

**What do YOU mean when YOU say “affordable housing”?**

The topic of “affordable housing” is a controversial one for many reasons, not the least of which being that often people mean different things when they use the term because the term has different meanings.

*A key choice needs to be made between different ways to provide affordable housing.*

| <b>Focus on:</b>   | <b>In order to:</b>   |
|--|---|
| <b>Providing housing Actonians can afford</b>  | <b>Meet Acton’s specific housing needs</b> (e.g. for seniors, young families, town employees, etc.) in terms of price, type, size, and location.  |
| <b>Meeting State’s Requirements of 40B “affordable housing”</b><br><br>Affordable housing according to the state’s definition means affordable to persons earning 80% of the metropolitan area median income | <b>Get protection from 40B development</b> <ul style="list-style-type: none"> <li>• 40B is the state law (passed in 1969) that allows developers to obtain a comprehensive permit to create housing over-riding local zoning provisions, provided that 20% of the new units are “affordable” according to state and federal guidelines.</li> <li>• 40B allows local bylaws and regs to be over-ridden and compels the town to accept affordable housing development (e.g. multifamily housing in a single family district).</li> <li>• This is applicable until the town reaches and stays at or above 10% affordable housing units.</li> </ul> |

The price and type of housing is critical in creating and maintaining its affordability, regardless of which definition is being used. Specifically:

- Mixes of housing types in terms of architectural styles, square footage of homes and lots, numbers of bedrooms, and types of structure (single- or multi-family) enable diversity in population (ages, income, and household size).
- Supporting such diversity is one of the seven planning goals.

### **Affordability: The question is HOW?**

“Affordable Housing is defined in Massachusetts by Statute (M.G.L. Chapter 40B, Sections 20- 23), as housing for households with incomes not exceeding 80% of the metropolitan area median income, and requires that housing to restrict rents or home prices for a specific period of time, generally in perpetuity. These households are designated as “low and moderate income.”

### **History of “affordable housing” in Acton**

*Acton needs only 3.9% more of its housing stock to be affordable to meet the state set objective of 10% affordability.*

**Homes meeting the state definition of affordability.** Given the current figure of 519 affordable units, 329 additional affordable units would be needed to achieve the ten percent (10%) figure.

- Extending achievement of the target to 2030 (9,595 total year-round housing units) means that 40% of new units between 2010 and 2030 would need to be “affordable”.
- This is an annual rate of 22 units if the target is to be met by 2030.
- It is significant that past efforts have come close to matching this pace<sup>1</sup>.
- The 2010 median household

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<sup>1</sup> In 1988 there were only 144 affordable housing units in Acton which was 2.1% of the total housing stock then. By 2010 375 additional units of affordable housing have been created, a rate of 17 per year.

income for the Boston Metropolitan area that includes Acton is \$91,800.

- For a household of four, 80% of the median household income is \$64,400.

*Twenty-six percent (26%) of Acton’s households are estimated to be income eligible for affordable housing, using the 80% criterion.*

Town efforts through The Acton Community Housing Corporation and 40B housing developments have helped to raise the number of units that count towards the state’s figure from 2.5% in the previous decade.

- Avalon Bay, a 40B development, with its 296 units of rental housing is a major factor in bringing this number up.

*Currently 6.1% or 519 units in Acton are considered affordable, using Commonwealth of Massachusetts statutory definitions.*

**Homes affordable to Actonians.** The average selling price of all residential units in Acton was \$459,900 in 2010.

- The annual income needed to buy the average priced home is \$110,213, based on a 10% down payment, 30% of income dedicated to home purchase, a 4.5% fixed-rate 30-year mortgage, and annual payments for homeowners insurance (\$900) and local real estate taxes (\$7,873).

*This means that about 47% of the households in Acton cannot afford to buy an average priced home in the town today.*

**40B is one way to create affordable housing but not the only way.**

*The following two agencies work on creating housing opportunities for low and moderate income individuals.*

### **Acton Community Housing Corporation<sup>2</sup>**

The Acton Community Housing Corporation (ACHC) is appointed by the Board of Selectmen and charged with facilitating affordable housing for working families and individuals with modest incomes<sup>3</sup>. The Board oversees First Time Homebuyer programs and moderate income rental units. ACHC was instrumental in the creation of 47 additional ownership units.

- Acton has created 23 deed restricted home ownership units without using 40B.
- These local action units are approved by the Mass. Department of Housing and Community Development for

counting toward the Town's 10% (the level that protects the town against zoning overrides by developers).

- ACHC has funded the construction of new units and has subsidized the purchase of existing market units and made them deed restricted.
- Creation of more rental housing would also contribute to the goal of creating more affordable housing.

### **Acton Housing Authority**

The Acton Housing Authority (AHA)<sup>4</sup>, governed by a five-member Board of Commissioners, provides affordable rental housing units in the Town of Acton and rental assistance in the form of subsidies to low-income individuals and families so that they can rent housing in the private market.

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<sup>2</sup> The responsibilities of the ACHC include: Acting as the Town's initial contact and preliminary negotiating agency with developers of proposed affordable residential housing projects (40B's), Reviewing design and density, Determining consistency with Comprehensive Permit Policy, Initiating action to create affordable residential housing developments on Town-owned properties, Deed Riders used to ensure continued affordability resale of affordable units

<sup>3</sup> **Funding:** The Corporation has a Program Fund from the Town of Acton and the Community Preservation Act. In 2010 it received \$50,000 from these sources. Since 2007 ACHC has undertaken a Condo Buy-Down Program with its funds. Funding for other housing projects is provided by developers of the projects.

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<sup>4</sup> **Funding.** Funding for the AHA for the housing units it owns has been provided by the Commonwealth of Massachusetts under its housing programs. In 2010 the Town of Acton provided \$250,000 from its Community Preservation Act Fund for the creation of 12 new housing units. AHA projects have also received funding from the Steinberg-Lalli Charitable Trust.

**Acton’s “Affordable Housing” Inventory as compared to surrounding towns**

| <b>Community</b> | <b>2010 Census<br/>Year Round<br/>Housing<br/>Units</b> | <b>Total<br/>Development<br/>Units</b> | <b>SHI<br/>Units<sup>5</sup></b> | <b>%</b> |
|------------------|---|--|----------------------------------|----------|
| Acton            | 8,475   | 897                                    | 519                              | 6.1%     |
| Boxborough       | 2,062   | 324                                    | 24                               | 1.2%     |
| Carlisle         | 1,740   | 52                                     | 46                               | 2.6%     |
| Concord          | 6,852   | 738                                    | 713                              | 10.4%    |
| Littleton        | 3,443   | 420                                    | 269                              | 7.8%     |
| Maynard          | 4,430   | 365                                    | 365                              | 8.2%     |
| Stow             | 2,500   | 301                                    | 143                              | 5.7%     |
| Sudbury          | 5,921   | 422                                    | 281                              | 4.7%     |
| Westford         | 7,671   | 667                                    | 371                              | 4.8%     |

**What do YOU think about Acton’s “affordable housing”?**

**Some Acton Voices<sup>6</sup>**

- *“Acton has too much affordable housing”*
- *“Acton needs more affordable housing”*
- *“We should focus on meeting Acton’s specific affordable housing needs and not on meeting 40B requirements”*
- *“Housing that is affordable to seniors, young families, town employees and others should be located in small, scattered sites”*
- *“The town should just build large rental and affordable housing developments to meet 40B requirements so as to get this regulation off our backs.”*

<sup>5</sup> SHI=Subsidized Housing Inventory: The inventory includes 40B units and also contains other subsidized units as well, such as housing authority units, and units created by housing trusts. The inventory is current as of June 30, 2011.

<sup>6</sup> Some comments collected in community conversations with Acton residents.

## AFFORDABLE HOUSING APPROACHES

There are two approaches to achieving “protection” from 40B (that is, meeting the state requirement of providing 10% of all housing to meet the state definition of affordability so that developers cannot override local zoning which they can do if the state’s 10% target is not met).

| <b>Focus on:</b>                                    | <b>In order to:</b>  | <b>Result</b>  |
|---|--|--|
| 1. Encourage one or two large rental developments.  | Get to 10% affordable as soon as possible  | Get relief from developers being able to override local zoning.  |
| 2. Implement state-approved Housing Production Plan | Develop small-scale renter and owner housing dispersed through Acton thus providing a range of housing types.<br><br>( <u>All</u> rental units in development count toward town’s 10% goal, even if 75% are not affordable.)<br><br>Secure future affordability of existing units. | Meet the housing needs of Actonians regardless of state requirements.<br><br>May not meet 40B requirements as quickly as #1. |

### ADDITIONAL REFERENCE

See <http://acton2020.info/> for a copy of this handout and links to other relevant website.

.....TEAR OFF THIS PAGE AND HAND IN.....

**What do YOU think the Town should do about “affordable housing”?**

**THE TOWN SHOULD FOCUS ON:**

*Please give us your thoughts by checking one of the following:*

1. Getting relief from 40B by building large rental complexes including affordable units \_\_\_\_

OR

2. Developing a State-approved Housing Production Plan with small-scale affordable units in scattered locations, and potentially buying deed restrictions to keep existing units of housing affordable. \_\_\_\_\_

OR

3. Other? \_\_\_\_\_

*Do you have any questions that you need answered in order to help you decide? If so, what are they?*

***ADDITIONAL COMMENTS***