

TOWN OF HALIFAX, MASSACHUSETTS

HOUSING PRODUCTION PLAN



Prepared by Members of the Halifax Affordable Housing Committee

Tom Millias, Chair

Elaine Dolan

Jack Mather

Tom Schindler

Karen Sunnarborg, Consultant

December 2010

Acknowledgements:

The Halifax Affordable Housing Committee and Consultant would like to acknowledge the following individuals for their important contributions:

- Barbara Gaynor, Halifax Town Clerk
- Debbie Berry, Board of Assessors
- Amy Troup, Molisse Realty Group
- John Tuffy, School Superintendent
- Charlie Winston, Dedham Housing Authority

TOWN OF HALIFAX HOUSING PRODUCTION PLAN

Table of Contents

I.	Executive Summary	
A.	Summary of Demographic and Housing Characteristics/Trends	1

Page
1

B.	Priority Housing Needs		5
C.	Housing Goals and Challenges		6
D.	Summary of Production Goals		8
E.	Summary of Housing Strategies		9
II.	Housing Needs Assessment		11
A.	Demographic Characteristics and Trends		11
B.	Housing Characteristics and Trends	20	
C.	Housing Market Conditions		26
D.	Affordability Analysis of Existing Market Conditions	32	
E.	Subsidized Housing Inventory		36
F.	Priority Housing Needs		39
III.	Challenges to Producing Affordable Housing		44
A.	Infrastructure		44
B.	Environmental Concerns		44
C.	Zoning		45
D.	Transportation		47
E.	Availability of Subsidy Funds		48
F.	Community Perceptions		48
IV.	Housing Production Goals	50	
V.	Housing Strategies		53
A.	Capacity Building Strategies		55
B.	Zoning Strategies	61	
C.	Housing Development Strategies		69
	Appendix 1 – Glossary of Housing Terms		76
	Appendix 2 – Summary of Housing Regulations/Resources	81	

TOWN OF HALIFAX HOUSING PRODUCTION PLAN

I. EXECUTIVE SUMMARY

Halifax continues to be a desirable place to move to, to work in, and to raise children. However, based on a continued affordability gap, largely outside of the Town's control due to demographic and economic conditions, the Town needs to strategically plan for its future. This Housing Needs Assessment, which is a major component of a forthcoming Housing Production Plan, will provide the context from which the community will identify tools for making 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 the range of local needs!

A. Summary of Demographic and Housing Characteristics and Trends

Table 1-2 summarizes demographic and housing characteristics in Halifax and compares this information to that of Plymouth County and the state. This information shows some notable demographic and housing trends:

- **Population and Housing Growth – Starting to Slow Down**

Halifax's population has been growing steadily, doubling from 1970 to 2000, from 3,540 residents to 7,500. Since 2000, Halifax added another 426 residents through the end of 2009, according to Town records, representing a 5.7% rate of growth.

Housing growth has continued in Halifax, albeit at a much slower pace, going from a growth rate of 21.4% between 1980 and 1990 to 15.8% from 1990 to 2000. Since 2000, an additional 227 units have been added to the housing stock as of March 17, 2010, demonstrating a growth rate of 8.0%.

- **Age of Population – Declines in Younger Age Groups and Increases in Older Residents**

Census data shows a proportional decline and relative stability in numbers of all age groups under age 35 from 1980 to 2000, while those in the 35 to 54-age range, the baby boomer generation, increased somewhat, going from 18% of the population in 1980 to almost one-third by 2000.

Projections suggest that those in the younger age ranges will continue to decline and those in the older ranges will increase in numbers and in proportion to the total population. Of particular note are the relatively low numbers of those aged 20 to 34 who are forming new families and entering the labor market, 17.7% of all residents in Halifax but 30.5% for the county and 21% for the state in 2000. The high costs of homeownership are likely creating barriers for this age group, making it increasingly more likely that those who grew up in Halifax will be less able to raise their own families locally.

Table 1-2: Summary of Demographic and Housing Characteristics for Halifax, Plymouth County and the State

Characteristics	Halifax		Plymouth County		Massachusetts	
Demographic Characteristics						
Characteristics	2000 Census	2009 Estimate*	2000 Census	2008 Estimate*	2000 Census	2008 Estimate*
Total population Claritas/Town records	7,500	7,703/ 7,925	472,822	492,066	6,349,097	6,497,967
% Less than 18 years	25.4%	23.4%	26.8%	23.9%	23.6%	22.0%
% 20 to 34 years	17.7%	15.4% (21-34)	30.5%	17.2%	21.0%	19.8%
% 35 to 44 years	17.7%	15%	17.5%	14.1%	16.7%	14.7%
% 45 to 54 years	14.6%	16%	14.7%	16.4%	13.8%	15.4%
% 55 to 64 years	9.5%	13%	9.2%	12.6%	8.6%	11.6%
% 65 years or more	12.8%	13.6%	11.8%	12.7%	13.5%	13.4%
Median age	37.5 years	40.7 years	36.8 years	39.8 years	36.5 years	38.7 years
% Non-family households	25.5%	25.7%	27.3%	30.5%	36%	36.4%
Average household size	2.72 persons	2.70 persons	2.74 persons	2.71 persons	2.51 persons	2.33 persons

Median income	\$57,015	\$77,349	\$55,615	\$73,325	\$50,502	\$65,401
Individuals in poverty	3.3%	--	6.6%	6.6%	9%	9.7%
% Earning less than \$25,000	17.3%	12.4%	20.5%	15.5%	24.6%	19.8%
% Earning more than \$100,000	15.9%	39.7%	18.8%	34.1%	17.7%	30.2%
Housing Characteristics						
Total housing units Claritas/Town records	2,841	2,949/ 3,068	181,524	193,350	2,621,989	2,735,645
% Occupied housing	97.1%	96.7%	92.7%	91.3%	93.2%	90.2%
% Owner-occupied	91.3%	91.4%	75.6%	77.6%	61.7%	64.5%
% Renter-occupied	8.7%	8.6%	24.4%	22.4%	38.3%	35.5%
% Seasonal or occasional use	1.3%	--	4.7%	--	3.6%	--
% Single-family, detached structures	71.2%	71.6%	71.7%	70.2%	52.4%	52.9%
Median sales price 12/09	\$166,600	\$280,000	\$179,000	\$275,000	\$185,000	\$285,000
Housing growth	8.0%		6.5%		4.3%	
Housing density	164.2 to 177.3 units per sq. mile		166.1 to 176.9 units per sq. mile		334.5 to 349 units per square mile	
Sources: Data for the above table is derived from the 2000 census, and updated estimates have been incorporated. The numbers for the County and state are updated census projections based on the 2008 American Community Survey unless otherwise noted. The estimates for Halifax are from the Nielsen Claritas data source, 2009.						

- **Types of Households – A Community of Families**

More households in Halifax involved families in comparison to Plymouth County and the state, and one-third of all households included families with children. Non-family households¹ increased somewhat, however, from 19.1% of all households in 1980 to 25.5% in 2000, reflecting both regional and national trends towards smaller and more non-traditional households.

- **Somewhat Higher Income Levels**

The median household income in 1999 was \$57,059, up 53% from the 1989 median income of \$37,197, and up 217% from 1979, not adjusted for inflation. Income levels were above both the county's and state's where medians were \$55,615 and \$50,502, respectively. Correspondingly, Halifax had a lower proportion of residents living in poverty, 3.3%, while the percentage for the county was 6.6% and the state's was 9.0%. Also, 2009 estimates from the Nielsen Claritas data base suggest that approximately 960 or one-third of all households had incomes within the 80% income level, or \$57,250 for a household of three, and would therefore potentially qualify for many types of housing assistance given income alone.

- **High Level of Homeownership**

Out of 2,841 total housing units in 2000, Halifax had 2,768 occupied units, of which 2,519, or 91.3%, were owner-occupied while the remaining 239 units, or 8.7%, were rental units. These figures represent a much higher level of owner-occupancy than that for Plymouth County as a whole with 76% and for the Boston region at 57%.

- **Housing Types – Older Single-family Homes Predominate**

The 2000 census indicated that a great majority of the existing housing stock was in single-family, detached structures totaling 2,023 units or 71.2% of Halifax's housing units, fairly comparable to the 70% level for the county. Almost all of the new unit creation since 1990 involved single-family detached dwelling units with the exception of 19 in-law apartments added since 2000. More than half of all rentals also are in single-family homes.

Halifax's housing stock tends to be older and more modestly sized as well, some involving conversions of summer cottages to year-round use and 14% were mobile homes.

- **Decrease in persons per unit**

¹ Non-family households are defined by the census as those that include single or unrelated individuals.

The average number of persons per unit declined between 1980 and 2000, from 3.03 to 2.74 persons for owner-occupied units and from 2.90 to 2.48 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 Halifax from 2.75 persons in 1990 to 2.72 in 2000, estimated to have decreased to 2.70 persons by 2009.

- **Very low vacancy rates**

The homeowner vacancy rate in 2000 was less than one percent, down only from 1.1% in 1990. The rental vacancy rate also declined from 2.4% to 2.0%. The change in both the homeowner and rental rates are relatively insignificant as any level below 5% is considered to represent very tight market conditions.

- **Housing Market Conditions – Prices Remain High**

To afford the median sales price of a single-family home in Halifax of \$280,000, based on The Warren Group information as of the end of 2009, a household would have to earn approximately \$65,300.² This is premised on the ability of the purchaser to come up with the 20% down payment that is now typically required by lenders in response to the financial crisis of the last couple of years. This up-front cash requirement, in addition to mortgage closing costs, exerts a substantial challenge to those who do not have equity from a previous purchase or sufficient income to put money aside for savings. Issues related to credit problems also hamper access to homeownership for many. Escalating housing costs are also reflected in increased property taxes, energy bills and insurance costs.

In regard to rentals, it is difficult to find year-round options for less than \$900 per month in the area, that in combination with utility costs as well as up-front lease requirements (first and last months rent and a security deposit), make even renting difficult to afford in Halifax. Single-family homes rent for much higher amounts, at least \$1,375, requiring an income of about \$69,000 when the costs of utilities are added. Based on 2009 income estimates, about 43% of Halifax's households would have been unable to afford to rent at this level, relying on the standard of spending no more than 30% of one's income on housing.

- **Limited Supply of Workforce Housing**

Recent sales data from the Multiple Listing Service for single-family homes indicated few single-family homes have been sold for under \$200,000 that would be affordable to low- and moderate-income households, and these involved very "cozy" homes needing "TLC", a couple either totally gutted or not winterized.

Additionally, the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory (SHI) states that Halifax had 2,804 year-round housing units³, of which 28 were counted as affordable, representing 1.0% of the year-round housing stock. Assuming future housing growth, the 10% state goal under Chapter 40B is a moving target and ultimately the required minimum number of year-round units will increase over time.

Proposed projects with affordable units would potentially bring the SHI count to 180 units or 6.4% of the current year-round housing stock and perhaps close to 6.0% when the 2010 census figures are released.

The convergence of these trends – an aging population, fewer young adults, relatively high housing prices, lower housing production, little housing diversity, limited supply of rentals, very low vacancy rates, difficulty in obtaining financing, large up-front cash requirements for homeownership and rentals – all point to a challenging affordability gap! This gap is reinforced by 2000 census data that indicated about one-quarter of all Halifax households were living in housing that was by common definition beyond their means and unaffordable.⁴ If these demographic and housing trends are left to evolve unchecked, Halifax will lose ground on its ability to be a place where families across a full range of economic and social strata can call home.

B. Priority Housing Needs Require a Mix of Housing Choices

In 2000, Halifax's housing stock included a 91 to 9 percent ratio of homeownership units to rentals. All 28 existing affordable units in the SHI have boosted rentals in an effort to diversify the housing stock. While not eligible for counting under the SHI, the addition of 19 in-law apartments since 2000 has also provided greater housing choice and diversity in Halifax.

² Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$13.99 per thousand and 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 (not needed for 80% financing), and estimated monthly condo fees of \$300. Also based on a household spending no more than 30% of its income on housing costs.

³ The census calculates year-round units by subtracting seasonal units or second homes from the total unit count.

⁴ According to HUD, if a household is spending more than 30% of its income on housing, it is living in housing that is beyond what they can afford.

To further promote a range of affordable housing options in Halifax, the Town will need to pay particular attention to the following housing needs:

Households with Limited Incomes

Despite increasing household wealth, there still remains a population living in Halifax with very limited financial means. Given the high costs of rental housing, including sizable up-front costs (first and last months rent, a security deposit, and/or moving expenses), and relative lack of such housing in Halifax, more subsidized rental housing is necessary to make living in Halifax affordable, particularly for lower wage workers and their families as well as seniors on limited fixed incomes.

Gaps in Affordability and Access to Affordable Housing

A wider range of affordable housing options, including first-time homeownership opportunities, is needed, especially for younger households entering the job market and forming their own families, municipal employees, as well as empty nesters and seniors. Efforts to help prevent foreclosures should also be bolstered.

Housing Conditions

- *Programs to support necessary home improvements – including deleading, handicapped accessibility, and septic repairs for units occupied by low- and moderate-income households – are needed, particularly for the elderly living on fixed incomes.* To help meet this need, the Town of Halifax applied jointly with the Town of Carver for state funding under the Community Development Block Grant (CDBG) to operate a housing rehab program for qualifying homeowners. They were approved for \$685,000 in funding, one-third of which will be targeted to the home improvement needs, including handicapped accessibility modifications, of Halifax homeowners in the Monponsett Ponds area (land around West Monponsett and East Monponsett Ponds) and Halifax Mobile Home Estates (see Appendix 2 for details).

Special Needs Housing

There were approximately 1,450 residents in Halifax who claimed some type of disability, and given the aging of the population, greater emphasis will be needed for housing that includes supportive services and barrier-free improvements.

A summary of housing goals based on these priorities is provided in Table II-24 based on an average of 15 affordable units per year, reflective of production goals under the state Housing Production guidelines, and a balance of about 75% to 25% 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 premised on at least two (2) units per year and the ability to secure necessary subsidy funds.

C. Housing Goals and Challenges

This Housing Needs Assessment is a major component of a Housing Production Plan that will be prepared and submitted to the state for approval under Massachusetts General Laws Chapter 40B, 760 CMR 56.00. The Town is looking for opportunities to further diversify the housing stock and address the range of community housing needs.

The 2002 Master Plan, prepared by the Old Colony Planning Council (OCPC),⁵ includes a number of goals, some of which relate directly or indirectly to housing, including the following:

- To guide the town's evolution in meeting the needs of diverse population groups and protect attractive neighborhoods, landscapes, and natural resources.
- To accommodate a reasonable amount of residential and commercial growth while preserving the town's man-made amenities, townscape, landscape and rural character, and meeting needs for town facilities.
- To provide opportunities for a range of housing types and tenure alternatives to accommodate more diverse populations in more varied traditional neighborhoods.

These goals, particularly the last one, will provide a context for the strategies that will be included in the forthcoming Housing Production Plan, addressing the diverse housing needs in the community as summarized in Section B above.

Another goal with respect to affordable housing relates to Chapter 40B that dictates that if a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard 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.⁶

⁵ This 2002 Master Plan was not officially adopted by the Planning Board and Town Meeting.

⁶ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter

The Housing Plan, which this Housing Needs Assessment is a substantial component, will provide a blueprint to help Halifax further its progress towards meeting the state 10% affordable housing goal and local goals and priorities, presenting a proactive housing agenda of Town-sponsored initiatives. Also, if the Town meets the annual goal of producing 14 units (most likely 15 units when the 2010 census data is released), it will have the likely ability to deny unwanted Chapter 40B developments through state Housing Production regulations.

While there is a demonstrated commitment to producing affordable housing in Halifax, as evidenced by development planning for the Halifax Housing Authority's Thompson Street project, *obstacles to new development exist* that will challenge new initiatives including:

- **Infrastructure**
The Town of Halifax does not have a public sewer system and properties must rely on septic systems if special treatment facilities are not integrated into new development. The community's system of roads also presents challenges as many existing roads are in poor condition.
- **Environmental Constraints**
The Town's considerable amount of wetlands, flood plains and poor soils severely constrain development. Additionally, the community's many ponds, streams and brooks – offering important wildlife habitats, recreational and scenic value, and potable water – require protection from the negative impacts of development.
- **Zoning**
Like most localities in the Commonwealth, Halifax's Zoning Bylaw embraces large-lot zoning of at least one acre in most areas of town. While this zoning was put in place to slow development, preserve the town's character and accommodate septic systems in compliance with Title V requirements, the zoning maintains low housing densities, severely constrains the construction of affordable housing that relies on economies of scale, and promotes sprawl.
- **Transportation**
While Halifax has a commuter rail station, residents typically rely on the automobile, which presents an additional cost burden for those with limited incomes.
- **Availability of Subsidy Funds**
Funding to subsidize affordable housing is limited and extremely competitive. Also, Halifax has not approved the creation of a Community Preservation Fund that has been an important resource for about 140 other communities in the state in preserving open space and historic properties in addition to producing affordable housing.
- **Community Perceptions**
In every community, the Not in My Backyard (NIMBY) response to affordable housing is more the norm than the exception. However, community perceptions have been tilting towards the realization that greater housing affordability is needed to meet the needs of those who are priced out of the existing housing market. It also should be noted that the Town may be able to reserve up to 70% of the affordable units in any new development for those who have a connection to the Halifax community, as defined by the state and referred to as "community preference" units.⁷

In summary, gaps remain between what most current residents can afford and the housing that is available. Children who grew up in the town 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 housing-related costs but also hard-pressed to find alternative housing that better meets their current lifestyles. Families are finding it more difficult to hold onto their homes given the faltering economy, as there have been some foreclosures. They have also been less able to "buy up," purchasing larger homes as their families grew. Town employees

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.

⁷ "Community preference" units are allowed pursuant to submission of an Affirmative Fair Housing Marketing Plan, the requirements of which are promulgated by the state and last updated on June 25, 2008. These requirements include the following allowable preference categories:

- Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- Municipal employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
- Employees of local businesses: Employees of businesses located in the municipality.
- Households with children attending the locality's schools, such as METCO students.

and employees of the local businesses continue to be challenged in locating housing that is affordable in town. More housing options are required to meet these local needs.

D. Summary of Production Goals

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of at least .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (SHI). Halifax would have to produce at least 14 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available, sometime in 2011 or 2012, this number will be higher. If the state certifies that the locality has complied with its annual production goals, the town may be able, through its Zoning Board of Appeals, to deny what it considers inappropriate comprehensive permit applications.⁸

The town of Halifax has developed a Housing Production Program to project affordable housing production activity over the next five (5) years. 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. Production goals over the next five (5) years include the creation of 167 affordable units and 6 workforce units⁹, and 136 market units, totaling 309 housing units created (see Table IV-1).

E. Summary of Housing Strategies

Within the context of previous plans, compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section II of this Plan, the following housing strategies are proposed. *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.*

Summary of Housing Strategies

Strategies	Priority for Implementation		# Affordable Units	Responsible Parties**
	In Years 1-2	In Years 3-5		
Capacity Building Strategies				
1. Conduct ongoing community education	X		*	AHC/AHC-HT
2. Establish the MAHT	X		*	BOS/AHC
3. Secure sufficient professional help	X		*	BOS/AHC-HT
Zoning Strategies				
1. Adopt inclusionary zoning	X		*	PB/AHC-HT
2. Modify in-law apt. by-law	X		*	PB/AHC-HT
3. Encourage more flexible cluster zoning		X	*	PB/AHC-HT
4. Adopt a two-family dwelling development by-law		X	*	PB/AHC-HT
5. Promote affordable housing in mixed-use development		X	*	PB/AHC-HT
6. Allow "starter" home development on nonconforming lots		X	*	PB/AHC-HT
Housing Development Strategies				
1. Make suitable public land available for affordable housing	X		120	BOS/AHC-HT
2. Partner with private developers	X		45	AHC-HT/ZBA and PB
3. Convert existing housing to		X	2	AHC-HT/HA

⁸ 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.

⁹ Workforce units are defined in this Plan as those earning between 80% and 120% of area median income who are still largely priced out of the existing housing market.

affordability				
---------------	--	--	--	--

** Indicates actions for which units are counted under other specific housing production strategies, have an indirect impact on production, do not add to the Subsidized Housing Inventory, or cannot be counted towards production goals.*

****Abbreviations**

Affordable Housing Committee = AHC

Proposed Housing Trust = HT

Board of Selectmen = BOS

Zoning Board of Appeals = ZBA

Planning Board = PB

Housing Authority = HA

II. HOUSING NEEDS ASSESSMENT

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

A. Demographic Characteristics and Trends

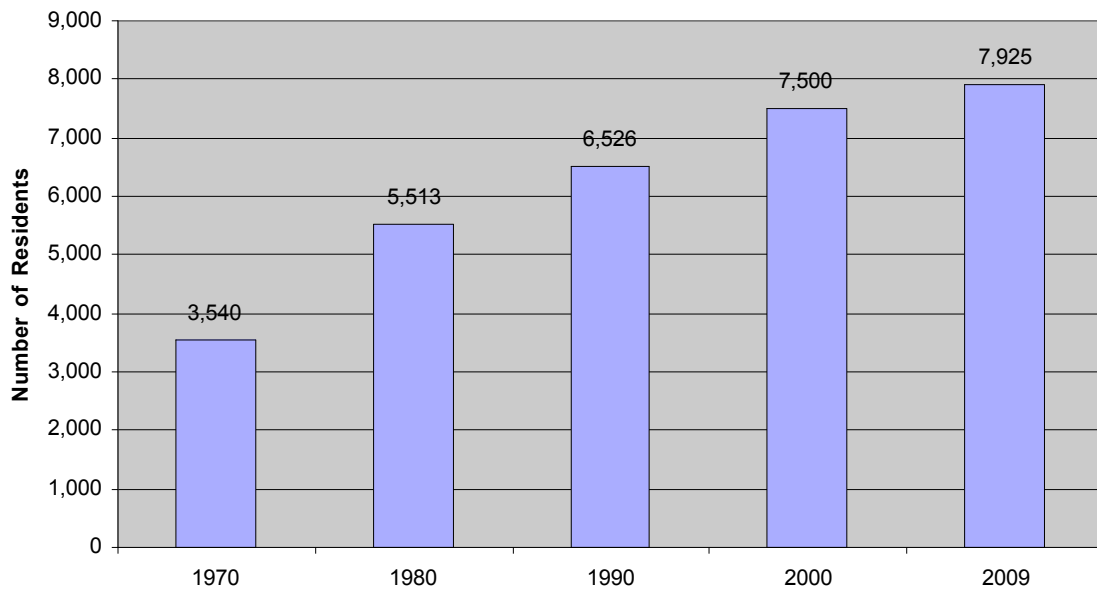
In general, Halifax has been a growing residential community comprised predominantly of families. During recent decades demographic changes have produced the following trends:

1. Continued but Slower Population Growth

Halifax's population has been growing steadily as visually presented in Figure II-1. From 1970 to 2000, the population more than doubled, from 3,540 residents to 7,500. Since 2000, Halifax added another 426 residents through the end of 2009, according to Town records, representing a 5.7% rate of growth. Consequently, growth has slowed down in recent years as the 1990 to 2000 period experienced an almost 15% rate of growth, and 18% between 1980 and 1990.

Figure II-1

Halifax Population Growth 1970 to 2009



A proprietary data source, Nielsen, Claritas, Inc., estimates that the population would be 7,703 by 2009, underestimating actual growth according to Town records by 224 residents. The data source projects that the population will increase to 7,834 by 2014, still below the actual end of 2009 population by 92 residents.

Population projections from the Massachusetts Institute for Social and Economic Research (MISER) at the University of Massachusetts suggest higher rates of growth with estimates of 8,493 residents by 2010 and 9,579 by 2020. These projections likely overestimate Halifax's population growth somewhat, suggesting another 567 residents by the end of 2010 and 1,653 by 2020. These figures indicate 13.2% growth between 2000 and 2010 and 12.8% between 2010 and 2020. It appears that actual growth will be somewhere between the Nielsen Claritas and MISER projections.

2. Age Distribution – Some Decreases in Younger Residents and Increases in Baby Boomers

Data regarding the changes in the age distribution from 1980 to 2000, based on census data, is provided in Table II-1 and visually presented in Figure II-2. The data shows a proportional decline and relative stability in numbers of all younger age groups under age 35 during these decades. Those in the 35 to 54-age range, the baby boomer generation, increased somewhat between 1980 and 2000, going from 18% of the population in 1980 to almost one-third in 2000.

Table II-1: Age Distribution, 1980-2000

	1980		1990		2000	
	#	%	#	%	#	%
Under 5 Years	464	8.4	506	7.8	518	6.9
5 – 17 Years	1,309	23.7	1,205	18.5	1,388	18.5
18 – 24 Years	443	8.0	565	8.7	471	6.3
25 – 34 Years	993	18.0	1,139	17.4	1,026	13.7
35 – 44 Years	662	12.0	1,104	16.9	1,329	17.7
45 – 54 Years	336	6.1	693	10.6	1,098	14.6
55 – 64 Years	597	10.8	455	7.0	711	9.5
65 – 74 Years	521	9.4	465	7.1	505	6.7
75 – 84 Years	156	2.8	340	5.2	361	4.8
85+ Years	32	0.6	54	0.8	93	1.2
Total	5,513	100.0	6,526	100.0	7,500	100

Under 18	1,773	32.2	1,711	26.2	1,906	25.4
Age 65+	709	12.9	859	13.2	959	12.8
Source: US Census Bureau, 1980, 1990 and 2000						

There was some fluctuation in the 55 to 64-age range, from 10.8% in 1980, down to 7.0% in 1990 and up again to 9.5% in 2000, almost to the 1980 level. As of 2000 this group comprised less than the 14.6% level in the 45 to 54 range. Those over 65 years of age remained proportionately stable between 1980 and 2000, at about 13% of the population. However, there was some loss of those in the 65 to 74 range as opposed to increases in the more frail elderly above age 75.

Table II-2 compares the age distribution from the 2000 census to 2009 estimates and 2014 projections through the Nielsen Claritas, Inc. data source. This information suggests that those in the younger age ranges will continue to decline and those in the older ranges will increase in numbers and in proportion to the total population. In fact, all those age groups under 54 years are expected to decrease while all the ranges above that are projected to increase substantially. For example, those 65 years of age or older are expected to increase from 12.8% of the population in 2000 to 21.1% by 2014. This aging trend is reflected in increases of the median age, from 37.5 years in 2000 to a projected 41.9 years by 2014.

Figure II-2

Changes in Age Distribution: 1980 to 2000

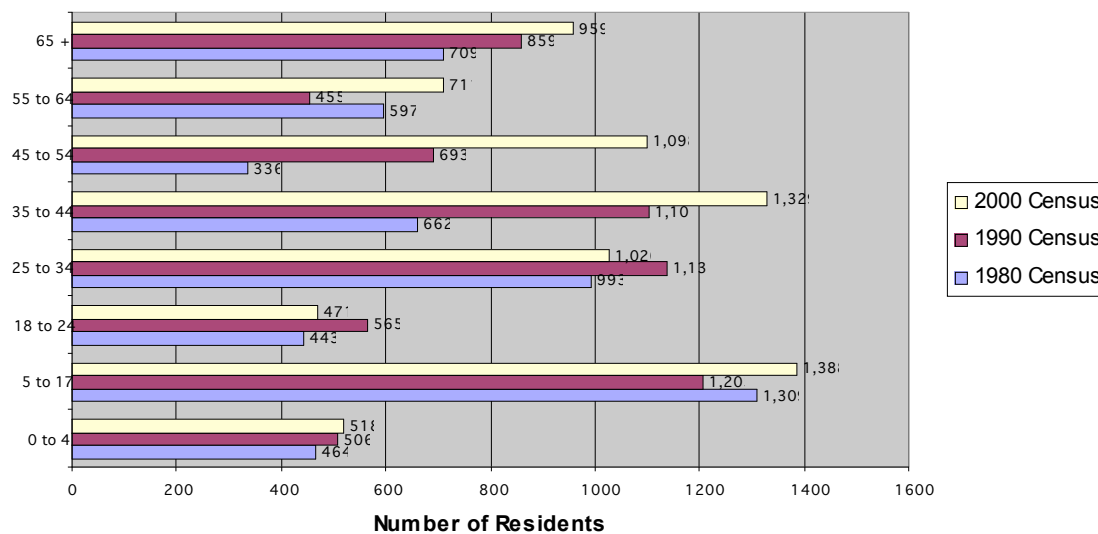


Table II-2: Age Distribution Estimates and Projections, 2000, 2009 and 2014						
	2000 Actual		2009 Estimates		2014 Projections	
	#	%	#	%	#	%
Under 5 Years	518	6.9	469	6.1	465	5.9
5 – 17 Years	1,388	18.5	1,335	17.3	1,290	16.5
18 – 24 Years	471	6.3	645	8.4	699	8.9
25 – 34 Years	1,026	13.7	814	10.6	894	11.4
35 – 44 Years	1,329	17.7	1,155	15.0	882	11.3
45 – 54 Years	1,098	14.6	1,235	16.0	1,287	16.4
55 – 64 Years	711	9.5	999	13.0	1,090	13.9
65 – 74 Years	505	6.7	585	7.6	733	9.4
75 – 84 Years	361	4.8	330	4.3	343	4.4
85+ Years	93	1.2	136	1.8	151	1.9
Total	7,500	100	7,703	100.0	7,834	100.0

Under 18	1,906	25.4	1,804	23.4	1,755	22.4
Age 65+	959	12.8	1,051	13.6	1,227	15.7
Median Age	37.5 years		40.7 years		41.9 years	
Source: US Census, 1980, 1990 and 2000; Nielsen Claritas, Inc. data source, 2009						

Table II-3 offers additional population projections by age category through to 2020, prepared by the Massachusetts Institute for Social and Economic Research (MISER) of the University of Massachusetts.

Table II-3: Age Distribution, 2000 Actual and 2010 and 2020 Projections						
	2000 Actual		2010 Projections		2020 Projections	
	#	%	#	%	#	%
Under 5 Years	518	6.9	510	6.0	582	6.1
5 – 19 Years	1,562	20.8	1,581	18.6	1,613	16.8
20 – 24 Years	297	4.0	394	4.6	385	4.0
25 – 34 Years	1,026	13.7	1,030	12.1	1,279	13.4
35 – 44 Years	1,329	17.7	1,159	13.6	1,180	12.3
45 – 54 Years	1,098	14.6	1,371	16.1	1,204	12.6
55 – 64 Years	711	9.5	1,177	13.9	1,477	15.4
65 – 74 Years	505	6.7	759	8.9	1,265	13.2
75 – 84 Years	361	4.8	379	4.5	594	6.2
85+ Years	93	1.2	133	1.6	160	1.7
Total	7,500	100.0	8,493	100.0	9,579	100.0
Under 20	2,080	27.7	2,091	24.6	2,195	22.9
Age 65+	959	12.8	1,271	15.0	2,019	21.1
Source: US Census Bureau 2000, Massachusetts Institute for Social and Economic Research, MISER, University of Massachusetts, 2003.						

These estimates reinforce trends of a declining population of young residents and growing numbers of older residents. The figures suggest proportional decreases in all age categories less than 55 years of age with the exception of those 20 to 34 who are projected to remain about the same, as noted in Table II-3. The MISER figures do indicate substantial growth of all the older age cohorts, projecting an increase of those age 65 or older from 12.8% of all residents in 2000 to 21.1% by 2020. Clearly housing alternatives to accommodate this increasing population of seniors, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands, should be considered in housing planning efforts.

3. Homogenous Racial Composition

As Table II-4 indicates, Halifax is not racially diverse. While Halifax's racial composition remains almost totally White, 98.1% in 2000, there has been some growth in the number of minorities, almost doubling from 77 minority residents in 1980 to 140 in 2000.

4. Household Composition: A Community of Families

Halifax had a total of 2,758 households in 2000, almost three-quarters in family households (refer to Table II-4). Average household size was 2.72 persons and average family size was 3.18 persons. More than one-third of the households included children and another third included residents 65 years of age or older. Most of the households in Halifax, 61.4%, were married couples without children living with them. Non-family households¹⁰ increased somewhat, from 19.1% of all households in 1980 to 25.5% in 2000, reflecting both regional and national trends towards smaller and more non-traditional households.

Table II-4: Types of Households						
Characteristic	1980		1990		2000	
	#	%	#	%	#	%
Minority Residents*	77	1.4	85	1.3	140	1.9
Total # Households	1,834	100.0	2,362	100.0	2,758	100.0
Family Households**	1,484	80.1	1,780	75.4	2,055	74.5
Female Heads of Households with	74	4.0	198	8.4	133	4.8

¹⁰ Non-family households are defined by the census as those that include single or unrelated individuals.

children**						
Non-family Households**	350	19.1	582	24.6	703	25.5
Average Household Size	Not Available		2.75 persons		2.72 persons	
Average Family Size	Not Available		3.22 persons		3.18 persons	
Sources: 1980, 1990 and 2000 US Census Bureau *All non-White classifications ** Percent of all households						

5. Higher Incomes

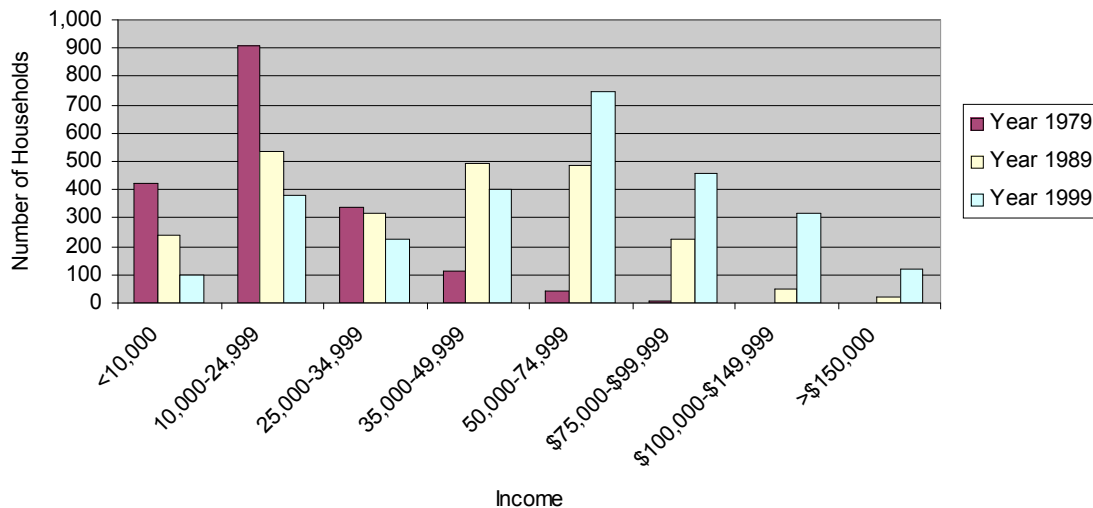
As Table II-5 indicates, the median household income in 1999 was \$57,059, up 53% from the 1989 median income of \$37,197, and up 217% from 1979, not adjusted for inflation. Income levels were above both the county and state's where medians were \$55,615 and \$50,502, respectively. These income figures are also presented in Figure II-3.

Table II-5: Household Income Distribution, 1979, 1989 and 1999						
	1979		1989		1999	
Households	Number	Perce	Number	Percent	Number	Percent
Less than \$10,000	423	23.1	236	10.0	97	3.5
\$10,000 to \$14,999	309	16.8	234	9.9	115	4.2
\$15,000 to \$24,999	599	32.7	301	12.8	263	9.6
\$25,000 to \$34,999	339	18.5	319	13.5	223	8.1
\$35,000 to \$49,999	114	6.2	493	20.9	403	14.7
\$50,000 to \$74,999	44	2.4	486	20.6	750	27.3
\$75,000 to \$99,999	6	0.3	226	9.6	459	16.7
\$100,000 to \$149,999			48	2.0	319	11.6
\$150,000 to \$199,999					96	3.5
\$200,000 or more			18	0.8	21	0.8
Total	1,834	100.0	2,361	100.0	2,746	100.0
Median Household Income	\$18,054		\$37,197		\$57,059	
Source: US Census, Table DP-3, Profile of Selected Economic Characteristics, 1990 and 2000; This data is based on census sample data and totals differ somewhat from final counts.						

Between 1989 and 1999, there were decreases in the numbers of households in all of the income ranges below \$50,000. Those households earning more than \$50,000 increased from about 33% in 1990 to 60% in 2000, and those earning more than \$150,000 grew from 18 to 117 households during the decade. The income distribution for those households that included children – families – is significantly higher with a median family income in 1999 of \$65,461 and with 381 families or almost 18.5% of all families earning more than \$100,000.

Figure II-3

Income Distribution by Census



Despite increasing household wealth, there still remains a population living in Halifax with very limited financial means. Of all households counted in 1999, 97 or 3.5% had incomes of less than \$10,000 and another 378 or about 14% had incomes between \$10,000 and \$24,999. Additionally, based on HUD income information, 967 households, or approximately 35% of all households might have qualified for housing assistance as their incomes were at or below 80% of area median income defined by the US Department of Housing and Urban Development (HUD) as \$45,200 for a family of three.¹¹ Since then, based on 2009 estimates from the Nielsen Claritas data base (see Table II-7), approximately 960 or one-third of all households had incomes within the 80% income level or \$57,250 for a household of three.

Table II-6 provides 2000 census data that compares the income distribution of homeowners and renters. In addition to being significantly fewer renters, 8.8% of all households, the median income for renters is about 40% that of owners. Nevertheless, there were still owners with very limited incomes, almost 400 or 16% earning less than \$25,000, who were most likely long-term owners on fixed incomes without mortgage payments. Some of these owners were also likely to be hard-pressed to pay increasing housing costs related to taxes, insurance and utilities. On the other hand, there were 57 or 23.6% of all renters, who were earning \$50,000 or more and might have been able to afford a home if prices were not so high or subsidies were available.

Table II-6: Household Income Distribution by Tenure, 2000				
	Owners		Renters	
Households	Number	Percent	Number	Percent
Less than \$10,000	75	3.0	0	0.0
\$10,000 to \$14,999	105	4.2	51	21.1
\$15,000 to \$24,999	212	8.4	65	26.9
\$25,000 to \$34,999	198	7.9	25	10.3
\$35,000 to \$49,999	361	14.4	44	18.2
\$50,000 to \$74,999	661	26.3	57	23.6
\$75,000 to \$99,999	462	18.4	0	0.0
\$100,000 to \$149,999	315	12.5	0	0.0
\$150,000 or more	127	5.0	0	0.0
Total	2,516	100.0	242	100.0
Median Household Income	\$61,349		\$26,389	

¹¹ While these households' incomes might be at or below 80% of area median income, many are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

Source: US Census, Table DP-3, Profile of Selected Economic Characteristics, 1990 and 2000

Table II-7 provides additional income information, comparing 2009 estimates and 2014 projections to 2000 census data.

Table II-7: Median Household Income, 2000, 2009 and 2014						
	2000 Actual		2009 Estimates		2014 Projections	
	#	%	#	%	#	%
Less than \$15,000	212	7.7	132	4.6	120	4.1
\$15,000 to \$24,999	263	9.6	223	7.8	178	6.1
\$25,000 to \$34,999	223	8.1	160	5.6	180	6.2
\$35,000 to \$49,999	403	14.7	277	9.7	226	7.8
\$50,000 to \$74,999	750	27.3	580	20.3	504	17.3
\$75,000 to \$99,999	459	16.7	580	20.3	544	18.7
\$100,000 to \$149,999	319	11.6	605	21.2	714	24.6
\$150,000 to \$249,999	111	4.0	258	9.0	364	12.5
\$250,000 to \$499,999	6	0.2	36	1.3	67	2.3
\$500,000 or more	0	0.0	2	0.07	9	0.3
Total	2,746	100.0	2,853	100.0	2,906	100.0
Median Household Income	\$57,059		\$77,349		\$86,259	
Sources: US Census, Table DP-3, Profile of Selected Economic Characteristics, 2000, and Nielsen Claritas, Inc. data source, 2009 and 2014.						

This data suggests that the 2009 median household income has increased to \$77,349 and may increase still further to \$86,259 by 2014. Once again, incomes increased in the higher ranges above \$75,000 over time. Nevertheless, there remained a number of households with incomes below \$25,000 including an estimated 355 households or more than 12.4% of all households in 2009.

6. Poverty Status

Table II-8 shows poverty data for Halifax based on 1979, 1989 and 1999 data from the US Census Bureau.¹² In general, poverty has been declining in Halifax over the years, going from 8.8% in 1979 to 3.3% in 1999 for individuals and from 5.4% to 1.8% for families. Those children living in poverty increased somewhat, however, with 83 children or 4.5% of all children living in poverty in 1999.

There were still 248 individuals who lived in poverty in the Halifax community in 1999. Given the surge in the cost of living since then, including housing costs, it is likely that things have not improved for many of these individuals and families, and some may have left the community in search of more affordable living conditions.

Table II-8: Poverty Status, 1979-1999						
	1979		1989		1999	
	#	%	#	%	#	%
Individuals Below Poverty *	488	8.8	247	3.8	248	3.3
Families **	111	5.4	34	1.9	38	1.8
Related Children Under 18 Years ***	34	1.9	9	0.5	83	4.5

¹² The 2009 federal poverty level from the US Department of Health and Human Services was \$10,850 for an individual and \$18,310 for a three-person household.

Individuals 65 and Over ****	90	12.7	100	11.6	56	5.9
Source: US Census Bureau, 1980, 1990 and 2000 *Percentage of total population for whom poverty status was determined **Percentage of all families for whom poverty status was determined ***Percentage of all related children under 18 years ****Percentage of all individuals age 65+						

7. Employment

The 2000 census indicated that of the 5,775 residents who were 16 years and older, 71.3%, or 4,120 residents, were in the labor force, 174 or 3.0% of whom were unemployed. State labor statistics indicated a 10.4% unemployment rate in Halifax as of the end of 2009, with 445 residents unemployed, reflecting the effects of the current economic recession. This rate is high however, in comparison to other communities including Boston where the unemployment figure was 8.3%.

The 2000 census indicated that about one-third of Halifax's workers were involved in management or professional occupations and most of the rest were employed in more retail and service oriented jobs including construction and maintenance occupations (10.0%), sales and office occupations (29.1%), service occupations (13.8%) and production, transportation and material moving occupations (12.1%). While 81.1% were salaried workers, another 14.8% were government workers, and 3.9% were self-employed.

Additional 2000 census information on employment patterns indicated that of those Halifax residents who were employed over the age of 16, 324 or only 8.4% worked in the community. The mean travel time to work was about 36 minutes, suggesting that on average workers commuted a fair distance to their jobs, about 91% of whom commuted by car, 5.3% by public transportation.

Table II-9: Average Employment and Wages By Industry in Halifax, 2008

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	25	\$8,105,867	149	\$1,046
Retail trade	19	\$8,631,754	364	\$456
Transportation and Warehousing	4	\$782,774	22	\$684
Finance & insurance	7	\$2,701,899	37	\$1,404
Professional and technical services	9	\$879,203	25	\$676
Administrative and waste services	8	\$1,772,016	62	\$550
Health care and social assistance	5	\$719,916	33	\$420
Accommodation and food services	13	\$2,071,604	183	\$218
Other services, Exec., Public administration	23	\$577,721	40	\$278
TOTAL	129	\$35,466,348	1,292	\$528

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

Recent labor and workforce data on local industries, from 2008, is presented in Table II-9. This data shows an average employment of 1,292 workers with most workers employed in retail trade, construction, or accommodation and food services. The average weekly wages in these industries varied considerably, from \$1,046 in construction to only \$218 in the accommodation and food industries. There were 129 work establishments that provided a total wage level of about \$35.5 million, with an average weekly wage of \$528. As a point of comparison, the average weekly wage for Halifax, as of June 2009, increased to \$614 in comparison to Boston's at \$1,322, based on more recent summary data from the state's Department of Labor and Workforce Development.

8. Disability Status

In total 1,450 residents or almost 20% of the population was disabled in 2000 that included any kind of physical disability. Of the 2000 population age 5 to 20 years old, 171 or 10.6% had some disability. Moreover, of the population age 21 to 64, 844 or 19.1% claimed a disability, but 67.9% of this group were employed leaving almost one-third unemployed, likely due to disability. In regard to the population 65 years of age or older, 435 or almost 46% claimed some type of disability.

9. **Educational Attainment**

In 2000, almost all adults, or 91.2% of those 25 years and older, had a high school diploma or higher, and 21.2% had at least a Bachelor's degree. These levels are somewhat lower than the 2000 figures for at least college attainment of 27.7% for Plymouth County and 41% for the Boston region. These figures also represent some gains in overall educational attainment from 1990, when 82.6% had at least a high school degree and 14.4% had at least a college degree.

Those enrolled in school (nursery through graduate school) totaled 1,930 or 25.7% of the town's population, and those enrolled in nursery school through high school totaled 1,581, 82% of those who were enrolled in school and 21% of the total population. These figures represent an increase in school enrollment from 1990 when there were 1,557 students, a net gain of 373 students. Since 2000, school enrollments have declined somewhat. In 2007, the School Department commissioned a study by Economic and Policy Resources, Inc. to develop a set of reasonable projections of student enrollments for kindergarten through sixth grade for the Town of Halifax public schools. The report indicated that the combination of the housing market and a declining rate of live births in the town was expected to result in small enrollment declines with total enrollment decreasing by 33 students over the next seven (7) years with some small increases after that. In fact, over the past four (4) years, enrollments have decreased by 75 students, and there are likely to be no capacity issues over at least the next few years.

B. **Housing Characteristics and Trends**

Table II-10 includes a summary of housing characteristics from 1980 through 2000. Out of the 2,841 total housing units in 2000, Halifax had 2,758 year-round, occupied units.¹³ Of the occupied, year-round units, 2,519 or 91.3% were owner-occupied and the remaining 239 units or 8.7% were renter-occupied. These figures represent a significantly higher level of owner-occupancy in 2000 than that of Plymouth County where 75.6% of the units were owner-occupied.

In reviewing changes in the housing stock since 1980, a couple of important trends become apparent including:

- **Declining rate of housing growth**

Housing growth has continued in Halifax, albeit at a much slower pace, going from a growth rate of 21.4% between 1980 and 1990, to 15.8% from 1990 to 2000. Since 2000, an additional 227 units have been added to the housing stock as of March 17, 2010, demonstrating a growth rate of 8.0%.

- **High Level of Homeownership**

Out of 2,841 total housing units in 2000, Halifax had 2,768 occupied units, of which 2,519, or 91.3%, were owner-occupied while the remaining 239 units, or 8.7%, were rental units. These figures represent a much higher level of owner-occupancy than that for Plymouth County as a whole with 76% and for the Boston region at 57%.

- **Increase in rental units**

While owner-occupied units increased by 835 units or 41.3% between 1980 and 2000, the rental housing stock grew by 94 units or 64.8% during this same time period, 93 of these units built between 1980 and 1990. In 2000, 127 or more than half of Halifax's rental units were located in single-family homes and thus mostly indistinguishable from owner-occupied units. Another 23% of rental units were in mobile homes. Only 26 rental units were in structures of more than five (5) units. Since 2000, the only rental units that have been added to the housing stock included 19 in-law apartments.

Table II-10: Housing Characteristics, 1980-2000						
	1980		1990		2000	
	#	%	#	%	#	%
Total # Housing Units	2,020	100.0	2,453	100.0	2,841	100.0
Year-round Occupied Units *	1,829	90.5	2,362	96.3	2,758	97.1
Occupied Owner Units **	1,684	92.1	2,121	89.8	2,519	91.3

¹³ For calculating the level of affordability a community has based on Chapter 40B, the 2000 year-round occupancy of 2,804 is used based on subtracting seasonal units or second homes from the total unit count. This figure will be updated when the 2010 census becomes available.

Occupied Rental Units **	145	7.9	241	10.2	239	8.7
Total Vacant Units/ Seasonal, Recreational or Occasional Use*	191 vacant and seasonal	9.5	91/42	3.7/1.7	83/37	2.9/1.3
Average House- Hold Size/Owner Occupied Unit	3.03 persons		2.79 persons		2.74 persons	
Average House- Hold Size/Renter Occupied Unit	2.90 persons		2.46 persons		2.48 persons	
Source: US Census Bureau, 1980, 1990 and 2000 * Percentage of total housing units ** Percentage of occupied housing units Note: The state counts 2,804 <i>year-round</i> housing units in its calculations under Chapter 40B based on subtracting seasonal units or second homes from the total unit count.						

- **Decrease in persons per unit**

The average number of persons per unit declined between 1980 and 2000, from 3.03 to 2.74 persons for owner-occupied units and from 2.90 to 2.48 persons for rental units. This decrease reflects local, regional and national trends towards smaller households and relates to the change in the average household size in Halifax from 2.75 persons in 1990 to 2.72 in 2000, estimated to have decreased to 2.70 persons by 2009.

- **Very low vacancy rates**

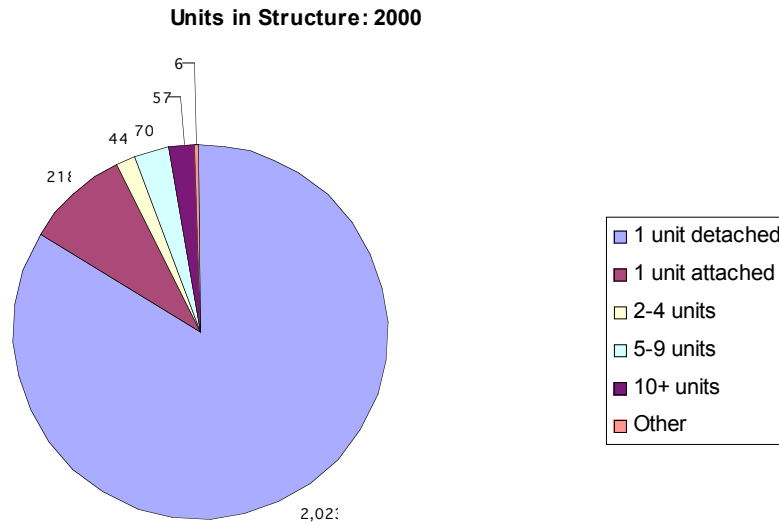
The homeowner vacancy rate in 2000 was less than one percent, down from only 1.1% in 1990. The rental vacancy rate also declined from 2.4% to 2.0%. The change in both the homeowner and rental rates are relatively insignificant as any level below 5% is considered to represent very tight market conditions (see Table II-11).

Table II-11: Vacancy Rates, 1990 and 2000				
Vacancy Rates by Tenure				
	1990	2000	MA 2000	Nation
Rental	2.4	2.0	3.5%	5%
Homeowner	1.1	0.7	0.7%	3%
Source: US Census Bureau, 1990 and 2000				

- **Single-family units predominate**

The 2000 census indicated that a great majority of the existing housing stock was in single-family, detached structures totaling 2,023 units or 71.2% of Halifax's housing units, fairly comparable to the 70% level for the county. There was actually an increase 395 such single-family units between 1990 and 2000, while only 388 total units were added to the housing stock. This suggests that almost all of the new unit creation during this timeframe involved single-family detached dwelling units and that some smaller multi-family units were likely converted to single-family. All other dwelling types had some modest increases with the exception of five to nine-unit structures and mobile homes that experienced decreases. Figure II-4 shows the distribution of units by structure type.

Figure II-4



Tables II-12 and II-13 include the distribution of units by structure type by owner-occupied housing and renter-occupied units, respectively.

Table II-12: Units in Structure for Owner-Occupied Units, 1990 and 2000

Type of Structure	1990		2000	
	Number	Percent	Number	Percent
1 Unit Detached	1,495	70.5	1,867	74.2
1 Unit Attached	196	9.2	186	7.4
2 to 4 Units	0	0.0	10	0.4
5 to 9 Units	62	2.9	53	2.1
10 or More Units	11	0.5	48	1.9
Mobile Homes/ Other*	333/24	15.7/1.2	352/0	14.0/0.0
Total	2,121	100.0	2,516	100.0

Source: US Census Bureau, 1990 and 2000 * Mobile homes, boats, RV's, etc.

About three-quarters of the owner-occupied housing units were in single-family detached structures in 2000, up from 70.5% in 1990. In comparison, there was a decrease in the number of rental units in single-family detached structures, from 44% in 1990 to about 40% in 2000. Most of the single-family attached units, 85% or 186 units, were also owner-occupied, most likely as condominiums. There are relatively small numbers of all other types of housing units in Halifax.

Table II-13: Units in Structure for Renter-Occupied Units, 1990 and 2000

Type of Structure	1990		2000	
	Number	Percent	Number	Percent
1 Unit Detached	107/79-1980	44.4	95	39.3
1 Unit Attached	20/15	8.3	32	13.2
2 to 4 Units	33/37	13.7	34	14.0
5 to 9 Units	32/8	13.3	17	7.0
10 or More Units	7	2.9	9	3.7
Mobile Homes/ Other*	34/8	14.1/3.3	55/0	22.7/0.0
Total	241	100.0	242	100.0

Source: US Census Bureau, 1990 and 2000 * Boats, RV's, etc.

Information for 2010 from the Town Board of Assessors indicates that there were 2,109 single-family properties in Halifax (83.8% of all properties), 335 condominiums (13.3% of all properties), 22 multi-family buildings (0.9%), and 52 mixed-use properties (2.1%) for a total number of 2,518 residential or mixed-use structures. Assessor's data also counted 64 in-law apartments that included both illegal and legally-permitted units.

- **Significant numbers of mobile homes**
Tables II-12 and II-13 also show that mobile homes are a significant component of Halifax's housing stock for both owners and renters. The number of mobile homes increased from 367 in 1990 and to 407 by 2000. About 86% of these units were owner-occupied, but mobile homes still comprised almost 23% of Halifax's rental housing.
- **Moderately sized housing stock**
The 2000 census reports that the median number of rooms per dwelling unit was 5.9 rooms in Halifax, as it was for Plymouth County. In fact about 40% of all units in Halifax had five (5) or six (6) rooms, suggesting homes with two or three bedrooms. Another 18% had seven (7) rooms. There were no single room units and only nine (9) dwellings with two rooms. On the other end of the range, there were 231 larger homes that had nine (9) rooms or more.
- **Conversions of summer cottages**
Some of Halifax's current housing stock includes cottages that were part of summer colonies along lakes that were purchased, winterized and converted to year-round use over the years. Some of these units were even given away as prizes in the late 1800's and early 1900's. Because the cottages were so small, many have been expanded in size through additions.
- **Older housing stock**
Table II-14 and Figure II-5 chart housing growth, identifying that 41.5% of Halifax's housing was built prior to 1960, with almost 30% of units built between 1970 and 1980. Since that time development has slowed considerably. Even since 2000 only 227 new units have been built through March 17, 2010 as presented in Table II-15. Assuming that only another few new units are ultimately built between 2000 and by the 2010 census count, this level of housing growth would be less than 60% of what occurred during the 1990s.

Table II-14: Year Structure Built, 2000

Time Period	Number	Percent
1999 to March 2000	45	1.6
1995 to 1998	180	6.3
1990 to 1994	171	6.0
1980 to 1989	447	15.7
1970 to 1979	819	28.8
1960 to 1969	407	14.3
1940 to 1959	389	13.7
1939 or earlier	383	13.5
Total	2,841	100.0

Source: US Census Bureau, 2000

Figure III-5

Housing Growth

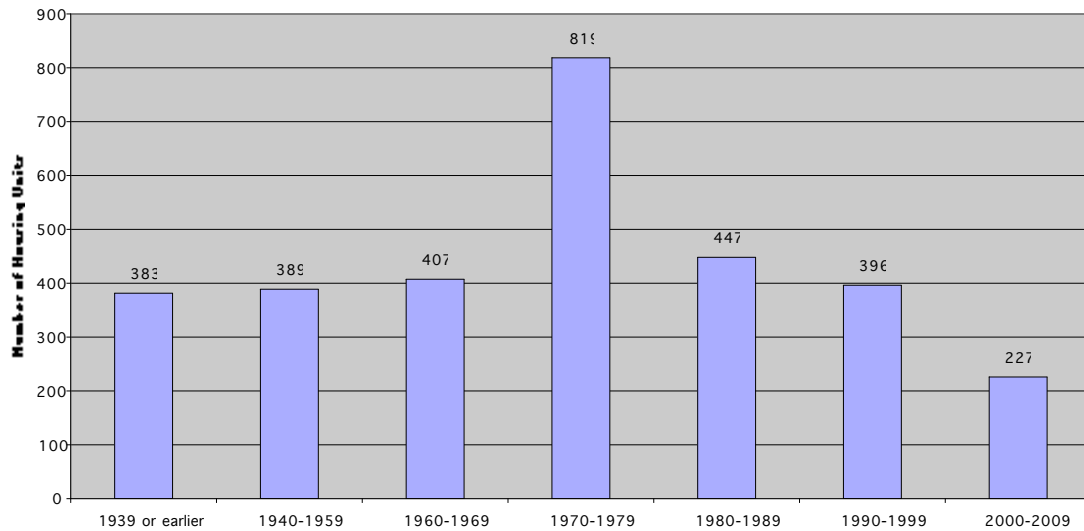


Table II-15 presents building permit activity since 2000, indicating that through March 17, 2010, 227 new housing units have been added to the housing stock – 207 single-family homes and 19 in-law apartments – bringing the total number of units to 3,068.

Table II-15: Building Permit Activity, 2000-March 17, 2010

Year	Number of New Single-family Units/In-law Additions
2000	23/2
2001	28/2
2002	31/2
2003	26/3
2004	33/2
2005	23/1
2006	16/1
2007	13/3
2008	7/2
2009	7/0
Through March 17, 2010	1 with in-law combined
Total	207/19
Average Number of Units/2000-2004	28/2.2
Average Number of Units/2005-2009	13/1.4

Source: Halifax Building Department, March 17, 2010

The former Massachusetts Office of Environmental Affairs, in coordination with MassGIS and the Old Colony Planning Council (OCPC), prepared buildout projections in 2000, estimating that remaining developable property might accommodate 2,360 additional units of housing over and above the 2,841 housing units at the time. These projections translate into a total number of units at buildout of 5,201.

Since the buildout projections were computed, an additional 227 units have been built in Halifax, suggesting that the remaining amount of developable land might accommodate 2,133 additional residential units. These figures were based on existing zoning without any indication of when buildout might be reached. These projections also suggest a total population of 13,450 at buildout.

Table II-16: Buildout Projections for Residential Units

Zoning District	Developable Land Area (Sq. Ft.)	Additional Lots	Additional Units	Additional Residents
RESIDENTIAL	118,911,457			
Single-family Detached (75%)	89,183,593	1,793	1,793	4,484
Multi-family (10%)	11,891,146	27	273	682
COMMERCIAL/ BUSINESS	3,914,689			
Single-family Detached (30%)	1,174,407	24	24	59
Multi-Unit (10%)	391,469	1	9	22
CONSERVANCY	22,769,243			
Single-family Detached (50%)	11,384,622	229	229	572
Multi-family (10%)	2,276,924	5	52	131
Total	145,595,389 (88.6% of total land area)	2,079	2,380	5,950
Source: Massachusetts Executive Office of Energy and Environmental Affairs, MassGIS and Old Colony Planning Council, 2000				

C. Housing Market Conditions

1. Homeownership

Census data also provides information on housing values as of March 2000. The census indicated that the 2000 median house value was \$166,600, up about 14% from the median in 1990 of \$145,000. In 2000, only 156 homes were valued at less than \$100,000 and another 552 were valued between \$100,000 and \$149,999, making up the bulk of the more affordable housing stock of about 36% of all single-family units at the time. The majority of housing units, 60%, were valued between \$150,000 and \$300,000, with another 75 homes, or only 3.8%, valued above that. These housing values are summarized in Table II-17.

Table II-17: Housing Values, 2000		
Value	Number of Units	Percent of Units
Less than \$50,000	11	0.6
\$50,000 to \$99,999	145	7.4
\$100,000 to \$149,999	552	28.3
\$150,000 to \$199,999	673	34.5
\$200,000 to \$299,999	495	25.4
\$300,000 to \$499,999	75	3.8
\$500,000 to \$999,999	0	0.0
\$1 million or more	0	0.0
Total	1,951	100.0
Median (dollars)	\$166,600	
Source: 2000 US Census Bureau; data is based on survey data not final totals		

More updated market data for all sales that are listed on the market is tracked by The Warren Group from Multiple Listing Service data based on actual sales. This market information is summarized in Table II-18, tracking median sales prices for Halifax from 1987 through January 2010. The median price is the midpoint of a range of values for a given time period with half of the homes selling above the median price and half below. This data includes all properties that are listed on the housing market including newly constructed units. While the data does not include private sales or renovation work, it does provide important insights into the dynamics of the housing market, including most sales transactions.

As of the end of 2009, the median sales price of a single-family home in Halifax was \$280,000, with indications of increasing prices given a small amount of sales activity in January 2010 with a median value of \$300,000. These prices were only down somewhat from \$330,000 at the end of 2005, at the height of the housing market.

The number of single-family home sales in 2009 was 80, significantly higher than the total number of single-family home sales in 2008 of 59, once again showing some improvements in the local housing market. The greatest number of such sales in any particular year was in 1998 with 114 sales.

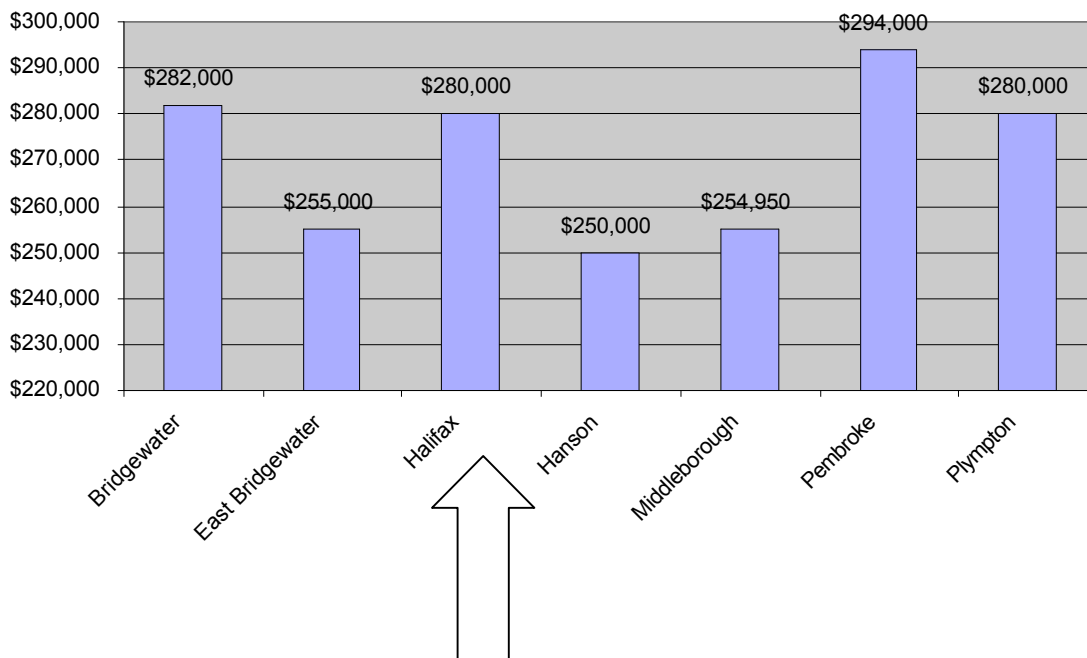
The condominium market in Halifax is relatively small, only 335 units according to Town Assessors data. Median condo prices ranged from a high of \$236,900 in 2005 to \$143,797 in 2009, a 65% fall-off in the median price. The slow-down of the condo market is also evidenced by the decrease in sales from 47 sales in 2005 to 22 in 2009. The condo market has been particularly hard-hit by the current economic recession, and purchasers have been increasingly challenged to find financing.

Table II-18: Median Sales Prices, January 1987 – January 2010					
Year	Months	Single-family/#	Condo/#	All Sales	# All Sales
2010	Jan – Jan	\$300,000/6	--	\$300,000	7
2009	Jan – Dec	280,000/80	143,797/22	245,000	113
2008	Jan – Dec	265,000/59	189,000/21	227,000	92
2007	Jan – Dec	310,500/44	211,000/28	240,000	99
2006	Jan – Dec	315,000/87	227,000/29	289,950	138
2005	Jan – Dec	330,000/92	236,900/47	286,000	175
2004	Jan – Dec	322,500/91	225,150/52	258,450	186
2003	Jan – Dec	315,000/96	205,000/57	233,500	187
2002	Jan – Dec	251,000/84	183,000/38	209,950	154
2001	Jan – Dec	195,000/61	153,000/49	168,350	132
2000	Jan – Dec	175,900/79	130,500/64	146,000	181
1999	Jan – Dec	175,000/99	108,000/65	129,750	200
1998	Jan – Dec	161,900/114	97,250/48	124,500	185
1997	Jan – Dec	148,150/86	95,500/38	125,750	160
1996	Jan – Dec	136,000/76	88,000/38	109,000	143
1995	Jan – Dec	150,500/87	88,900/21	121,250	138
1994	Jan – Dec	120,000/88	77,250/20	101,000	137
1993	Jan – Dec	113,000/65	75,000/16	98,000	97
1992	Jan – Dec	111,000/75	79,900/17	93,000	109
1991	Jan – Dec	112,000/55	87,500/19	101,000	85
1990	Jan – Dec	140,750/62	109,000/17	123,000	103
1989	Jan – Dec	131,250/78	108,750/30	117,750	138
1988	Jan – Dec	130,000/75	188,900/57	119,900	170
1987	Jan - Dec	128,000/81	121,500/68	121,000	181
Source: The Warren Group, March 9, 2010					

Figure II-6 presents the median single-family home price as of the end of 2009 for Halifax in comparison to neighboring communities. Median prices ranged from a low of \$250,000 in Hanson to a high of \$294,500 in Pembroke, with Halifax near the top of the range at \$280,000.

Figure II-6

Median Single-family Sales Prices for Halifax and Neighboring Communities



Another analysis of housing market data is presented in Table II-19, which includes a breakdown of sales data from the Multiple Listing Service for *single-family homes* from the beginning of 2009 through March 19, 2010. There were two (2) sales below \$100,000, both with substantial problems. One was a 600 square foot cottage that was not winterized that sold for \$50,000, and the other was a small three-bedroom ranch that sold for \$51,000 but was completely gutted for mold remediation and sold in this “as is” condition. There were six (6) other homes that sold in the affordable range between \$150,000 and \$200,000, all of which were older, small ranches or front back split levels that likely needed “TLC”. The median sales price was \$275,000 for a three-bedroom, two-bath Garrison Colonial with 1,856 square feet of living space, built in 2003. The highest priced property was a newer Colonial in the Highland Woods subdivision with four bedrooms and two baths and more than 3,100 square feet of living space, selling for \$500,000. The average sales price was about 97% of the average list price indicating that most sellers came close to their asking price. It is also worth noting that in most cases, the assessed value of the house was substantially higher than the sales price, reflective of the recent drop in home values.

A local realtor indicated that a significant number of sales have occurred as buyers, intent on taking advantage of low interest rates and the \$8,000 federal tax credit for first-time homebuyers, have tried to “beat the clock” and find reasonable deals. The realtor suggested that short sales¹⁴ and foreclosures have been a problem for quite a few property owners. Data on foreclosures suggest that there were 24 in the last six (6) months preceding March 5, 2010¹⁵.

The realtor also indicated that she is seeing greater use of government-assisted mortgages, such as those insured by the Federal Housing Administration (FHA), Veterans Administration (VA) or US Department of Agriculture (USDA). Other mortgages provided through MassHousing and the state’s Soft Second Program, as well as down payment and closing cost assistance from South Shore Housing Development Corporation, have also been instrumental in making homeownership accessible to many qualifying buyers despite overall more rigorous lending requirements by lending institutions.

Table II-19: Summary of Sales for Single-Family Homes*, January 2009 Through March 19, 2010		
Price Range	Number of Sales	Percentage of Total Sales
Less than \$100,000	2	4.8
\$100,000-199,999	6	14.3
\$200,000-299,999	15	35.7

¹⁴ Short sales are those where the outstanding mortgage is higher than the value of the property.

¹⁵ ForeclosureMass database, March 10, 2010. Relative to other towns and cities in Massachusetts in the last 60 days, Halifax had more foreclosed properties than 205 towns, the same amount as 15 towns, and fewer foreclosed properties than 147 towns.

\$300,000-399,999	13	31.0
\$400,000-499,999	5	11.9
\$500,000-599,999	1	2.4
Over \$600,000	0	0.0
Total	42	100.0
Median Sales Price	\$275,000	
Average List Price	\$292,618	
Average Sales Price	\$283,006	
Ave # Days on Market	169 days	
Source: Multiple Listing Service, March 19, 2010		

Of the ten (10) *condominiums* that sold between the beginning of January 2009 and mid-March 2010, all were priced below \$200,000, ranging from an \$86,000 two-bedroom condo with a \$295 fee in the Halifax Meadows development to another two-bedroom condo for \$187,500 at Twin Lakes with a \$276 fee. The median sales price was \$161,000 while the average sales price was \$145,920, down only 5% from the average list price of \$153,002.

Sales also included three (3) *mobile homes*. Prices ranged from a single-wide home for \$32,000 to homes with additions for \$78,000 and \$172,000, all at the age-restricted Halifax Mobile Home Park. A local realtor indicated that the Mobile Home Park sells most of the trailers, and financing is often difficult as many lenders do not provide mortgages for mobile homes, which are typically considered personal property as opposed to real estate and a 40% down payment is frequently required.

There was one *residential lot* that sold in February of 2009 for \$68,000 that involved a half-acre adjacent to Monponsett Lake. Title V requirements limited development to a two-bedroom house, which was sold before it even went on the market.

2. Rental Housing

Data on the costs of rental units, for 1980 through 2000, is included in Table II-20. The 2000 census indicated that there were 242 occupied rental units in Halifax, a gain of only one (1) unit since 1990, but up 57% from 1980. The 2000 median gross rental was \$626, surprisingly lower than the 1990 median rent of \$707 but more than double the 1980 median rent of \$307.

Table II-20: Rental Costs, 1980-2000						
Monthly Rent	1980		1990		2000	
	Number	Percent	Number	Percent	Number	Percent
Under \$200	23	16.6	19	7.9	8	3.3
200-299	42	30.2	34	14.1	0	0.0
300-499	74	53.2	25	10.4	84	34.7
500-749	0	0.0	49	20.3	50	20.7
750-999			57	23.6	35	14.5
1,000-1,499			46	19.1	56	23.1
1,500 +					0	0.0
No cash rent	0	0.0	11	4.6	9	3.7
Total	139	100.0	241	100.0	242	100.0
Median rent	\$307		\$707		\$626	
Source: US Census Bureau, 1980, 1990 and 2000 (Summary Table 3 – sample data)						

Rental units remain a relatively small segment of Halifax's housing market, about 8.5%, much smaller than that for Plymouth County and the state at 24.4% and 38.3%, respectively. Because all 28 units of Halifax's Subsidized Housing Inventory are rental units, about 12% of the Town's existing occupied rental stock is publicly assisted and as such has restricted below market rents, thus skewing gross rental figures somewhat. Most of the other rental units are in single-family homes, small multi-family properties or mobile homes as detailed in Table II-13.

Like housing values for homeownership units, rental values tend to be underestimated in the census data and actual market rents are typically much higher. Local listings of units that were rented since January 2009 included the following four (4) units:

- A mobile home for \$700;
- A two-bedroom condominium at the Halifax Meadows development for \$1,200;
- A two-bedroom condominium at the Twin Lakes complex for \$1,500; and
- A three-bedroom single-family home on South Street for \$1,500.

The Internet, particularly Craigslist, is a useful source for apartment listings, but there were no listings for Halifax in early March 2010. However, rental listings for neighboring communities suggest that it is difficult to obtain a two-bedroom apartment for less than \$900. Examples of listings in neighboring communities for early March 2010 included the following:

Middleborough

\$725 1-bedroom apartment on the first floor
 \$850 1-bedroom on the second floor of a new apartment building
 \$900 2-bedroom unit in a duplex
 \$900 “student style” 2-bedroom apartment in a condo complex
 \$925 “clean” 2-bedroom unit on the first floor
 \$975 2-bedroom in a “professionally managed building”
 \$1,049 to \$1,239 2-bedroom units with about 750 square feet at Talbot Woods development
 \$1,250 2-bedroom unit in a duplex
 \$1,150 3-bedroom unit on the third floor
 \$1,250 3-bedroom apartment on the second floor
 \$1,500 3-bedroom unit
 \$1,500 3-bedroom “antique Colonial home”

Bridgewater

\$775 1-bedroom unit on the first floor of an owner-occupied home
 \$800 1-bedroom apartment
 \$929 to \$1,159 1-bedroom units at the Waterford Village gated apartment community
 \$1,229 to \$1,369 2-bedrooms at the Waterford Village development

Hanson

\$895 2-bedroom, second-floor unit
 \$1,800 4-bedroom Colonial home with approximately 1,700 square feet of living space

Pembroke

\$1,005 2-bedroom apartment
 \$1,650 2-bedroom in newly built condo (2005 development) with 1,600 square feet

Most rental opportunities are passed on by word of mouth and not formally advertised in Halifax. It is also important to note that typically tenants are required to pay utilities, which add considerably to monthly housing costs. Additionally, renters are asked to pay first and last months rent plus a security deposit when they sign the lease. Consequently, in addition to sizable monthly housing expenses, there are large up-front cash requirements on renters creating barriers for many of limited financial means.

D. Affordability Analysis of Existing Market Conditions

1. Homeownership

As more homes emerge on the market with sale tags of more than \$300,000, fewer existing longer-term residents will be able to afford them without substantial savings and clean credit. To afford the median sales price of a single-family home in Halifax of \$280,000, based on The Warren Group information as of the end of 2009, a household would have to earn approximately \$65,300,¹⁶ somewhat less than the adjusted median income of \$77,349 in 2009,¹⁷ but still higher than the state’s adjusted median of \$65,401. This is premised on the ability of the purchaser to come up with the 20% down payment that is now typically required by lenders in response to the financial crisis of the last couple of years. This up-front cash requirement, in addition to mortgage closing costs, exert a substantial challenge for those who do not have equity from a previous purchase or sufficient income to put money aside for savings. Issues related to credit problems also hamper access to homeownership for many.

¹⁶ Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$13.99 per thousand and 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 (not needed for 80% financing), and estimated monthly condo fees of \$300. Also based on a household spending no more than 30% of its income on housing costs.

¹⁷ Based on the Nielsen Claritas, Inc. (a proprietary data source) 2009 estimate of median income for Halifax.

Some first-time homebuyers can qualify for government-assisted mortgages, such as those from MassHousing, the USDA or the Soft Second Program through the Massachusetts Housing Partnership, that include lower down payments and other less stringent lending criteria. However, this also translates into higher mortgage amounts that boost the income that is needed for a \$280,000 purchase price to \$77,600, based on 95% financing.

2. Rentals

In regard to rentals, the gross median rent of \$626, according to the 2000 census, required an income of about \$29,000, well within HUD's income limit for those earning at 60% of area median income also factoring costs of utilities. Local real estate listings indicate that current market rents are actually much higher with no two-bedroom units on the market for less than about \$900, requiring an income of about \$36,000 based on a household spending no more than 30% of its income on rent. When considering additional housing-related expenses such as utilities, the required income goes up still further for the unit to meet the 30% of income test, to about \$42,750.

To put these rentals into another context, someone earning the minimum wage of \$8.00 for 40 hours per week and 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 very short of the \$36,000 income. Moreover, the entry costs of rental housing – including first and last month's rent and a security deposit – make accessing private rental housing a serious challenge for cash-strapped, lower-wage earning households.

Listings of single-family homes on the market for rent in Halifax are higher, at least \$1,375 per month. This rent translates into an income of \$55,000. Adding average monthly utility costs of \$350, brings the projected income to \$69,000, based on a household spending no more than 30% of their income on housing, HUD's threshold of affordability. Based on 2009 income estimates from the Nielsen Claritas data source, about 43% of Halifax's households would have been unable to afford to rent at this level.

3. Cost Burdens

It is also useful to identify numbers of residents who are living beyond their means due to the extent of their housing costs. The 2000 census 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 or encountering housing affordability problems.

Households paying more than 30% of their incomes for housing are defined by HUD as being cost burdened, and when paying more than 50% of their incomes they are said to be severely cost burdened. Table III-21 shows 1990 and 2000 US Census data for housing burdens in Halifax. Over 2,100 housing units had mortgages in 2000 and the median mortgage was \$1,282 per month. There were 443 homeowners who were spending at least 35% of their household income on housing expenses. For renters, the median gross monthly rent in 2000 was \$804 per month, and there were 90 households who were spending at least 35% of their income on housing. It is worth noting that the total number of renters who had cost burdens decreased in 2000 from the 1990 levels, but the reverse was the case for homeownership.

Table II-21: Housing Burdens, Town of Halifax, 1990 and 2000				
	1990	2000	Change	% Change
# Owners with Mortgage, # Units	1,270	1,632	+362	+28.5%
Monthly Cost of Mortgage (Median)	\$921	\$1,206	+285	+30.9%
# Owners with Housing Costs >=35% of Household Income	301 (23.7%)	253 (13%)	-48	-16.0%
# Renters with Rental Payments	230	242	+12	+5.2%
Renter Gross Monthly Rent (Median)	\$707	\$626	-81	-11.5%
Gross Rent >=35% of Household Income	91 (40.0%)	94 (38.8%)	+3	+3.3%
Source: US Census, 1990 and 2000				

The US Department of Housing and Urban Development (HUD) prepares a special report, referred to as the SOCDS CHAS Data Report, which identifies cost burdens by household type and whether they are renters or owners. This report, summarized in Table II-22, indicated the following:

- In 2000, 709 or about one-quarter of all households were spending too much on housing (spending more than 30% of their income on housing), including 134 renters and 575 owners.
- There were 167 renter households and 800 owner households earning at or below 80% of area median income in 2000 for a total of 967 households or about one-third of all households. Consequently, based on this income information, more than a third of Halifax's households would likely have qualified for

- housing assistance in 2000 as their incomes were at or below 80% of area median income, defined by the US Department of Housing and Urban Development (HUD) as \$50,200 for a family of four.¹⁸
- There were 175 total households who earned at the extremely low-income end of the range of at or below 30% of area median income, another 383 earning between 30% and 50% of area median income, referred to as very-low income by HUD, and another 409 households who earned between 50% and 80% of area median. Of these households, 519 or 54% were experiencing cost burdens, 22% spending more than half of their income on housing.

Table II-22: Type of Households by Income Category and Cost Burdens*, 2000

Type of Household	Households Earning < 30 % MFI/# with cost burdens (# severe cost burdens)	Households Earning > 30 % But < 50 % MFI/# with cost burdens (# severe cost burdens)	Households Earning > 50 % But < 80 % MFI/# with cost burdens (# severe cost burdens)	Households Earning > 80 % MFI/# with cost burdens (# severe cost burdens)	Total/# with cost burdens (# severe cost burdens)
Elderly Renters	20/20 (10)	54/40 (10)	4/0	0/0	78/60 (20)
Small Family Renters	0/0	14/14 (10)	15/0	35/10	64/24 (10)
Large Family Renters	0/0	20/20 (10)	0/0	0/0	20/20 (10)
Other Renters	20/20 (10)	20/10	0/0	50/0	90/30 (10)
Total Renters	40/40 (20)	108/84 (30)	19/0	85/10	252/134 (50)
Elderly Owners	105/95 (65)	190/110 (25)	170/10	180/10	645/225 (90)
Small Family Owners	10/10 (10)	65/55 (35)	120/55 (20)	1,125/120	1,320/240 (65)
Large Family Owners	0/0	10/10	60/20	235/20	305/50
Other Owners	20/10 (10)	10/10 (10)	40/10	195/30 (10)	265/60 (30)
Total Owners	135/115 (75)	275/185 (70)	390/95 (20)	1,735/180(10)	2,535/575(175)
Total	175/155 (95)	383/269(100)	409/95 (20)	1,820/190(10)	2,787/709(225)

Source: U. S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, 2000.

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 with serious cost burdens.

- More than half of all renters were spending too much on housing including 20% who were spending more than half of their income on housing.
- About 54% of all households earning at or below 30% of area median income were spending more than 50% of their incomes on housing, involving 215 households whether they be owners or renters.
- Of the 383 households earning between 30% and 50% of area median income, about one-quarter or 100 households (including 70 owner and 30 renter households) were spending more than 50% of their income on housing.
- Almost one-half or 395 of the 800 owners earning at or below 80% of area median income were spending too much on housing.
- Of the 167 renters earning at or below 80% of area median income, three-quarters were experiencing housing affordability problems or cost burdens.
- More than three-quarters of seniors who were renting were spending too much on their housing including one-quarter who were spending more than half of their income on housing costs.
- Almost 20% or 85 seniors who owned their own homes and were earning at or below 80% of area median income were spending more than 50% of their income on housing.
- Small families who owned their homes were also experiencing affordability problems including one-

¹⁸ While these households' incomes might be at or below 80% of area median income, many households were likely to have assets that were more than the allowable state or federal standards that would disqualify them from housing assistance.

third who were spending more than half their income on housing.

Because housing costs have significantly escalated since 2000, it is likely that many of these households, who are not living in subsidized housing, are experiencing even greater cost burdens or have been forced to move outside of the community in search of more affordable living conditions.

E. Subsidized Housing Inventory (SHI)

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, the federal government identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's net or adjusted income (with a small deduction per dependent, for child care, extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. If households are paying more than these thresholds, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems or cost burdens.

Affordable housing is also defined according to percentages of median income for the area, as established by the US Department of Housing and Development (HUD), and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. *Extremely low-income* housing is directed to those earning at or below 30% of area median income as defined by the US Department of Housing and Urban Development (\$21,600 for a family of three for the Brockton area)¹⁹ and *very low-income* is defined as households earning between 31% and 50% of area median income (\$35,950 for a family of three). *Low-income* generally refers to the range between 51% and 80% of area median income (\$57,500 for a family of three at the 80% level). These income levels are summarized in Table II-23.

Table II-23: 2010 Targeted Income Levels for Affordable Housing in the Brockton Area			
# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income
1	\$16,800	\$27,950	\$44,700
2	\$19,200	\$31,950	\$51,100
3	\$21,600	\$35,950	\$57,500
4	\$23,950	\$39,900	\$63,850
5	\$25,900	\$43,100	\$69,000
6	\$27,800	\$46,300	\$74,100
7	\$29,700	\$49,500	\$79,200
8+	\$31,650	\$52,700	\$84,300

2010 Median Household Income for the Brockton PMSA = \$79,800

In counting a community's progress toward the 10% threshold, the state counts a housing unit as affordable if it is subsidized by state or federal programs that support households earning at or below 80% of area median income under Chapter 774 of the Acts of 1969, which established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). To be included in the Subsidized Housing Inventory (SHI), thus making progress towards the 10% affordability goal, the housing units must also be subject to long-term deed restrictions that limit occupancy to income-eligible households 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) and be marketed through the implementation of a state-approved Affirmative Fair Housing Marketing Plan.

In general, programs that subsidize rental units are targeted to households earning within 50% or 60% of median income, often including units for those earning below 30% of the area median. First-time homebuyer programs typically apply income limits of up to 80% of area median income. 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” units. 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, moderate-income units for those earning between 80% and 120% of median

¹⁹ The average household size is 2.51 persons in Halifax based on the 2000 census, down to 2.47 persons based on 2009 estimates provided by the Nielsen Claritas, Inc. database, a proprietary data source.

income, often referred to as “workforce” units, and even some market rate units to help cross-subsidize the more affordable ones. A rental project might include a couple of tiers below the 60% level in addition to workforce and/or market rate units.

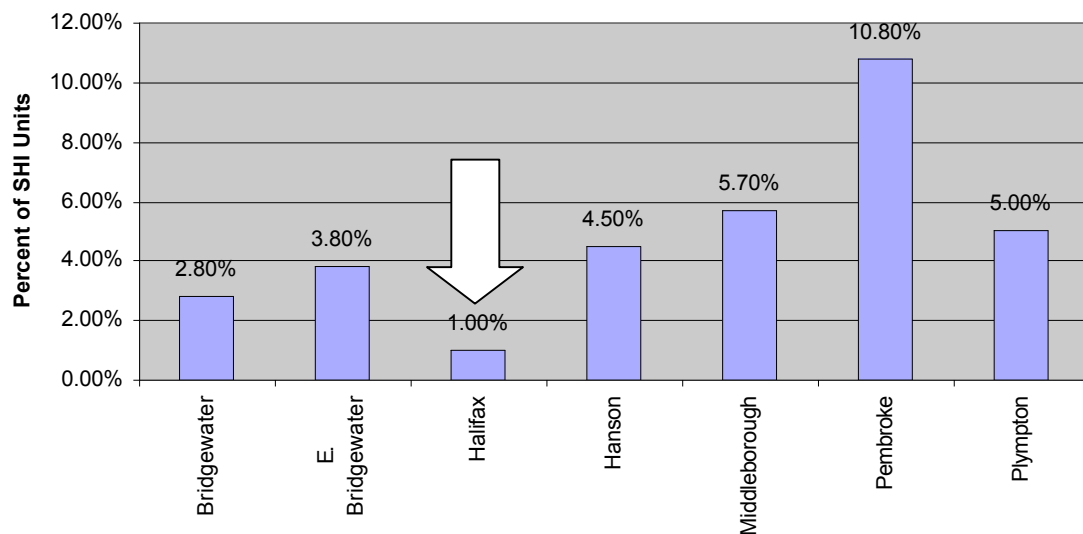
I. Current Inventory

The Department of Housing and Community Development counts 28 units in Halifax that meet affordability requirements under Chapter 40B and are eligible for inclusion in the Subsidized Housing Inventory. Chapter 40B mandates that the town should have 10% of its year-round housing stock as affordable housing which would total 280 units out of its 2,804 year-round housing units (2000 US Census)²⁰. With a current inventory of 28 (1.0%) affordable housing units, Halifax currently has a deficit of 252 affordable units.

Figure II-7 compare Halifax’s level of SHI housing to those of neighboring towns, demonstrating that Halifax’s progress at 1.0% affordability is in the low end of the range, with Pembroke already above the state’s 10% affordability goal. Proposed developments could push Halifax’s percentage up considerably in the near future.

Figure II-7

Affordable Housing for Halifax and Neighboring Communities



All of the current 28 SHI units are owned and managed by the Halifax Housing Authority, 20 of the units at the Parsons Lane elderly development that also includes three (3) units for younger disabled tenants. The Housing Authority has another eight (8) units of family housing, four (4) units next to the Parsons Lane project and the remaining four (4) in scattered sites. One (1) of the units at Parsons Lane is handicapped accessible as is one (1) of the family units. Turnover rates are low for all public housing units with only two (2) units turning over at Parsons Lane and two (2) for the family units in the recent past. On the other hand, the Housing Authority has approximately 3,000 applications for housing on file.

The Dedham Housing Authority manages the Section 8 rental vouchers for Halifax. This assistance enables qualifying tenants to rent housing from private landlords, with the subsidies paying the difference between 30% of the tenants’ incomes and HUD defined Fair Market Rents (FMRs).

Given recent and projected housing growth, Halifax should have a total housing stock approaching 3,071 units by the time of the 2010 census count, about 2,982 year-round units with the same ratio of year-round to seasonal or second homes. The number of units still needed to get to the 10% state affordability goal would then increase to about 270 units and annual production goals under Housing Production requirements would likely increase to 15 units.

²⁰ Figure calculated by subtracting seasonal units and second homes from the total unit count.

2. Recent or Proposed Housing Developments

There are a number of housing developments that are in the planning or predevelopment phases that include the following:

- *Thompson Street*
The Halifax Housing Authority owns about ten (10) acres that is deed restricted for senior housing on Thompson Street. The Authority is planning to develop the site through two (2) phases, working with South Shore Housing Development Corporation, as their consultant, and the developer, The Community Builders. First, they have applied for federal Section 202 financing to produce 60 units of housing for seniors earning at or below 50% of area median income. The development team was recently notified that they did not receive funding for this round and so have obtained funding from the Farnsworth Foundation to support the costs of resubmitting the application to HUD.

The second phase involves another 60 units to be financed through a range of subsidy funds including the Low Income Housing Tax Credit. A portion of the site is proposed to include a new Senior Center, operated by the Halifax Council on Aging. The Housing Authority has secured \$15,000 in predevelopment funding to undertake some architectural planning for the Senior Center with The Community Builders putting in some additional funding for this work.
- *Amanda's Estates*
This project includes 48 single-family homes in a cluster on Elm Street through a Chapter 40B comprehensive permit, 12 of which would be affordable and eligible for inclusion in the SHI. The developer received approval from MassHousing to file the comprehensive permit with the Zoning Board of Appeals but has not yet done so. The deadline for filing the application was supposedly March 2010.
- *Blackledge Farm*
The Halifax Zoning Board of Appeals approved a comprehensive permit for 100 homeownership units, however the developer sold the project to another who is seeking modifications to the project, including reducing the size of the development to 56 units. Instead of a comprehensive permit, the developer is exploring the use of a special permit and variances, which would result in only six (6) or 10% of the units being affordable.
- *Monponsett Street Property*
A "friendly" 40B project is being explored on a 13-acre property off of Monponsett Street that involves 56 single-family homes, 14 of which would be affordable.

The potential addition of these units would bring the SHI count to 180 units or 6.4% of the current year-round housing stock of 2,804 units and perhaps close to 6.0% when the 2010 census figures are released.

F. Priority Housing Needs

As the affordability analysis indicates in Section II.D above, significant gaps remain between what most current residents can afford and the housing that is available. In addition to sizable income requirements, both purchasers and renters are confronted with substantial up-front cash requirements and credit checks when seeking housing. Also, long-term residents encounter difficulties keeping up with housing expenses including taxes, utilities and insurance. It is no wonder that in 2000, 709 or about one-quarter of all households were spending too much on housing (spending more than 30% of their income on housing), including 134 renters and 575 owners. Since 2000, these costs have escalated substantially, putting more financial stress on residents, lower income households in particular.

In 2000, Halifax's housing stock included a 91 to 9 percent ratio of homeownership units to rentals. All 28 existing affordable units in the SHI have boosted rentals in an effort to continue to diversify the housing stock and to serve those most in need. While not eligible for counting under the SHI, the addition of 19 in-law apartments since 2000 has also helped provide greater housing choice and diversity in Halifax.

To further diversify housing and present a range of affordable housing options in Halifax, the Town will need to pay particular attention to the following housing needs:

Households with Limited Incomes – Need Affordable Rental Housing

Despite increasing household wealth, there still remains a population living in Halifax with very limited financial means. Given the high costs of rental housing, including sizable up-front costs (first and last months rent, a security deposit, and/or moving expenses), and relative lack of such housing in Halifax, more subsidized rental housing is necessary to make living in Halifax affordable, particularly for the community's most vulnerable residents.

- Of all households counted in 1999, 97 or 3.5% had incomes of less than \$10,000 and another 378 or about 14% had incomes between \$10,000 and \$24,999. As of 2009, there still remained an estimated 355 households or more than 12.4% of all households with incomes of less than \$25,000.
- Based on HUD income information, 967 households, or approximately 35% of all households might have qualified for housing assistance in 2000 as their incomes were at or below 80% of area median income defined by the US Department of Housing and Urban Development (HUD) as \$45,200 for a family of three.²¹ Since then, based on 2009 estimates, approximately 960 or one-third of all households had incomes within the 80% income level or \$57,250 for a household of three.
- There were still 248 individuals who lived in poverty in the Halifax community in 1999, including 83 children. Given the surge in the cost of living since then, including housing costs, it is likely that things have not improved for many of these individuals and families, and some may have left the community in search of more affordable living conditions.
- More than half of all renters were spending too much on housing including 20% who were spending more than half of their income on housing.
- There are no two-bedroom units on the market for less than about \$900, requiring an income of about \$42,750 based on a household spending no more than 30% of its income on rent and including some utility costs. To put these rentals into another context, someone earning the minimum wage of \$8.00 for 40 hours per week and every week during the year would still only earn a gross income of \$16,640.
- There are only a handful of subsidized units available to families in Halifax and 20 units for seniors.
- More than half of all renters were spending too much on housing including 20% who were spending more than half of their income on housing.
- Turnover rates are low for all public housing units with only two (2) units turning over at Parsons Lane and two (2) for the family units in the recent past. On the other hand, the Housing Authority has approximately 3,000 applications for housing on file.

Gaps in Affordability and Access to Affordable Housing – Need Affordable Homeownership Opportunities

A wider range of affordable housing options is needed, including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families, municipal employees, as well as empty nesters and seniors. Efforts to help prevent foreclosures should also be bolstered.

- In 2000, 709 or about one-quarter of all households were spending too much on housing (spending more than 30% of their income on housing), including 134 renters and 575 owners.
- There are few homes available in Halifax for under \$200,000 that would be affordable to low- and moderate-income households.
- To afford the median sales price of a single-family home in Halifax of \$280,000, based on The Warren Group information as of the end of 2009, a household would have to earn approximately \$65,300,²² somewhat less than the adjusted median income of \$77,349 in 2009,²³ but still higher than the state's adjusted median of \$65,401. This is premised on the ability of the purchaser to come up with the 20% down payment that is now typically required by lenders in response to the financial crisis of the last couple of years. This up-front cash requirement, in addition to mortgage closing costs, exert a substantial challenge for those who do not have equity from a previous purchase or sufficient income to put money aside for savings. Issues related to credit problems also hamper access to homeownership for many.
- Halifax has confronted increasing numbers of foreclosures. Relative to other towns and cities in Massachusetts in the last 60 days preceding March 10, 2010, Halifax with 24 foreclosures,²⁴ had more foreclosed properties than 205 towns, the same amount as 15 towns, and fewer foreclosed properties than 147 towns.
- Demographic trends suggest that escalating housing costs may be pricing younger individuals and families out of the housing market as those entering the labor market and forming new families have been dwindling in numbers, reducing the pool of entry level workers and service employees as well as forcing the grown children who were raised in town to relocate outside of Halifax. For example, the population age 25 to 34 was 18% of the population in 1980 and decreased to 13.7% by 2000. Given higher home prices since then, this problem has likely continued.
- There are few housing options for seniors looking to downsize to units that require less maintenance.

Housing Conditions – Need Home Improvement Resources

²¹ While these households' incomes might be at or below 80% of area median income, many are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

²² Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$13.99 per thousand and 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 (not needed for 80% financing), and estimated monthly condo fees of \$300. Also based on a household spending no more than 30% of its income on housing costs.

²³ Based on the Nielsen Claritas, Inc. (a proprietary data source) 2009 estimate of median income for Halifax.

²⁴ There were 24 foreclosures in the six (6) months preceding March 2010.

Programs to support necessary home improvements – including deleading, handicapped accessibility, and septic repairs for units occupied by low- and moderate-income households – are needed, particularly for the elderly living on fixed incomes.

- 41.5% of Halifax's housing was built prior to 1960, with almost 30% of units built between 1970 and 1980. Some of these aging units are also likely to have deferred maintenance needs.
- Those homes built prior to 1970 are likely to have traces of lead-based paint, posing safety hazards to children.
- Because properties in Halifax are totally reliant on septic systems, it is likely that there are homes with failing systems that require repair or replacement.
- To help meet this need, the Town of Halifax applied jointly with the Town of Carver for state funding under the Community Development Block Grant (CDBG) to operate a housing rehab program for qualifying homeowners. They were approved for \$685,000 in funding, one-third of which will be targeted to the Monponsett Ponds area of Halifax as well as Halifax Mobile Home Estates (see Appendix 2 for details).

Special Needs Housing – Need Barrier-Free Units and Supportive Services

There were approximately 1,450 residents in Halifax who claimed some type of disability, and given the aging of the population, greater emphasis should be placed on housing that includes supportive services and barrier-free improvements.

- Almost 20% of the population was disabled in 2000 that included any kind of physical disability. Of the 2000 population age 5 to 20 years old, 171 or 10.6% had a disability. Moreover, of the population age 21 to 64, 844 or 19.1% claimed a disability, but 67.9% of this group was employed leaving almost one-third unemployed, likely due to disability.
- In regard to the population 65 years of age or older, 435 or almost 46% claimed some type of disability.
- Those 65 years of age or older are expected to increase from 12.8% of the population in 2000 to 21.1% by 2014. This aging trend is reflected in increases of the median age, from 37.5 years in 2000 to a projected 41.9 years by 2014.
- Only one (1) of the units at the Halifax Housing Authority's Parsons Lane development is handicapped accessible as is one (1) of the Housing Authority's family units.
- There are only three (3) subsidized Housing Authority units in Halifax for younger disabled residents at present.
- Unlike most communities in Massachusetts, Halifax does not have any group homes for special needs populations.
- There are no assisted living or nursing home options in Halifax.

A summary of housing goals based on these priorities is provided in Table II-24, premised on producing an average of 15 affordable units per year, reflective of production goals under the state Housing Production guidelines, and a balance of about 75% to 25% 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 two (2) units per year and the ability to secure necessary subsidy funds.

Table II-24: Housing Production Goals Based on Types of Units		
Type of Units	5-Year Goals	10-Year Goals
Rental Housing	55 units	110 units
Homeownership Units	20 units	40 units
Total	75 units	150 units
Handicapped accessibility and/or supportive Services/about 10% of new units produced	8 units	16 units
Promote housing assistance for property improvements	10 participants in improvement programs	20 participants in improvement programs

III. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

It will be a challenge for the town of Halifax to create enough affordable housing units to meet local needs and the 10% state goal, particularly in light of current constraints to new development including the following:

A. Infrastructure

The Town of Halifax does not have a public sewer system, and properties must rely on septic systems if special treatment facilities are not integrated into new development. Most areas of town have municipal water service, the remaining areas relying on the use of private wells. In those areas of town without sewer service in particular, new housing production must carefully comply with Title V standards and be sensitive to water quality issues, which while essential, contribute to higher development costs. The community's transportation network also presents challenges as many existing roads are in poor condition.

Buildout projections prepared by the state's Executive Office of Environmental Affairs in 2000, suggest substantial additional growth in Halifax including more than 5,951 new residents and 2,380 new residential units. Infrastructure requirements to support this growth included an additional 357,046 gallons of water per day and 3,213 tons of municipal solid waste per year, of which a projected 1,735 tons is unlikely to be recyclable. Also, the state's build-out projections anticipate that another 26 miles of roadway will be needed. While these forecasts seem extreme, Halifax will need to make better use of smart growth measures to guide development to appropriate locations and select appropriate strategies to relieve the impact of growth yet still grow incrementally, a formidable challenge.

Mitigation Measures: It will be important for any new affordable housing development to address these infrastructure constraints, septic issues in particular, and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment.

B. Environmental Constraints²⁵

Halifax's terrain is relatively low with many small hilly upland areas surrounded by extensive low-lying areas, ranging from well-drained to poorly drained areas. Some of these areas have been developed as cranberry bogs. The Winnituxet River also creates extensive areas of flood plain, most of which remains as wooded swamp. The fact that 43% of the land area consists of poorly or very poorly drained organic and mineral soils seriously limits development.

In addition to the challenges associated with poor soil conditions and wetlands, the town has valuable natural habitats that require protection. Halifax's many ponds comprise about 781 acres of open water that are fed and drained by a web of streams and brooks. These water bodies are not only important habitats for a wide range of wildlife, but also offer recreational and scenic values in addition to the town's potable water supply.

Mitigation Measures: Housing strategies are largely oriented to actions that will promote smart growth and limit impacts on the environment such as promoting accessory apartments, converting existing housing to long-term affordability, developing infill sites in existing neighborhoods, cluster development, and encouraging mixed-use development (see Section V.B and C for details on these strategies).

²⁵ This section relies on information from the 2002 Halifax Master Plan prepared by the Old Colony Planning Council (OCPC).

C. Zoning

Like most localities in the Commonwealth, Halifax's Zoning Bylaw largely embraces large-lot zoning of at least one (1) acre in most areas of town. While this zoning was put in place to slow development, preserve the town's character and accommodate septic systems in compliance with Title V requirements, the zoning maintains low housing densities, severely constrains the construction of affordable housing that relies on economies of scale, and promotes sprawl. The 2002 Master Plan, prepared by the Old Colony Planning Council, indicates that the effects of large-lot zoning is reflected in population growth of 100% from 1970 to 1996 while the land that was absorbed by new housing development during this same period grew twice as rapidly, by 200%.

Halifax's Zoning Bylaws include five (5) major zoning districts, one (1) of which is residential as presented in Table II-25 and the map included in Figure II-8.

Table II-25: Zoning Districts				
District	Minimum Lot Size	Amount of Developable Land/square feet*	Percent of Remaining Developable Land*	Allowed Residential Uses
AR/Agricultural - Residential	1 acre	118,911,457	72.4%	Single-family by right Multi-family under special permit
B/Business and Commercial	40,000 square feet	3,914,689	2.4%	Single-family by right Multi-family under special permit
I/Industrial	40,000	17,022,037	10.4%	Not allowed
I-2/Industrial 2		1,624,251	1.0%	Not allowed
C/Conservancy		22,769,243	13.9%	Any type of housing requires a special permit
Total		164,241,677	100.0	
Sources: Halifax Zoning By-law, Section 167-7 and state build-out projections from 2000 by the Executive Office of Environmental Affairs, MassGIS and Old Colony Planning Council.				

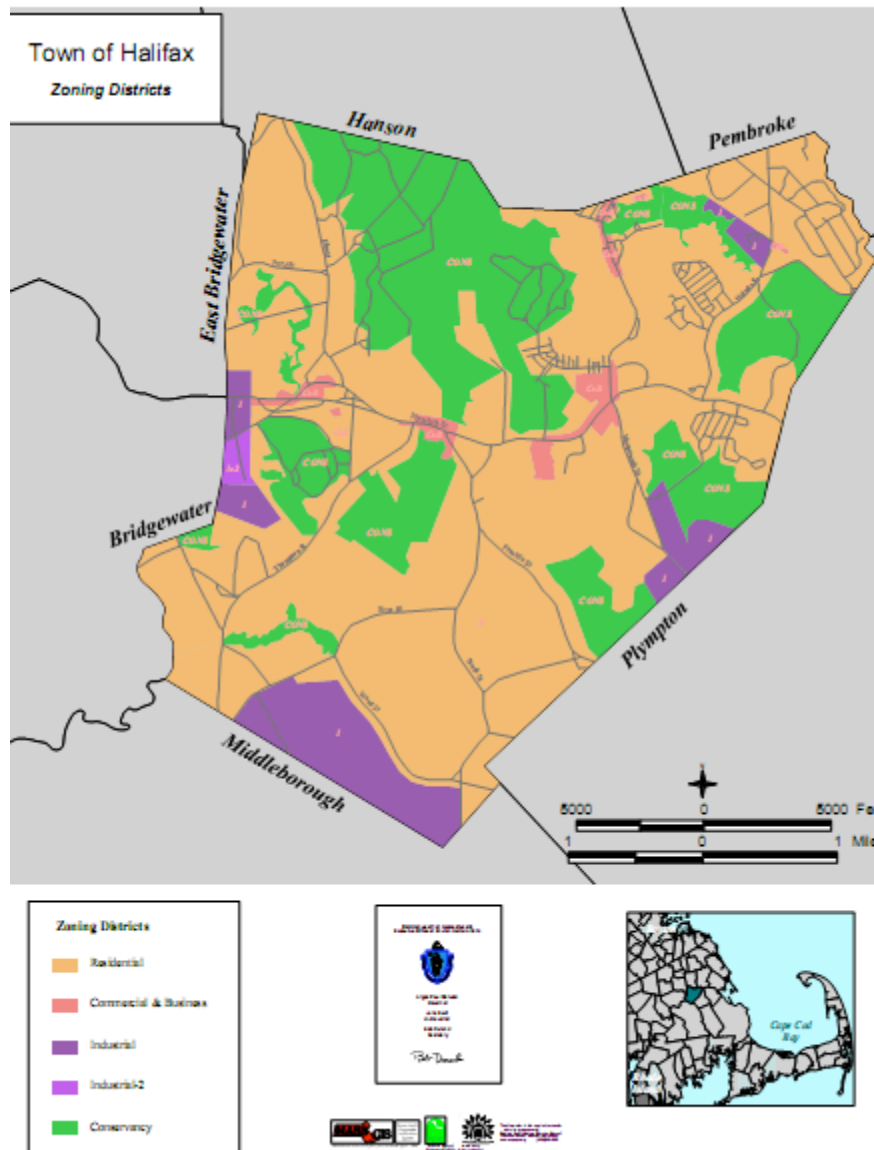
This information, derived from the state's buildout analysis in 2000, shows that there are considerable amounts of developable property available in Halifax. Almost three-quarters of this potentially developable property are in the Agricultural-Residential district and more than another 15% in zoning districts that still allow housing.

Halifax's Zoning By-law also allows trailer camps, parks or courts in the AR district with densities of up to six (6) mobile homes per acre.²⁶ Such mobile home developments are limited to occupancy by adults over 50 years of age. The By-law further stipulates that the Board of Appeals cannot issue more than one special permit for a permanent trailer camp for each 10,000 in the Town's population.²⁷ Given that the Town's population is less than 10,000 and a special permit has already been issued, another mobile home development will not be allowed until the community's population exceeds 20,000 residents.

Figure II-8

²⁶ Halifax Zoning By-law, Section 167-11.

²⁷ Halifax Zoning By-law, Section 167-7.



The By-law defines multi-family development as “a development of three (3) or more dwelling units on a single lot of land under one (1) ownership of not less than ten (10) acres in size”.²⁸ The By-law also includes a number of specific requirements for such development such as the following:

- Each building must be located on an individual lot with continuous frontage on a public or private way;
- All utilities must be located underground;
- The number of units cannot exceed the number of acres in the parcel;
- At least 80% of the total parcel tested on a 200 foot grid must be found to be percable by the Board of Health;
- No unit can be more than 2½ stories in height;
- The lowest level of living space must have at least 750 square feet;
- The minimum setbacks include at least 75 feet in the front, 100 feet in the rear yard and between any two (2) buildings, and 30 feet at the side yards between the development and adjacent buildings to be maintained as a vegetated buffer area;
- An automatic fire detection system installed in each building; and

²⁸ Halifax Zoning By-law, Section 167-3.

- A hydrant system that meets the required fire flow plus 50% with adequate space in front of each building to allow access for fire apparatus.

Consequently, the By-law currently precludes smart growth development options such as more compact clustered development. There are two (2) developments that have used this bylaw in Halifax, the 110-unit Halifax Meadows condo project that was built in 1972 on 15.2 acres and the 220-unit Twin Lakes development built in 1986 on 160 acres.

The Halifax Zoning By-law also allows in-law apartments, restricting their occupancy to an actual in-law or immediate family member.²⁹ The Zoning Bylaw also includes a Building Permit Limitation Bylaw, restricting the number of building permits to no more than 40 per year, allowing no more than six (6) permits per applicant per year, and allowing only ten (10) permits per project over two (2) years.

Mitigation Measures: This Housing Production Plan includes a number of strategies that are directed to reforming local zoning regulations, making them “friendlier” to the production of affordable housing and smart growth development. These include adding inclusionary zoning, further modifying accessory apartment provisions, promoting mixed-use development, and integrating affordable housing in its clustered zoning bylaw (see Section V.B).

D. Transportation

Halifax is served by a network of principal highways including Routes 106, 105 and 58, however the community is located some distance from major highways, between Routes 24 and 3. A local realtor indicated that Halifax was “off the beaten track” and it was sometimes hard to get interested buyers to consider buying into the community given its distance from the major highways to the Boston area.

Halifax does have access to public commuter rail transportation with a station at 6 Garden Road off of state Route 36, however only 5.3% of workers reported that they took public transportation in 2000. The 2000 census data indicates that most workers commuted to work by car (91% of workers), with an average commuting time of 36 minutes. Since that time ridership has increased, prompted by increases in gas prices and added parking. Nevertheless, given the lack of any bus service, riders must rely on the car to get to the train station unless they can find someone to drive them or use taxi service. The reliance on the automobile presents an additional cost burden for those with limited incomes, particularly those on fixed incomes.

Mitigation Measures: The Town will have to pay particular attention to the projected traffic implications of any new development, working with the developer to resolve problems. One of the strategies included in this Housing Plan is to explore higher density, mixed-use development in close proximity to the commuter rail station that has the potential for reducing at least some reliance on the automobile (see Section V.B.5 for details). Opportunities to direct development to areas that are most conducive to higher densities, such as along Route 106, 105 and 58, may serve to reduce transportation problems somewhat.

E. Availability of Subsidy Funds

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. State subsidies for homeownership developments have been almost cut entirely. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Unlike 140 other communities across the state, Halifax has not passed the Community Preservation Act that provides an important local resource with a state match for open space preservation, historic preservation and affordable housing.

Mitigation Measures: This Housing Plan suggests that the Town establish a Municipal Affordable Housing Trust that will enable Halifax to create and appropriately manage a fund that is dedicated to subsidizing affordable housing. One possibility of capitalizing this Trust Fund would be for the Town to adopt inclusionary zoning that might provide some funding in-lieu of actual units. Developers may also contribute to the Housing Fund through negotiations on comprehensive permit projects or other local developments. Developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications and profits are more than the 20% allowed under Chapter 40B. This Plan also suggests that the Town explore private donations of property and funding to support local housing initiatives.

F. Community Perceptions

In every community, the Not in My Backyard (NIMBY) response to affordable housing is more the norm than the exception. However, community perceptions have been tilting towards the realization that greater housing affordability is needed to meet the needs of those who are priced out of the existing housing market. More people are recognizing that the new

²⁹ Ibid.

kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, impending 40B developments, and some appreciation that affordable housing can be well designed and integrated into the community, which are spurring communities such as Halifax to take a more proactive stance in support of affordable housing initiatives. Also, once residents understand that the Town can potentially reserve at least 70% of the affordable units in any new development for those who have a connection to Halifax, referred to as “community preference”, greater local support is typically more forthcoming.³⁰

Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to continue to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

Mitigation Measures: Halifax proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy in Section V.A.1). 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 opportunities for real input. Moreover, this Plan proposes that the Town hold at least annual housing summits to provide opportunities for local leaders to share information about the status of affordable housing initiatives to better promote municipal communication and cooperation in the implementation of various strategies as well as for local leaders to obtain ongoing training related to affordable housing.

³⁰ Halifax’s local preference criteria include a current resident, families of children attending school in Halifax, municipal/school system employees, and employees of local businesses per state requirements.

IV. AFFORDABLE HOUSING 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 were required to prepare and adopt a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.³¹ If DHCD certified that the locality had complied with its annual goals or 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.³²

Additional changes to Chapter 40B established some new rules.³³ For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50%, meaning that Halifax will have to now produce at least 14 affordable units annually to meet annual production goals through 2010, still a challenge for a small community. Moreover, this goal is likely to increase to about 15 units after the next decennial census count becomes available, and future housing growth will continue to drive-up the 10% goal.³⁴

Using the strategies summarized under Section V and priority needs established in Section II.F, the Town of Halifax has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. 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 – the **affordable units** – and at least another 10% affordable to those earning up to 120% of area median income – **moderate-income “workforce” units** – depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- 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 as long as projects are in compliance with state Title V and wetlands regulations.
- 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.
- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section II.F) where about three-quarters of the units are directed to rentals. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

³¹ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

³² 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.

³³ Massachusetts General Law Chapter 40B, 760 CMR 56.00.

³⁴ 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.

**Table IV-1
Halifax Housing Production Program**

Strategies by Year	Affordable Units< 80 % AMI	Workforce Units 80 %-120 % AMI or ineligible for SHI	Total # units*
Year 1 – 2011			
Private development/Amanda’s Estates – 40B homeownership	12	0	48
Private development/Blackledge Farm – homeownership	6	0	56
Private development/Monponsett Street – 40B homeownership	14	0	56
<i>Subtotal</i>	<i>32</i>	<i>0</i>	<i>160</i>
Year 2 – 2012			
Covered under Year 1			
Year 3 – 2013			
Development of public property/ Thompson Street** – “friendly” 40B senior rental (Section 202)	60	0	60
Private development/accessory apartments -- rental	0	2	2
<i>Subtotal</i>	<i>60</i>	<i>2</i>	<i>62</i>
Year 4 – 2014			
Covered under Year 3			
Year 5 – 2015			
Development of public property/ Thompson Street** – “friendly” 40B senior rental (proposed Low Income Housing Tax Credits)	60	0	60
Private development/mixed-use project – ownership	8	2	16
Conversion of existing housing to Affordability/homeownership	2	0	4
Private development/special needs group home – rental	4	0	4
Private development/accessory apartments -- rental	0	2	2
Private development/Habitat house – ownership	1	0	1
<i>Subtotal</i>	<i>75</i>	<i>4</i>	<i>87</i>
Total	167	6	309

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

** Property is deed restricted for senior housing.

V. HOUSING STRATEGIES

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning Reforms, and Housing Development – and categorized according to priority as those to be implemented within Years 1 and 2 and those within Years 3 to 5. A summary of these actions is included in the Executive Summary.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:³⁵

- *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;*

³⁵ Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- Promote affordable housing in mixed-use development (see strategy V.B.6)
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
 - Make suitable public land available for affordable housing (see strategy V.C.1)
 - Partner with private developers on privately owned sites (see strategy V.C.2)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
 - Adopt inclusionary zoning (see strategy V.B.1)
 - Partner with private developers on privately owned sites (see strategy V.C.2)
 - Modify in-law apartment by-law (strategy V.B.2)
 - Encourage more flexible cluster zoning (strategy V.B.4)
 - As indicated in strategy V.C.1 and C.2, the Town should work with developers to create affordable housing in line with smart growth principles including:
 - The redevelopment of existing structures,
 - Infill site development including small home development as starter housing,
 - Development of housing in underutilized locations with some existing or planned infrastructure,
 - Parcels large enough to accommodate clustered housing,
 - Mixed-use properties in village areas, along commercial corridors or in proximity to the commuter rail;
 - Good carrying capacity for water and septic systems or can accommodate special treatment facilities,
 - Buffer between adjacent properties, and
 - Located along a major road.
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
 - Make suitable public land available for affordable housing (see strategy V.C.1)
- *Participation in regional collaborations addressing housing development*
 - Promote homebuyer counseling and other homebuyer services (see strategy V.A.1)
 - Recently became part of the Greater Attleboro/Taunton HOME Consortium (V.C.3)
 - Participating in a Rehabilitation Loan Program jointly with the Town of Carver

It will be important to also insure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state's Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used. 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 being developed through some local action including:

- Zoning-based approval, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the city or town; and/or
- Provision of land or buildings that are owned or acquired by the city or town and conveyed at a substantial discount from their fair market value.

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria:

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions approved by DHCD.

Additionally, a Subsidized Housing Inventory New Units Request Form must be submitted to DHCD to insure that these units get counted.

Some of the important tasks for insuring that the affordable units, now referred to as Local Action Units (LAU's), meet the requirements of Chapter 40B/LIP include:

- Meet with the developer to discuss requirements for insuring that the unit(s) meets the requirements for inclusion in the Subsidized Housing Inventory through the state's Local Initiative Program (LIP).

- Contact DHCD to discuss the project and determine the purchase price/rent based on LIP Guidelines.
- Prepare a LIP Local Action Units application submitted by the municipality (chief elected official), working with the developer, including an Affirmative Fair Housing Marketing Plan and if appropriate, a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
- Implement the Marketing Plan including affirmative marketing, information sessions, determination of eligibility, lottery, etc.
- Work with winning applicants and lenders to secure mortgage commitments for ownership projects and execute leases for rentals.
- Obtain the deed rider and resale price certificate from DHCD that requires the loan commitment letters, purchase and sale agreements, disclosure statement and contact info for the closing attorneys for ownership projects.
- Work with lenders and the developer to close on the units for ownership projects.
- Submit necessary documentation to DHCD to have the unit(s) counted as part of the Subsidized Housing Inventory.
- Annually recertify the continued eligibility of affordable units.

The Town currently does not have a designated a municipal employee to coordinate this work (see strategy V.A.3). The affordability restrictions for all units produced through the Local Initiative Program will be monitored by DHCD, but it is the premise of LIP that the municipality and DHCD work together to create affordable housing and fulfill the obligations of the affordability restrictions.

It should be noted that a major goal of this Plan is not only to strive to meet the state's 10% goal under Chapter 40B, but to also to serve local needs. Consequently, there are instances where housing initiatives might be 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)³⁶.

Within the context of these compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section II of this Plan, the following housing strategies are proposed. ***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.***

A. Capacity Building Strategies

Halifax is a small town and, unlike most cities or larger communities, does not have substantial state or federal funding to support local housing initiatives on an ongoing basis. Additionally, unlike many communities in the state, it has not passed the Community Preservation Act that, through a surcharge in the property tax and state matching funds, provides financial support for affordable housing in addition to historic and open space preservation activities.³⁷ Also unlike many communities, Halifax does not have a Town Planner or housing professional to coordinate planning, zoning and housing activities.

The Town does have several important resources that have supported local housing efforts. First, the *Halifax Housing Authority* owns and manages all 28 housing units that are defined by the state as affordable and eligible for inclusion in the Subsidized Housing Inventory (see Section II.E). The Housing Authority also manages 14 rental subsidies, enabling qualifying tenants to rent housing from private landlords, with the subsidies paying the difference between 30% of the tenants' incomes and HUD defined Fair Market Rents (FMRs). The Housing Authority also owns about ten (10) acres that is deed restricted for senior housing on Thompson Street on which it plans to develop subsidized rentals through two (2) phases, working with South Shore Housing Development Corporation, as their consultant, and the developer, The Community Builders.

The Town has also established the *Halifax Affordable Housing Committee* that in addition to overseeing the preparation of this Housing Plan, has been responsible for coordinating issues related to affordable housing and serving as the initial municipal contact with developers interested in pursuing developments that include affordable housing.

³⁶ "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 typically priced out of the private housing market.

³⁷ The Community Preservation Act establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of 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. Passage of CPA was put before Town Meeting several years ago but did not secure sufficient support.

This *Housing Production Plan* will also 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 the Town with a comprehensive resource on housing issues in Halifax that can be readily updated as necessary, help increase the community's competitiveness for a wide range of state discretionary funding through the Commonwealth Capital Program (see Appendix 2 for details), and offer the Town greater local control over affordable housing development.

To further build local capacity to meet local housing needs and production goals, the following strategies will enable the Town to augment its ability to implement this Housing Plan. While such activities do not directly produce affordable units, they will help build Halifax's ability to promote and support new affordable housing initiatives.

1. Conduct Ongoing Community Education

Timeframe: Years 1-2

Responsible Party: Halifax Affordable Housing Committee or proposed Housing Trust and other entities involved in affordable housing-related initiatives such as the Zoning Board of Appeals, Planning Board and Halifax Housing Authority

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 local 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 community concerns and suggestions.

Next Steps: The presentation of this Housing Production Plan offers an opportunity to bring attention to the issue of affordable housing, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education-related opportunities will be pursued such as:

- *Forums on specific new initiatives*
As the Town develops new housing initiatives, the sponsoring entity will hold community meetings to insure the inclusive and transparent presentation of these efforts to other local leaders and residents, providing important information on what is being proposed and opportunities for feedback before local approvals are requested.
- *Annual housing summits*
Most communities lack an effective mechanism for promoting regular communication among relevant Town boards and committees on issues related to affordable housing, and boards have functioned fairly independently in Halifax. Having a forum to share information on current housing issues would help foster greater communication and coordination among these entities. Additionally, inviting residents can help build community interest, improve communication and garner support. Many communities are sponsoring such events, at least on an annual basis. For example, Truro organized a panel discussion on housing issues, inviting representatives of other towns on the Cape and organizations involved in affordable housing. Yarmouth held a spaghetti dinner and offered an update on their affordable housing initiatives with opportunities for feedback from local leaders and the public.
- *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. Owners, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements, and increasingly some may be faced with foreclosure. Additionally, some seniors and those with special needs require handicapped adaptations, repairs and services to help them remain in their homes. Halifax residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues.

The Town will get the word out about existing programs and services that support homeownership, property improvements or help reduce the risk of foreclosure including first-time homebuyer and foreclosure prevention counseling from South Shore Housing Development Corporation, Pro-Home and others. For example, South Shore Housing and Pro-Home offer education courses for first-time homebuyers. Financial management and foreclosure prevention workshops are also available for homeowners interested in better managing their finances to avoid financial hardship and to better understand and avoid foreclosure. Additional housing rehab and counseling programs that are available to qualifying local residents are summarized in Appendix 2. Moreover, the towns of Middleborough and Lakeville applied and were awarded CDBG funding from the state to administer a joint housing rehab program, and Halifax might explore the possibility of applying as well for this funding with

another community or even with Middleborough and Lakeville through subsequent funding rounds.

- *Educational opportunities for board and committee members*
Local boards such as the Board of Selectmen, Affordable Housing Committee, proposed Housing Trust (see strategy V.A.2), Zoning Board of Appeals, Planning Board and other interested local leaders should be able 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 keep up-to-date. Funding for the professional development of staff, including the proposed housing professional would also help keep key staff up-to-date 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 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, 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.

Resources Required: Donated time from the members of the Affordable Housing Committee or proposed Housing Trust and/or staff time from the proposed housing professional or other designated municipal staff person to help organize the necessary forums, track training opportunities and inform appropriate local leaders. The Affordable Housing Committee or proposed Trust would coordinate public meetings on zoning-related efforts involving affordable housing in concert with the Planning Board.

2. Establish a Municipal Affordable Housing Trust (MAHT)

Timeframe: Years 1-2

Responsible Party: Board of Selectmen with support from the Affordable Housing Committee

Current Status: Discussions with other communities regarding the success of their affordable housing initiatives indicate that it is often critical to have accessible funds available to respond immediately and effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local contributions either through local funds, donation of Town-owned property, or private donations. In order to receive donations and avoid paying taxes, it is useful for each locality to have a dedicated housing fund that offers communities greater ability to support the development of affordable housing.

On June 7, 2005, the Governor signed new legislation, called the Municipal Affordable Housing Trust Fund Act, which simplified the process of establishing such funds. More than 50 communities have adopted these funds to date and many more have plans to do so during the coming year. Previously, cities could create trusts through their own resolution, but Towns had to get approval from the state legislature through a home rule petition. 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 Board of Selectmen, in the case of towns, and including a member of the Board of Selectmen or the Town Administrator. 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, it is likely that most trusts will 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 project.

Next Steps: Halifax's Board of Selectmen should seek approval at its next Town Meeting for the establishment of a Municipal Affordable Housing Trust Fund and appoint members of the Board of Trustees. This Housing Trust would serve as the Town's permanent committee for overseeing housing issues and the implementation of the Housing Production Plan, managing the Affordable Housing Trust Fund, defining policy issues that are in the public interest, and working with the Planning Board on establishing by-laws in support of affordable housing and smart growth development. Because the Housing Trust offers the advantage of additional powers over the Affordable Housing Committee, it would make sense to disband the Affordable Housing Committee, perhaps even

transferring the existing members, with substantial interest and expertise in affordable housing, to the Housing Trust.

It will also be important to explore a wide range of possible fundraising options to capitalize the Trust Fund, including private sector donations. This process of securing private support not only provides financial benefits for local housing efforts, but it is also a vehicle for raising awareness of affordable housing and generating interest and political backing for new housing initiatives. Communities, such as Chatham and Orleans for example, have separate local organizations that have effectively raised private funds for affordable housing (Friends of Chatham Affordable Homes and Friends of Orleans Affordable Homes), and the Town might approach them to learn more about their efforts to date.

Many communities are reaching out to residents for private donations of land to promote housing affordability. Inclusionary zoning (see strategy V.B.1), if passed, may also provide cash resources for a wider range of possible developments that can help capitalize the Affordable Housing Trust Fund if the developer decides to pay cash in lieu of constructing actual affordable units. Developers may also contribute to the Housing Fund through negotiations on comprehensive permit projects or other local developments. Developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications and profits are more than the 20% allowed under Chapter 40B.

Faith-based affordable housing initiatives are also widely viewed as effective, as reported by the organization World Vision.³⁸ The Town can work with the local churches on some additional activities that focus on affordable housing, including, for example, donations to the Housing Fund, perhaps during Fair Housing month.

Most communities with Municipal Affordable Housing Trusts have in fact passed the Community Preservation Act and have to allocate at least 10% of their annual CPA funding (surcharge and state match) for affordable housing (benefiting those earning at or below 100% of area median income), which has provided a substantial boost to local housing efforts. Halifax attempted to obtain approval of a 2% surcharge several years ago but did not receive sufficient support from Town Meeting. Nevertheless, the Town might consider another attempt at some point in the future to not only capitalize the Housing Trust for affordable housing but also to also support open space and historic preservation activities.³⁹

Resources Required: The process of creating the Affordable Housing Trust Fund is relatively straightforward and can be coordinated by the Affordable Housing Committee in concert with the Board of Selectmen. Once established, it will be incumbent upon the Town to support efforts to capitalize the Fund. Other resources include the donated time of volunteers to coordinate fundraising activities with potential professional assistance at some point in the future. The Massachusetts Housing Partnership has issued a guidebook for communities interested in establishing Municipal Affordable Housing Trust Funds that can also be referenced.

3. Secure Sufficient Professional Support

Timeframe: Years 1-2

Responsible Party: Board of Selectmen with support from the Affordable Housing Committee

Current Status: If the Town of Halifax wants to assume a more proactive role in promoting affordable housing and effectively implement actions included in this Housing Plan, it will have to augment its capacity to coordinate these activities. Being such a small community, Halifax does not currently have a Town Planner, although the 2002 Master Plan suggested adding this position. Halifax also does not have another Town staff person or consultant with substantial affordable housing expertise. It is fortunate, however, to have knowledgeable housing professionals as part of its Affordable Housing Committee. As new affordable units are added to the Subsidized Housing Inventory (SHI), it will become increasingly important that Halifax bring in the necessary professional oversight to work with developers to insure that the units meet all state requirements for inclusion in the SHI and continue to meet these requirements as verified through an annual recertification” process. New initiatives will also require professional oversight.

³⁸ Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support, and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.

³⁹ The Community Preservation Act establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of 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. More than 100 municipalities in the Commonwealth are benefiting from this important new resource. Refer to the Community Preservation Coalition’s website at www.communitypreservation.org for more details.

Various municipalities have handled the need for professional oversight on housing issues differently. Many communities have hired part-time consultants to do this work based on a specific scope of services itemized in a Request for Proposals (RFP) process. Communities such as Chatham rely heavily on their effective Housing Authority for program support related to affordable housing and hire consultants for specific initiatives. Grafton brought on an Assistant Planner to coordinate housing activities among other planning-related work.

Next Steps: The Board of Selectmen, working with the Town Administrator and the Affordable Housing Committee, will explore the feasibility of bringing on important professional expertise to effectively oversee the implementation of various components of this Housing Plan. There may even be opportunities to share a housing professional with another nearby community or engage the Halifax Housing Authority on a fee for service basis.

After determining a scope of services for the work, the Affordable Housing Committee should issue a Request for Proposals and select the most qualified respondent.

Resources Required: The costs of a part-time consultant would depend upon the experience and work required.

B. Zoning Strategies

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town's Zoning By-law, and new tools will be required to capture more affordable units and better guide new development to specific "smarter" locations. It should also be noted that because Halifax does not have substantial amounts of subsidy funds available for affordable housing, including the fact that it has not passed CPA, zoning becomes the Town's most powerful tool for "incentivizing" affordable unit production.

The Zoning By-law includes a minimum lot requirement of at least one acre as well as frontage, setback and other requirements that are not typically conducive to affordable housing, which typically relies on some economies of scale and density. This creates the likely need for regulatory relief for most residential development that includes affordable units, possibly through the "friendly" comprehensive permit process that overrides local zoning.

Almost every town in the Commonwealth identifies the Planning Board as the special permit granting authority with the Zoning Board of Appeals serving as the appellate board. However, a number of years ago, local leaders decided to transfer this responsibility of special permit approvals to the Zoning Board of Appeals. Given that Planning Boards typically have the specific expertise and responsibility in reviewing development plans, including site plan and subdivision review, the Town of Halifax will discuss opportunities for switching such oversight back to the Planning Board.

With respect specifically to affordable housing, the Town of Halifax will consider the following zoning-related strategies for adoption. These actions can be considered as tools that the Town will have available to promote new housing opportunities, each applied to particular circumstances. (Units created through the use of these by-laws are counted as part of housing development strategies included in Section IV.C.)

1. Adopt Inclusionary Zoning

Timeframe: Years 1-2

Responsible Party: Planning Board with support from the Affordable Housing Committee or Proposed Housing Trust

Current Status: Inclusionary zoning, not currently included in Halifax's Zoning By-law, is a zoning provision that requires a developer to include affordable housing as part of a development or potentially contribute to a fund for such housing. A draft inclusionary zoning by-law was prepared several years ago but has not moved towards approval, still awaiting legal review.

This incentive zoning mechanism has been adopted by more than one-third of the communities in the state to insure that any new development project over a certain size includes a set-aside in numbers of affordable units or funding from the developer to support the creation of affordable housing. This by-law applies to development that typically meets local zoning requirements, but most communities have determined it appropriate to incorporate density bonuses in their inclusionary by-law. Many of the municipalities that have inclusionary zoning in place are reaping the rewards of these actions through the creation of actual affordable units and/or cash contributions to the locality for investment in affordable housing production. Most of the by-laws include mandated percentages of units that must be affordable, typically 10% to 25% and density bonuses⁴⁰. Some also allow the development of affordable units off-site and/or cash in lieu of actual units.

⁴⁰ Density bonuses allow increased densities beyond what is allowed under the Zoning By-law.

Next Steps: The Halifax Planning Board will revisit the draft inclusionary zoning by-law and also explore other inclusionary zoning models for comparative purposes. With input and support from the Affordable Housing Committee or proposed Housing Trust, it will then prepare a zoning amendment that is best suited to supporting affordable housing in the community and present the by-law to Town Meeting for adoption. There are a variety of by-laws that have been adopted in localities throughout the state but requirements vary considerably. The Executive Office of Environment and Energy's Smart Growth Toolkit includes a model inclusionary zoning bylaw that highlights key local decisions and makes some commentary for consideration throughout (www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html). The Citizen Planner Training Collaborative's website also has a model bylaw with commentary as well (www.umass.edu/masscpce/examplebylaws.html).

It is important that the by-law incorporate density bonuses that will contribute to the financial feasibility of the affordable units. The by-law should also include a formula for cash in lieu of actual units that can be deposited into the proposed Housing Trust (see strategy V.A.2) and adequately cover the costs of producing a comparable number of affordable units through another initiative.

Resources Required: It will be important to also insure that all affordable units produced through the by-law get counted as part of the Subsidized Housing Inventory, applied through the Local Initiative Program (LIP) administered by DHCD if another housing subsidy is not used. The major tasks for insuring that the affordable units, now referred to as Local Action Units (LAUs), meet the requirements of Chapter 40B are summarized at the introduction to this section. Some professional support will be required to oversee this work (see strategy V.A.3), the costs of which can be supplemented by the specific project budget. The monitoring of projects to insure continued affordability based on use restrictions would be the responsibility of a designated monitoring agent, DHCD in the case of LIP units, however towns also have a significant role in this monitoring process.

2. **Modify In-law Apartment By-law**

Timeframe: Years 1-2

Responsible Party: Planning Board in coordination with the Affordable Housing Committee or proposed Housing Trust and with input from the Building Inspector

Current status: The Halifax Zoning By-law also allows in-law apartments under special permit, restricting their occupancy to an actual in-law or immediate family member. It is generally recognized, however, that there are many illegal accessory apartments in town that may in fact possibly pose health and safety hazards.

Accessory units are helpful in meeting a number of public policy objectives including the following:

- 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.
- Are inexpensive ways of increasing the rental housing stock at lower cost than new construction and without loss of open space, without significant impact on the surrounding neighborhood, and without additional Town services such as streets or utilities. There are, however, issues regarding the adequacy of the existing septic system when a new bedroom is added.
- Tenants in accessory apartments can also provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent.
- As recognized by the current by-law and referred to as "in-law" apartments, they have offered good opportunities for keeping extended families in closer contact.
- New accessory units typically generate tax revenue in a locality because accessory units add value to existing homes.

Recent changes to state requirements for counting accessory apartments as part of the Subsidized Housing Inventory (SHI) have dampened the enthusiasm of many localities in adding an affordable accessory apartment component to their local by-laws. The major change affected the tenant selection process, requiring owners of such units to fill their units from a pre-qualified list established by the municipality in conformance with state requirements including Fair Housing laws. Additionally, deed restrictions are required but now can be revoked upon the discretion of the owner, in which case the unit is removed from the Subsidized Housing Inventory. Some communities, such as the Town of Carlisle, are pursuing an affordable accessory apartment program in conformance with these requirements. Other communities have determined to put their efforts on hold, while others have decided to promote affordability outside of state requirements acknowledging that their accessory apartments, while affordable, will not be eligible for counting in the SHI. For example, Wellfleet has an affordable accessory apartment by-law that promotes the development of accessory units where tenants must meet income requirements but owners are not required to enter into deed restrictions nor pick tenants from a Ready Renters List. The Town has also initiated a new pilot initiative, the Affordable Accessory Dwelling Unit (AADU) Loan Program, to provide

qualifying local property owners with assistance in creating affordable accessory rental units. Wellfleet has also passed special legislation to offer tax exemptions on the portion of the property rented affordably.

Next Steps: Because accessory apartments provide small rental units that diversify the housing stock within the confines of existing dwellings or lots, the Town will consider amending the by-law to better promote such units even if they are not eligible for inclusion in the Subsidized Housing Inventory.

Promoting accessory apartments, whether eligible for counting in the SHI or not, provides another housing choice for Halifax's elder residents and young people who cannot yet afford to buy a home or who could benefit greatly from some rental income. In order to promote new accessory units, the Town will consider amending its Zoning By-law as follows:

- Eliminate the requirement that the occupant be a family member,
- Remove the stipulation that there be shared spaces between the principle and accessory units,
- Extend use to detached structures or separate additions,
- Extend availability to investor-owned properties, and
- Explore an amnesty program.

There are many variations of accessory apartment by-laws that have been adopted in other communities. Halifax's Planning Board, working in conjunction with the Affordable Housing Committee or proposed Housing Trust, will explore other by-laws and work on an amendment that will best meet the needs of the community. For example, the by-law might promote housing affordability based on Wellfleet's Program that does not require deed restrictions, thus the units would still be affordable although ineligible for inclusion in the Subsidized Housing Inventory. Wellfleet has established the following process for approving Affordable Accessory Dwelling Units:

- Property owner applies for a special permit.
- Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the special permit. Those whose incomes are below 100% of area median are eligible for participation in Wellfleet's Affordable Accessory Dwelling Unit Loan Program that provides no interest loans to support necessary improvements.
- The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the special permit.
- The Building Inspector issues a Certificate of Occupancy prior to the unit being occupied.
- Prospective tenants must submit income information to the Assistant Town Administrator that documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents. A list of qualified tenants is available to property owners or owners may be able to select their own.
- The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process (this requires state legislative approval).
- The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.

If a property owner decides at some point to opt out of the special permit, they must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a "private guest house" or office.

Resources Required: The donated time of local officials, including the Planning Board and Affordable Housing Committee or proposed Housing Trust, with professional support from the proposed housing professional (see strategy V.A.3) and Building Inspector.

3. **Encourage More Flexible Cluster Zoning**

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Affordable Housing Committee or proposed Housing Trust

Current Status: Halifax's Zoning By-law currently precludes smart growth development options such as more compact cluster development, which better protects the environment and the rural character of communities while potentially offering a broader range of housing options that can promote affordability. It offers more efficient development patterns and limits sprawl. The contrast between traditional subdivision development (to the left) and cluster zoning (to the right) is shown below. Cluster zoning would be particularly conducive to Halifax due to the large amount of wetlands and desire to preserve the natural environment.



Next Steps: The Planning Board will review model by-laws with respect to more flexible zoning provisions and create a by-law that is best suited to Halifax. Model by-laws have been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, and adopted by a number of Massachusetts communities. Several examples are offered on the Citizen Planner Training Collaborative website (www.umass.edu/masscptc/exampleby-laws.html) and the state's Smart Growth Toolkit (www.mass.gov/envir/smart_growth_toolkit/pages/SG-by-laws.html).

More incentivized density bonuses and affordability requirements should be integrated into the by-law to encourage this kind of development and to support project feasibility. For example, Wenham's by-law includes a 15% density bonus if at least 10% of the units are affordable and a 33% bonus if at least 15% of the units are affordable. Consideration will also be given to allowing smaller multi-family dwellings. Associated design guidelines and inclusionary requirements can insure that goals are met in ways appropriate and beneficial to the Town.

Resources Required: Donated time of members of the e Planning Board in coordination with other appropriate local officials in drafting the zoning amendment and obtaining the necessary approvals towards implementation. The professional support of a consultant or proposed housing professional (see strategy V.A.3) would also be helpful.

4. Adopt a Two-family Dwelling Development By-law

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Affordable Housing Committee or proposed Housing Trust

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. In fact, Halifax used to be a town where young families came to find starter housing, however, housing market conditions have put most of the existing homes in Halifax well out of reach of most first-time homebuyers. 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 properties can also be well designed to fit into existing neighborhoods, even indistinguishable from larger single-family homes.

Next Steps: Halifax's current zoning by-law allows the development of multi-family housing under special permit approval in the Agricultural/Residential, Business/Commercial and Conservation districts, however the Town will explore the adoption of a by-law to allow two-family homes by-right if at least one of the units is affordable and eligible for counting as part of the Subsidized Housing Inventory and meets other local conditions. There will also be some consideration for allowing these units on smaller lots on a by-right basis (see strategy V.B.7).

Resources Required: Donated time of members of the Planning Board, Affordable Housing Committee or proposed Housing Trust to prepare the by-law with support from the proposed housing professional or a consultant.

5. Promote Affordable Housing in Mixed-Use Development

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Affordable Housing Committee or proposed Housing Trust

Current Status: Halifax's Zoning Bylaw strictly limits commercial development and does not allow mixed residential and commercial uses, however a couple of such properties still exist in town built decades ago. The Town Center is predominated by churches, Town facilities and historic homes, while small businesses are typically located in pockets along the principle highways.

Next Steps: As local leaders plan for Halifax's future growth, some consideration will be given to how best to guide new commercial development to serve the community's growing population, including the promotion of particular areas of town where greater density will be allowed and housing can be integrated. This rural village concept is meant to direct growth and somewhat higher density to appropriate areas that already are zoned for commercial uses. Clearly the lack of sewer services makes this denser development far more challenging.

The Planning Board, with support from the Affordable Housing Committee or proposed Housing Trust, will explore by-laws for promoting mixed-use development in appropriate locations along Routes 106 and 58 that incorporates some housing and prepare a zoning amendment that best meets the town's needs, potentially creating an overlay district or districts, even a possible Smart Growth Overlay District through the state's 40R and 40S programs that would help finance the development through several subsidies (see Appendix 2 for more information on these programs). Any zoning amendment would be submitted to Town Meeting for approval. Additional DHCD approvals would be required for 40R and 40S. Some housing affordability will be required and design guidelines met in return for allowing the density that will make high quality development economically feasible. Efforts will be made to insure that new development continues to reflect Halifax's small town character.

There are bylaws that have been adopted in other communities that offer models on how to integrate housing, including affordable housing, in town or village centers and other commercial areas. The Town of Yarmouth recently passed a Village Center Bylaw that is worth reviewing, and the Metropolitan Area Planning Council (MAPC) has prepared a report entitled, "Mixed Use Zoning: A Planner's Guide" that can be referenced. Additionally, the Citizen Planner Training Collaborative offers several models including one adopted by the Town of Dennis. It should be noted again that the Town's lack of sewer services significantly constrains density unless special treatment facilities are available. At some point in the future the Town might consider adding sewer services to its village centers to better promote the vitality of these areas and follow "smart growth" principles.

Other communities have rezoned industrial areas to allow housing, mandating some amount of affordable housing, most notably the Town of Bedford that went from an affordability level of about 4% in the early part of the decade to over 18%.

Another option would be to develop policy and design guidelines on mixed-use development and process acceptable projects through the "friendly" 40B process as established under the state's Local Initiative Program (LIP).

Resources Required: This strategy will require volunteer time from the Planning Board and Affordable Housing Committee or proposed Housing Trust with support from the proposed housing professional or a consultant.

6. Allow "Starter Home" Development on Nonconforming Lots⁴¹

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Affordable Housing Committee or proposed Housing Trust

Current Status: There are parcels of vacant land that at this time cannot be developed because they do not meet all of the dimensional requirements of the Zoning By-law such as minimum lot size as well as front, rear and side yard provisions. It is likely that some, if not many, of these parcels could in fact be suitably developed as housing. Smaller lots will encourage the construction of smaller homes under appropriate guidelines to provide some housing options that are not currently being created by the private market, such as starter housing, which is a priority housing need in Halifax as identified in the Housing Needs Assessment. In fact, years ago houses were built on lots as small as one-quarter acre. Moreover, most of the land that is most conducive to development has already been developed, and properties that meet all zoning requirements are less easy to find and more expensive to acquire.

Next Steps: The Planning Board will explore what other communities are doing with respect to these undersized lots and prepare a zoning amendment to enable some of these lots to be developed based on specific criteria. One potential model is to adapt a by-law that has been approved in Dennis to allow "affordable lots" that enables nonconforming lots to be built on by special permit if they meet the following conditions:

- Contains at least 10,000 square feet and satisfies other Board of Health requirements.
- Has safe and adequate access to a public or private way.
- Is similar in size and shape to surrounding lots.
- The dwelling cannot have more than three bedrooms with a minimum of 500 square feet per bedroom.

⁴¹ Also commonly referred to as "noncomplying lots".

- The applicable front, rear and side yard requirements are determined by establishing an average setback based on the homes adjacent to and across the street from the lot in question.
- Where two lots are in common ownership, one of the two lots must be deed restricted to insure permanent affordability and where more than two lots are held in common ownership, the second, third and fifty percent of the remaining lots to be built upon shall be deed restricted as permanently affordable (the fourth lot may be market rate, fifth affordable, sixth market rate, etc.).

The Towns of Bourne and Yarmouth also recently adopted by-laws that allow affordable housing on non-conforming lots that should be reviewed.

Another consideration might be to decrease the minimum lot requirement to 15,000 or even 10,000 square feet for two-family homes where one of the units is affordable and eligible for counting as part of the Subsidized Housing Inventory as long as the development is in line with Title V requirements. The development of these lots could also be promoted through the “friendly” 40B process of the state’s Local Initiative Program (LIP).

Resources Required: The Planning Board will coordinate this effort with other appropriate local officials to determine the feasibility of implementing this strategy in Halifax, draft the zoning amendment and secure the necessary approvals towards implementation. This strategy is also likely to require some professional support from the proposed housing professional or a consultant. It will also be incumbent upon the Town to insure that any affordable units created under this strategy meet all state requirements and be included on the Subsidized Housing Inventory as well as annually monitored (see strategy V.A.3 for more details on this professional support).

C. Housing Development Strategies

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Halifax 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 rely on joint ventures with developers – for profit and non-profit – to create affordable units, which the Town has been actively pursuing over the past several years.

Over and above the participation of the development community, it will be important for Halifax to actively seek continued financial assistance from state and federal agencies. In addition to the state’s Department of Housing and Community Development (DHCD), other state and quasi-public agencies that have resources to support affordable and special needs housing include MassHousing, MassDevelopment, Department of Developmental Services, Department of Mental Health, Community Economic Development Assistance Corp. (CEDAC), Massachusetts Housing Partnership Fund, and Massachusetts Housing Investment Corporation (MHIC). Regional resources, both financial and technical, will be sought as well including South Shore Housing Development Corporation and South Shore Habitat for Humanity. Because affordable housing is rarely developed without private financing, developments remain reliant on private lenders as well. Additionally, the local involvement of the Halifax Housing Authority in developing affordable housing is key to this Housing Production Plan.

The following strategies provide the basic components for the Town to meet its housing production goals:

1. Make Suitable Public Land Available for Affordable Housing

Timeframe: Years 1-2

Responsible Party: Board of Selectmen with support from the Affordable Housing Committee or proposed Housing Trust

Current Status: While the major thrust of many communities’ proactive housing agendas has been the development of Town-owned properties that are suitable for some amount of affordable housing, this is more difficult to do in Halifax as there are fewer options available. However, the Halifax Housing Authority is embarking on a two-phase development of its Thompson Street property to eventually produce 120 affordable rental units, which are key components of this Housing Production Plan. Moreover, the Town has had a number of previous discussions with representatives from the state on obtaining a 17-acre parcel on Elm Street that is currently owned by the state as surplus property.

The Town of Halifax may also decide to acquire privately owned sites at some time in the future for the purposes of protecting open space, providing for some municipal use, and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Additional smaller sites may be available as well to build affordable new starter homes on in infill basis. Some limited opportunities may also be available through the taking of tax-foreclosed properties for affordable housing. As the Town becomes alert to

opportunities for acquiring property that would be suitable for some amount of affordable housing, such properties would ideally meet a number of “smart growth” principals such as:

- The redevelopment of existing structures,
- Infill site development including small home development as starter housing,
- Development of housing in underutilized locations with some existing or planned infrastructure,
- Parcels large enough to accommodate clustered housing,
- Mixed-use properties in village areas, along commercial corridors or near the commuter rail station;
- Good carrying capacity for water and septic systems or can accommodate special treatment facilities,
- Buffer between adjacent properties, and
- Located along a major road.

Next Steps: In addition to focusing on the development of the Housing Authority projects on Thompson Street, The Town will step-up its efforts to engage the state in discussions on the disposition of the 17-acre property on Elm Street to the Town of Halifax for the purpose of building a cluster of affordable housing on at least half of the property, maintaining the remainder as protected open space. The Affordable Housing Committee or proposed Housing Trust will also work with other Town boards and committees in an attempt to identify and pursue surplus municipal property. Where feasible, the Town will investigate the suitability of various Town-owned sites for development based on the knowledge of expertise of various Town staff and support the costs of preliminary feasibility analyses where appropriate. Such analyses could potentially be funded through some state funding for predevelopment work. For Town-owned properties, approval will be required from the Board of Selectmen and Town Meeting to designate these parcels for housing development that includes affordable housing and perhaps other uses as well.

Following the necessary approvals for the conveyance of Town-owned properties, the Affordable Housing Committee or proposed Housing Trust, working in concert with the Town’s Chief Procurement Officer and potentially a housing professional, 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 the existing Zoning By-law, and this might be obtained through normal regulatory channels, if community support is assured, or the “friendly” comprehensive permit process through DHCD’s Local Initiative Program (LIP).

Because this strategy involves the use of publicly-owned property, it would be appropriate to maximize the public benefits by setting aside at least 50% of the units as affordable. This is likely to require multiple sources of public subsidies. Consequently, the Town will need to select a developer that has substantial experience and expertise in this type of development.

Additionally, the Town will need to be involved in attracting the necessary financial, technical and political support. Evidence of municipal support is often critical when seeking financial or technical assistance from regional, state or federal agencies.

The Halifax Housing Authority has been moving through this process, using South Shore Housing Development Corporation as its development consultant. Through an RFP, the Housing Authority selected The Community Builders as its developer and has prepared plans for the first phase of the Thompson Street development – 60 units of senior rental housing through the federal Section 202 Program. They plan to use the “friendly” 40B process to obtain the necessary regulatory approvals.

Resources Required: 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. Other developments require public subsidies to cover the costs of affordable or mixed-income residential development and need to access public subsidies through the state and federal government and other financial institutions to accomplish these objectives. 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 required to fill the gaps. 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, such as the case with the Housing Authority’s Thompson Street project. A mix of financial and technical resources will be required to continue to produce affordable units in Halifax. Appendix 2 includes summaries of most of these programs.

These activities will require the donated time of members of the Affordable Housing Committee or proposed Housing Trust, the Halifax Housing Authority and other Town boards and committees (such as Assessing, ZBA, the Planning Board, etc.) as well as coordination from the proposed housing professional or another housing consultant.

Projected # Affordable Units Produced: 120 units

2. Partner with Private Developers on Privately Owned Sites

Timeframe: Years 1-2

Responsible Party: Affordable Housing Committee or proposed Housing Trust in cooperation with the Zoning Board of Appeals or Planning Board

Current Status: Continuing to work cooperatively with private developers, non-profit and for profit, is a major component of this Housing Production Plan, and the Town already has a track record working with developers on affordable housing with the pending development of the Housing Authority's Thompson Street property. With incentives created in the zoning by-law to promote affordable housing (see Section VI.B) and with the availability of the "friendly 40B" option, the Town is in a good position to continue to work cooperatively with developers to guide new development that incorporates affordable units. Moreover, when the Town obtains certification under Housing Production guidelines by meeting its annual production goal, it will be in an even better position to negotiate with private developers on project terms and conditions since it will be able to likely deny what it considers inappropriate comprehensive permit projects. Nevertheless, the lack of Town sewer services does create challenges to new development, increasing costs and lowering densities unless special treatment facilities can be feasibly integrated into the development.

Next Steps: The Town will focus on the following approaches to creating new affordable units on privately-owned parcels in line with "smart growth" principles:

- *Zoning changes:* The zoning strategies included in Section VI.B should provide the necessary framework and incentives to attract new development that will include affordable housing. In addition to allowing mixed-uses, these zoning changes suggest greater zoning incentives for the inclusion of affordable or workforce housing in other new development, including small year-round rentals through accessory apartments.
- *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. Halifax will use the comprehensive permit process for its development of the Housing Authority's Thompson Street projects. Locations where the "friendly" 40B process make the most sense include areas along Halifax's commercial corridors that are closest to transportation and services, possible nonresidential properties that might be converted to residential use (such as St. David's Episcopal Church, for example), and cluster developments.
- *Infill development:* The Town will look to opportunities to build affordable housing on vacant or undeveloped parcels in existing neighborhoods that promotes more compact development, which in turn allows undeveloped land to remain open and green. For example, small Habitat for Humanity homes, group homes, or small mixed-income clusters of housing in existing neighborhoods would satisfy local needs and, with good design, blend in well with the architectural context of the area. Infill development also provides an excellent opportunity for creating starter housing. Given higher land and housing values, Halifax no longer has homes available for those without equity from a former home or with limited income. This is the case despite the fact that many houses that were built decades ago tended to be more modest in size and popular with first-time homebuyers. There still remains a substantial market for smaller, starter housing of about 1,000 square feet in Halifax.
- *Transit-oriented development (TOD):* There is property adjacent or in close proximity to Halifax's commuter rail station that holds great promise for mixed-use development, including some affordable housing. It is likely that much of this property includes brownfields, requiring environmental remediation for any new development. The development of affordable or mixed-income housing would provide a vehicle for attracting available subsidies for the necessary removal of hazardous substances. There are other state and federal subsidies targeted to transit-oriented development that would also contribute greatly to project feasibility. The Town might even consider a Chapter 40R Smart Growth Overlay District for the area (see Appendix 2 for details on this program).

The Town will reach out to local developers who have been active in producing affordable housing in the area to discuss the Town's interest in promoting these types of development, possible areas and opportunities for new development, and local guidelines and priorities. To effectively guide development, the Town will also establish a formal process for reviewing local housing proposals in their early conceptual stages through its Affordable Housing Committee or proposed Housing Trust that would provide useful feedback to developers on preliminary plans.

Resources Required: The Affordable Housing Committee or proposed Housing Trust will take the lead in reaching out to affordable housing developers and in coordinating the local development proposal review process, working with developers on the "friendly" 40B process where appropriate.

Projected # Affordable Units Produced: 45 units

3. Convert Existing Housing to Affordability

Timeframe: Years 3-5

Responsible Party: Affordable Housing Committee or proposed Housing Trust

Current Status: Halifax should not overlook the potential of working on strategies to not only preserve the affordability of the existing housing stock but to, when possible, convert existing market units to state-defined “affordable” ones, thus insuring the long-term affordability of existing units. Given somewhat sluggish market conditions, these buy-down efforts make considerable sense at this point as acquisition prices are a bit more reasonable.

There are a variety of program strategies that provide affordability by focusing on existing dwelling units rather than new ones including:

- Homebuyer Assistance Programs: Homebuyer Assistance Programs (also referred to as Mortgage Assistance Programs) provide subsidies to qualified first-time homebuyers to fill the gap between the market purchase price and the affordable price that is allowed under the state’s Local Initiative Program (LIP). Such programs have been adopted in a number of towns and cities in the state. For example, the Town of Chatham has introduced the First Time Homebuyers Assistance Program that uses up to \$60,000 in CPA funds per household to fill the gap between the market price of a home and the affordable purchase price as allowed under the state’s Local Initiative Program (LIP). 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. The Chatham Housing Authority administers the Program. Comparable programs are also available in Marshfield, Acton, Cambridge, Newton, and Bourne, largely subsidized through Community Preservation funding. Most of these efforts have been implemented during the last several years.
- Buy-down Programs: This program involves the purchase of one or two-family structures or other housing types, renting or reselling one (or possibly both/several) of the units subject to a deed restriction that assures permanent affordability. Buy-down programs have proven to be viable strategies in a number of communities including the Sandwich Home Ownership Program (SHOP) implemented several years ago that produced seven (7) affordable housing units under the coordination of the Housing Assistance Corporation (HAC), the Cape’s regional non-profit housing organization. Buy-down programs are usually coordinated by a non-profit housing organization and have also been implemented in Cambridge, Newton, Bedford and Arlington, for example. A number of communities – including Sandwich, Barnstable and Lexington – have had their Housing Authorities or another non-profit organization acquire properties that they continue to own and manage as rentals.
- Hybrid Programs: Some communities have combined the above two approaches such that the program sponsor identifies the properties for acquisition, places an option on the property, identifies the purchaser from the prepared Ready Buyers List, and offers its subsidy at the mortgage closing. For example, the Sudbury Housing Trust searches the market for a property within its “price point”, at about \$350,000, which is at the lowest end of the market in this community. This market price, plus consideration for some repairs, creates a gap of approximately \$200,000 given the maximum affordable purchase price of about \$175,000 when using state LIP requirements. Thus \$200,000 has been the maximum per unit subsidy for the program. The Housing Trust has also subsidized additional units in private comprehensive permit projects to create more affordable units in these developments.

Most of these programs have relied on CPA funding, HOME Program funds, CDBG funding or contributions from developers for the necessary subsidies. Halifax does not have access to these funding sources at this time.

Next Steps: The Town will review these models and determine which makes the most sense in Halifax. It will then prepare an implementation plan that outlines program procedures and the respective roles and responsibilities of various municipal staff persons, boards and committees. The focus of such an initiative will be those housing units that are most affordable in Halifax’s private housing market to minimize the amount of subsidy required to fill the gap between the purchase price and any costs of improvements and the affordable rents or purchase prices. Smaller homes are reasonable targets. The Halifax Housing Authority would be an obvious entity to develop and administer such an initiative.

Resources Required: The donated time of members of the Affordable Housing Committee or proposed Housing Trust and some time from the proposed housing professional or a consultant, such as the Halifax Housing Authority, to prepare an implementation strategy and coordinate program operations. The Town will have to locate a source of subsidy to make this housing production approach financially feasible. In addition to the possibility of securing approval for CPA at some point in the future, Halifax has recently been notified that it has been added as a participating community in the Greater Attleboro-Taunton HOME Consortium.

This Consortium was established in 2004 to provide federal HOME Program funding through the Department of Housing and Urban Development (HUD) for fourteen participating communities to create affordable housing, help first-time homebuyers, and assist lower income homeowners, particularly elders, in maintaining their homes (see Appendix 2 for details on the HOME Program). The Consortium receives approximately \$900,000 annually. Taunton's Office of Economic and Community Development administers program funding for the Consortium. Because Halifax is geographically adjacent to a participating town, Middleborough, it had the ability to apply to become a part of the Consortium, which would then give it access to federal HOME funds for housing.

Projected # Affordable Units Produced: 2 units

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 3 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.

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

A zoning ordinance or by-law that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

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)

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.

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

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 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

Development that includes housing for various income levels.

Mixed-Use Development

Projects that 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 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. South Shore Housing Development Corporation serves as Halifax's regional non-profit 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 Southeast Regional Planning and Economic Development District (SRPEDD) serves as Halifax'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 preserve 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.
- Affordability restrictions must be in effect in perpetuity unless there is a justification for a shorter term that must be approved by DHCD.
- 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 met⁴²:

⁴² Section 56.03 of the new Chapter 40B regulations.

- The community has met the “statutory minima” 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.
- 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 Planned 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.⁴³ 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 applicant 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 count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

If the applicant appeals the use of these “appeals proof” grounds, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA’s position). Either the ZBA or applicant 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.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*
Units receiving zoning approval under 40R 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 within 18 months.
- *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.

Towns 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 under state guidelines including current residents, municipal employees, or employees of businesses located in town. It is also worth noting that the Town, through its Affirmative Fair Housing Marketing Plan, must demonstrate the associated local need for the community preference and insure that there will be no discriminatory impacts with the use of community preference.

⁴³ 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.

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 Board of Selectmen for a 30-day comment period. The Board of Selectmen 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 Board of Selectmen for their endorsement of the project, and the Selectmen can submit an 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 requests 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 principal 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 by-laws and regulations and to examine the feasibility of alternative designs.

New Chapter 40B regulations now add a number of requirements related to the hearing process that 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 their rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and cannot require 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 lacks minimum required qualifications.
- Specifies and limits 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 than 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 require 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 (10 units and 21 units, respectively, for Halifax until the new census figures are available in 2011) for *approval* by DHCD.⁴⁴
- 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 production 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:

⁴⁴ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

- 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 based on 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 Board of Selectmen 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 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”.⁴⁵

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.”⁴⁶ 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

⁴⁵ 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.

⁴⁶ Massachusetts General Law, Chapter 40R, Section 11.

would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”⁴⁷

The principal benefits of 40R include:

- Expands a community’s planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet planned 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 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;
- 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 incentive units and the amount of payment.

The state recently 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. Local Initiative Program (LIP) Guidelines

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*⁴⁸

- 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 paid by the

⁴⁷ “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

⁴⁸ DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

- 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 fees⁴⁹, 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 Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- 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

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws and the state's Affirmative Fair Housing Marketing Plan Guidelines.
- 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 up to 70% of the units may be local preference units for those who have a connection to the community as defined by the state under Section III.C of the Comprehensive Permit Guidelines.
- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s) and must demonstrate the need for local preference as well as insure that there will be no discriminatory impacts as a result of using local preference criteria.
- 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.

⁴⁹ 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.

- 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.
- for at least 15 years for housing rehabilitation and 30 years for new construction.
- 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, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity. 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 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
 - Marketing plan must provide outreach to area minority communities to notify them about availability of the unit(s).
 - Local preference is limited to those who live/work in the community with 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 legal questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: elsa.campbell@state.ma.us).

E. Commonwealth Capital⁵⁰

The state established Commonwealth Capital as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs. Those municipalities with higher scores, will be in a more competitive position for receiving state discretionary funding, not just for housing, but for other purposes including infrastructure, transportation, environment, economic development, etc. The state's goal is to invest in projects that are consistent with Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Applications can be submitted at any time and will be valid for the programs listed above throughout the current fiscal year. Communities should submit applications prior to the deadline for any Commonwealth Capital program to which they are applying to ensure that their score will count. Applications should be submitted electronically, and each community is assigned its own login and password.

Programs which are affected by Commonwealth Capital include the following that are operated by the Executive Office of Administration and Finance (EOAF), Executive Office of Energy and Environmental Affairs (EOEEA), Executive Office of Housing and Economic Development (EOHED), Executive Office of Transportation and Public Works (EOTPW), Coastal Zone Management (CZM), Massachusetts Office of Business Development (MOBD), Massachusetts Office of Relocation and Expansion (MORE), and the Department of Housing and Community Development (DHCD):

- Public Works Economic Development Program (EOTPW)
- Bike and Pedestrian Program (EOTPW)*
- Transit Oriented Development Bond Program (EOTPW)
- Community Development Action Grant Program (EOHED and DHCD)

⁵⁰ This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

- State Revolving Fund (EOEEA and DEP)
- Urban Brownfields Assessment Program (EOEEA)*
- Urban Self-Help Program (EOEEA and DCS)
- Drinking Water Supply Protection Grant Program (EOEEA)
- Urban River Visions Program (EOEEA)*
- Coastal Pollutant Remediation Grant Program (EOEEA and CZM)
- Coastal Nonpoint Source Pollution Grant Program (EOEEA and CZM)
- Off-Street Parking Program (EOAF)
- Smart Growth Technical Assistance Program (for this program EOEEA will use inverse Commonwealth Capital scores. Unlike the other 13 programs, a primary goal of this program is to help communities with low scores improve.)

* Indicates programs that were eliminated in program changes.

Changes to Commonwealth Capital add the following programs:

- Small Town Road Assistance Program (EOTPW)
- MA Opportunity Relocation and Expansion (MORE)
- Jobs Capital Program (MOBD)
- Water Transportation Capital Funding Program (EOTPW)
- Alternative Energy Property Program (EOEEA-DOER)

The application involves a maximum score of 140 points, including bonus points. The Commonwealth Capital score will account for 30% of the possible application points for any of the Commonwealth Capital programs. The other 70% points are related to the purpose of the particular program and the merits of the proposed project. Communities receive points for zoning, planning, housing, environmental, energy, transportation, and other measures that already exist as well as measures they commit to implement by the end of 2009 (for this year's application). Additionally, communities can receive bonus points for successfully implementing commitments made in their 2008 applications.

The major components of the proposed Commonwealth Capital application and corresponding total point allocations are provided below:

- Plan for and promote livable communities and plan regionally (19)
- Zone for and permit concentrated development and mixed use (26)
- Expand housing opportunities (21)
- Make efficient decisions and increase job and business opportunities (12)
- Protect land and ecosystems (21)
- Use natural resources wisely (7)
- Promote clean energy (9)
- Provide transportation choice (9)
- Advance equity (6)
- Promote sustainable development via other actions (10)
- Bonus points for every prior fiscal year commitment implemented

A greater number of points are granted for actions that are already in place but points are also issued for commitments that have not yet been implemented.

II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Halifax are described below.⁵¹

A. Technical Assistance

1. Priority Development Fund⁵²

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

⁵¹ 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.

⁵² Description taken from the state's program description.

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;
- 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;
- 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 by-laws 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 by-laws. 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. 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 Board of Selectmen or letter from the 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 Town 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.

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.

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.

5. *Smart Growth Technical Assistance Grants*

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design by-laws/ordinances;
- Implementation of Low Impact Development (LID) by-laws/ordinances; and
- Development of a Right-to-Farm by-law/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community's Commonwealth Capital application, and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

B. Housing Development

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.

Because Halifax is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the Town needed to join a consortium of other smaller towns and cities to receive funding or submit funding applications to DHCD on a project by project basis through its One Stop Application. Halifax has recently been notified that it is now part of the Greater Attleboro-Taunton HOME Consortium so it will now have access to HOME funds.

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). Those communities that do not receive HOME or CDBG funds directly from HUD, like Halifax, can apply for up to \$65,000 per unit. 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.

2. *Community Development Block Grant Program (CDBG)*

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding

Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

The **Housing Development Support Program (HDSP)** provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There are no per unit maximums or recommended maximum total development costs. Funding is distributed through Notices of Funding Availability that occur once or twice a year. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high “statistical community-wide needs”, however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. In fact, Halifax and Carver recently received such funding to support a Housing Rehab Loan Program, targeted to particular areas of town. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

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*

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. *Massachusetts Preservation Projects Fund*

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

12. *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.

13. *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.

14. *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.

C. Homebuyer Financing and Counseling

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. Halifax is already a participating community in the Program.

2. *American Dream Downpayment Assistance Program*

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment. This program will no longer receive a set-aside of federal funding after this year, but HOME funding can be used instead.

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 Halifax include the following:

Fall River Affordable Housing Corporation
Bob Landry
(508) 677-2220

Pro-Home, Inc.
Taunton
(508) 821-1092

South Shore Housing Development Corporation
Kingston
Sharon Hurley
(781) 422-4200

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.

D. Home Improvement Financing

1. *Carver/Halifax Housing Rehabilitation Program*

The Towns of Carver and Halifax submitted a joint application to DHCD for funding under the Community Development Block Grant (CDBG) to support a Housing Rehabilitation Program. They received a total of \$685,000, one-third of which is targeted to Halifax, specifically to the Monponsett Ponds area (East Monponsett and West Monponsett Ponds) and Halifax Mobile Home Estates. Property owners within these target areas must have incomes within 80% of area median income to qualify. Other eligibility requirements include the following:

- Property must be owner-occupied;
- Property must be a single-family dwelling, detached or semi-detached unit, or condominium;
- All real estate taxes must be current;
- Property must be covered by fire insurance for the life of the loan, sufficient to cover the total outstanding indebtedness; and
- The total value of improvements completed must be secured through a flood insurance policy for the term of the rehab loan if the property is located in a flood plain.

The subsidy to the property owner is in the form of a 0% amortizing loan or a 3% deferred loan for a maximum of \$25,000. The amount of household income will determine the monthly payment required, if any, and the type of loan. A mortgage will be recorded as a lien on the property for the term of the loan or upon sale, transfer or refinancing of the property when the balance of the loan amount must be repaid. While lead based paint removal is not included, home modifications to improve accessibility for the handicapped are allowed.

2. *MassHousing Home Improvement Loan Program*

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 \$10,000 up to a maximum of \$50,000. 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 \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

3. *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.

4. *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.

5. *Home Modification Program*

This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible. The area's regional non-profit organization, South Shore Housing, administers these funds for the state. The Halifax Council on Aging also is available to help seniors complete application materials.