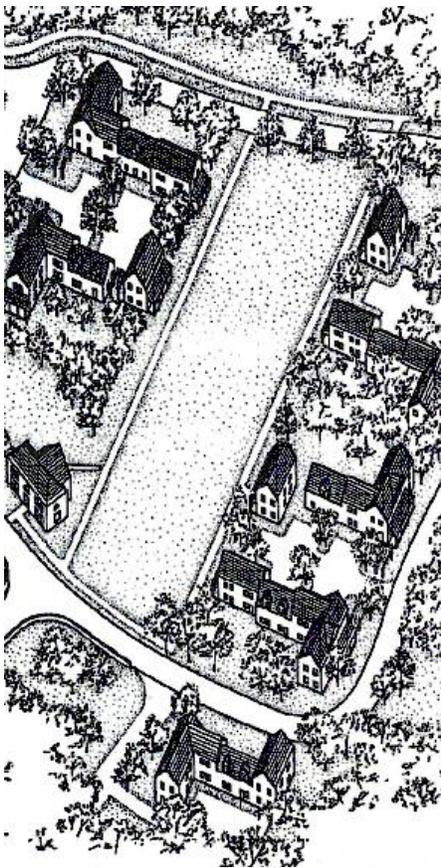


5. HOUSING

5.1 Introduction

The issue of moderating housing growth may be the biggest key to determining what Bolton will be like in twenty years, how fast the town will grow, and, therefore, what will happen to the town's tax bills. According to the state law Chapter 40B, when fewer than 10% of a town's housing units are designated as "affordable", the state lets developers file a comprehensive permit which may result in variances in local bylaws and a higher density of units as long as the project contains at least 25% affordable units. As a result, Bolton is now faced with several projects that will result in multiple homes on small parcels and provide just one affordable home for every four built.



To address this situation, the MPC endorses efforts by the Bolton Affordable Housing Partnership (BAHP) to seek projects that include higher percentages of affordable units than the 25% minimum, owner occupied multi-family homes or appropriate multifamily developments that would count 100% towards the town's affordable goal. Measures such as these will reduce the number of total homes that need to be built to reach 10%, and could substantially reduce our projected population in the next twenty years. It would also increase the variety of housing stock, and in doing so attract seniors and young adults that are both net contributors to a town's diversity as well as its finances.

This chapter begins by identifying some overall goals for the future of housing in Bolton, followed by brief reviews of the town's current housing picture, efforts to date to address some of the challenges, and the reasons for the emphasis placed on affordable housing. This background information will be followed by several strategies that have been suggested by the MPC in order to reach the identified housing goals.

Multi-family housing with a traditional look

5.2 Housing Goals

Some of the key housing concerns of the town include: housing development and the loss of open space; failure to meet the Commonwealth's 10% affordable housing goal; and limited housing choices for residents. To meet these challenges, the following broad goals have been developed for the future of housing in Bolton:

1. Maintain our status as certified under the State's Planned Production guidelines so that we may maintain local control over comprehensive permit projects in our community.
2. Provide a wider range of housing types for all residents.

5.3 Background on Bolton's Housing and the Affordability Issue

Snapshot of Bolton Housing and Demographics

One of the goals of the Master Plan is to encourage mechanisms that will provide diversity in housing types and attract a broader variety of age groups to Bolton. As noted in Chapter 3, the town's current population (and projected growth) is weighted towards school-age children and their parents in the 35-54 age range. In addition, Bolton was ranked the 10th wealthiest community in Massachusetts in 1999, with a median income of \$103,000. With a housing stock of approximately 97% single-family homes, families find many possibilities when looking to move to Bolton. The young adult and senior populations are not provided with as many housing opportunities in town. There are few rental units and no condominiums. The recently opened Bolton Senior Housing complex is the only multifamily option in town, but there are age and income qualifications for residency and priority is not given to Bolton residents.

Understanding the State 40B Mandate

It is worth taking a few sentences to explain "40B", since this law is mentioned so often as being a source of concern for many towns, not just Bolton. Chapter 40B of Massachusetts General Law is formally known as the Comprehensive Permit Law. This law was passed in order to encourage the production of affordable housing in the state, since numerous studies have identified the lack of housing affordability as a serious constraint to the future economic health of the Commonwealth. If each town continues to individually restrict affordable housing, even if they feel it is in their own best interest, as a whole, the state will suffer. Therefore, the state has decided to use some regulatory strategies to increase the overall production of affordable housing across Massachusetts.

Under this statute, a developer is eligible for relief from local bylaws and regulations (including zoning) if the project designates at least 25% of total units in the project as affordable. A town is not subject to this Comprehensive Permit process if more than 10% of the municipality's total housing units are already classified as affordable. A town can also postpone the Comprehensive Permit requirement by producing affordable homes at a rate (per year) of 0.75% of the town's housing stock. Currently for Bolton that number is 11 affordable homes. (The law is more

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complicated than this, but for purposes of the Master Plan, a basic understanding is all that is required.)

As is the case with most towns in this area, Bolton's affordable housing percentage does not meet 10% (the percentage was 5.1% at the end of 2005, including built and permitted/approved units), and therefore, the town is vulnerable to proposed developments under the state's comprehensive permit law. This limits the amount of control Bolton has over 40B projects. However, Bolton has an approved affordable housing plan and through projects approved in 2004 and 2005 has produced enough affordable homes to be exempt from the 40B requirement through the end of 2007 (see below).

The Bolton Affordable Housing Partnership

In order to address the town's lack of affordable housing and exposure to 40B developments, the town leaders recognized a few years ago the need to take steps to manage this situation. At that time, Bolton's affordable housing percentage was less than 1%. In September of 2002, the town created the Bolton Affordable Housing Partnership (BAHP). This group soon drafted an Affordable Housing Plan to the Commonwealth, which was accepted in 2004. With Department of Housing and Community Development (DHCD) approval and certification, the town is protected from 40B developments through 2010 as long as the annual goal of adding 11 units of affordable housing is met. After 2010, a revised count of total housing units in Bolton from the U.S. Census Bureau will raise the bar for this annual requirement of permitting affordable units. Assuming Bolton adds 300 units between 2000 and 2010, this requirement would increase to 0.75% of approximately 1800 total housing units or 14 affordable units per year. In order to remain certified beyond 2010, the town will need to plan thoughtful estimates for the 2010 census count and remain proactive in creating the requisite amount of affordable housing past 2010.

In 2005, the town's annual Planned Production Guidelines for housing creation were certified. Also in 2005, Town voters approved the creation of an Affordable Housing Trust. The Affordable Housing Trust will act to buy, sell and own property, either directly or through other entities that it may partner with on projects.

The Affordable Housing Plan and updates can be read online at http://www.townofbolton.com/Pages/BoltonMA_Housing/index

The plan outlined a number of guiding principles, including:

- Maximize local control over the development of affordable housing, mainly to be achieved by reaching the mandated 10% affordability goal;
- Provide housing opportunities to targeted segments of the population, including retired seniors and 55+ active adults, families, young professionals, town employees and persons with special needs;
- Allow affordable-housing projects designed and built in accordance with the standards typical in Bolton and that are fitting with its culture and character;

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- Establish maximum density target for affordable housing developments; and
- Create affordable housing that is inclusive, diverse and evenly distributed throughout all of Bolton.

The Need for Affordable Housing

There are two very strong reasons that Bolton needs to increase its affordable housing:

- 1) To meet the state's threshold of 10% and be protected from unwanted 40B developments, which take a significant amount of control out of the town's hands in approvals for new developments.
- 2) To provide housing options for those existing and future residents of Bolton who can't afford or don't want a large single family home, yet still wish to live in town.

As mentioned already, Bolton's approved Affordable Housing Plan grants the town the ability to reject 40B developments if they maintain an annual growth rate of 11 affordable units. This power is important to the town because 40B projects need only provide 25% affordable units. For every one affordable unit built, there are three market rate units. As the units grow, Bolton gets further from the 10% goal.

The lack of diversity of housing options is a significant barrier to affordability. By providing a diverse housing stock, which includes multifamily units and accessory apartments, the town will achieve its goals by creating housing that is by nature smaller and more affordable. Examples of residents who would live in these apartments, condominiums or townhouses are:

- 1) Young, single people who grew up in town and would like to remain, but can't afford a typical single-family home.
- 2) Older citizens of Bolton who may not need the same amount of space as when they were raising a family, nor have the ability to keep up with the maintenance of a large home and yard.
- 3) Municipal employees such as teachers and police officers who want to live in Bolton and become a true part of the community.
- 4) Young professionals making a good salary, married or single, who are not ready to purchase a large single-family house.

5.4 Housing Strategies

In order to meet the housing goals stated at the beginning of this chapter, there are numerous strategies and action steps that have to be undertaken. In general, these strategies fall into three categories, to be explained in more detail below:

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Category 1 Adopt municipal regulations and initiatives to promote identified housing goals

Category 2 Support acceptable multifamily developments and conversions

Category 3 Inform town residents about housing challenges and garner their support

Category 1--Adopt municipal regulations and initiatives that promote identified housing goals

A. Maintain compliance with the Approved Housing Plan

An important short to mid-term strategy is to maintain the Town's certification with the State Planned Production Guidelines (as explained above), which affords some protection from 40B developments. Compliance with these guidelines is crucial to controlling the type, location, and number of affordable housing units in town.

But this is not an affordable housing strategy for the long term. It is clear that by adding affordable units at a rate of 25% of the market-rate units it will take quite some time to meet the affordability goal. As a result, the town ends up with a large number of total housing units, both affordable and market rate. And as the number of total units in town grows, the 10% goal increases as well, so it is akin to chasing a moving target.

Responsible Entity – The Bolton Affordable Housing Partnership in conjunction with the Board of Selectmen and the Planning Board.

B. Activate the Affordable Housing Trust Fund

Affordable Housing Trust Funds are public funds established by legislation, ordinance or resolution to receive specific revenues that can only be spent on housing. Trust funds provide a flexible vehicle through which resources may be committed to the production and/or preservation of affordable housing. Dedicated, predictable and ongoing sources of revenue, such as linkage payments, specific taxes, fees, inclusive housing mandates and loan repayments are desirable, however even one time donations of proceeds from the sale of property, or negotiated contributions may be used to build the fund's revenue.

Bolton established an Affordable Housing Trust Fund in 2005. The trust can buy and sell land and housing with the funds. The MPC recommends that the trust fund be strengthened by establishing a program to accept donations from local companies. This will supplement the other funding mechanisms such as the payment-in-lieu provisions recommended in the bylaws contained within this Plan.

As discussed in more detail below, the town should also pass the Community Preservation Act (CPA) and leverage the money to create and support affordable housing (See **Section 6.4**). This would create an additional stream of revenue to undertake affordable housing development.

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Responsible Entity – The Board of Selectmen need to appoint members to the Affordable Housing Trust, which will then work closely with the BAHF to achieve housing goals

C. Zoning Requirements and Incentives to Increase Affordability

The Town of Bolton passed an Inclusionary Housing bylaw in May 2003, which requires one affordable unit for every eight market rate units built. A \$200,000 payment-in-lieu compensation is required for developers who do not produce the affordable unit. That fee will go to the town's Affordable Housing Trust Fund. This bylaw imposes a penalty on a builder for failing to provide an affordable unit in their development.

Another approach used by towns is to encourage developers to create affordable housing by using incentives such as density bonuses. For example, the Town of Lincoln's zoning bylaws include an incentive density bonus of the lesser of 20% or 10 units on certain developments provided that 50% of the additional units are priced to be affordable to low- or moderate-income households. The Town of Concord also has this type of zoning, known as the Planned Residential Development provision, which allows additional density in return for deed restricted affordability. One project done in Concord under this provision had only 12 homes, demonstrating that density bonuses are practical even in smaller developments. Bolton could implement a Village Overlay district that would allow for mixed-use developments combining commercial and residential rental units.

Responsible Entity – The Planning Board and Zoning Board of Appeals

D. Smart Growth Incentives 40R and 40S

The state passed "smart growth" legislation to target housing and mixed use development in areas near transportation. The idea was to increase the density in these areas that make sense for development and leave other areas undeveloped. The smart growth initiative was contained in MGL Chapter 40R and specified housing density and other requirements in exchange for some state grants as incentives to build the housing. 40R is being pursued in 2006 in several communities where there are abandoned mill sites or run down areas near town centers that can be revitalized. A companion piece of legislation, Chapter 40S, was passed in order to provide school funding on a per pupil basis to help communities offset the costs of educating new students who move into these more dense developments. Funding for 40S in 2007 was uncertain.

The 40R and 40S statutes were designed to give communities financial rewards in return for zoning land to allow for more dense housing located in logical growth areas. Incentive payments are offered for newly zoned land, and then again when new building permits are issued for housing. Towns that pass 40R districts are to be put higher on the state's list when being considered for other state spending programs.

Smart growth is most often referred to in the context of urban areas, or at least communities larger than Bolton that have established central business districts with town services, notably

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water and sewer. As part of the Master Planning process, the committee invited housing experts to visit Bolton to explain the basics of these new programs. According to these proponents of 40R and 40S, rural communities can take advantage of the benefits of these statutes by coming up with applications of the programs to meet their rural town center circumstances. The state offers grant money to hire professional assistance to better understand how 40R and 40S may be applicable and beneficial to towns. The Smith property in Bolton center is a parcel the Master Planning Committee believes might be appropriate for 40R mixed use development. The committee recommends that the town apply for grant money to look further at this program and its potential benefits for Bolton.

E. Adding Staff or Using Consultants

If Bolton decides to proactively address affordable housing, it may require additional help. Rather than ask the BAHP to take on the role of looking for development partners and/or managing projects, the town may consider establishing a Development Committee with the express purpose of seeking out projects in which the town can play some sort of role. The town may also consider hiring an affordable housing consultant who would have the contacts, knowledge and time that may be hard to duplicate with volunteers.

Responsible Entity – The Board of Selectmen

Category 2--Consider Appropriate Multifamily Developments

There are several reasons to consider allowing, and even encouraging, multifamily housing in Bolton, and the two most compelling are the following:

- Meet goal faster Per state law, apartment projects, even if all the units are not in the “affordable” category, count 100% towards the town’s affordable housing percentage. A 20-unit apartment project would add 20 units to the state mandated 10% affordability goal needed to gain protection from unwanted 40B developments.
- Control School Costs Right now, age groups that generally don’t place a burden on the school system (18-34, and 60+) are under-represented in Bolton. Smaller housing options that attract these demographic groups, such as apartments and condominiums, and housing options targeted at a senior population, will tend to add fewer children to the school system than the typical single-family home that is being built in town today.

A. Town-Supported or “Friendly” 40Bs

The town should support friendly 40Bs that are consistent with the town’s character and bring a significant benefit to the community. Friendly 40Bs are in contrast to developer-initiated 40Bs that maximize the scale of a 40B without consideration for their location or impact on the town. True friendly 40Bs have the backing of the Board of Selectman and should go before the Planning Board, Conservation Commission and the Board of Health before going to the Zoning Board of Appeals. However, friendly 40Bs should not be as-of-right and should be approved

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only when they provide a clear benefit to Bolton. The town should work with each Comprehensive Permit applicant to ensure continued consistency with this Master Plan and the rules, regulations and bylaws of the town throughout the development process. If the proposal is not consistent, the town should utilize its right to seek appropriate modifications to a project and, if necessary, deny the project. Specifically, the town will be looking for the following elements in any friendly 40B development:

- Rental projects, in scale with the site and surrounding town resources, will be given preference over ownership projects because all apartment units count toward the town's 10% affordability goal.
- Projects that contain a higher percentage of affordable units than required by 40B will be given preference over those projects that meet the minimum of 25%.
- 40B projects that entail the conversion of existing development into affordable housing will be given preference over those projects that seek to develop Bolton's valuable open space.
- 40B projects that are proposed on open land and seek to permanently preserve over 40% of the parcel above and beyond wetlands and other protected lands will be given preference over those projects that do not seek to protect Bolton's open spaces.
- 40B projects that seek fewer waivers from local zoning and regulations will be given preference over those projects that seek more waivers from local laws.

Responsible Entity – All Boards and Commissions should assist the Zoning Board of Appeals with Comprehensive Permits.

B. Encourage accessory apartments

While the numbers may not be great, the MPC feels that there is potential in encouraging homeowners to consider adding (or in some cases, registering) accessory apartments. The current zoning bylaw allows accessory apartments, but places restrictions on them that may not encourage their use for affordable housing. The most restrictive provision is that they are only allowed when attached to or in a new or existing dwelling unit where both units still maintain the look of a single-family home. This excludes the placement of attractive accessory units in small cottages on the lot or above freestanding garages, both of which are styles that, if executed correctly, can add an "invisible" unit without ruining the rural integrity of the neighborhood. The town should look at ways to update the zoning bylaw to be less restrictive in the provisions regarding accessory apartments. The Town could also offer incentives, such as a tax rebate or lower tax assessment, in order to encourage the creation of accessory apartments.

Responsible Entity – The Bolton Affordable Housing Partnership in conjunction with the Board of Selectmen and the Planning Board.

C. Specific Town Purchase of Land for a Private Development

If the opportunity arises, the town may choose to purchase a suitable piece of land for affordable housing development. (Refer to Bolton Affordable Housing Plan, Sect. 3, part F, for criteria of suitability.) A proactive development, spearheaded by the Affordable Housing Trust could be conducted as a Local Initiative Project (LIP) in which the Selectmen, rather than a developer, initiate the 40B process. If the town controls the land, they can craft and issue a Request for Proposal (RFP) for the project that would ensure that the private developer chosen would be building a multifamily development with the unit mix, open space attributes, and design aesthetics that are acceptable to the residents of Bolton. The developer could receive the land from the town at a subsidized price in exchange for meeting the requirements of the RFP. This proactive action would allow the town to provide affordable housing in a location that is pre-approved and with a certain set of characteristics desired, i.e., with a high degree of control over the project, rather than waiting for a 40B project to be proposed by a private developer, even if it is a “friendly” situation.

Responsible Entity – The Affordable Housing Trust should study opportunities for land purchase and LIPs.

D. Use of Town-Owned Property

The town should study municipal land holdings to determine if any are appropriate for affordable housing. The town has conducted a preliminary analysis and has not identified any specific properties at this time. But in the future Bolton may have municipal structures that become abandoned, underutilized or functionally obsolete. The Town of Bolton should study the potential for reusing these structures as the need arises. Reusing these properties as housing is a strategy that enables the community to accommodate growth in established locations instead of on green space and at the same time preserve or restore the architectural fabric of the community.

In the future, whenever the community analyzes property for municipal uses, affordable housing potential should be taken into consideration. If a property is deemed appropriate for the construction of affordable housing, the town could work with a nonprofit developer and target the disposition of the property for the specific purpose of creating affordable housing. The town will retain control over the review process and will structure the deed in such a way as to protect the community and public interest.

Also, the town should analyze future tax title properties as to their potential for affordable housing. Tax title properties are land and/or buildings that are in the process of being taken by the municipality because the owner has failed to pay property taxes.

Responsible Entity – The Bolton Affordable Housing Partnership should study opportunities for housing on town owned property and tax title property.

Category 3--Inform Town Residents about Housing Challenges

Bolton's housing challenges are the result of several factors including state mandates, real estate development pressures and a strong regional housing market. These factors bring implications that may influence the town's housing policies. It is important for town residents to understand these factors and the implications that follow, such as the need to be more open-minded regarding multifamily developments. The town should work to create a comprehensive campaign to educate residents about housing issues, particularly the need to incorporate well-planned multi-family, condominium or apartment units into Bolton's housing mix. The campaign would include the following outreach elements:

- Newspaper articles and guest columns regarding the Master Planning efforts and strategies. These articles should be detailed and should explore the various state and regional and local realities that influence the housing market and strategies
- Direct Mailings to households
- Public meetings to explore the town's strategies and answer questions from the public
- Detailed and updated web site content with links to pertinent state and housing web sites.
- Booths at events such as the Bolton Fair
- Cable access channel broadcasts of all public events to ensure that all residents can contribute and learn.

Responsible Entity – The Master Plan Implementation Committee in conjunction with the Board of Selectmen, the Planning Board, and the Bolton Affordable Housing Partnership.