

## Sudbury Affordable Housing Overview

May 2013

### INVENTORY

The market discount housing inventory is broken down rental and homeownership, and within that age-restricted and family (or non-age restricted). Market Discount housing means that the prices and rents are permanently discounted as documented in their legal frameworks.

Much affordable housing discussion centers on achieving the Chapter 40B state mandate for 10%. Sudbury has 343 units on the SHI, which is 5.79%, or 250 units short of the 10% goal. There are many aspects of 'counting' units towards that threshold, including the following requirements:

1. Occupancy limited to households earning up to 80% of AMI
2. Housing units created under an approved housing subsidy program
3. Property has a recorded use restriction
4. Housing units are subject to an Affirmative Fair Marketing and Resident Selection Plan

Sudbury Inventory May 2013:

| Project                                    | Total Market Discount Units | SHI Units  | ISD Units | # Units 40B? | Family     | Senior     |
|--|-----------------------------|------------|-----------|--------------|------------|------------|
| <b>Rental</b>                              |                             |            |           |              |            |            |
| Sudbury Housing Authority - Scattered Site | 27                          | 27         |           | 22           | 27         |            |
| Musketahquid Village                       | 64                          | 64         |           |              |            | 64         |
| Longfellow Glen                            | 120                         | 120        |           | 120          | 70         | 50         |
| Orchard Hill                               | 45                          | 45         |           | 45           |            | 45         |
| Johnson Farm                               | 56                          | 56         |           | 56           | 56         |            |
| <b>Total rental</b>                        | <b>312</b>                  | <b>312</b> | <b>0</b>  | <b>243</b>   | <b>153</b> | <b>159</b> |
| <b>Homeownership</b>                       |                             |            |           |              |            |            |
| Carriage Lane                              | 4                           | 4          |           | 16           | 4          |            |
| Sudbury Meadows                            | 2                           | 2          |           | 10           | 2          |            |
| Village at Old County Road                 | 10                          | 10         |           | 37           | 10         |            |
| Sudbury Housing Trust - Home Preservation  | 5                           | 5          |           |              | 5          |            |
| Sudbury Village (RT20)                     | 0                           |            |           |              |            |            |
| Habitat                                    | 2                           | 2          |           | 2            | 2          |            |
| Landham Crossing                           | 8                           | 8          |           | 31           | 8          |            |
| Frost Farm                                 | 44                          | 0          | 44        | 0            |            | 44         |
| Grouse Hill                                | 52                          | 0          | 52        | 0            |            | 52         |
| <b>Total Homeownership</b>                 | <b>127</b>                  | <b>31</b>  | <b>96</b> | <b>96</b>    | <b>31</b>  | <b>96</b>  |
| <b>Total (5/2013)</b>                      | <b>439</b>                  | <b>343</b> | <b>96</b> | <b>339</b>   | <b>184</b> | <b>255</b> |

Sudbury's inventory contains 96 discounted Incentive Senior Development (ISD) units which do not count on the SHI as they do not meet the affordability guidelines. The Incentive Senior Development

(ISD) bylaw was adopted in 1998 to provide discounted housing development opportunities for seniors. It allows for up to four (4) dwelling units per buildable lot in exchange for dedicated open space, occupancy requirements (aged 55+), and unit resale and price restrictions.

Overall, Sudbury has seen the development of 181 units of age-restricted condominium homeownership in the last decade, which may indicate the ability and desire of Sudbury seniors to remain in town. Market rate units have been permitted or created in Springhouse Pond (29), Maple Meadows (23), Mahoney Farm (33) and Northwoods (24 created/66 permitted), as well as the 96 units at Frost Farm Village (44) and Grouse Hill (52).

The affordable family homeownership units are generally sold via lottery and the last six lotteries (since 2006) have been administered by the Sudbury Housing Trust. The lotteries for these 31 units have been well-subscribed – in comparison to many under-subscribed lotteries in the state. The Town maintains a list of 400 persons interested in affordable homeownership.

Most family ownership units are created by Chapter 40B projects, but the Sudbury Housing Trust also has created some ownership units.

There are 97 units of family (not age-restricted) rental housing built in Sudbury, 70 at Longfellow Glen, 27 operated by the Sudbury Housing Authority in scattered sites around town, and 56 units permitted at Johnson Farm (currently in litigation). The Johnson Farm permit was issued on July 31, 2012 and was hotly debated. The Town did not endorse the project in its comments to MassHousing.

Family rental housing units are in high demand. The waiting list at Longfellow Glen for the family units (2 and 3 bedrooms) is around 5 years, with ~80 households on the list. The Sudbury Housing Authority units also have a long wait time of up to 12 years. On average, one SHA unit turns over per year.

There are 123 units of age-restricted rental housing in Sudbury, 50 at Longfellow Glen, 64 at Musketahquid Village operated by the Sudbury Housing Authority and 9 at Orchard Hill (20% of the 45 units). There is less wait time for age-restricted affordable rental units. There is a one-year wait for a 1BR unit at Longfellow Glen, where there is no priority for Sudbury residents. At the SHA-operated Musketahquid Village, there is a short wait for local seniors and it can take several years for a non-local senior to be offered a unit. There are walk-up units on the second floor, and with more demand for the lower ones. At Orchard Hill, there is currently one external person on the affordable waiting list and a few others internally where current tenants wish to transfer from a market rate unit to an affordable unit. The wait time is unpredictable.

Inventory changes expected in FY14: net increase of 12 units, to 355 units or 6%

- Decrease 56 units: Johnson Farm will lapse
- Increase 64 units: Coolidge at Sudbury will be added
- Increase 2 units: Housing Trust Home Preservation units
- Increase 2 units: Housing Trust Maynard Road (late FY14 if at all)

### **HOUSING PRODUCTION PLAN**

Sudbury has a certified Housing Production Plan (HPP) – one of only four communities in Massachusetts, along with Berlin, Easton, Westford.

Sudbury chose to prepare a HPP (over 250 hours of work) since *for the first time ever* since the 40B projects under discussion at that time had the potential to create the required number of units for certification.

A municipality must have an approved plan and then create the required number of units in order to be certified. When a municipality has a certified Housing Production Plan, comprehensive permit applications submitted to the Zoning Board of Appeals (“ZBA”) will be deemed “consistent with local needs” under MGL Chapter 40B.

In June of 2010, the Board of Selectmen endorsed the creation of a Housing Production Plan in accordance with the State requirements, and Sudbury submitted its HPP to Department of Housing and Community Development on May 17, 2011, receiving DHCD approval on July 14, 2011.

The certification process requires creating the requisite number of affordable housing units. For Sudbury, this equates to 30 units for a one year certification, or 59 affordable units for a two year certification. The Coolidge at Sudbury project fulfilled this requirement by creating 64 units of housing through the issued comprehensive permit, filed with the Town Clerk on August 9, 2011. DHCD certified the HPP as of that date for a period of two years (through August 8, 2013). Note that the Johnson Farm ZBA application was filed on August 8, 2011 – the day before certification.

Sudbury is currently certified through July 31, 2014 due to two additional Comprehensive Permit projects issued in 2012. [Note: the Sudbury certification is multi-layered. The original certification lapsed when Coolidge did not pull building permits after one year. It was then reinstated with a new date based on the Johnson Farm permit being issued. The Johnson Farm certification will lapse on August 1, 2013, and it is planned that by then, the Coolidge project will have been issued a building permit and can reinstate the certification.]

The housing production plan contains a comprehensive needs analysis, goals and objectives, and strategies to get to 10%, including parcels, projects and properties including detailed information regarding the Melone property

<http://www.sudbury.ma.us/departments/CHO/doc6564/SudburyHousingProductionPlan-FINAL.pdf>

### **LOCAL RESOURCES**

**Sudbury Housing Trust:** The Sudbury Housing Trust was formed by Town Meeting accepting the MGL chapter 44, s.55C at the April 2006 Annual Town Meeting. The Trust was formed specifically to focus on affordable homeownership opportunities and to show performance against the CPA housing requirements. 10% of the CPA revenue MUST be spent on affordable housing. While Sudbury had accumulated significant housing reserves in the early years of the CPA, no housing projects had come forward. The Trust was formed to address that issue.

The Trust charter was developed with the Town’s interests in mind. The charter allows a range of powers though requires Selectmen approval for certain transactions. The Town Treasurer is the custodian of the funds. The purpose of the Trust shall be to provide for the preservation and creation of affordable housing in the Town of Sudbury for the benefit of low and moderate income households.

In the last six years since the Trust was chartered (February 2007), the Trust has committed resources towards the creation of 77 units of housing at an average subsidy of \$14,500 directly creating 7 units of housing and assisting another 70 units since its formation.

In 2012, the Trust completed another home under the successful **Home Preservation Program**. In this program, smaller, less expensive homes are purchased and sold, subject to a permanent deed restriction, to eligible first-time homeowners selected from a lottery. In this way, homes are converted to affordable housing, preserving existing housing stock. The Housing Trust is able to work 'real time' to put offers on the property and use their own funds for required health and safety repairs. An additional home is currently in process with a lottery held to produce a list of potential buyers on January 31, 2013.

The Trust continues to sponsor the **Small Grants Program** to help seniors and other moderate income homeowners fund health and safety repairs in their homes. The Program has three rolling grant periods annually, and has awarded over \$66,500 for 26 grants over the life of the program, and 77% of the grantees are senior households. In FY12, the Trust awarded 4 grants for a total of \$7,000; the easy-to-submit application can be found on the Town's website.

The Sudbury Housing Trust also has property on Rt 27, and has obtained a 40B permit to develop 3 units of housing (down from 6 units) – in a difficult permit hearing.

The Town of Sudbury successfully worked closely to **preserve expiring use** for 120 units of affordable housing by working with Equity Residential in their sale of Longfellow Glen to ensure that the affordability restriction was preserved in the sale of this property. The property provides low income rental housing for families and seniors, and serves 120 households through Project-Based Section 8 Program.

The Sudbury Housing Trust continues to provide **lottery agent services** to sell housing units to low and moderate income households. Through this program, the Sudbury Housing Trust actively advertises and markets to encourage minority participation. Notices are published to an extensive list of paid advertisements and urban non-profit organizations. As a result, 26% of the applicants self-declare as a minority, and 31% of the units were sold to single parents.

**Community Preservation Act:** At the 2002 Annual Town Meeting and subsequently at a ballot, Sudbury residents voted to adopt the CPA with a 3% surcharge on all real estate property tax bills. This program continues to be well supported through two recent Town Meeting challenges that were overwhelmingly defeated.

There are four eligible activities that can be funded with Community Preservation Act funds: Community Housing; Historic Preservation; Open Space/Recreation. The legislation requires that 10% of all collected funds (local and state) must be spent on each of the three required activities.

In addition to the preservation of more than 500 acres of open space protected, and the numerous historic preservation projects funded, \$3,741,000 has been appropriated over the last seven years for community housing as shown below to create 86 units of housing.

**Regional Housing Services Office:** The Town of Sudbury led the creation of the Regional Housing Services Office joining five other Towns in an Inter-Municipal Agreement to provide monitoring agent services to preserve affordability restrictions in the Towns of Acton, Bedford, Concord, Lexington,

Sudbury and Weston. These proactive efforts assist owners and residents and provide linkages to needed support as requested. One notable example includes rental monitoring which resulted in the reimbursement of over \$184,000 in rent overcharges to present and past tenants. This innovative regional collaboration has been recognized by the Lieutenant Governor Tim Murray, has won the 2012 Massachusetts Municipal Association award for innovation and was invited to showcase at the National League of Cities annual conference in 2012.

**Sudbury Housing Authority:** In 1969, MGL Chapter 121B, Section 3, was passed to allow the creation of housing authorities by cities and towns and shortly thereafter, in 1971, Town Meeting voted to establish the Sudbury Housing Authority for the purpose of "providing housing for elderly persons of low income." It was the 204th housing authority formed in the Commonwealth cities and towns and the original 5 members were appointed by the selectmen.

Since its establishment, the Sudbury Housing Authority has been enthusiastically active in creating and maintaining affordable housing in Sudbury, creating 69 units of housing in its first 10 years of operation, and 16 units in the next 10 years (1980's).

Musketahquid Village, consisting of 64 apartments and a community building for seniors, is the largest SHA property, and the SHA also manages 28 units of family rental housing in duplexes and single family homes across town. These properties were developed with State grants and Town donated land, and recently the SHA redeveloped several of its existing single family detached homes into new duplexes – and innovative and successful project.

The SHA has provided leadership over the years in bringing other affordable housing mechanisms to Town Meeting for consideration. These included advocating for zoning for handicapped and physically disabled persons (defeated 1979), participation in town commissioned committees and task forces for parcel suitability, inclusionary zoning, long range planning and other housing related studies.

The Sudbury Housing Authority Board of Commissioners is comprised of one state appointee and four elected representatives.

**HOME Funds:** HOME is a federal housing program administered by the U.S. Department of Housing and Urban Development (HUD). HUD distributes funds to groups of adjacent communities who create a local consortium. The West Metro HOME Consortium is administered by the City of Newton and currently has fourteen members: Newton, Bedford, Belmont, Brookline, Concord, Framingham, Lexington, Lincoln, Natick, Needham, Sudbury, Watertown, Waltham, and Wayland.

The allocation amount varies according to HUD formulas, based on entitlement parameters of population, rental housing units occupied by the poor, poverty households living in rental housing units built before 1950, families in poverty, and rental housing units with problems.

The Consortium also brings each community into a local housing network. The network provides both informal contacts among housing professionals and opportunities for more formal exchanges of information and technical assistance.

The Town of Sudbury joined the Consortium in 2005, and has received HOME program and administrative funds starting in federal fiscal year 2006, municipal fiscal year 2007. Sudbury was able to fund the buy-down of a unit at the Villages at Old County Road with the accumulated allocated

HOME funds (\$101,000) in 2008, producing an additional affordable unit above the required 25% in this private 40B homeownership project.

More recently Sudbury has granted \$96,666 to The Coolidge at Sudbury project. B'nai B'rith Housing New England, Inc. ("BBHNE") is sponsoring a redevelopment of the property located at 189 Boston Post Road in Sudbury, Massachusetts. The rental community, named "The Coolidge at Sudbury", would be restricted to seniors and older adults (ages 55+). BBHNE proposes to create a 100% affordable housing development with all 64 units serving moderate and low income seniors earning 60% of Area Median Income (AMI) or below. Ten percent of the total units would be reserved for low income households earning 30% AMI or below.