

AFFORDABLE HOUSING

PUBLIC INFORMATION MEETING – NOVEMBER 18, 2014

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MEETING AGENDA

Background on Housing Production Plan

Review proposed amendments to the Affordable Accessory Apartment Bylaw

Review proposed amendments to the Affordable Housing Trust Fund Guidelines

Gather feedback on proposals

HOUSING PRODUCTION PLAN

CHATHAM HOUSING PRODUCTION PLAN (2012)

Endorsed by:

- Board of Selectmen
 - Planning Board
 - Affordable Housing Committee
-
- Provides Demographic & Socio-Economic Background Data
 - Identifies Community's Housing Needs and Goals
 - Provides strategies for making progress on reducing affordability gap
 - Zoning Strategies
 - Housing Production Strategies
 - Capacity Building Strategies
 - Direct Assistance Strategies

KEY DEMOGRAPHIC TRENDS

Recent Population Losses

- Total population of 6,125
- 7.5% population loss since 1980

Decline In Younger Age Groups/Increases In Older Residents

- Median age 58.9 (2010)
- Residents \geq 65 years comprise more than one-third of all residents

Increase of Smaller Households

- Decrease in household size 2.10 to 1.95 persons between 1990 and 2010

Higher Income Levels but Growing Income Disparities/Increases in Poverty

- Median income increased by 47% between 1999 (\$45,519) and 2012(\$66,853)
- Median house price: \$573,000 as of September 2014
- 543 households earning less than \$35,000
- 348 earning less than \$25,000

CHATHAM HOUSING GOALS

1. Provide a wide range of safe and affordable housing opportunities to meet diverse housing needs
2. Strive to reach the state 10% affordable housing goal
3. Preserve the existing affordable housing stock
4. Assure new housing production is harmonious with the existing community and the Local Comprehensive Plan
5. Maximize local interest and investment in affordable housing, leveraging public and private funds to the greatest extent possible in the production and preservation of affordable housing

PRIORITY HOUSING NEEDS

Households with Limited Incomes:
Need Affordable Rental Housing

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

Housing Conditions:
Need Home Improvement Resources

Special Needs Housing:
Need Barrier-free Units And Supportive Services

IMPLEMENTATION OF PRODUCTION PLAN

Action Items for Year 1-2 Implementation

Capitalize Affordable Housing Trust Fund (AHTF)

- Step 1: Update existing guidelines, make them usable and applicable to current housing needs

Modify Existing Bylaws

- Step 1: Accessory Apartment Bylaw

Table 1-1 Summary of Housing Strategies	Priority for Implementation		# Affordable Units	Responsible Parties***
	In Years 1-2	In Years 3-5		
6.1 Capacity Building Strategies				
1. Capitalize the Affordable Housing Trust Fund	X		*	BOS/CPC/AHT
2. Conduct ongoing community education	X		*	AHC/CHA/COA
3. Establish a working relationship between the AHC and EDC as well as the PB	X		*	AHC/EDC/PB
6.2 Zoning and Regulatory Strategies				
1. Modify existing bylaws Accessory apartment Small lot development Inclusionary zoning	X	X X	6	PB/AHC
2. Explore tax relief for year-round rentals		X	*	PB/AHC
3. Promote mixed-use development		X	5	PB/AHC/EDC
6.3 Production Strategies				
1. Make suitable public property available for affordable housing	X		39	BOS/AHC
1. Promote “friendly 40B” development	X		41**	BOS/AHC/ZBA
1. Encourage special needs housing		X	8	AHC
6.4 Direct Assistance Strategies				
1. Continue funding local housing programs	X			BOS/CPC/AHC
2. Help qualifying residents access housing assistance	X			AHC/CHA/COA

AFFORDABLE HOUSING POLICY

GUIDING PRINCIPLES

1. Increase housing opportunities available to those who live or work in the community but are hard-pressed to find affordable housing in Chatham or are finding it difficult to continue to afford to live in the community. While the goals set forth in the Housing Production Plan suggests the need to make strides towards reaching the 10% state affordability goal under Chapter 40B, the Town should give top priority to pursuing housing opportunities that support its local citizenry even if the units may not be eligible for inclusion in the state Subsidized Housing Inventory (SHI).
2. Develop year-round affordable rental units to serve Chatham's most financially vulnerable residents, including its service workers.
3. Identify and take advantage of properties that have discounted or nominal acquisition costs, such as town owned or tax foreclosure properties, to make the development of affordable housing more financially feasible.
4. Minimize impacts on the built environment such as accessory apartments, small infill developments in existing neighborhoods, or buy-down initiatives that convert existing housing into affordable units.
5. Develop a range of projects to serve a range of housing needs including housing for families, seniors, and special needs populations.
6. Encourage mixed-income development to minimize concentrations of low-income units.

Implementation of HPP

ACCESSORY APARTMENT BYLAW AND HOUSING GUIDELINES



Accessory Apartment Bylaw

Researched and analyzed zoning and special programs for accessory units:

- Description of existing zoning/program
- Outcomes to date
- Issues for consideration

Cape Communities:

- Barnstable's Accessory Affordable Housing Program (AAP)
- Dennis' Affordable Housing Bylaw with Affordable Housing Apartment provisions
- Sandwich's by-right bylaw
- Wellfleet's Affordable Accessory Dwelling Unit (AADU) Program
- Yarmouth's Affordable Accessory Apartment Program (AAP)

Accessory Apartment Bylaw

Off-Cape Communities:

- Carlisle's attempt to implement an affordable accessory apartment program under LIP
- Newton and Lexington's 2-tier approach including by-right provisions
- Scituate's bylaw with some success in promoting accessory units in commercial buildings
- Nantucket's Housing Covenant Program



Accessory Apartment Bylaw

Conclusions:

- Accessory apartment bylaws/programs that meet state LIP requirements are labor intensive
- Extremely difficult to get units counted on the SHI
- State requirements make it sometimes difficult to address local needs such as units with family members or existing qualifying tenants

Recommendations:

- Integrate 2-tier by-right and special permit provisions from Wellfleet's model
- Reduce off-street parking to 1 additional space
- Reduce minimum lot size
- Enable investor-owners to participate
- Provide CPA or Housing Trust funds to support a deferred loan program to create the accessory unit (includes correcting code violations, second means of egress, septic improvements, heating system replacement, etc.)
- Deed restrictions for loans over \$25,000 (for 15 year term)
- Better promote accessory units in commercial buildings
- Consider implementing an amnesty period and real estate exemptions

Accessory Apartment Bylaw

Next Steps:

- Prepare draft bylaw
- Present draft bylaw to the Planning Board on December 9th
- Revise bylaw as directed by the Planning Board
- Include on Warrant for spring 2015 Town Meeting
- Obtain Town Meeting approval
- Obtain funding for deferred loan program
- Prepare program guidelines and procedures
- Implement loan program and bylaw

Housing Guidelines

Chatham Affordable Housing Trust was established in 2006

Guidelines for the disbursement of Housing Trust Funds have not been effective and required updating

Affordable Housing Policy Direction approved by Affordable Housing Trust on October 21st

- Includes background of HPP housing goals and priority housing needs
- Includes 6 guiding principals which Housing Trust prioritized

Highest priority

1. Increase housing opportunities available to those who live or work in the community but are hard-pressed to find affordable housing or are finding it difficult to continue to afford to live in the community.
2. Develop year-round affordable rental units to serve Chatham's most financially vulnerable residents.

Housing Guidelines

Lower Priority

3. Identify and take advantage of properties that have discounted or nominal acquisition costs, such as Town-owned or tax-foreclosed properties to make the development of affordable housing more financially feasible.
4. Minimize impacts on the built environment such as accessory apartments, small infill developments in existing neighborhoods, or buy-down initiatives that convert existing housing into affordable units.
5. Develop a range of projects to serve a range of housing needs including housing for families, seniors, and special needs populations.
6. Encourage mixed-income development to minimize stigmas associated with concentrations of low-income units.

Housing Guidelines

- I. Roles and Responsibilities of the Affordable Housing Trust
- II. Funding Priorities (guiding principals from Affordable Housing Policy Direction)
- III. Eligible Activities
- IV. Funding Guidelines
- V. Application Process
- VI. Selection Criteria
- VII. Project Monitoring
- VIII. Reporting
- IX. Periodic Updating of Housing Guidelines
- X. Application Package

Eligible Activities/Funding Guidelines

ELIGIBLE ACTIVITIES	GRANTS		LOANS		
	ELIGIBILITY	DEED RESTRICTIONS	ELIGIBILITY	DEED RESTRICTIONS	LOAN TERMS
Predevelopment/ Acquisition	NO	N/A	YES Up to \$100,000	YES >= \$25,000 = 15 Years >= \$50,000 = Perpetuity	deferred payment at 0% for 2 years and 3% after that; secured by a note and mortgage with full payment due upon construction closing
Development Activates Housing Preservation/Rehab Multiple Use Projects	YES Up to \$25,000/unit	YES 15 Years	YES Up to \$100,000/unit	YES >= \$25,000 = 15 Years >= \$50,000 = Perpetuity	0% to 3% interest; payments deferred until property is transferred
Direct Assistance	YES Up to \$25,000/ household	YES 15 Years	YES Up to \$100,000/unit	YES >= \$25,000 = 15 Years >= \$50,000 = Perpetuity	0% to 3% interest; payments deferred until property is transferred

Housing Guidelines

Next Steps:

- Obtain comments on draft Housing Guidelines tonight
- Present draft Housing Guidelines to the Housing Trust
- Finalize Housing Guidelines
- Implement Guidelines

