home Improvement Loan Program (HLP)

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of $7,500 and at least a 3% down

payment. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are $82,000 for households of one or two persons and $94,300 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. Get the Lead Out Program

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

3. Septic Repair Program

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to $23,000 and three or more person households earning up to $26,000 annually. There are 3% loans available for those one or two person households earning up to $46,000 and three or more persons earning up to $52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to $25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

E. <u>Homelessness Prevention and Assistance Programs</u>

Homelessness prevention has been identified as a priority housing need in the Housing Needs Assessment. Programs to prevent homeless include but are not limited to the following:

1. Rental Assistance to Families (RAFT)

The Residential Assistance to Families (RAFT) program, funded by DHCD, offers short-term financial help or other assistance to families who are homeless or seriously at-risk of homelessness. Families can get up to $3,000 for such items as rent, mortgage payments, security deposits, utility start-up costs, first/last month's rent, moving expenses, etc.

2. Tenancy Preservation Program (TPP)

The Tenancy Preservation Program (TPP) is administered by MassHousing to prevent homelessness among persons with disabilities. The Program acts as a neutral party between the landlord and tenant, also providing clinical consultation services to the Housing Court. TPP clinicians assess the reasons for the eviction, identify needed services, develop a treatment plan to maintain tenancy, and monitor the case. If the tenancy cannot be preserved, TPP coordinates the tenant's transition to a more appropriate placement, preventing homelessness to the greatest extent possible.

3. Homelessness Prevention and Rapid Re-Housing Program (HPRP)

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) was enacted by the federal government as part of the Recovery Act to help persons affected by the current economic crisis to provide homelessness prevention assistance to households who would likely otherwise become homeless and to rapidly re-house persons who are homeless. HUD allows grantees to develop prevention and/or rapid re-housing programs that meet locally-defined needs, to be targeted and prioritized to serve those most in need. This program is not a mortgage assistance program but meant to provide temporary assistance for such items as utility costs, moving costs, security deposits and rent in a new unit, storage fees, and other financing costs or services.

4. HUD Homeless Assistance Grants/McKinney-Vento Appropriations

HUD's Homeless Assistance Grants, funded through McKinney-Vento appropriations, support a variety of programs and activities, largely distributed through the Continuum of Care system across the country. The City of Amherst has served as the lead agent for the Three County Continuum of Care since it was created in 1997. Homeless providers work together to identify their needs and rank projects that they want to fund. HUD then ranks the applications and makes funding decisions. Funds can be used for permanent and supportive housing, transitional housing, and services.