

40R Smart Growth Zoning Program

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HAVERHILL STATION
OUTBOUND

Context/Background: restrictive zoning



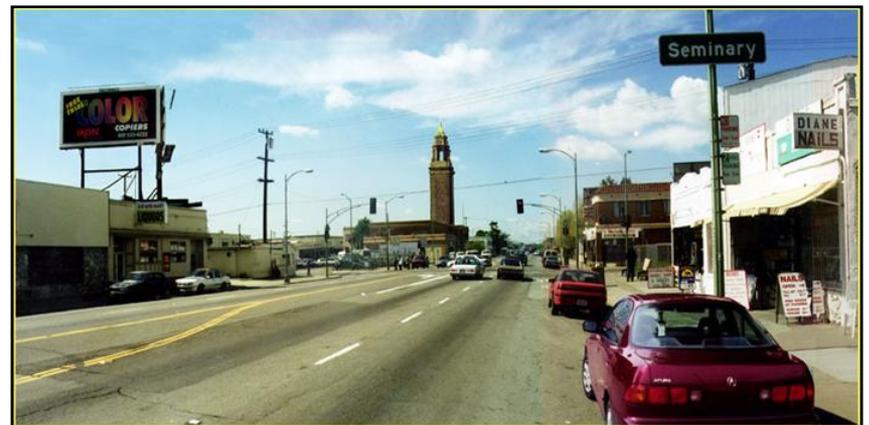
BANNED!

- 40R passed in 2004; 40S in 2005
- Rising housing costs / 40B activity
- CHTF: insufficient zoning for multifamily
- Impact on costs / workforce / economy
- New tool / carrot approach

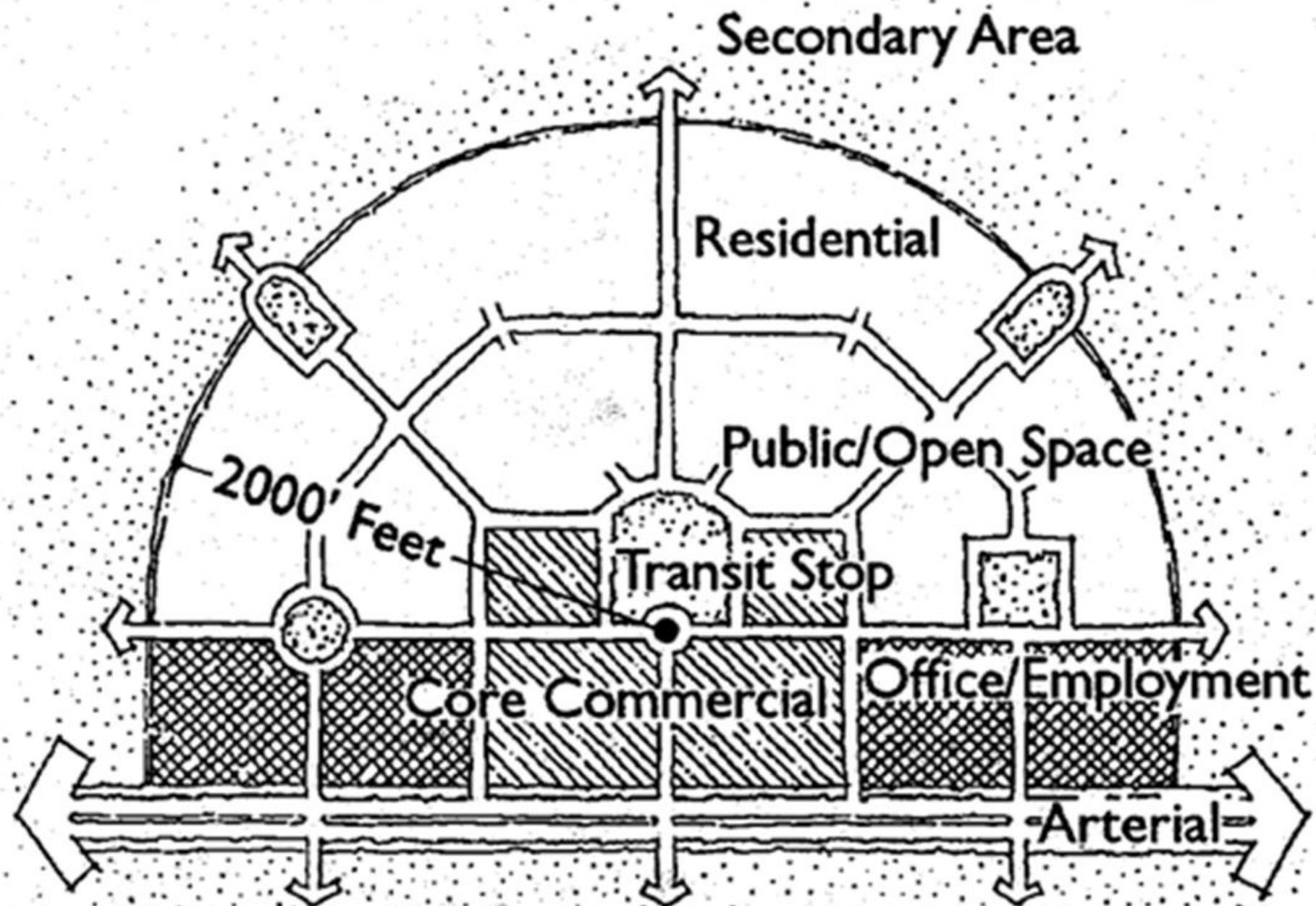
40R Definition of “Smart Growth”

Emphasizes...

- **mixing land uses**
- **range of housing**
- compact design
- distinctive communities
- resource preservation
- **existing communities**
- **transportation choices**
- fair + cost effective process
- stakeholder collaboration









What is 40R?

40R is a voluntary program to encourage cities & towns to adopt & implement zoning that allows compact, mixed-income, by-right development in areas with existing or planned infrastructure & better access to employment, retail & services by offering both direct & indirect financial incentives & a tool to better manage residential growth. In addition to the direct payments provided thru 40R and 40S (school-cost reimbursement), communities with 40R Districts can receive preference for state discretionary funds such as MassWorks infrastructure grants.

THIS...



FOR THIS...



**40R: Zoning Incentive Payment
(\$10K-\$600K)**

**Density Bonus Payment
(\$3K/unit)**

40S: (DESE Cost per  X # of )

– (~56% of RE+Excise tax) + any add'l Ch. 70\$

Basic District Requirements:

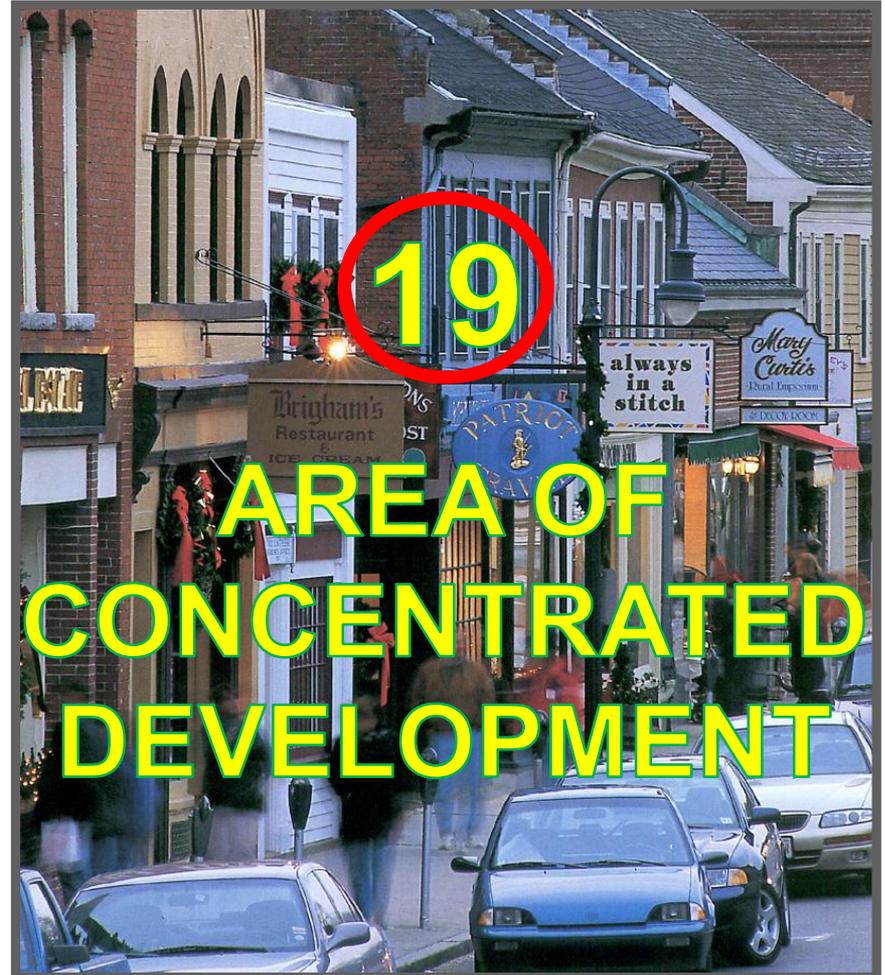
- Eligible Location
- By-Right Density Minimum
- Affordability Minimum



40R Smart Growth Zoning Program Basics/Overview

- Eligible locations: near transit, city/town centers, commercial areas, other suitable areas.
- As-of-right densities by unit type
 - Single-family: 8 units/acre
 - 2-3 family: 12 units/acre
 - Multifamily: 20 units/acre
- Affordability requirement (20%)
- Direct funding:
 - \$10K-\$600K Zoning Incentive Payment based on District size
 - \$3,000/unit Density Bonus Payment
 - Eligibility for school-cost reimbursement \$ (Chapter 40S)





Area of Concentrated Development



- At least 50% of an Area of Concentrated Development must include an existing commercial/mixed-use zone. At least 50% must also be previously developed, **characterized by substantially developed land**, even if such land qualifies as underutilized.
- Adequate existing or planned infrastructure

- Non-commercial portions of an Area of Concentrated Development cannot exceed 50%

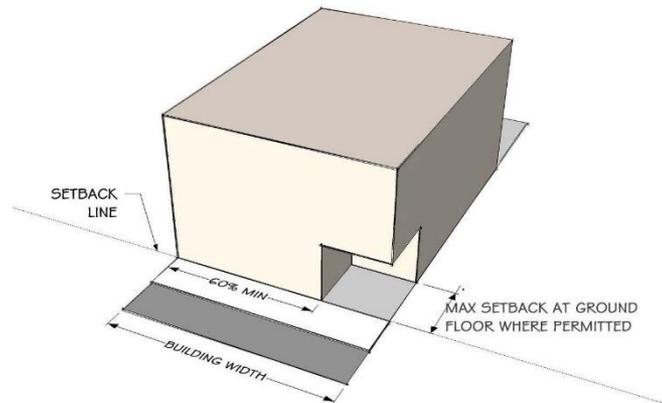
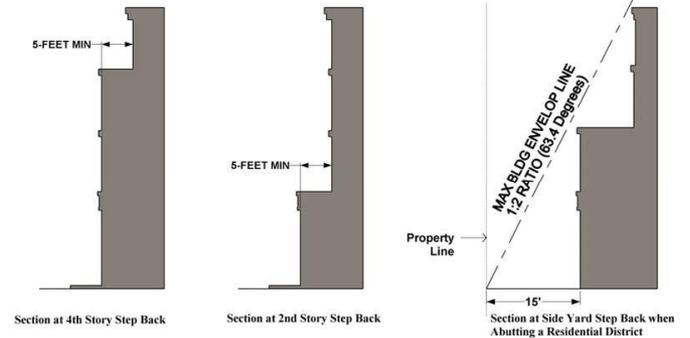


40R

Zoning Characteristics

Other 40R Zoning characteristics...

- As of right – w/ site plan review
- Comprehensive – other zoning requirements do not apply
- May include Design Standards
- Must be primarily residential
- Not subject to bldg. caps., etc.
- Cannot require age restrictions



CORNICE COMPLETES BUILDING COMPOSITION

VERTICAL UPPER STORY WINDOWS CONTRAST WITH HORIZONTAL LOWER STORY WINDOWS

CHANGE IN MATERIAL ACKNOWLEDGES CHANGE IN USE

LARGER WINDOWS OPEN RETAIL LEVEL TO THE STREET



STEP BACK AT UPPER STORIES REDUCES BUILDING MASS

BAND COURSES REINFORCE BUILDING PROPORTIONS

SMALLER UPPER FLOOR WINDOW CONTRAST WITH LARGER PUBLIC SIZE OF GROUND FLOOR WINDOWS

TALLER FIRST FLOOR REINFORCES PUBLIC ZONE.

PROJECTING HORIZONTAL REINFORCES HUMAN SCALE

SHELTERED ENTRIES ENRICH PEDESTRIAN ZONE



40R District Requirements

Minimum Affordability

Affordability...

- **20-25% of units @ 80% AMI**
- **Required for all Projects of 13 or more units**
- **At least 20% for District as a whole**
- **Aff. units must be dispersed proportionately across all unit types, floors & bldgs.**





2018 40R Income Limits & Default Rent Limits for Springfield MSA

Springfield MSA			
Unit Type / # of Bedrooms	Target Household Size	40B / 40R Income Limit	Base Rent Limit (BEFORE Utility Allowance)
Studio	1	\$45,200	\$1,130
1-BR	2	\$51,650	\$1,291
2-BR	3	\$58,100	\$1,453
3-BR	4	\$64,550	\$1,614
4-BR	5	\$69,750	\$1,744



40R Municipal Incentives: 40R Zoning Incentive & Density Bonus Payment

INCENTIVE PAYMENTS

<u>Zoned Units</u> *	<u>Payment</u>
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
201-500	\$350,000
501 +	\$600,000

BONUS PAYMENTS

\$3,000 for each Bonus Unit issued a building permit



Well designed mixed-use at 40R densities can fuel foot traffic, activating streetscapes and public spaces

*Net new units allowed by-right on parcels that qualify as Developable/ Underutilized Land

The Process / How to Participate

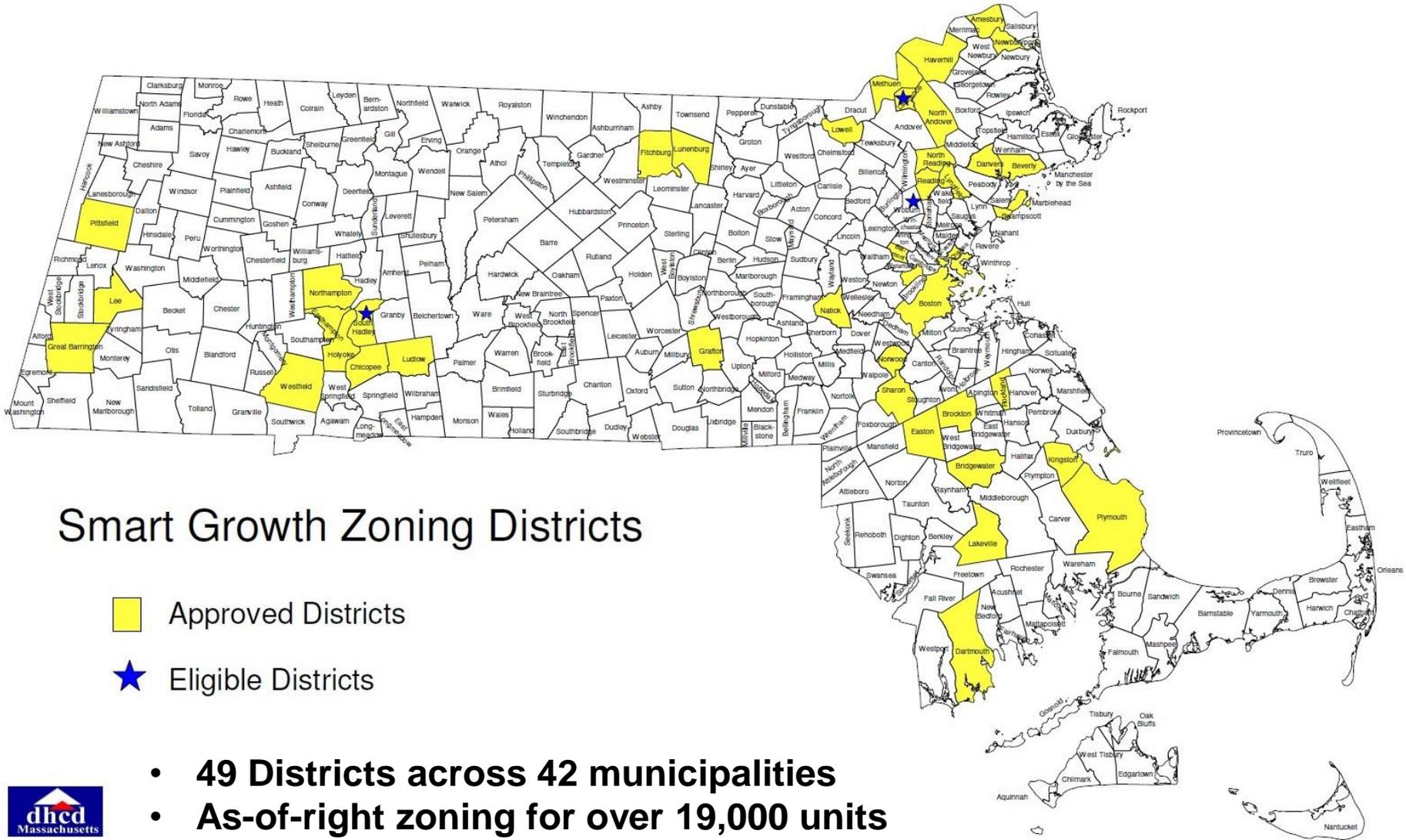
- Initial consultation w/ DHCD (recommended)
- Pre-application local public hearing
- District application to DHCD
- **DHCD Determination of Eligibility**
- **Local zoning adoption**
- Evidence of zoning adoption to DHCD
- **DHCD Letter of Approval**
- Zoning Incentive Payment
- Local Project applications & determinations



Net density of 6 units/acre
(Riverwalk, Concord)

MarketStreet
Lynnfield
40R





Smart Growth Zoning Districts

Approved Districts

Eligible Districts

- **49 Districts across 42 municipalities**
- **As-of-right zoning for over 19,000 units**
- **3,759 units built or in construction**





40R Participation / Activity:

Sample of District Sizes & Production

Amesbury 240

Belmont 18

Beverly 101

Bridgewater 594

Danvers 211

Easthampton 482

Easton 280

Grafton 240

South Hadley 383

G. Barrington 494

Kingston 730

Lakeville 207

Lee 119

Ludlow 350

Lunenburg 204

Lynnfield 180

Marblehead 64

Swampscott 68

Natick 138

Newburyport 540

N. Andover 530

N. Reading 434

Norwood 59

Plymouth 675

Reading 661

Sharon 167



\$ Incentives:

40S School-Cost Reimbursements

- Provides school-cost reimbursement for net rise, if any, in school costs associated with approved 40R Projects.
- Payment = positive difference between total education cost for eligible students & municipality's Smart Growth revenues for education + Ch. 70 aid.
- Smart Growth revenues for education are product of the education % (total school spending among all communities divided by total expenditures) and the Smart Growth property & excise tax revenues.
- For more information contact DOR's Division of Local Services.



Net School-Cost Reimbursement

City / Town	SG Revenue (RE&E Tax)	Edu % (% State Rev. Spent on Edu)	Adj. Local Rev. to Defray Sch. Cost	Add' c. 70 for 40R Sch. Kids	# of Elig. Kids	Add' Sch. Costs per DESE	DESE Add' Sch. Cost per Elig. Kid	Raw 40R School-Cost Reimb	FY14 Smart Growth Reimb
Lakeville	\$184,961	0.5696	\$105,354	\$850	36	\$359,329	\$9,981	\$253,125	\$253,125
Reading	\$497,508	0.5696	\$283,380	\$325	13	\$138,037	\$10,618	\$0	\$0
Lunenburg	\$102,739	0.5696	\$58,520	\$53,706	27	\$295,844	\$10,957	\$183,618	\$183,618
Total FY14								\$436,743	\$436,743

40S School-Cost Reimbursement for FY14



Sampling of 40R + 40S Payments

Amesbury **\$1.07M**

Belmont **\$46K**

Beverly **\$75K**

Bridgewater **\$600K**

Danvers **\$200K**

Easthampton **\$500K**

Easton **488K**

Grafton **\$350K**

S. Hadley **\$550K**

G. Barrington **\$550K**

Kingston **\$600K**

Lakeville \$2M

Lee **\$0***

Ludlow \$575K

Lunenburg **\$1.2M**

Lynnfield **\$722K**

Marblehead **\$0**

Swampscott **\$75K**

Natick **\$614K**

Newburyport **\$350K**

N. Andover **\$600K**

N. Reading \$1.5M

Norwood **\$118K**

Plymouth \$1.06M

Reading \$1.5M

Rockland **\$0***

Sharon **\$0***

** Payment eligibility subject to fulfillment of certain infrastructure requirements*

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