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Subject: Warning signs for age-restricted housing


Massachusetts Housing Partnership

Community Strategies	Rental Financing	Homeownership	News & Ideas	About MHP
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Communities should closely examine housing needs before okaying age-restricted housing

(MHP periodically issues e-bulletins to help in the development of affordable housing. If you have a comment or want to suggest another topic, click [here](#). To view previous ebulletins, click [here](#).)

It seems like a no-brainer: baby boomers are getting older and that means we need more senior housing. That's true – at least to a certain point -- but today's senior housing isn't like generations past when elderly housing was built for those too poor or too old and infirm to maintain their own homes.

Today's market is aimed at "active" seniors 55 years and over. This housing is often called over-55 or age-restricted housing. It's a phenomenon that's raising significant concerns with state policymakers and with advocates of affordable housing.

New Study Released

In June, Citizens Housing and Planning Association (CHAPA) released an [in-depth study](#) that looks at age-restricted housing's explosive growth and the policy issues it raises. Written by consultant Bonnie Huedorfer, the study tells us that between now and 2020, nearly two million Massachusetts baby boomers will turn 55.

Many of these aging boomers have high incomes and most of them have accumulated wealth in their homes, making them an attractive target for the housing industry. So what's the problem if we prioritize the construction of new housing dedicated to this active senior population?

Are we addressing real needs?

The danger is that just because a larger share of our population will be 55 and older doesn't mean that this group has the greatest housing needs. In fact, the evidence suggests just the opposite. One of the greatest threats to the Massachusetts economy is the exodus of younger, college-educated workers and their families who cannot afford to live here.

These are exactly the people that over-55 developments are designed to exclude. Local officials often support over-55 developments because they believe they will provide a net increase in property tax revenue and help the community meet its affordable housing obligations without adding children to the public schools.

To guard against such a short-sighted perspective, communities reviewing age-restricted housing proposals should ask themselves a few questions:

- Is there a need and a market for additional housing of the type proposed?
- Are permit requirements flexible enough to respond to future changes in community need or market conditions?

- Are there alternatives that would expand housing options for active seniors while also creating new housing for younger households with children?

How much is too much?

A recent cause for concern is the potential of overbuilding. If local officials steer new development toward age-restricted housing, there is a danger that the market will get overbuilt and units will stay vacant.

There are some signs that this has already begun to occur. A significant number of over-55 developments are now utilizing the state's comprehensive permit law, Chapter 40B, the law that requires a minimum of 25 percent of the units be affordable. Huedorfer's CHAPA study notes that prior to 2003, there were only four age-restricted homeownership developments built. In 2004, 28 broke ground or went into construction and 23 percent of all 40B construction starts were age-restricted.

Yet affordable units in some of these age-restricted 40B projects have had difficulty finding buyers. In Hudson, a 140-unit Ch. 40B age-restricted development, The Esplanade, has only succeeded in qualifying 13 eligible buyers for the 35 affordable units, despite rigorous marketing by the project developer, notes Hudson Zoning Board member Joe Penzola. He cautions communities to take a hard look at the developer's market study for both the market rate and the affordable component of any age-restricted project being proposed.

Penzola also suggests considering a worst-case scenario early on in reviewing the project to determine what the community can live with if the age restrictions become impossible to sustain. In Hudson's case the project density at that location and the reduced parking make conversion to a non age-restricted development unlikely to gain acceptance.

Marlborough has recently seen an upsurge in age-restricted housing development, according to Planning Director, Al Lima. A 90-unit age-restricted development was recently completed with another approximately 300 units either near completion or being permitted.

None of these projects included affordable units, but changes in local zoning will now require a minimum of 15 percent of the units to be affordable in future developments. The community supported the age-restricted developments because of "no school kids, and not much traffic", says Lima. He added that the local market is becoming saturated for this kind of housing and a market correction may be coming.

What's being done?

A CHAPA subcommittee on age-restricted housing has been studying the issue and this summer made a series of recommendations. The committee has urged the state's housing agencies and its programs to develop uniform requirements and standards, including income standards. CHAPA is also urging that guidance be provided to communities to help them make good planning, design and permitting decisions when it comes to age-restricted housing.

One of the services MHP provides is early guidance to help communities address and pursue solutions to their affordable housing needs. If your community is wrestling with affordable housing issues and the pros and cons of doing age-restricted housing, email [Constance Kruger](mailto:Constance.Kruger@acton-ma.gov), MHP's Community Technical Assistance Manager.

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