

TOWN OF HINGHAM HOUSING PLAN



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TOWN OF HINGHAM HOUSING PLAN

1. EXECUTIVE SUMMARY

Hingham is a suburban community located approximately 14 miles south of Boston. It is bisected by Route 3 through South Hingham and Route 3A in North Hingham. Public transportation options to Boston include both Commuter Rail (2 stations) and Commuter Boat service from the Hingham Shipyard. In addition to convenient access to Boston, community amenities include significant open space and recreation areas, historic streetscapes, a strong school system, and a number of shopping and entertainment options. These strengths likely have increased the local demand for, and cost of, housing in Hingham.

The Town has taken decisive steps in recent years intended to meet its local housing needs. As a result of these initiatives, the Department of Housing and Community Development (DHCD) has certified that the Town has achieved and surpassed its affordability threshold at over an uncontested 10% on the Subsidized Housing Inventory (SHI) under Chapter 40B. Even when the 2020 census figures are released to reflect housing growth, thereby adjusting the denominator in the SHI calculation, the Town is expected to remain above the 10% affordability level with a cushion of about 33 SHI units and affordability at about 10.3%.

However, despite reaching the 10% state goal, the Town still has unmet housing needs that are becoming more challenging as housing costs continue to rise. In fact, the public participation and outreach program conducted in association with the 2014 Master Plan Update identified the high cost of housing as the most significant challenge facing the community. Particularly stressed populations include:

- Some long-term elderly homeowners who are living in single-family homes and are hard-pressed to pay rising property taxes and utility bills. These residents have invested in the community for decades, sent their children to Hingham schools, and have a strong connection to their home and town;
- Children who were raised in the community and wish to stay or return but now as adults find housing prices beyond their means;
- Local workers, including municipal employees and service workers, who are commuting longer distances to find more affordable living conditions;
- Families who find an increasingly limited amount of starter homes or rentals within their price range; and,
- People with disabilities who are typically the most challenged residents in any community in their ability to find housing that is not only affordable, given limited disability payments, but also accessible given their special needs.

This Housing Plan provides an opportunity to obtain information on current demographic, economic, and housing characteristics and trends that identify unmet housing needs and articulate short- and longer-term strategies to address these needs. Through a range of strategies including zoning changes, partnerships with developers and service providers, and subsidies, the Town can continue to play a meaningful role in promoting housing options that match people to appropriately located, priced and sized units – producing housing that reflects Hingham’s local preferences and priorities.

Summary of the Housing Needs Assessment

The Housing Needs Assessment presents an overview of the existing and projected housing dynamic that provides the context within which a responsive set of affordable housing and smart growth strategies can be developed.

Summary of Significant Demographic and Economic Characteristics and Trends

During recent decades, demographic changes have produced the following trends:

Continuing population growth since 2000

After the building boom years of 1950 to 1980, Hingham's population declined somewhat in the 1990s and then grew by 11.4% between 2000 and 2010 to a population of 22,157 residents. The 2017 Census Bureau estimates from the American Community Survey (ACS) suggest continued growth by another 4% in population to 23,047 residents. Town Clerk records suggest a larger population of 23,426 as of March 2019.

Population projections from the Metropolitan Area Planning Council (MAPC), Hingham's regional planning agency, estimate that the population will grow to 23,719 residents by 2030, representing a 7% rate of growth since 2010.¹

Relatively high population of children and increasing numbers of older residents²

There have been some significant demographic shifts. For example, the number of children under age 18 increased by 9.4% between 2000 and 2010 followed by a modest estimated decline according to 2017 census estimates. This growth was less than total population growth, however. Nevertheless, the percentage of children, at 26% in 2017, was still much higher than county and state levels of 22.2% and 20.4%, respectively.

Census data also show some modest increases in those in the 18 to 24-age range to 4.6% of the population but decreases of those in the family formation stage of their lives, the 25 to 34-age range. There were also substantial declines in those age 35 to 44.

There are notable increases in the older age ranges as residents age 45 to 54 increased by 20% compared to a 16% population increase between 2000 and 2017. Some of Hingham's more recent residents fall into this age range and have incomes on average higher than older residents and thus can better afford Hingham's increasing housing costs. Residents age 55 to 64 increased even more, by 31.7% during this period, representing the aging of part of the Baby Boom generation.

The most notable demographic shift was in the oldest age ranges as the number of those 65 years of age and older grew by 77% between 2000 and 2017 while the population as a whole increased by about 16%. This population also increased from 14.1% of all residents to 21.5% during this period, higher than county and state growth levels of 16.7% and 15.5%, respectively. **Moreover, those 85 years of age or older increased by**

¹ MAPC's "Status Quo" projections are based on a continuation of rates of births, deaths, migration, and housing occupancy.

² While this Housing Plan typically uses the definition of seniors as those 65 years of age or older, as does the federal government in many instances, it should be noted that various entities define seniors differently. For example, Hingham's Department of Elder Services uses 60 years of age as older. This standard is also applied in state-supported public housing.

179% during this period, from 2% to almost 5% of all residents. It should be noted that beside those longer-term residents who are “aging in place”, new residents have been drawn to Hingham by the Continuing Care Retirement Community of Linden Ponds with approximately 1,100 units for seniors which would account for more than one-fifth of all residents 65 years and older.

The three population projections presented in this Housing Plan, two different scenarios from MAPC and another from the State Data Center, all project declines in children age 20 or younger from 26% in 2010 to closer to 23% by 2030. Additionally, they all predict continued increases in older residents age 65 or more from 21.5% in 2010 to approximately 31% based on MAPC projections and 34% according to the State Data Center. The projections also all predict some increases in 25 to 34 year olds and declines in the middle aged 35 to 54 age range.

These projected population changes, as well as other indicators of need included in this Plan, suggest the importance of additional housing alternatives to accommodate the increasing population of seniors such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands. Additionally, to maintain a diverse population, more affordable starter housing opportunities to attract young adults, including young families, should be promoted both as rentals and first-time homeownership

Increasing numbers of smaller households including those living alone

Hingham had a total of 8,465 households in 2010, up from 7,189 in 2000. The 2017 census estimates suggest continued household growth to 8,712 households, representing a 21.2% growth rate since 2000. This growth was higher than total population growth of 16% and suggests increasing numbers of smaller households.

Family households decreased as a percentage of all households, from 76% in 2000 to 71.5% by 2017.³ Of particular note were single individuals who were living alone that included about 27% of all households in 2010, 63% who were 65 years of age or older. These senior households living alone increased from 724 in 2000, to 1,420 in 2010, and up to 1,551 according to the 2017 census estimates.

MAPC forecasts continued growth in the number of households to 10,063 and 9,907 by 2030 according to their “Status Quo” and “Stronger Region” scenarios, respectively. These projections suggest further increases in smaller households as the “Status Quo” scenario estimates a 7% population increase between 2010 and 2030 with a 19% increase in households while the “Stronger Region” estimates indicate a 5% population increase accompanied by a 17% increase in households. In comparison, the Metro Boston region was predicted to experience a 6.6% population increase and 17% increase in households between 2010 and 2030 in its typically more conservative “Status Quo” scenario, similar to the Hingham projections.

Higher income levels but growing income disparities

Hingham’s median household income was \$125,144 based on 2017 census estimates, up from \$98,890 in 2010 and \$83,018 in 2000. The 51% change in median income from 1999 to 2017 was significantly higher than the rate of inflation during this period of 42% however. Income levels were still considerably higher than both the county and the state with 2017 median household income levels of \$82,081 and \$74,167, respectively.

³ A family is defined by the United States Census Bureau for statistical purposes as "a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family."

Despite increasing household wealth, there still remains a population living in Hingham with very limited financial means. While there are typically decreases in the numbers of households in the lower income ranges over time, this is not the case for Hingham where the numbers and percentages of households in the income ranges below \$35,000 remained relatively stable. In fact, **those earning at or below \$15,000 increased between 2000 and 2017 from 5.7% to 7.0% of all households or from 412 to 611 households**

There were, on the other hand, declines in the more middle-income to even the upper middle-income ranges with losses in the numbers and percentages of households earning between \$35,000 and as high as \$150,000. **Major gains occurred in those earning more than \$150,000, particularly those earning above \$200,000 which increased from 882 to 2,681 households between 2000 and 2017 or from 12% to 31% of all households**

The 2017 census estimates suggest an almost doubling of those living within the poverty level,⁴ to 1,314 individuals, representing 5.7% of all residents as well as 212 or 3.4% of all families and 408 children under age 18.⁵ Poverty among seniors age 65 or older increased considerably between 2000 and 2010 and then stabilized after that to include about 300 residents. Nevertheless, poverty rates are still far lower than county and state levels at 8% and 11%, respectively.

Extrapolating from the 2017 census estimates, those earning at or below 80% of area median income (AMI), or \$70,350, would have included approximately 2,868 households or about one-third of all households.

Between 2010 and 2017, the census estimates indicate that the median income of owners increased by 69% to \$152,674 while that of renters decreased by 3%, to \$48,284, demonstrating significant income disparities.⁶

Summary of Significant Housing Characteristics and Trends

During recent decades, changes in the local housing dynamic have produced the following trends:

Housing growth was higher than population growth due largely to increases in smaller households

Housing growth outpaced total population growth significantly between 2000 and 2010 as the population increased by 11.4% while the number of housing units grew by 21.5%, from 7,366 to 8,953 units based on actual decennial census figures. This growth was largely reflective of a growing number of smaller households with 57% of the growth occurring in the rental housing stock based on the development of Avalon Residences at the Hingham Shipyard and Linden Ponds for example. Refer to Appendix 6 for a map of affordable housing developments.

The 2017 census estimates suggest continued housing growth to 9,152 units with 199 units added since 2010 at a 2% growth rate, however building permit information indicates that 605 units were built during this period instead with growth of almost 7% compared to an estimated population growth of 4% during this period. These new units included 179 single-family homes and 426 multi-family units based on continuing phases of the Avalon development and Linden Ponds as well as other smaller developments such as Brewer Meadows

⁴ The 2018 federal poverty levels from the US Department of Health and Human Services were \$12,140 for a single individual and \$20,780 for a three-person household.

⁵ The 2018 federal poverty levels from the U.S. Department of Health and Human Services were \$12,140 for an individual and \$20,780 for a three-person household for example.

⁶ This income data is for all owner and renter households and household sizes, including two or more income households.

Ridgewood Crossing, Fort Hill, and Back River Condos for example as well as others listed as part of the Subsidized Housing Inventory in this Plan.

The Town is also experiencing a high level of demolition and replacement activity involving 127 properties and 129 total units between 2010 and 2018, representing about 40% of the permitting for new single-family home development.

Based on development since 2010, projected single-family development of about ten net new single-family homes per year, and 32 units through the River Stone 40B condo development, the total number of year-round housing units would be an estimated 9,801 units. Given the current 1,005 SHI units that will increase by 8 units as part of the River Stone development, the Town should remain above the 10% affordability threshold with 1,013 SHI units and a cushion of 33 affordable units following the 2020 census.

High level of owner-occupancy but a significant increase in rental housing

Out of 8,953 total housing units in 2010, Hingham had 8,465 occupied units of which about 80% were owner-occupied. The 2017 census estimates suggest further growth of 227 such units but still at the 80% level. These figures represent a higher level of owner-occupancy than the state at 62.4% and a modestly higher level than Plymouth County as a whole with 76.2%.

Substantial growth in rental units

The number of rental units increased by 74% between 2000 and 2010 to 1,703 units, largely as a result of the development of the Avalon Residences and Linden Ponds. The 2017 census estimates indicate a gain of only 20 such units although building permit data indicates the permitting of 426 multi-family units between 2010 and 2017, most of which involved rentals. Moreover, additional rental units are nearing completion, under construction, or in production. It should be further noted that about 18% of Hingham's rental units are included on the Subsidized Housing Inventory and are actually affordable.

This increasing multi-family rental housing stock, which tend to include smaller units, has been instrumental in reducing the average number of persons per rental unit from 1.95 to 1.72 persons between 2000 and 2017 with owner-occupied units remaining at 2.83 persons per unit.

Extremely low vacancy rate for homeownership with some increase in rental vacancies

The homeowner vacancy rate was 0.5% in 2010 while the rental vacancy rate was 5.6%, declining still further to 0% for ownership but up to 8.6% for rentals by 2017. The ownership rate of 0% does not even take normal housing turnover into consideration while the higher rental rate may partially reflect the extra time that newer rental developments took to reach full occupancy. It is important to note that any vacancy rate below 5% is considered to represent very tight market conditions, not surprising as the Town has been in economic recovery since 2010. It is also worth noting that shorter-term rental units have been under demand by those waiting for their new homes to be ready for occupancy as a result of teardown activity.

Increasing housing diversity

There were declines in the proportion of single-family detached units, from 83% to 70% between 2000 and 2017. While smaller multi-family dwellings remained limited, there was notable and steady growth of larger multi-family development of ten or more units from 304 units or 4.1% of the housing stock in 2000, to 1,222 or 14.4% in 2010, and then up further to 1,625 or 17.8% in 2017. This is due in large part to new development as part of the Hingham Shipyard redevelopment and Linden Ponds.

Units are also becoming somewhat larger as the median number of rooms increased from 6.8 rooms in 2010 to 7.0 rooms in 2017. Moreover, about 28% of the units had nine rooms or more, up from 25% in 2010, and much higher than the county and state levels of 14% and 11.6%, respectively.

High and rising housing costs are widening affordability gaps

There are very few housing units valued in the more affordable ranges including only 122 properties assessed for less than \$200,000, which are mostly condominiums. Another 137 properties were assessed between \$200,000 and \$300,000 - still relatively affordable - with all but 13 being condos. Additionally, sales data between March 2018 and February 2019 for single-family homes and condos indicated that only 22 or 5.9% of sales involved prices below \$300,000 while about 30% of the sales were for over \$1 million. Hingham's median single-family sales price was among the highest in the region. For example, Hull and Weymouth had medians of about \$400,000 in 2018, half of Hingham's at \$813,750. Cohasset, on the other hand, had a median of almost \$1 million.

To afford the median sales price of a single-family home of \$813,750, based on The Warren Group's compilation of Multiple Listing Service data as of the end of 2018, a household would have to earn an estimated \$187,500 assuming 80% financing, good credit and the ability to come up with down payment and closing costs of about \$175,000.⁷ The median single-family house price as of September 2019 increased slightly to \$820,000, which would require an income of about \$189,500 and a somewhat higher down payment as well. Such upfront costs would be a huge challenge for many homebuyers, first-time purchasers in particular, even for those with two incomes.

The average household with a median household income of \$125,144 could likely afford a home costing about \$543,000 based on 80% financing and \$459,500 with 95% financing. **There is therefore an affordability gap of \$277,000 with 80% financing** computed as the difference between the median-priced home and what a median-income earning household can afford. **It should also be noted that the upfront cash involved in obtaining 80% financing, of approximately \$175,000, effectively increases the affordability gap, particularly for first-time homebuyers who do not have equity in a current home.**

The affordability gap widens considerably when focusing on those earning at the 80% AMI level of \$73,000 for a household of three, increasing to \$535,750 based on an affordable purchase price of \$278,000 and the median sales price of \$813,750. This gap also assumes that a household earning at this level could qualify for 95% financing through a subsidized mortgage through the state's ONE Mortgage Program, MassHousing offerings, or other government mortgage insurance programs.

While the escalation of property values has increased the wealth of those who bought their homes years ago, many Hingham residents would not be able to purchase their homes today. Some long-time residents, particularly seniors living on fixed incomes, may even find themselves "cash-poor" as they struggle to pay the taxes on greatly appreciated property. Moreover, many of those who work in the community cannot afford to live here.

⁷ Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of \$11.81 per thousand, and insurance costs of \$6 per \$1,000 for single-family homes and \$4 per thousand for condos. Also based on the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. The figures for 95% financing assume private mortgage insurance (PMI) of 0.3125% of the mortgage amount. Estimated condo fee of \$250.

Market rentals are also expensive. To afford the median rent of \$2,190 according to the 2017 census estimate, a household would have to earn approximately \$95,600, based on spending no more than 30% of household income on housing costs with average monthly utility bills of \$200. This income is lower than Hingham's median household income of \$125,144 but double the median renter household income of \$48,284 and more comparable to the \$97,020 income level for a household of three earning at the 100% AMI limit. It is also important to note that 18% of the rental housing stock, as reported in the 2017 census estimates was subsidized so these figures underestimate market rents that are generally above \$3,000 for newer units.

Increasing housing cost burdens

A HUD report estimates that of the 8,439 total households living in Hingham, 30% or 2,493 were spending too much on their housing including 17% or 1,415 households spending more than half their income on housing costs.

The data further identified 2,329 total households earning at or below 80% of median income that included 1,538 or two-thirds who were spending more than 30% of their income on housing with 1,200 or 51.5% spending more than half on housing costs. A total of 955 households or 16% of all households earning more than the 80% median level were spending too much on their housing as well.

The convergence of these trends – an aging population, fewer young adults, more residents living alone, increasing very low income earners, very high housing prices, low vacancy rates, increasing cost burdens, and large up-front cash requirements for homeownership and rentals – all point to a challenging affordability gap for the Hingham community.

Priority Housing Needs Require a Greater Diversity of the Housing Stock

A combination of information on demographic shifts, cost burdens, affordability gaps, and the community's housing mix suggest the following targeted housing needs:

- Goal of 250 affordable units over the next ten years reflecting about 10% of the total estimated unmet housing need.
- Rental development goal of 85% of all new units created in line with the current SHI level.
- About half of *rental* units produced directed to seniors or single individuals (many with special needs) through one-bedroom units, 40% for small families with two bedrooms, and 10% of units for larger families with at least three bedrooms (required by state for units that are not age-restricted or for single person occupancy.)
- About 25% of *ownership units* targeted to seniors or single individuals through one-bedroom units, 25% for small families with two bedrooms, and 50% for larger families with three plus bedrooms.
- 20% of one-bedroom units with handicapped accessibility and/or supportive services and at 10% for other units created.

Summary of Housing Challenges

While the Town has made considerable strides in expanding its supply of affordable housing, it has and will continue to confront challenges in producing such housing given a number of formidable development constraints including:

- About 35% of the Town's land area involves water and wetlands that are vulnerable to a range of threats that can compromise water quality and important habitats. The Town's current water supply is also approaching capacity that will require further planning and resources to resolve.
- A significant part of the southern area of town is not connected to Town sewer services and thus relies largely on private septic systems which can cause environmental complications.
- While Hingham is well connected to highway and public transit, traffic congestion has been a recurring community concern in association with new development.
- The school-age population has been growing which has raised concerns about school capacity issues tied to new development. Hingham Public School projections from the New England School Development Council estimate relatively flat enrollments through 2027-2028 however.
- While the Town has made changes to its Zoning By-law to better promote greater diversity in the housing stock, including affordable housing, more flexibility will be required to adequately address the need for more housing choices to address the community's wide-ranging housing needs.
- As with additional zoning changes, more resources will be required to support new development and redevelopment activities and leverage additional public and private sources of financing.
- With such high and rising housing costs, increasing numbers of residents will find it more challenging to remain in the community.
- As was often raised at the May 15, 2019 Community Housing Forum, community perceptions of affordable housing can be problematic and require further outreach and education.

Summary of Housing Strategies

The strategies included in this Housing Plan are based on input from a wide variety of sources including interviews with local and regional stakeholders, prior planning efforts, housing needs and targeted housing goals, the community housing forums held on May 15, 2019 and December 4, 2019, the outcomes of local housing initiatives, and the experience of other comparable localities in the area and throughout the Commonwealth. Table 1-1 includes a summary of these actions that are categorized by those that will help build the Town's capacity to continue to promote greater housing choice and affordability, zoning-related actions, approaches to producing new housing that address the range of local housing needs, and a program to provide emergency repair assistance to qualifying homeowners. While the Town has made much progress in creating new housing opportunities, evidenced by a state designation as a Housing Choice community that brings with it a array of new resources, this Housing Plan has documented the considerable remaining need in the community. This package of strategies is meant to address these needs based on measures that will achieve important results within the context of local resources and preferences to the great extent possible.

It is important to note that the strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels. Nevertheless, this Housing Plan provides an approximate timeframe for implementation with short-term strategies requiring some immediate attention and implementation over the next year or two, middle-term strategies involving some focus within the next five years, and longer-term strategies considered within the next ten years.

Table 1-1 Summary of Housing Strategies	Priority for Implementation			Responsible Parties**
	Short Term	Middle Term	Longer Term	
Capacity Building Strategies				
1. Make community education a priority	X			AHT
2. Secure sustainable funding sources for the Affordable Housing Trust Fund	X			BOS/CPC
3. Ensure adequate staff support			X	BOS/AHT
Zoning Strategies				
1. Better promote and advocate for expanded ADUs	X			PB
2. Amend Flexible Residential Development By-Law	X			PB
3. Explore inclusionary zoning	X			PB
4. Pursue measures to resolve some problematic teardown activity	X			PB
5. Adopt zoning for additional mixed-use Development		X		PB
Housing Development Strategies				
1. Partner with private developers on private Property	X			AHT/ZBA/PB
2. Make suitable public property available for affordable housing	X			BOS/AHT
Housing Preservation and Assistance				
1. Introduce a Small Repair Grant Program		X		AHT

****Abbreviations**

Affordable Housing Trust = AHT

Board of Selectmen = BOS

Planning Board = PB

Zoning Board of Appeals = ZBA

2. HOUSING NEEDS ASSESSMENT

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

Demographic and Economic Characteristics and Trends

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

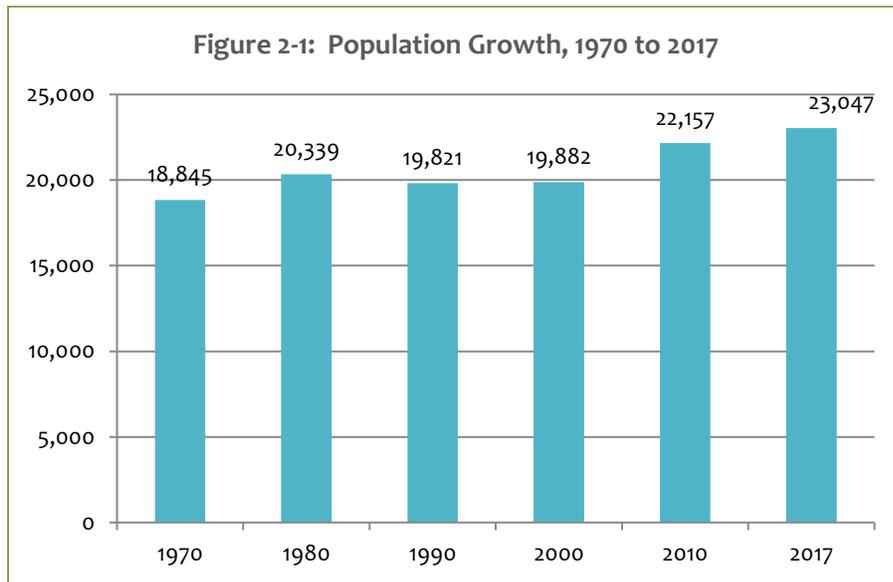
Continuing population growth

Following World War II, the Town of Hingham experienced a substantial building boom, changing from a relatively rural community to a more suburban town and growing from 10,665 residents in 1950 to 18,845 by 1970 as shown in Table 2-1. From 1970 to 1980, the population continued to grow to 20,339 residents but then declined by 2.5% in the next decade and remained at less than 20,000 residents through 2000. Between 2000 and 2010, the U.S. Census Bureau records a significant 11.4% population growth rate to 22,157 residents while the 2017 census estimates indicate an additional increase of another 890 residents to a population total of 23,047 as visually presented in Figure 2-1.

The Town census figure was 23,426 as of March 15, 2019. The disparity between the federal and local figures is largely because federal census counts students as living at their colleges and universities while the Town counts students as living at the home of their parents. Some of those counted are also inactive voters that might have moved but cannot be eliminated from the census for two biennial state elections if they do not return a confirmation notice.

Year	Total Population	Change in Number	Percentage Change
1930	6,657	--	--
1940	8,003	1,346	20.2%
1950	10,665	2,662	33.3%
1960	15,378	4,713	44.2%
1970	18,845	3,467	22.5%
1980	20,339	1,494	7.9%
1990	19,821	-518	-2.5%
2000	19,882	61	0.3%
2010	22,157	2,275	11.4%
2017	23,047	890	4.0%
Town Records As of 3-15-19	23,426	379	1.6%

Source: U.S. Census Bureau, Census Summary File 1 and University of Massachusetts Donahue Institute State Data Center for decennial counts. The 2017 estimate is from the U.S. Census Bureau's American Community Survey, 5-Year Estimates, 2013-2017, and the Town census figure from the Hingham Town Clerk's Office.



Population projections from the Metropolitan Area Planning Council (MAPC) estimate that the population will reach 22,964 residents by 2020 under their “Status Quo” scenario which bases estimates on the continuation of rates of births, deaths, migration and housing occupancy. This figure is less than the 2017 census estimate of 23,047 residents, however MAPC projections further indicate continued growth to 23,719 residents by 2030, 7% more than the 2010 census figure and only 672 residents above the 2017 census figure.

MAPC’s “Stronger Region” scenario projects lower population growth to 22,762 residents by 2020, and less growth to 23,242 residents by 2030. These “Stronger Region” projections are based on the following assumptions:

- The region will attract and retain more people, especially young adults, than it does today;
- Younger households (born after 1980) will be more inclined toward urban living than their older counterparts and less likely to choose to live in single-family homes; and
- An increasing share of older adults will choose to downsize from single-family homes to apartments or condominiums.

While the “Stronger Region” projections typically forecast higher growth levels in most communities, this is not the case with Hingham, and given new housing growth the “Status Quo” projections are likely more reliable.

The State Data Center at the University of Massachusetts’ Donahue Institute predicts even higher population growth in 2020 and 2030 of 23,482 and 24,509 residents, respectively, both above the 2017 census estimate.

High population of children and increasing numbers of older residents⁸

Census data regarding the changes in the age distribution from 2000 to 2017 is provided in Table 2-2 and visually presented in Figure 2-2. The data identifies the following demographic shifts:

- Children – Relatively high proportion of children at more than 27% of all residents*
 The data demonstrates an increase in children under age 18, from 5,515 residents in 2000 to 6,032 by 2010, representing a growth rate of 9.4%. This is less than the total population growth rate of 11.4% however. The 2017 census estimates suggest some modest declines in this age group to 26% but still **much higher than county and state levels of 22.2% and 20.4%, respectively**. Certainly, the Public Schools and Greenbush commuter line make Hingham very attractive to young householders.
- College-age residents – Some modest increases*
 Those young residents in the 18 to 24-age range increased somewhat between 2000 and 2017 from 4.3% to 4.6% of all residents after a decline from 4.1% in 2010.
- Young adults – Decreasing population between 2000 and 2010 with some very small growth according to 2017 census estimates*
 Young adults in the family formation stage of their lives, the 25 to 34-age range, decreased by 27% between 2000 and 2010, during a time when the population increased by 11.4%. The 2017 census estimates show an increase from 5.9% of all residents in 2010 to 8.0% with a net increase of 65 residents in this age range since 2000. These Millennials are likely either experiencing problems in affording to live in Hingham or are opting for a more urban lifestyle in other areas.

Table 2-2: Change in Age Distribution, 2000 to 2017						
Age Range	2000		2010		2017	
	#	%	#	%	#	%
Under 5 Years	1,487	7.5	1,408	6.4	1,270	5.5
5 – 17 Years	4,028	20.3	4,642	20.9	4,728	20.5
18 – 24 Years	854	4.3	916	4.1	1,053	4.6
25 – 34 Years	1,785	9.0	1,306	5.9	1,850	8.0
35 – 44 Years	3,453	17.4	3,011	13.6	2,369	10.3
45 – 54 Years	3,232	16.3	3,631	16.4	3,867	16.8
55 – 64 Years	2,240	11.3	2,899	13.1	2,951	12.8
65 – 74 Years	1,418	7.1	1,882	8.5	2,138	9.3
75 – 84 Years	991	5.0	1,571	7.1	1,720	7.5
85+ Years	394	2.0	891	4.0	1,101	4.8
Total	19,882	100.0	22,157	100.0	23,047	100.0
Under 18	5,515	27.7	6,032	27.2	5,998	26.0
Age 65+	2,803	14.1	4,344	19.6	4,959	21.5
Median Age	40.4 Years		44.4 Years		45.6 Years	
Source: U.S. Census Bureau Summary File 1 for 2000 and 2010 and American Community Survey 5-Year Estimates 2013-2017.						

⁸ While this Housing Plan typically uses the definition of seniors as those 65 years of age or older, as does the federal government in many instances, it should be noted that various entities define seniors differently. For example, Hingham’s Department of Elder Services uses 60 years of age as older as also applied in state-supported public housing.

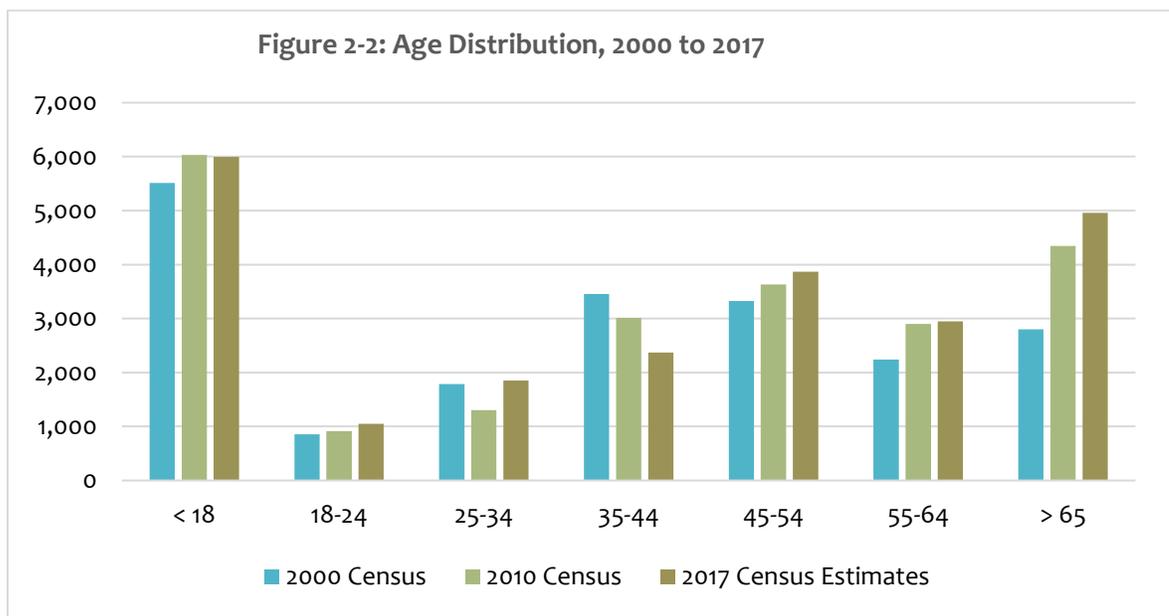
- Younger middle-age residents – Substantial declines*

Residents in the 35 to 44 age range decreased by almost 13% between 2000 and 2010 and declined still further by 21% from 2010 to 2017 according to census estimates, from 17.4% of the population in 2000 to 10.3% by 2017. Many in this age range, who are looking to put down roots as homebuyers, are probably finding Hingham’s housing costs beyond their means.
- Middle-age residents – Some notable increases*

Residents in the age 45 to 54 range grew from 16.3% of the population in 2000 to almost 16.8% by 2017, with a net gain of 399 residents between 2000 and 2010 and another 236 between 2010 and 2017. Growth between 2000 and 2017 was about 20% compared to total population growth of 15.9%.
- Older middle-age residents – Steady increases followed by a recent estimated decline*

The population of those in the 55 to 64 age range increased between 2000 and 2010, from 11.3% of all residents to 13.1%. The 2017 census estimates show a small decrease however, to 12.8% of the population but still with a net increase of 711 residents since 2000 and a high growth rate of 31.7%.
- Older adults – Substantial increases and highest growth rate*

The number of those 65 years of age and older grew by 77% between 2000 and 2017 while the population as a whole increased by 15.9%. This older population increased from 14.1% of all residents to 21.5% during this period, higher than county and state levels of 16.7% and 15.5%, respectively, for 2017. **Moreover, those 85 years of age or older increased by 179% during this period, from 2% to almost 5% of all residents.** It should also be noted that beside those longer-term residents who are “aging in place”, new residents have been drawn to Hingham by the Continuing Care Retirement Community of Linden Ponds with almost 1,000 units for seniors which would accommodate more than one-fifth of all residents 65 years and older.



The aging of the population is also reflected in the change of median age, from 40.4 years in 2000, to 44.4 years in 2010, and 45.6 years in 2017.

Continued projected growth with declines in children and younger residents and major gains in older ones

This Housing Plan presents three sets of projections, two from the Metropolitan Area Planning Council (MAPC), Hingham’s regional planning agency, and the other from the State Data Center at the University of Massachusetts Donahue Institute. The MAPC projections forecast continued but relatively low population growth with significant declines in children and increases in older residents. Both MAPC projections suggest that the 2020 population totals will be less than the 2017 census estimate with the “Status Quo” scenario forecasting higher growth by 2030 than the “Stronger Region” figures, at 7% and 5% between 2010 and 2030, respectively, or to 23,719 and 23,2452 total residents. It is likely that either the 2017 census estimate of 23,047 residents is too high or the MAPC projections underestimate future growth.

The State Data Center estimates higher levels of growth, at 10.6%, to a population of 24,509 residents by 2030 and an even greater increase in older residents age 65 and older to comprise more than one-third of Hingham’s population by 2030 from 21.5% in 2010.

MAPC “Status Quo” Projections

Table 2-3 offers population projections by age category for 2020 and 2030, comparing these figures to 2010 census figures. Prepared by the Metropolitan Area Planning Council (MAPC) these projections assume a continuation of rates of births, deaths, migration and housing occupancy and estimate a population growth rate of 7% between 2010 and 2030 and with a gain of 1,562 residents to a population of 23,719.

These projections also indicate some significant age distribution changes. For example, those under age 20 are predicted to decrease from 26% to about 23% of the total population between 2010 and 2030, representing a 9.6% population loss of about 576 residents. The projections further suggest little change in the 20 to 24 age range and a net increase of 215 residents in the 25 to 34 age category by 2030, or by 16.5%, not insignificant. Those in the 35 to 44 range are projected to decrease by 5%, from 3,011 to 2,856 residents between 2010 and 2030, while those in the 45 to 54 age range are projected to decrease still more, by 17.5%. Alternatively, the population of older middle-aged residents in the 55 to 64 range is expected to increase only modestly, from 13.1% to 12.7% of the population, with a gain of 120 residents following some increase to almost 15% in 2020.

These projected population changes suggest the need for housing alternatives to accommodate the increasing population of seniors, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands. Additionally to maintain a diverse population, more affordable starter housing opportunities to attract young adults, including young families, should be promoted both as rentals and first-time homeownership.

Those over age 65 are estimated to increase from 21.5% of all residents in 2010 to 30.9% by 2030, representing a gain of 2,379 residents in this age category and a growth rate of 48%.

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	1,408	6.4	1,165	5.1	1,159	4.9
5 – 19 Years	4,971	22.4	4,715	20.5	4,263	18.0
20 – 24 Years	587	2.6	607	2.6	567	2.4
25 – 34 Years	1,306	5.9	1,376	6.0	1,521	6.4
35 – 44 Years	3,011	13.6	2,697	11.7	2,856	12.0
45 – 54 Years	3,631	16.4	3,248	14.1	2,996	12.6
55 – 64 Years	2,899	13.1	3,367	14.7	3,019	12.7
65 – 74 Years	1,882	8.5	2,621	11.4	3,076	13.0
75 – 84 Years	1,571	7.1	1,768	7.7	2,367	10.0
85+ Years	891	4.0	1,397	6.1	1,895	8.0
Total	22,157	100.0	22,964	100.0	23,719	100.0
Under 20	5,998	26.0	5,880	25.6	5,422	22.9
Age 65+	4,959	21.5	5,786	25.2	7,338	30.9

Source: Metropolitan Area Planning Council (MAPC), January 2014



These projected demographic shifts are further presented in Figure 2-3, comparing projections for Hingham to other developing suburbs in the state,⁹ the South Shore Coalition subregion,¹⁰ and Metro Boston from 2010 to 2030. Estimates suggest that Hingham will experience relatively comparable growth patterns with respect to very modest total population increases and losses in those under 15 and substantial gains in those over age 65. The senior population in Hingham is expected to grow to a lesser extent however, at 48%, compared to much higher levels for the other area designations.

⁹ MAPC’s definition of a developing suburb includes maturing New England towns and country suburbs as follows:

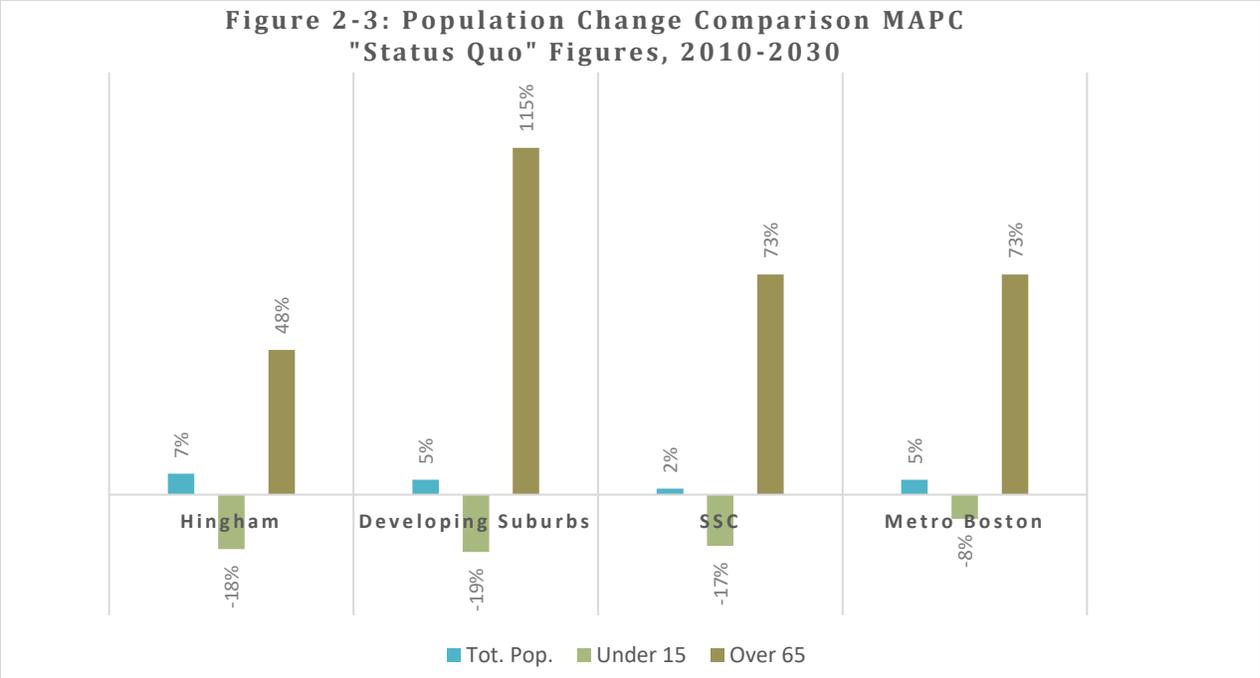
Maturing New England Towns

Well-defined town center, mixed densities, room to grow •Mixed-use town center surrounded by compact neighborhoods (¼ - ½ acre lots); low-density outlying areas •Large amounts of vacant developable land (>25% of total town area is vacant & developable) •New growth: conventional subdivision development on vacant land •Population and households growing rapidly; adding residential land rapidly

Country Suburbs

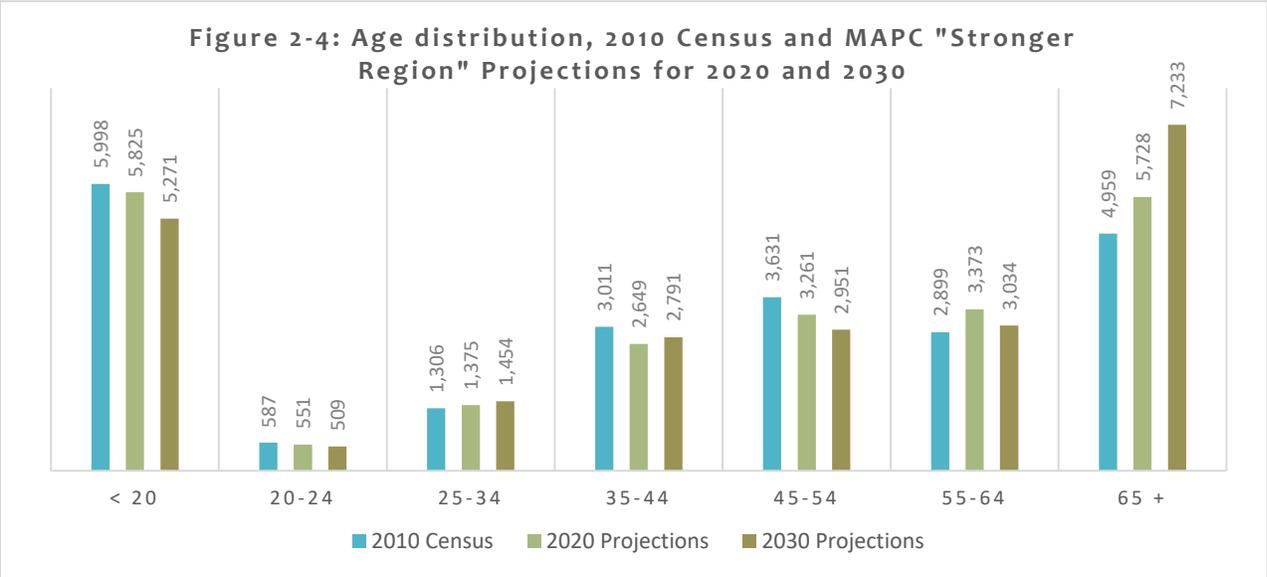
Very low density, room to grow, country character •Low density communities with no significant town center and no compact neighborhoods •Large amounts of vacant developable land (>35% of total town area is vacant & developable) •New growth: conventional low-density subdivision development on vacant land •Generally growing rapidly(population and households).

¹⁰ In addition to Hingham, MAPC’s South Shore Coalition subregion includes the communities of Braintree, Cohasset, Duxbury, Hanover, Holbrook, Hull, Marshfield, Norwell, Pembroke, Rockland, Scituate and Weymouth.



MAPC "Stronger Region" Projections

MAPC also provides "Stronger Region" projections based on the assumptions listed under population growth above. These are presented in Figure 2-4 and suggest an increase in total population to 23,242 residents by 2030, not much higher than the 2017 census estimate of 23,047 residents and lower than the "Status Quo" projection of 23,719. This scenario represents a growth rate of 4.9% between 2010 and 2030, lower than the 7% rate under the "Status Quo" projections.



The "Stronger Region" figures estimate that those under age 20 will decrease from 5,998, or 26% of the population in 2010, to 5,271 or 22.7% of all residents by 2030. On the other end of the age range, those 65 years of age or older are estimated to grow from 4,959 residents in 2010 to 7,233 by 2030 to comprise 31%

of all residents with a growth rate of 46%. Other more modest demographic shifts include some increases in 25 to 34 year olds and declines in the middle aged 35 to 44 and 45 to 54 age ranges.

State Data Center Projections

The State Data Center at the University of Massachusetts Donahue Institute also prepares population projections, as summarized in Table 2-4.

Table 2-4: Age Distribution, 2010 Census and State Data Center Projections, 2020 and 2030						
Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	1,408	6.4	1,102	4.7	1,274	5.2
5 – 19 Years	4,971	22.4	4,772	20.3	4,213	17.2
20 – 24 Years	587	2.6	680	2.9	750	3.1
25 – 34 Years	1,306	5.9	1,492	6.4	1,769	7.2
35 – 44 Years	3,011	13.6	2,447	10.4	2,713	11.1
45 – 54 Years	3,631	16.4	3,252	13.8	2,710	11.1
55 – 64 Years	2,899	13.1	3,197	13.6	2,853	11.6
65 – 74 Years	1,882	8.5	2,578	11.0	2,793	11.4
75 – 84 Years	1,571	7.1	2,141	9.1	2,908	11.9
85+ Years	891	4.0	1,821	7.8	2,526	10.3
Total	22,157	100.0	23,482	100.0	24,509	100.0
Under 20	5,998	26.0	5,874	25.0	5,487	22.4
Age 65+	4,959	21.5	6,540	27.9	8,227	33.6

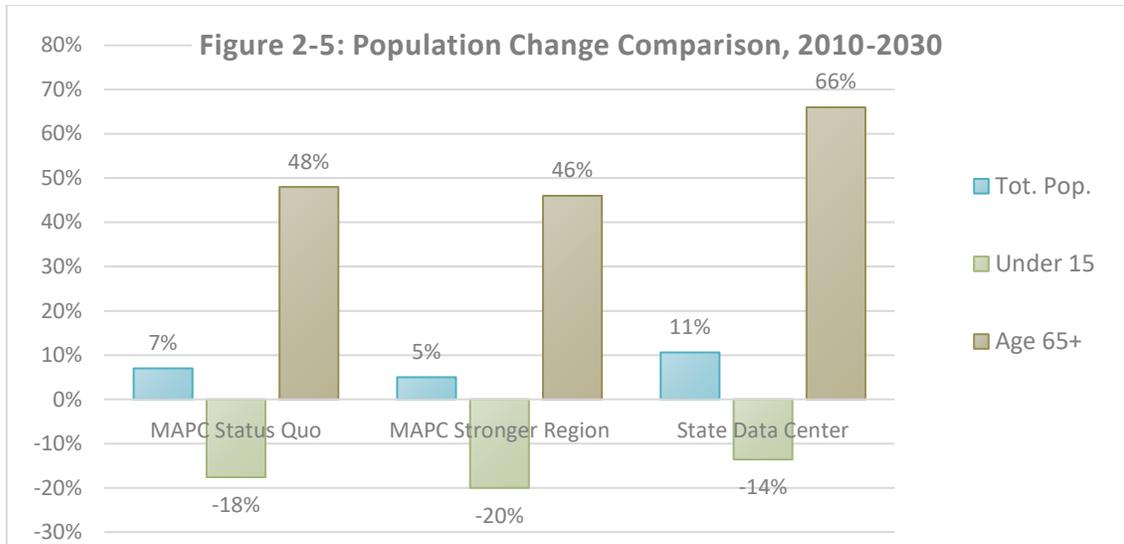
Source: University of Massachusetts, Donahue Institute, State Data Center.

These estimates indicate an increase in population between 2010 and 2020 to 23,482 residents and continuing growth to 24,509 residents by 2030. Like the MAPC estimates, the State Data Center indicates that those under age 20 will comprise almost 23% of all residents, down from 26% in 2010. On the other end of the age range, the State Data Center projects even higher increases of those 65 year of age or older to 8,227 residents or almost 34% of the population. The age cohorts in between demonstrate some similar fluctuations with increases in 25 to 34 year olds and declines in middle-age residents.

Table 2-5 and Figure 2-5 compare the two MAPC projections and the State Data Center figures. While the State Data Center predicts greater total population growth, including increases in the population of seniors, there are similarities in the proportionate shifts in the younger age groups among all three projections.

Table 2-5: Comparison of Population Projections, 2030						
Age Range	MAPC "Status Quo"		MAPC "Stronger Region"		State Data Center	
	#	%	#	%	#	%
< Age 15	4,151	17.5	4,029	17.3	4,352	18.3
< Age 20	5,422	22.9	5,271	22.7	5,487	22.4
Age 65+	7,338	30.9	7,233	31.1	8,227	33.6
Total Pop	23,719	100.0	23,242	100.0	24,509	100.0

Sources: MAPC and the State Data Center at the UMass Donahue Institute



Little racial diversity

As Table 2-6 indicates, Hingham is not racially diverse but the number of minority residents has slowly been growing. In 2000, Hingham’s racial composition remained substantially White, at 97.5%, decreasing only modestly to 96.2% in 2010. The 2017 census estimates indicate a very modest increase to 96.4%. Of the 826 minority residents in 2017, about half claimed Asian descent with only 77 Black or African-American residents. Another 320 reported they were of two or more races. The 2017 census estimates also counted 332 residents who claimed Hispanic or Latino heritage.

Growing numbers of smaller households including those living alone

Hingham had a total of 8,465 households in 2010, up from 7,189 in 2000, reflecting a growth rate of 17.7%. This growth was higher than total population growth of 11.4% during this period and suggests increasing numbers of smaller households. The 2017 census estimates identify an increase to 8,712 households or growth of 2.9% since 2010 which was less than the 4% overall population growth and indicates some reversal from the trend of the previous decade. This reversal is also reflected in the change in average household size, declining considerably between 2000 and 2010, from 2.72 to 2.59 persons, but inching up somewhat to 2.61 persons in the 2017 census estimates.

The MAPC projections suggest further increases in smaller households as the “Status Quo” scenario estimates a 7% population increase between 2010 and 2030 with a 19% increase in households while the “Stronger Region” scenario indicates a 5% population increase accompanied by a 17% increase in households.

MAPC forecasts continued growth in the number of households to 9,316 by 2020 and 10,063 by 2030 according to their “Status Quo” scenario and to a lesser degree to 9,259 and 9,907 in 2020 and 2030, respectively, based on the “Stronger Region” scenario.

Family households have decreased as a percentage of all households from 76.2% in 2000, down to 70.6% by 2010, and then up slightly to 71.5% by 2017. About 89% of the family households included married couples with children. Additionally, almost 35% of all households included children under 18 years of age in 2017, up somewhat from 33% and 30% in 2000 and 2010, respectively.

Non-family households¹¹ increased from 23.8% of all households in 2000, to 29.4% by 2010, and then down somewhat to 28.5% by 2017. The general decreases in household size and increases in non-family households reflect both regional and national trends towards smaller and more non-traditional households as well as the aging of the Baby Boom generation. Of particular note were the single individuals who were living alone that included 2,253 or 26.6% of all households in 2010, 63% who were 65 years of age or older. The 2017 estimates suggest little change in the number of households living alone but an increase in these households age 65 or older to 1,551 households or 17.8% of all households. One would expect that with the projected increases in older residents, many more residents will be living alone in the future, further decreasing average household size.

Table 2-6: Racial and Household Characteristics, 2000 to 2017						
Characteristic	2000		2010		2017	
	#	%	#	%	#	%
Minority Residents*	496	2.5	832	3.8	826	3.6
Total # Households	7,189	100.0	8,465	100.0	8,712	100.0
Family Households**	5,479	76.2	5,980	70.6	6,233	71.5
Non-family Households**	1,710	23.8	2,485	29.4	2,479	28.5
Age 65 + Living Alone	724	10.1	1,420	16.8	1,551	17.8
Average Household Size	2.72 Persons		2.59 Persons		2.61 Persons	
Source: U.S. Census Bureau Summary File 1 for 2000 and 2010 and American Community Survey 5-Year Estimates 2013-2017.						

Table 2-7 examines the types of households by household size for 2000, 2010 and 2017, all from census sample data, with the following findings that demonstrate the continuing growth of smaller households:

- Single-person households comprised 21.1% of all households and 88.6% of the non-family households in 2000, increasing to 26.1% of all households and 89.2% of non-family households by 2010, and 26.2% in 2017, representing 92.1% of all non-family households. This level of single-person households is higher than the county level of 24.0% but lower than the state at 28.5%.
- Almost half of Hingham households involved only two or three members, ranging from 49.1% of all households in 2000, down to 45.2% in 2010, and then up a bit to 46.5% according to 2017 census estimates.
- Four-person households declined only marginally from 18.3% of all households in 2000 to 17.7% in 2017.
- There were decreases in large families of five or more persons which represented only 9.6% of all households in 2017, down from 11.5% in 2010 and 12% in 2000.
- A total of 345 or 11.4% of the households with children under age 18 were headed by one parent (94.5% of these involved single mothers) based on 2017 census estimates.

This data further suggests a need for smaller units to accommodate a growing population of single-person households and smaller families through new construction or the conversion of larger buildings, including non-residential properties, to multiple units.

¹¹ Non-family households are defined by the census as those that include single or unrelated individuals.

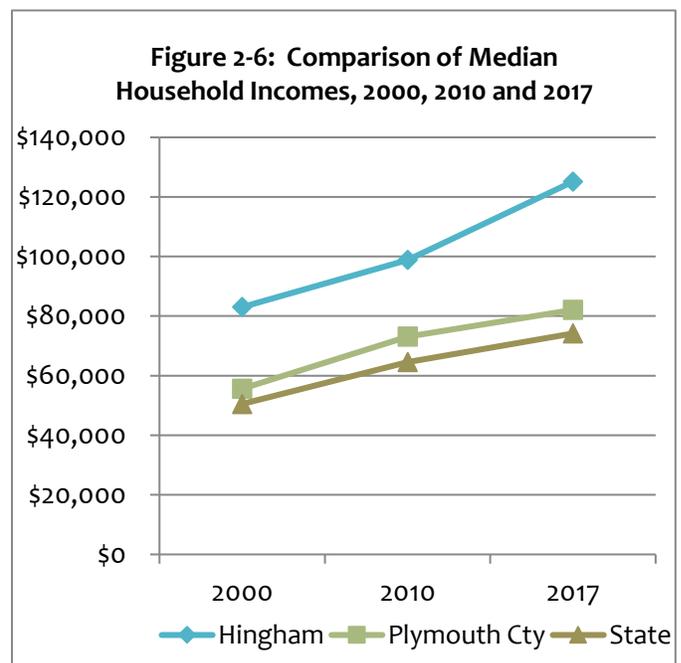
Table 2-7: Types of Households by Size, 2000-2017						
Households by Type and Size	2000		2010		2017	
	#	%	#	%	#	%
Nonfamily households	1,704	23.8	2,338	29.2	2,479	28.5
1-person household	1,510	21.1	2,085	26.1	2,284	26.2
2-person household	190	2.7	230	2.9	189	2.2
3-person household	0	0.0	13	0.2	0	0.0
4-person household	4	0.1	0	0.0	0	0.0
5-person household	0	0.0	10	0.1	0	0.0
6-person household	0	0.0	0	0.0	0	0.0
7 or more person household	0	0.0	0	0.0	0	0.0
Family households	5,493	76.6	5,659	70.8	6,233	71.5
2-person household	2,127	29.7	2,099	26.2	2,581	29.6
3-person household	1,202	16.8	1,271	15.9	1,279	14.7
4-person household	1,307	18.2	1,380	17.3	1,539	17.7
5-person household	635	8.9	649	8.1	666	7.6
6-person household	123	1.7	230	2.9	105	1.2
7 or more person household	99	1.4	30	0.4	63	0.7
Total	7,167	100.0	7,997	100.0	8,712	100.0

Source: U.S. Census Bureau, 2000 Census Summary File 3 and 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates

High relative incomes but growing income disparities

As Table 2-8 indicates, the median household income was high, at \$125,144, based on 2017 census estimates, up from \$98,890 in 2010, and \$83,018 in 2000. The 50.7% change in median income from 2000 to 2017 was significantly higher than the rate of inflation during this period of 42.3% however. Income levels were also considerably higher than both the county and the state where the 2017 median household incomes were \$82,081 and \$74,167, respectively, as shown in Figure 2-6.

While there are typically decreases in the numbers of households in the lower income ranges over time, this is not the case for Hingham where the numbers and percentages of households in the income ranges below \$35,000 remained relatively stable. In fact, **those earning at or below \$15,000 increased between 2000 and 2017 from 5.7% to 7.0% of all households and from 412 to 611 households.**

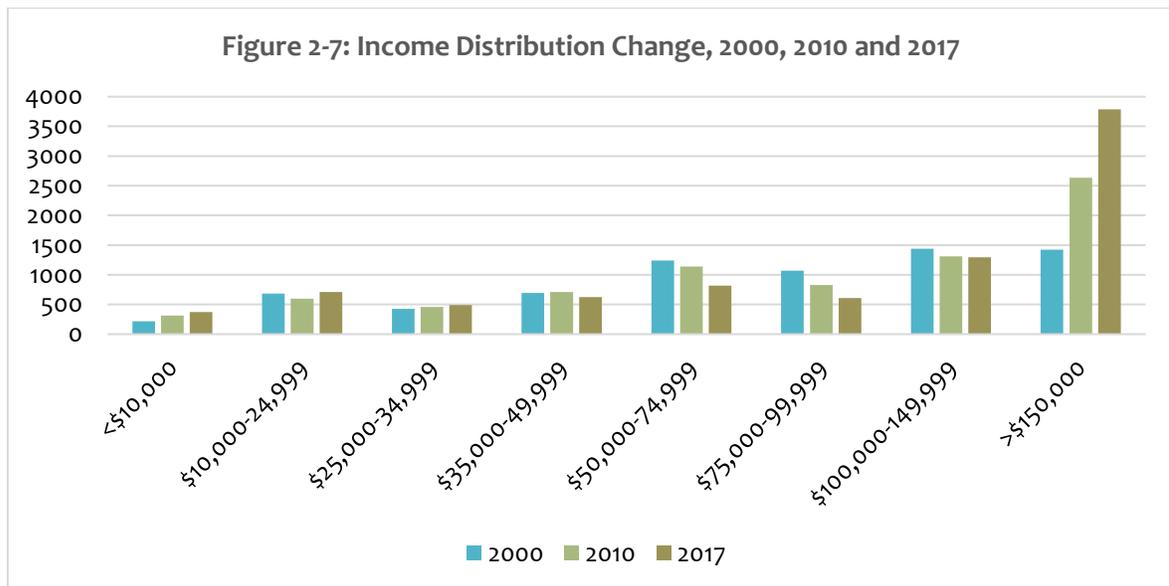


There were, on the other hand, declines in the more middle-income to even the upper middle-income ranges with losses in the numbers and percentages of households earning between \$35,000 and as high as \$150,000. **Major gains occurred in those earning more than \$150,000, particularly those earning above \$200,000 which increased from 882 to 2,681 households between 2000 and 2017 or from 12.3% to 30.8% of all households, due largely to an influx of new residents.** The distribution of incomes over the past several decades is visually presented in Figure 2-7 as well, clearly showing the dramatic shift in those earning more than \$150,000.

Income Range	2000		2010		2017	
	#	%	#	%	#	%
Less than \$10,000	217	3.0	315	3.9	372	4.3
\$10,000 to \$14,999	195	2.7	159	2.0	239	2.7
\$15,000 to \$24,999	491	6.8	439	5.5	473	5.4
\$25,000 to \$34,999	426	5.9	459	5.7	493	5.7
\$35,000 to \$49,999	692	9.6	713	8.9	623	7.2
\$50,000 to \$74,999	1,242	17.3	1,138	14.2	820	9.4
\$75,000 to \$99,999	1,068	14.8	831	10.4	611	7.0
\$100,000 to \$149,999	1,442	20.0	1,310	16.4	1,293	14.8
\$150,000 to \$199,999	542	7.5	1,051	13.1	1,107	12.7
\$200,000 or more	882	12.3	1,582	19.8	2,681	30.8
Total	7,197	100.0	7,997	100.0	8,712	100.0
Median Hh Income	\$83,018		\$98,890		\$125,144	

Source: 2000 U.S. Census, Table DP-3, Profile of Selected Economic Characteristics, and estimates from the Census Bureau’s American Community Survey for 2006-2010 and 2013-2017. This data is based on census sample data and totals differ somewhat from final counts.

The income distribution for those households that included children – families – is somewhat higher with a median family income in 2017 of \$163,966 and 1,679 families or 58% earning more than \$150,000. The median family income level for the county and state were once again significantly lower at \$100,207 and \$94,110, respectively.



Between 2010 and 2017, the census estimates indicate that the median income of owners increased by 69% to \$152,674 while that of renters decreased, albeit modestly, by 3% to \$48,284, demonstrating significant income disparities.

Extrapolating from the 2017 census estimates, those earning at or below 80% of area median income (AMI), or \$70,350 at the time for a three-person household, would have included approximately 2,868 households or about one-third of all households.

Table 2-9 provides median income levels for various types of households in 2017. Not surprisingly, incomes were highest for men, families, and homeowners. One surprise was that the median income of those in the 25 to 44 age range was higher than those of older workers age 45 to 64 and typically in the prime of their careers. It suggests that these somewhat younger households are likely newer residents who can afford Hingham’s high housing costs. Moreover, the median income of seniors

65 years of age or older was \$60,327, less than half of the median household income and one-third of households with heads in the 25 to 44 age range.

The Town’s per capita income was \$69,709, considerably higher again than the county and state levels of \$39,247 and \$39,913, respectively. The median income of families was substantially higher than non-families, \$163,966 versus \$39,415, a finding highly correlated with the greater prevalence of two worker households in families and seniors living on fixed incomes.

The 2017 census estimates also reported that 3,107 or 35.7% of households were obtaining Social Security benefits with an average annual benefit of \$21,417. These census figures also identify 2,056 households as receiving some other retirement income, representing an average of \$35,046 in income. There were only 127 recipients of public assistance, averaging only \$7,917 in annual payments, and 227 households were receiving Food Stamps/SNAP benefits.

Type of Household/Householder	Median Income
Individual/Per capita	\$69,709
Households	\$125,144
Families	\$163,966
Non-families*	\$39,415
Male full-time workers	\$125,385
Female full-time workers	\$83,043
Renters	\$48,284
Homeowners	\$152,674
Householder less than age 25	**
Householder age 25 to 44	\$183,382
Householder age 45 to 64	\$163, 476
Householder age 65 or more	\$60, 327

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2013-2017.
 *Includes persons living alone and unrelated households members. **Sample size too small.

Table 2-10 provides 2010 and 2017 census data that compares the income distribution of homeowners and renters. In addition to there being significantly fewer renters, at about 20% of all households, the median income for renters is less than one-third that of owners. Nevertheless, there were still owners with very limited incomes including 642 or 9.2% earning less than \$25,000, up from 479 or 7.5% in 2010. Once again, one would expect that the number of households in the lower income ranges would decrease over time, but this is not the case. Most likely the growth in lower income households reflects the aging of many residents,

including long-term owners on fixed incomes without mortgage payments. Some of these owners were also likely hard-pressed to pay increasing housing costs related to taxes, insurance and utilities. In comparison, 442 or 25.7% of renter households had incomes below this \$25,000 level, up slightly from 434 or 25.2% in 2010. There were also 303 or 17.6% of renter households with incomes above \$100,000, down somewhat from 347 or 21.2% in 2010. Most of these households were likely renting single-family homes, renting on a short-term basis while their homes were being built or renovated, or occupying some of the more recently-built, high-end market rentals.

Income Range	Owners				Renters			
	2010		2017		2010		2017	
	#	%	#	%	#	%	#	%
Less than \$10,000	128	2.0	218	3.1	187	11.4	154	8.9
\$10,000 to \$14,999	83	1.3	113	1.6	76	4.6	126	7.3
\$15,000 to \$24,999	268	4.2	311	4.4	171	10.4	162	9.4
\$25,000 to \$34,999	322	5.1	307	4.4	137	8.4	186	10.8
\$35,000 to \$49,999	503	7.9	349	5.0	210	12.8	274	15.9
\$50,000 to \$74,999	756	11.9	449	6.4	382	23.3	371	21.5
\$75,000 to \$99,999	701	11.0	464	6.6	130	7.9	147	8.5
\$100,000 to \$149,999	1,117	17.6	1,175	16.8	193	11.8	118	6.8
\$150,000 or more	2,479	39.0	3,603	51.6	154	9.4	185	10.7
Total	6,357	100.0	6,989	100.0	1,640	100.0	1,723	100.0
Median Hh Income	\$90,342		\$152,674		\$49,844		\$48,284	

Source: U.S. Census, 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates

Table 2-11 shows how age affects household income. For example, about 80% of those households in the 25 to 44 age range were earning over \$100,000 compared to 72% in the 45 to 64 range. It is somewhat surprising to see that 65.4% of those age 25 to 44 and earlier in their careers were earning more than \$150,000 compared to 56.2% in the 45 to 64 age range, which, as noted above, may point to this younger age group being relatively new to the community and able to afford Hingham’s high housing prices, also attracted to Hingham’s well regarded school system. **Only 30% of those 65 years or older had incomes above \$100,000, 16% above \$150,000, as many in this age range were retired and living on fixed incomes.** On the other end of the income range, those earning less than \$35,000 involved 6.6% of households in the 25 to 44 age range, 15.2% of those 45 to 64 years old, and 28% of those 65 years of age or older. The sample size was too small to obtain information on the under 25 age group.

Income Range	Under 25 Years		25 to 44 Years		45 to 64 Years		65 Years and Over	
	#	%	#	%	#	%	#	%
Under \$10,000	0	0.0	26	1.4	167	4.5	179	5.6
\$10,000-24,999	0	0.0	23	1.2	290	7.9	399	12.5
\$25,000-34,999	0	0.0	75	4.0	102	2.8	316	9.9
\$35,000-49,999	0	0.0	26	1.4	98	2.7	499	15.7
\$50,000-74,999	0	0.0	106	5.7	206	5.6	508	16.0
\$75,000-99,999	0	0.0	119	6.4	166	4.5	326	10.2
\$100,000-149,999	0	0.0	268	14.4	579	15.8	446	14.0
\$150,000 +	0	0.0	1,213	65.4	2,066	56.2	509	16.0
Total	0	0.0	1,856	100.0	3,674	100.0	3,182	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2013-2017.

Relatively low levels of poverty but increasing

Table 2-12 shows that poverty declined from 3.5% in 2000 to 3.1% by 2010 for individuals and from 2.4% to 2.1% for families.¹² There were still 687 individuals who lived in poverty in the Hingham community in 2010, about the same number as in 2000 despite increasing average income levels.

The 2017 census estimates suggest an almost doubling of those living within the poverty level, to 1,314 individuals, representing 5.7% of all residents as well as 212 or 3.4% of all families and 408 children under age 18. Poverty among seniors age 65 or older increased considerably between 2000 and 2010 and then stabilized after that to include about 300 residents. These increases in poverty are also reflected in some of the increases in lower-income earning households as presented in Table 2-8. **Nevertheless, poverty rates are still far lower than county and state levels at 8% and 11%, respectively.**

Table 2-12: Poverty Status, 2000 to 2017						
Below Poverty Level	2000		2010		2017	
	#	%	#	%	#	%
Individuals*	685	3.5	687	3.1	1,314	5.7
Families **	130	2.4	126	2.1	212	3.4
Related Children Under 18 Years***	255	4.7	133	2.2	408	6.8
Individuals 65 and Over ****	79	3.1	274	6.3	298	6.0
Source: 2000 U.S. Census, Table DP-3, Profile of Selected Economic Characteristics, and estimates from the Census Bureau’s American Community Survey for 2006-2010 and 2013-2017.						

Diverse range of local employment opportunities and relatively high wage levels

The 2017 census estimates indicate that of Hingham’s 10,979 residents in the labor force, 61% were involved in management or professional occupations and another 22.4% were employed in sales and office work with 10% working in service-related occupations. While 78.6% were private salaried or wage workers, another 14% were government employees, and 7.2% were self-employed. The mean travel time to work was about 37 minutes, suggesting that on average workers commuted a fair distance to their jobs with about 67.8% driving alone by car, 5.7% carpooling, and 18% using public transportation.

Table 2-13 presents more detailed information on employment patterns from the state Executive Office of Labor and Workforce Development. This data shows an average employment of 15,620 workers with many workers employed in retail trade, finance and insurance, education services, health care and social assistance, as well as accommodation and food services. The average weekly wage by industry varied considerably from a high of \$2,314 in utilities to only \$485 in accommodation and food services. There were 1,047 work establishments in Hingham which provided a total wage level of more than \$987 million, with an average weekly wage of \$1,104. As a point of comparison, the average weekly wage for Boston was \$1,878, \$1,240 for Quincy, and \$967 for Plymouth. **Hingham’s average weekly wage translates into an annual wage of about \$57,400, less than half of Hingham’s median household income of \$125,144, indicating that it is likely that those who work in Hingham cannot afford to live in the community, particularly given a median single-family home price of \$813,759 as of the end of 2018.**

¹² The 2018 federal poverty levels from the US Department of Health and Human Services were \$12,140 for an individual and \$20,780 for a three-person household.

Industry	Number of Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	72	\$81,792,599	908	\$1,732
Manufacturing	16	\$40,546,065	500	\$1,559
Utilities	4	\$6,267,578	52	\$2,318
Wholesale trade	72	\$47,564,186	499	\$1,833
Retail trade	131	\$82,858,868	2,314	\$689
Transportation and warehousing	12	\$8,061,553	128	\$1,211
Information	15	\$7,186,975	135	\$1,024
Finance & insurance	91	\$216,332,700	3,072	\$1,354
Real estate, rental and leasing	43	\$9,095,451	115	\$1,521
Professional and technical services	184	\$71,510,925	749	\$1,836
Management of companies/enterprises	9	\$72,657,022	671	\$2,082
Administrative and waste services	48	\$26,479,806	526	\$968
Education services	17	\$65,013,297	1,230	\$1,016
Health care and social assistance	122	\$72,472,425	1,999	\$697
Arts, entertainment and recreation	19	\$12,965,766	428	\$583
Accommodation and food services	58	\$40,933,650	1,624	\$485
Other services	113	\$12,737,745	396	\$619
TOTAL	1,047	\$987,049,201	15,620	\$1,104

Source: Massachusetts Executive Office of Labor and Workforce Development, March 17, 2019
 * Shaded industries involve average employment of more than 1,000 workers.

Significant special needs, particularly among seniors

As shown in Table 2-14, 8.2% of Hingham residents claimed a disability, representing special needs in 1,861 households. This level, while low in comparison to the statewide percentage of 11.6%, is particularly high for seniors at 24.3% of all those 65 years of age or older, nevertheless still lower than the 32.7% state level. **As the Baby Boomers continue to age, the level of special needs will likely climb.**

Age	Hingham		Massachusetts	
	#	%	#	%
Under 18 years	41	0.7	61,659	4.5
18 to 64 years	671	5.6	389,450	9.0
65 years and over	1,149	24.3	330,631	32.7
Total	1,861	8.2% of total pop	781,740	11.6% of total pop

Source: U.S. Census Bureau American Community Survey 5-Year Estimates 2013-2017

Additional information on the types of disabilities for local seniors is summarized in Table 2-15, comparing Hingham estimates to those of the state based on the Tufts Health Plan Foundation’s Healthy Aging Community Profile. Compared to the state, those 65 years and older who live in Hingham do better on all of the disability levels with the exception of having a clinical diagnosis of a hearing impairment. Local resources for promoting the health of older residents include a Town-sponsored walking club, the Department of Elder Services, the Recreation Department, and a memory café. These community resources will become increasingly important given projected increases in seniors.

Table 2-15: Types of Disabilities, Percentage 65 Years of Age and Older		
Population Characteristics	Hingham Estimates	State Estimates
Self-reported hearing difficulty	13.7%	14.2%
Clinical diagnosis of deafness Or hearing impairment	21.4%	16.1%
Self-reported vision difficulty	4.0%	5.8%
Clinical diagnosis of blindness or vision difficulty	1.4%	1.5%
Self-reported cognition difficulty	7.0%	8.3%
Self-reported ambulatory difficulty	12.7%	20.2%
Clinical diagnosis of mobility impairments	3.5%	3.9%
Self-reported self-care difficulty	5.8%	7.9%
Self-reported independent living difficulty	10.9%	14.3%
Source: Tufts Health Plan Foundation, Healthy Aging Data Report, updated in 2018.		

Very high and increasing educational attainment

In 2010, almost all adults, or 97.4% of those 25 years and older, had a high school diploma or higher, and more than half, 59.4%, had at least a Bachelor’s degree, substantially higher than the college completion level of 32.5% for Plymouth County. The 2017 census estimates identify even higher levels of attainment with increases to 98.5% and 69.7% for those having high school degrees and Bachelor’s degrees or higher, respectively. This suggests that Hingham residents are becoming increasingly competitive for good jobs as reflected in the community’s very high median household income level.

Generally growing public school enrollments

Census data indicates that of the population three years or older who were enrolled in school (nursery through graduate school) there were 5,740 residents or 26% of the town’s population in 2010, increasing by 29 children to 5,972 students by 2017, still representing 26% of the population. Those enrolled in kindergarten through high school increased to 4,590 students in 2017, up from 4,157 in 2010.

Hingham Public Schools experienced increasing enrollments between the 2000-2001 and 2015-2016 school years, rising from 3,401 students to 4,327. Since then enrollments decreased modestly to 4,202 students in 2018-2019. Hingham Public School projections from the New England School Development Council forecast relatively flat total enrollments through 2027-2028, rising only to 4,277 students. See Section 3 of this Plan for more details regarding schools.

Housing Characteristics and Trends

This section of the Housing Needs Assessment analyzes the following for both homeownership and rental units:

- Housing characteristics and trends,
- Housing market conditions from a number of different data sources and perspectives,
- What housing is available to what residents can afford,
- What units are defined as affordable by the state, and
- Priority housing needs.

Housing Growth – Significant recent housing growth

Housing growth outpaced total population growth significantly between 2000 and 2010 as the population increased by 11.4% while the number of housing units grew by 21.5%, from 7,366 to 8,953 units based on actual decennial census figures (see Table 2-18). This growth was largely reflective of a growing number of smaller households with 57% occurring in the rental housing stock based on the development of Avalon Residences at the Hingham Shipyard and Linden Ponds for example.

The 2017 census estimates suggest continued housing growth to 9,152 units with 199 units added since 2010 at a 2.2% growth rate. This growth is slightly below the estimated population growth rate of 4.0% during this period. Almost all of this new development was part of the owner-occupied housing stock. This unit count is close to the 179 single-family units that were produced according to building permit activity between 2000 and 2017, but ignores the significant amount of multi-family development (see Table 2-17).

Table 2-16 and Figure 2-8 chart historic housing growth, identifying that about 42% of Hingham’s housing units were built prior to 1960 with another 22% built between 1960 and 1980. Development slowed down considerably between 1980 and 2000 and then picked-up significantly between 2000 and 2009 with 1,578 new units created, representing 17.2% of the housing stock according to this census data.

Time Period	#	%
2010 to 2017	465	5.1
2000 to 2009	1,578	17.2
1990 to 1999	574	6.3
1980 to 1989	678	7.4
1970 to 1979	1,014	11.1
1960 to 1969	1,017	11.1
1950 to 1959	1,137	12.4
1940 to 1949	636	6.9
1939 or earlier	2,053	22.4
Total	9,152	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017.

The 2017 census estimates also show a downturn in new housing production to 465 units built between 2010 and 2017, however, building permit information indicates that 605 units were built during this period instead with growth of 6.8% as summarized in Table 2-17. This is also much higher than the 199 units computed as the difference in 2010 decennial data and the 2017 census estimates provided in Table 2-18. As of the end of 2018, another 311 units were added to the housing stock which would bring the total number of units built since 2010 to 916 units and the total housing stock to 9,869 units. All of the units are net new units and do not include building permits for units that involved teardown activity.

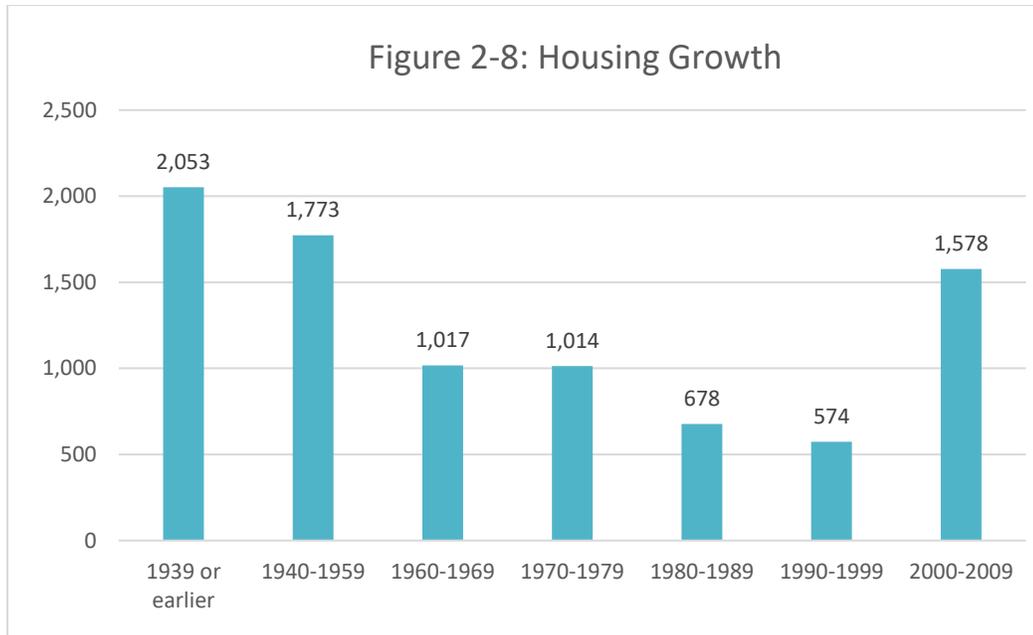


Table 2-17 also presents the level of demolition and replacement activity for 2010 through 2018, which is considerable, at 127 properties and 129 total units. This represents about 40% of the permitting for new single-family building activity.

Based on development since 2010, projected single-family development of about ten net new single-family homes per year, and 32 units through the River Stone 40B condo development, the total number of year-round housing units would be an estimated 9,801 units in 2020. Given the current 1,005 SHI units that will likely increase by eight units as part of the River Stone development, the Town should remain above the 10% affordability threshold with 1,013 SHI units and a cushion of 33 affordable units.

MAPC also prepared projections of housing growth forecasting that by 2020 and 2030 the total number of units will reach 9,763 and 10,532, respectively, based on their “Status Quo” projections. As with the population projections, MAPC predicts somewhat lower growth under their “Stronger Region” projections to 9,259 and 9,907 units in 2020 and 2030, respectively. This means that potentially 1,579 new units might be built between 2010 and 2030 with a growth level of 17.6% under the “Status Quo” projections and 1,418 additional units and a 15.8% growth rate based on “Stronger Region” figures since 2010 compared to projected 7% and 5% population growth rates, respectively. Since building permit activity already suggests 909 net new units produced between 2010 and 2018, this would mean a projected 670 additional units between 2019 and 2030 under the “Status Quo” forecast, 509 under the “Stronger Region” estimates.

Both scenarios underestimate actual housing growth by 2020 as the calculations above show a housing stock of at least 9,869 units compared to a projected 9,763 and 9,259 units based on the “Status Quo” and “Stronger Region” scenarios, respectively.

Table 2-17: Building Permit Activity, 2010 – 2018			
Year	# New Units	Teardown Units	Average Cost/Unit New Units/Demo-Replacement Units
2010	27 SF	10 SF	\$345,234/\$500,550
2011	15 SF 57 units in MF properties	17 SF	\$386,567/\$453,147 \$211,144
2012	22 SF 47 in MF properties	6 SF	\$390,190/\$607,217 \$190,114
2013	40 SF 28 units in MF properties	10 SF	\$299,667/\$554,460 \$180,390
2014	47 SF	18 SF	\$321,587/\$376,263
2015	11 SF	13 SF	\$321,700*/\$270,092
2016	13 SF 104 units in MF property (Linden Ponds)	17 SF	\$417,578**/\$473,760 \$201,923
2017	4 SF 190 units in MF properties (Avalon)	15 SF and 1 three-family	\$472,500***/\$490,086 \$172,557/\$233,333
<i>Subtotal</i>	<i>179 SF 426 units in MF properties = 605 units</i>	<i>106 SF and 1 three-family</i>	
2018	8 SF 303 units in MF properties (10 Shipyard Dr., 51 South St., Broadstone Bare Cove)	20 SF	\$567,957****/\$446,000 \$233,980
Total	187 SF 729 units in MF properties = 916 Total Units	126 SF and 1 three-family = 129 Total Units	
<p>Source: Hingham Building Department. (See definitions below.) SF = Single-family includes the conversion from two-family to one unit and a single new unit above a commercial space. MF = Multi-family properties that also include condominiums. * There was an additional home for \$11,730,000 that was not included in the average calculations because it would skew results. ** Eliminated a two-family conversion with an estimated cost of \$10,000 from the cost calculations as it would have skewed the results. *** Eliminated a two-family conversion with an estimated cost of \$30,000 from the cost calculations as it would have skewed the results. **** Eliminated an accessory dwelling unit with an estimated cost of \$4,100 from the cost calculations as it would have skewed the results.</p>			

Housing Occupancy – High level of owner-occupancy but a significant increase in rental housing between 2000 and 2010

Table 2-18 includes a summary of housing characteristics from 2000 through 2017. This census data indicates that the total number of units has increased by 21.5%, from 7,368 to 8,953 units between 2000 and 2010, with another estimated 199 units built between 2010 and 2017. This is considerably less than the 465 units built based on Table 2-16 and actual building permit activity of 598 new housing units were produced during this period (Table 2-17). Discrepancies in such data are not unusual however.

Year-round units total 8,841, computed by subtracting the number of seasonal or occasional units from total number units in the 2010 decennial census. This is the figure on which the 10% affordability goal under Chapter 40B is calculated. It will increase to an estimated 9,801 units when the 2020 census figures are released.

In reviewing changes in the housing stock since 2000, the following important housing occupancy trends become apparent:

- Continuing high level of homeownership*
 Out of 8,953 total housing units in 2010, Hingham had 8,465 occupied units of which about 80% were owner-occupied, up from 6,212 owner-occupied units in 2000 with a higher proportionate level of 86.4%. The 2017 census estimates suggest a gain of 227 such units with the percentage of owner-occupancy remaining at 80%. Almost all of the new residential development between 2010 and 2017 involved homeownership units. These figures represent a higher level of owner-occupancy than Plymouth County as a whole with 76.2% and for the state at 62.4%.
- Substantial growth of rental units between 2000 and 2010*
 The number of occupied rental units increased by 74% between 2000 and 2010, from 977 to 1,703 units, involving phases of Linden Ponds and Avalon at the Hingham Shipyard for example. The 2017 census estimates indicate an increase of only 20 such units, however, there are additional rental projects in the pipeline, including the Avalon Residences and Broadstone Bare Cove 40Bs, that will further increase the rental housing supply.

Table 2-18: Housing Occupancy Characteristics, 2000 to 2017						
Housing Characteristics	2000		2010		2017	
	#	%	#	%	#	%
Total # Housing Units	7,368	100.0	8,953	100.0	9,152	100.0
Occupied Units *	7,189	97.6	8,465	94.5	8,712	95.2
Occupied Owner Units **	6,212	86.4	6,762	79.9	6,989	80.2
Occupied Rental Units **	977	13.6	1,703	20.1	1,723	19.8
Total Vacant Units/ Seasonal, Recreational or Occasional Use*	179/61	2.4/0.4	488/112	5.5/1.3	440/23	4.8/0.3
Average House-Hold Size/Owner Occupied Unit	2.84 Persons		2.81 Persons		2.83 Persons	
Average House-Hold Size/Renter Occupied Unit	1.95 Persons		1.70 Persons		1.72 Persons	
Source: U.S. Census Bureau, 2000 and 2010 Decennial figures and American Community Survey 5-Year Estimates 2013-2017						

- Decrease in persons per unit for rental housing*
 The average number of persons per unit remained about the same for owner-occupied units between 2000 and 2017, at about 2.83 persons, but decreased from 1.95 to 1.72 persons for rentals. This likely

reflects the growing number of multi-family units that were built, largely between 2000 and 2010, which included smaller units.

- *Extremely low vacancy rates*

As shown in Table 2-19, the homeowner vacancy rate in 2010 was extremely low at 0.5% while the rental vacancy rate was 5.6%. The 2017 census estimates suggest a 0% homeowner vacancy rate, which does not even take normal housing turnover into consideration. The census estimates indicate an increase in the rental vacancy rate to 8.6%, which is higher than county and state levels, and which might be due to new rental development that takes some time to reach full occupancy. It is important to note that any vacancy rate below 5% is considered to represent very tight market conditions.

	Hingham 2010	Hingham 2017	County 2017	MA 2017
Rental	5.6%	8.6%	5.5%	6.5%
Homeowner	0.5%	0.0%	1.0%	1.5%

Source: U.S. Census Bureau, 2010 Summary File 1 and American Community Survey 2013-2017 5-Year Estimates.

Types of Units and Structures – Increasing housing diversity

Table 2-20 and Figure 2-9 provide the following information on the numbers of housing units by type of dwelling, tracking changes since 2000:

- *Declines in the proportion of single-family detached units*

Census figures indicate that there has been a substantial proportionate decline in single-family detached housing units, from 83% in 2000, to 71% in 2010, and down further to 69.5% in 2017, or from 6,116 units in 2000 to 6,364 according to 2017 census estimates. There was an increase of only 248 such units during this time period while single-family attached units, largely condominiums, increased from 195 units in 2000 to 499 by 2017. The decreased proportion of single-family homes is probably directly related to the increase in larger multi-family development at the Shipyard (approximately half rental and half condo) through the special permit process. Smaller condo development such as Ridgewood Crossing and Back River were also by special permit.

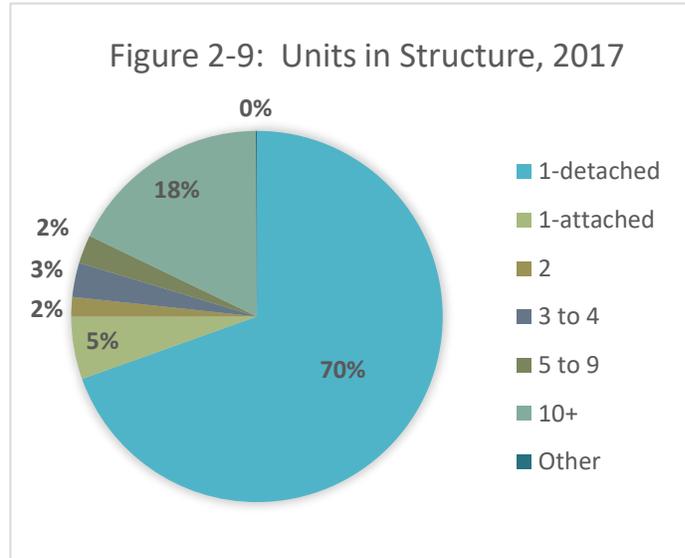
Type of Structure	2000		2010		2017	
	#	%	#	%	#	%
1 Unit Detached	6,116	83.0	6,032	71.0	6,364	69.5
1 Unit Attached	195	2.6	319	3.8	499	5.5
2 Units	318	4.3	232	2.7	155	1.7
3 or 4 Units	184	2.5	248	2.9	273	3.0
5 to 9 Units	235	3.2	430	5.1	227	2.5
10 or More Units	304	4.1	1,222	14.4	1,625	17.8
Mobile Homes/ Other*	16/0	0.2	18/0	0.2	0/9	0.1
Total	7,368	100.0	8,501	100.0	9,152	100.0

Source: U.S. Census Bureau American Community Survey 5-Year Estimates 2013-2017
*Other includes boats, RVs, vans, etc.

Information for FY19 from the Town Board of Assessors indicates that there were 6,240 single-family properties in Hingham (6,223 by April 2019). There were also 1,054 condominiums. Assessor’s records also identify 161 two-family homes, seven three-families, and 47 properties with multiple homes on a single lot in addition to a number of larger multi-family properties (see Table 2-25).

- *Very limited inventory of small multi-family structures*

Small multi-family dwellings of two to four units remain limited, down to about 5% of all units. The notable decrease of two-family dwellings signals some erosion of relatively affordable market housing as this housing type is among the most affordable as it provides rental income to the purchaser which is counted in mortgage underwriting. Additionally, units in five to nine-unit structures increased from 235 to 430 between 2000 and 2010 but declined to 227 units according to 2017 census estimates, representing only 2.5% of all units.



- *Notable increases in larger multi-family units*
Units in properties of ten or more units increased dramatically over time from 304 units or 4.1% of the housing stock in 2000, to 1,222 or 14.4% in 2010, and then up further to 1,625 or 17.8% in 2017. This is due to new development as part of the Avalon Residences at Hingham Shipyard and Linden Ponds, among other developments.
- *Decreases in mobile homes*
The census also shows a decrease in the number of mobile homes, from 16 in 2000, up to 18 by 2010, and then to zero (0) according to 2017 census estimates. Assessor’s records confirm that 15 mobile homes are located in Hingham at 170 Rockland Street.
- *Most homeowners live in single-family units*

Type of Structure	Homeowner Units		Renter Units	
	#	%	#	%
Single unit detached and attached	6,413	91.8	328	19.0
2 to 9 units	266	3.8	366	21.2
10+ units	301	4.3	1,029	59.7
Other/mobile homes	0/9	0.1	0/0	0.0
Total	6,989	100.0	1,723	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017

Table 2-21 provides a breakdown of the 2017 distribution of units per structure according to whether the units were occupied by renters or homeowners. While 91.8% of owners resided in single-family homes, about 81% of renters lived in multi-family units of two or more units. It is interesting to note that 19.0% of the single-family homes were renter-occupied compared to a lower level of 15.2% statewide, and also up from 17.9% for Hingham in 2010.

- *Increasing numbers of larger units*
Table 2-22 provides information on the distribution of unit sizes and indicates that the median-sized unit included 7.0 rooms according to 2017 census estimates, up from 6.8 rooms in 2010 and higher than the 6-room median for Plymouth County and 5.5 rooms for the state. The median-sized unit therefore included about four bedrooms. In addition, those units that might be determined to be

most appropriate for single persons, with four rooms or less, comprised 21.5% of the housing stock in 2017, higher than the 19.8% level in 2010 and related to the construction of rental housing. Given that 26% of Hingham’s households included single individuals, a substantial portion of households might be considered “overhoused”. **On the other end of the spectrum, about 28% of housing units included nine rooms or more, much higher than the county level of 14% and state level of 11.6%.**

Number of Rooms/Unit	2010		2017	
	#	%	#	%
1 Room	9	0.1	87	1.0
2 Rooms	143	1.7	136	1.5
3 Rooms	507	6.0	561	6.1
4 Rooms	1,022	12.0	1,181	12.9
5 Rooms	1,056	12.4	740	8.1
6 Rooms	1,123	13.2	1,247	13.6
7 Rooms	1,148	13.5	1,183	12.9
8 Rooms	1,375	16.2	1,500	16.4
9 or More Rooms	2,118	24.9	2,517	27.5
Total	8,510		9,152	100.0
Median (Rooms) for All Units	6.8 Rooms		7.0 Rooms	

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2006-2010 and 2013-2017

Housing Market Conditions

Homeownership – Very little affordability remaining in the private housing market

Census data also provides information on housing values, as summarized in Table 2-23. The census indicated that the 2010 median house value was \$637,000, up from the \$381,950 median in 2000. The 2017 census estimates indicate rising housing costs to a median of \$710,700, which is well below the 2017 median single-family house value of \$782,250 as provided by The Warren Group from Banker & Tradesman. This is not surprising given that the census data also includes condominiums, which are largely less expensive.

Value	2010		2017	
	#	%	#	%
Less than \$100,000	93	1.5	125	1.8
\$100,000 to \$199,999	119	1.9	123	1.7
\$200,000 to \$299,999	449	7.1	319	4.6
\$300,000 to \$499,999	1,214	19.1	1,098	15.7
\$500,000 to \$999,999	3,421	53.8	3,964	56.7
\$1 million or more	1,061	16.7	1,360	19.5
Total	6,357	100.0	6,989	100.0
Median (dollars)	\$637,000		\$710,700	

Source: U.S. Census Bureau 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates.

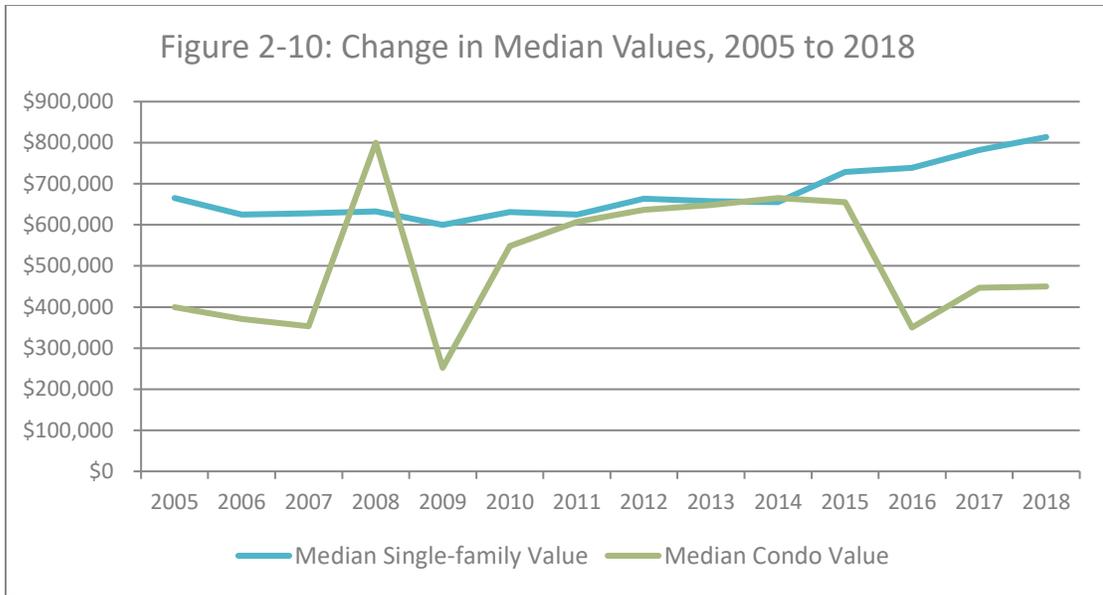
The census data identified 212 units in 2010 and 148 in 2017 that were valued at less than \$200,000 and therefore potentially affordable to those earning at or below 80% of area median income. Another 449 units in 2010 and 319 in 2017 were valued between \$200,000 and \$299,999, still relatively affordable. The majority of units were valued between \$500,000 and \$1 million in both census counts, also including some growth in over million dollar properties, from 16.7% in 2010 to 19.5% by 2017.

Table 2-24 provides Warren Group information that is based on Multiple Listing Service data from actual sales and provides median sales prices for Hingham from 2000 through September 2019. This data includes all properties that were 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 changing housing market values.

As of the end of 2018, the median sales price of a single-family home in Hingham was \$813,750, increasing somewhat to \$820,000 by September 2019, substantially higher than the highest pre-recession level of \$665,000 in 2005, typically the highest market year for most communities prior to the “bursting of the housing bubble”. The lowest value after that was \$600,000 in 2009 with values generally rising in subsequent years and demonstrating a strong rebound from the recession. In fact, the market was relatively resilient after the recession, reviving quickly. The number of single-family home sales was also affected somewhat by the recession with a high of 362 sales in 2004, dropping to a low of 196 sales in 2008, and climbing to a high of 324 sales in 2018, again indicating a robust housing market.

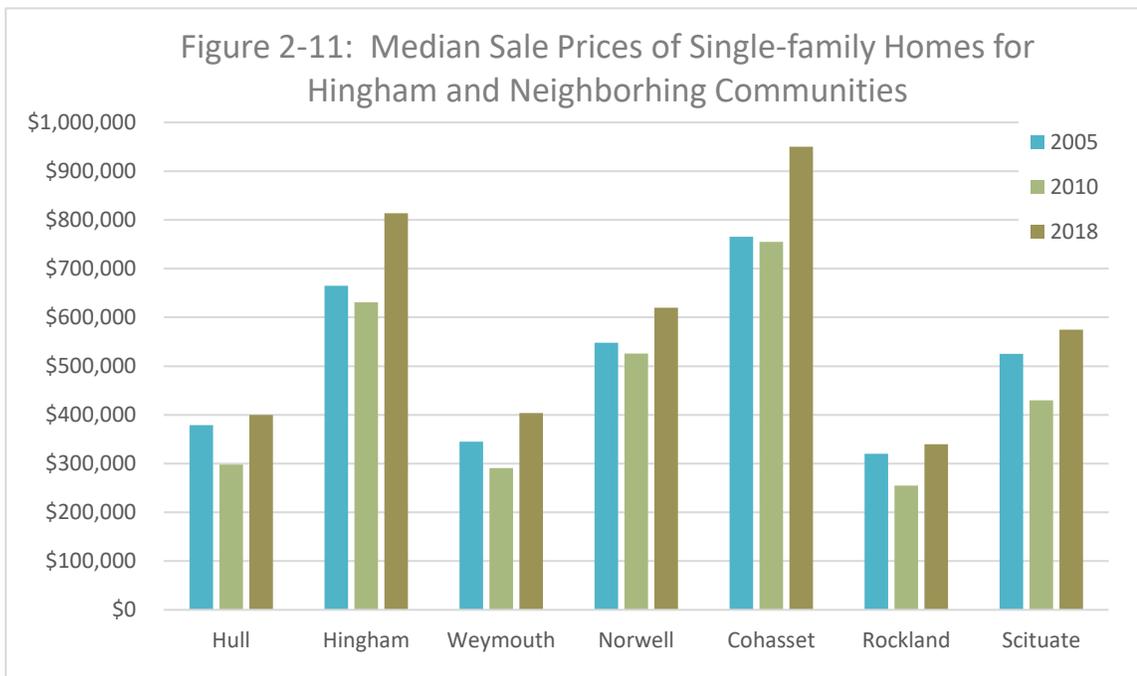
The condominium market in Hingham is relatively small with only 1,054 units according to Town Assessor data. Condo prices, while considerably more affordable in most communities, are high in Hingham with median values not significantly lower than single-family ones in some years and even surpassing the single-family levels in 2008 and 2014. Values have nevertheless fluctuated considerably as shown in Figure 2-10, from \$180,000 in 2000, to \$399,950 in 2005, soaring to \$800,000 in 2008 despite the recession, and crashing to \$252,000 the following year. Since then prices continued to fluctuate, rising to \$655,000 in 2015, down to \$349,900, in 2016, and then up to \$450,000 in 2018, well below the single-family median. The median increased substantially again to \$711,000 as of September 2019.

Table 2-24: Median Sales Prices, 2000 – September 2019					
Year	Months	Single-family/#	Condo/#	All Sales	# All Sales
2019	Jan – Feb	\$820,000/213	\$711,000/108	\$783,500	354
2018	Jan – Dec	813,750/324	\$450,000/62	776,000	423
2017	Jan – Dec	782,250/276	446,725/80	760,000	391
2016	Jan – Dec	739,999/281	349,900/71	705,000	405
2015	Jan – Dec	729,000/289	655,000/85	715,000	425
2014	Jan – Dec	655,000/296	665,700/123	655,000	452
2013	Jan – Dec	657,500/279	648,525/114	650,750	456
2012	Jan – Dec	664,000/237	636,450/80	642,450	427
2011	Jan – Dec	625,000/258	607,100/45	622,250	324
2010	Jan – Dec	631,000/231	548,500/65	592,800	355
2009	Jan – Dec	600,000/196	252,000/31	580,000	295
2008	Jan – Dec	632,500/291	800,000/57	640,000	272
2007	Jan – Dec	628,000/234	353,500/46	624,900	383
2006	Jan – Dec	625,000/298	371,000/60	624,500	336
2005	Jan – Dec	665,000/362	399,950/88	650,000	449
2004	Jan – Dec	617,500/269	321,450/92	590,000	511
2003	Jan – Dec	599,000/257	262,400/72	550,000	388
2002	Jan – Dec	490,000/268	245,250/64	442,000	360
2001	Jan – Dec	412,500/288	213,000/41	396,000	346
2000	Jan – Dec	381,950/260	180,000/49	348,000	378
Source: The Warren Group, March 20, 2019.					



The number of annual sales has also fluctuated significantly from a low of 31 condo sales in 2009, a high of 123 sales in 2014, and with 108 sales as of September 2019, representing a significant number of new condos coming on the market at Beal’s Cove Village for example.

Figure 2-11 compares median single-family home prices for 2005, 2010 and 2018 for Hingham and neighboring communities. The 2018 median prices have surpassed the 2005 pre-recession levels for all communities, including Hingham where median values jumped from \$665,000 to \$813,750 between 2005 and 2018. Cohasset had the highest market values at \$950,000 in 2018 from \$765,500 in 2005. Hingham’s housing values were next highest. Weymouth and Rockland have had the lowest values with 2018 medians of \$404,000 and \$339,900, respectively.



As Table 2-25 indicates, very few housing units were valued in the more affordable ranges according to Assessor’s records. Of the single-family and condo units, there were only 122 properties assessed for less than \$200,000, mostly affordable condominiums from the Beals Cove Road, Backriver Road, Whiting Lane and Ridgewood Crossing developments. Another 137 properties were assessed between \$200,000 and \$300,000, still relatively affordable and including many units in the Beals Cove Road development. About one-quarter of the units were assessed between \$400,000 and \$600,000. While 28.5% of these units were valued in the \$600,000 to \$800,000 range, 37% were assessed above \$800,000, including almost 23% above \$1 million. This high level of million plus homes demonstrates Hingham’s large luxury housing market with many of these homes located near the water or part of recent demolition and replacement activity.

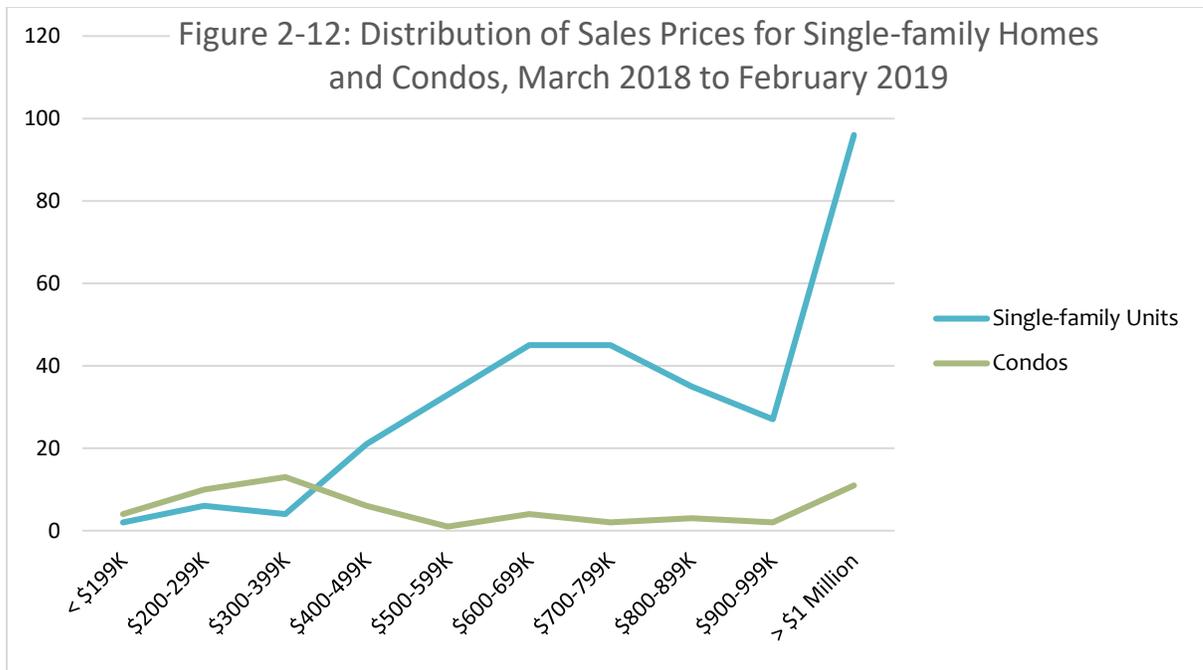
Assessor’s data also shows the relatively low numbers of small multi-family properties with only 161 two-family dwellings (322 units) and seven three-family residences (21 units). Additionally, there were 47 properties with multiple homes on the same lot, 40% of which were assessed for more than \$1 million. There were also references to larger multi-family developments in Assessor records, including Brewer Meadows, Avalon Residences at the Shipyard, 10 Shipyard Street, 1 Station Street, and the Lincoln School.

Table 2-25: Assessed Values of Residential Properties, FY19

Assessment	Single-Family Dwellings		Condominiums		Total Units		Multi-Unit Dwellings 2-family/3-family/ Multiple Homes on 1 Lot	
	#	%	#	%	#	%	#	%
\$0-\$199,000	5	0.1	117	11.1	122	1.7	0/0/0	0.0/0.0/0.0
\$200,000 - 299,000	13	0.2	124	11.8	137	1.9	1/0/0	0.6/0.0/0.0
\$300,000 - 399,000	169	2.7	263	25.0	432	5.9	13/1/0	8.1/14.3/0.0
\$400,000 - 499,000	634	10.2	35	3.3	669	9.2	82/1/5	50.9/14.3/10.6
\$500,000 - 599,000	1,106	17.7	41	3.9	1,147	15.7	28/3/10	17.4/42.9/21.3
\$600,000 - 699,000	1,119	17.9	46	4.4	1,165	16.0	9/2/0	5.6/28.6/0.0
\$700,000 - 799,000	863	13.8	51	4.8	914	12.5	5/0/4	3.1/0.0/8.5
\$800,000 - 899,000	572	9.2	101	9.6	673	9.2	9/0/7	5.6/0.0/14.9
\$900,000 - 999,000	334	5.4	43	4.1	377	5.2	6/0/2	3.7/0.0/4.3
Over \$1 Million	1,425	22.8	233	22.1	1,658	22.7	8/0/19	5.0/0.0/40.4
Total	6,240	100.0	1,054	100.0	7,294	100.0	161/7/47	100/100/100

Another analysis of housing market data is presented in Table 2-26, which includes a breakdown of sales prices from the Multiple Listing Service (MLS) for March 2018 through February 2019. Of the total 370 sales, 314 or 85% involved single-family units compared to 15% as condos, the same ratio of single-families to condos in the Assessor’s data analyzed above.

Table 2-26 and Figure 2-12 also demonstrate the very limited availability of relatively affordable units in Hingham’s housing stock. For example, there were six sales below \$200,000 with the four condos being affordable units at Beal’s Cove Village or part of the Back River Condos on Heron Way. The two single-family sales may be below market transactions given the low sales prices of \$100,078 and \$105,000, lower than what would be allowed under state guidelines for affordable homeownership units. Another 16 sold between \$200,000 and \$300,000, still relatively affordable, and all but one of the condos were part of the Beal’s Cove Village development. Consequently, the remaining units are likely small, in poor condition, or below market transactions.



A total of 44 or 12% of the sales were in the \$300,000 to \$500,000 price range with another 83 or 22% selling between \$500,000 and \$700,000, potential targets of demolition and replacement activity. What is most noticeable is the number and proportion of sales over \$1 million that included 96 single-family homes and 11 condos, representing 30% of all sales during this period. The up-tick in these high-end sales is dramatically presented in Figure 2-12. It can be further noted that the median sales prices were \$806,000 and \$450,000 for single-families and condos, respectively, comparable to the medians as of the end of 2018 in Warren Group data.

Table 2-26: Summary of Sales, March 2018 through February 2019

Price Range	Single-family Homes		Condominiums		Total	
	#	%	#	%	#	%
< \$199,999	2	0.6	4	7.1	6	1.6
\$200,000-299,999	6	1.9	10	17.9	16	4.3
\$300,000-399,999	4	1.3	13	23.2	17	4.6
\$400,000-499,999	21	6.7	6	10.7	27	7.3
\$500,000-599,999	33	10.5	1	1.8	34	9.2
\$600,000- \$699,999	45	14.3	4	7.1	49	13.2
\$700,000-\$799,999	45	14.3	2	3.6	47	12.7
\$800,000-\$899,999	35	11.1	3	5.4	38	10.3
\$900,000-999,999	27	8.6	2	3.6	29	7.8
Over \$1 million	96	30.6	11	19.6	107	29.5
Total	314	100.0	56	100.0	370	100.0

Source: The Warren Group, March 23, 2019.

Rental Housing – Market rents well over \$2,000

Table 2-27: Rental Costs, 2000 to 2017						
Monthly Rent	2000		2010		2017	
	#	%	#	%	#	%
Under \$200	43	4.4	42	2.6	66	3.8
200-299	50	5.2	26	1.6		
300-499	85	8.8	156	9.5		
500-749	261	27.0	44	2.7	87	5.0
750-999	145	15.0	64	3.9		
1,000-1,499	224	23.2	333	20.3	294	17.1
1,500 +	124	12.8	815	49.7	1,109	64.4
No cash rent	35	3.6	160	9.8	167	9.7
Total	967	100.0	1,640	100.0	1,723	100.0
Median rent	\$804		\$1,572		\$2,190	
Source: U.S. Census Bureau, 2000 Summary File 3 and 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates.						

The rental housing stock has grown considerably in recent years, from 967 units in 2000 to 1,723 by 2017 or from 13.6% to 19.8% of all units, still much smaller than the county and state levels at 24.1% and 37.6%, respectively. Because 256 units of Hingham’s Subsidized Housing Inventory are actual affordable rental units,¹³ about 15% of the Town’s existing occupied rental stock is publicly assisted or part of 40B developments and as such has restricted below market rents, thus skewing rental figures somewhat.

Data on the costs of rental units for 2000 through 2017 is included in Table 2-27. The median gross rent almost doubled between 2000 and 2010, from \$804 to \$1,572 and then increased by another 39% to \$2,190 in 2017. This information also shows a significant proportional decrease in units on the lower end of the price range and corresponding increase in the higher-priced rentals. For example, the number of units with rents below \$1,000 decreased from 584 in 2000, 332 in 2010, and then to only 153 in 2017. On the other hand, the number of units with rents of more than \$1,500 increased from 124 to 815 and 1,109 in 2000, 2010 and 2017, respectively. Moreover, 450 or 26% of the rentals in 2017 had rents of more than \$2,500.

Like housing values for homeownership units, rental values tend to be underestimated in the census data and actual market rents are typically much higher. Updated information from *internet rental listings* in March 2019 is presented in Table 2-28. These listings include units in larger multi-family properties and compare them to those in smaller dwelling types. This information demonstrates that census figures largely underestimate market rents. For example, the relatively newer apartment developments – such as 10 Shipyard and Avalon Residences at the Hingham Shipyard – have rents for two-bedroom units of more than \$3,000. Three-bedroom units at 10 Shipyard are \$5,400. Listings for units in smaller properties, typically small multi-family homes, are also high at more than \$2,000 for two-bedroom units.

Many rental opportunities, particularly in homes, are passed by word of mouth and not formally advertised. It is also important to note that typically tenants are required to pay utilities, which add considerably to monthly housing costs. Additionally, renters are generally asked to pay first and last month 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 that create barriers for many of limited financial means.

¹³ Based on the SHI provided by DHCD as of January 14, 2019, which classifies Linden Ponds as a Continuing Care Retirement Community.

Table 2-28: Sample Year-round Rental Listings				
# Bedrooms	# Baths	Square Footage	Rent	Type
Units in Larger Multi-family Developments				
1	1	800	\$3,000-\$3,500	10 Shipyard
2	2	1,253	\$3,500	
3	2.5	1,656	\$5,400	
1	1	703-918	\$2,280-\$2,735	Avalon Residences
2	2	1,105-1,633	\$3,045-\$3,675	
Units in Other Properties				
1	1	600	\$1,950	Apartment near Waterfront
2	2	1,162	\$2,350	Apartment near Waterfront
2	1	920	\$1,800	House Rental
3	3.5	2,200	\$3,300	House Rental
3	2.5	2,100	\$4,950	House Rental with Water Views
3	1.5	1,600	\$2,500	Townhouse
Linden Ponds/Sample Costs			Entrance Deposit*	Monthly Service Charge
1	1	708	\$203,000-245,000	\$2,257
2	1	1,022	\$289,000-332,000	\$2,804
2	2	1,142	\$363,000-456,000	\$3,205
Deluxe 2	2	1,524	\$559,000-576,000	\$3,565
Sources: Internet Listings, March 2019 and property managers.				
*Includes a second person occupancy fee of \$1,020 but no second person entrance fee.				

Affordability Analysis

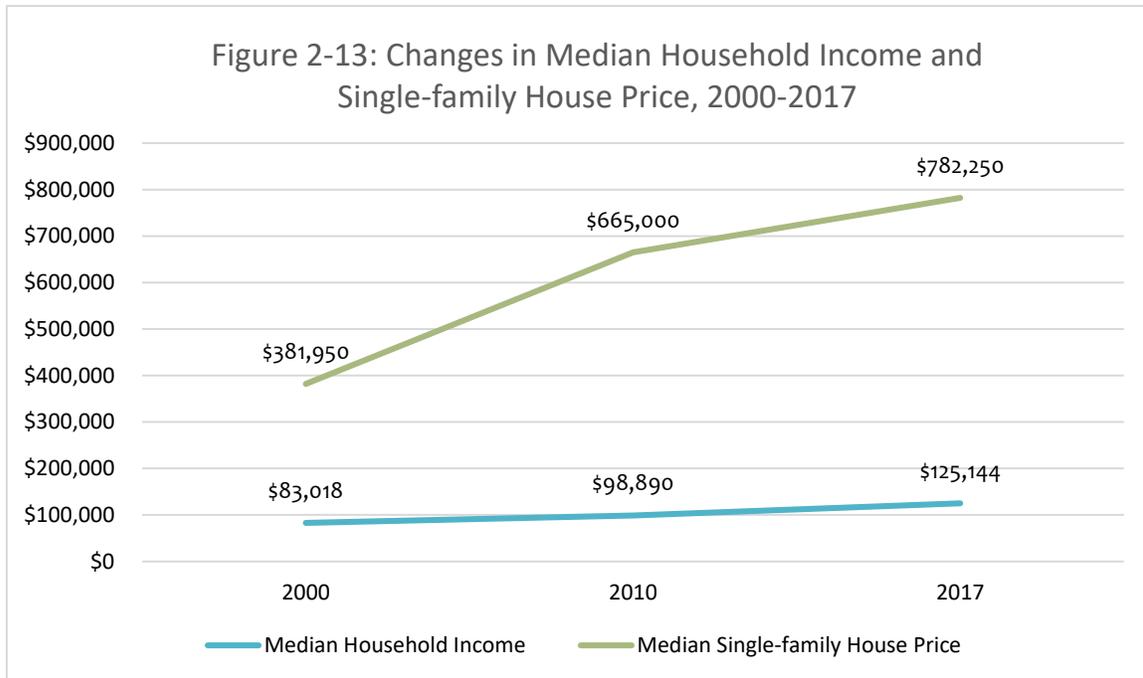
While it is useful to have an understanding of past and current housing costs, it is also important to analyze the implications of these costs on residents' ability to afford them. This section provides an analysis of various factors on housing affordability including income levels, available financing, median values, cost burdens and foreclosure activity. Through this analysis it is possible to obtain a more comprehensive understanding of the local housing dynamic.

Homeownership

A traditional rough rule of thumb is that housing is affordable if it costs no more than 2.5 times the buyer's household income. By this measure the median income household earning \$125,144 in Hingham could afford a house costing approximately \$312,860, which is only 38% of the median single-family house price of \$813,750 in 2018. *This implies that the household in the middle of the town's income range faced an "affordability gap" of approximately \$500,890 in 2018, the difference between the median price and the "affordable" one based on this analysis.* The median increased somewhat to \$820,000 in September 2019 which increases this gap to \$507,140.

Housing prices have in fact risen faster than incomes, making housing less affordable as demonstrated in Figure 2-13. As time went by the gap between median household income and the median single-family house price widened based on census data for income and The Warren Group data for house values. **While incomes**

increased by 50.7% between 2000 and 2017, the median single-family home price more than doubled. Moreover, in 2000 the median income was 22% of the median single-family house price, then decreased to 15% by 2010, and remained about the same in 2017. Moreover, the gap between income and house value was \$289,932 in 2000, increasing to \$566,110 by 2010, and then increasing still more to \$657,106 in 2017.



Analysis of Housing Costs on Affordability – Housing prices are becoming increasingly out of reach to most households

Tables 2-29 and 2-30 examine affordability from two different perspectives. Table 2-29 calculates what households earning at various income levels can afford with respect to types of housing, focusing on the Town’s median household income level based on 2017 census estimates and the 80% of HUD area median income (AMI) level for the Boston area in 2018. Table 2-30 analyzes the implications of some of the housing costs summarized above, estimating what households must earn to afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold of affordability.

In addition to showing how different types of housing are more or less affordable to households earning at median income and at 80% AMI, Table 2-29 also indicates that the amount of down payment has a substantial bearing on what households can afford. Prior to the recession, it had been fairly easy for purchasers to limit their down payments to 5% or even less. Following the “bursting of the housing bubble”, lenders have typically been applying more stringent lending criteria, including the need for down payments as high as 20% of the purchase price. Such high cash requirements make homeownership, particularly first-time homeownership, much more challenging. As Table 2-29 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down as they are borrowing less and do not have to pay private mortgage insurance (PMI).

Table 2-29 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, they are more expensive. Therefore, a household earning at 80% AMI in 2018 for example, can afford a single-family home for \$278,000 but a condo for \$246,500, assuming an estimated condo fee of \$250 per

month. The same household is estimated to be able to buy a two-family house for \$506,500 as it can likely charge at least \$2,000 per month in rent, which is considered as income in mortgage underwriting, usually at about 75% of the rent level. A three-family house is even more affordable with two paying tenants, and it is therefore not surprising that the two-family house and triple-decker have been so successful as starter housing in many of the state’s older communities when zoning allowed this type of housing.

Table 2-29: Affordability Analysis I				
Maximum Affordable Prices Based on Income Levels				
Type of Property	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down ***	Estimated Max. Affordable Price 20% Down ***
Single-family	Median Income = \$125,144*	\$3,128.60	\$459,500.00	\$543,000.00
	80% AMI = \$73,000**	\$1,825.00	\$278,000.00	\$317,000.00
Condominium	Median Income = \$125,144*	\$3,128.60	\$433,000.00	\$514,500.00
	80% AMI = \$73,000**	\$1,825.00	\$246,500.00	\$281,500.00
Two-family	Median Income = \$125,144*	\$3,128.60	\$680,000.00	\$803,500.00
	80% AMI = \$73,000**	\$1,825.00	\$506,500.00	\$577,000.00
		30% of Monthly Income	Estimated Utility Cost	Affordable Monthly Rental
Rental	Median Income = \$125,144*	\$3,128.60	\$200.00	\$2,928.60
	80% AMI = \$73,000**	\$1,825.00	\$200.00	\$1,625.00
	50% AMI = \$48,550**	\$1,213.75	\$200.00	\$1,013.75
	30% AMI = \$29,150**	\$728.75	\$200.00	\$528.75

Source: Calculations provided by Karen Sunnarborg Consulting.
 * Based on the U.S. Census Bureau’s American Community Survey 5-Year estimate for 2013-2017.
 ** HUD 2018 Income Limits for the Boston area for a household of three (3), which is approximately the average household size for homeowners in Hingham (2.83 persons) based on the 2017 census estimates. The 2019 HUD income limits were subsequently released which increased the limit of a 3-person household to \$80,300 for example.
 *** Figures based on interest rate of 5.0%, 30-year term, annual property tax rate of \$11.81 per thousand, insurance of \$6 per thousand for single-family and two-family homes and \$4 per thousand for condos, \$250 monthly condo fees, the purchaser spending 30% of income on housing costs, and rental income of 75% of \$2,000 or \$1,500. Figures assume that purchasers earning at or below 80% AMI would qualify for a state-sponsored mortgage program such as the ONE Mortgage Program or MassHousing financing that would not require private mortgage insurance (PMI) and down payments of 95%.

Table 2-29 also examines what renters can afford at three different income levels. For example, a three-person household earning at 50% AMI, or \$48,550 annually in 2018, could afford an estimated monthly rental of about \$1,013.75, assuming they were paying no more than 30% of their income on housing and had utility bills that average \$200 per month. A rental this low is almost impossible to find in Hingham, where the lowest rental advertised on the internet in March 2019 for a two-bedroom apartment was \$1,800, which most likely also required first and last month rent and a security deposit. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has a significant impact on affordability. Including utility costs, this \$1,800 apartment would be barely affordable to a household earning at the 80% AMI limit.

Table 2-30 examines affordability from another angle, going from specific housing costs to income. Taking median price levels for single-family homes, condos and two-family homes into account, the incomes that would be required to afford these prices are calculated, also showing the differences between 95% and 80% financing. For example, using the median single-family home price as of September 2019 of \$820,000, a household would have to earn approximately \$224,000 if they were able to access 95% financing. In the case of a 20% down payment, a lower income of about \$189,500 would be required, still considerably higher than the median household income of \$125,144 or even the median income for homeowners of \$152,674 based on 2017 census estimates.

The median condo price was \$450,000 as of the end of 2018, requiring an income of approximately \$129,600 with 5% down and \$110,700 with the 20% down payment. The median spiked to \$711,000 as of September 2019 that would require incomes of about \$199,500 and \$169,600 based on 95% and 80% financing, respectively. Because of the income generated in a two-family home, this type of property is significantly more affordable requiring an income of an estimated \$93,660 or \$70,000 based on 95% and 80% financing, respectively.

Table 2-30: Affordability Analysis II					
Income Required to Afford Median Prices or Minimum Market Rents					
Type of Property	Median Price* 2018/9-2019	Estimated Mortgage 2018/9-2019		Income Required ** 2018/9-2019	
		5% Down	20% Down	5% Down	20% Down
Single-family	\$813,750/\$820,000	\$773,062/ \$779,000	\$651,000/ \$656,000	\$221,700/ \$224,000	\$187,500/ \$189,500
Condominium	\$450,000/\$711,000	\$427,500/ \$675,450	\$360,000/ \$568,800	\$129,600/ \$199,500	\$110,700/ \$169,600
Two-family	\$564,000	\$535,800	\$451,200	\$93,660	\$70,000
Rental		Utilities		Income Required	
Median	\$2,190	\$200		\$95,600	
One-bedroom	\$2,000	\$175		\$87,000	
Two-bedroom	\$2,500	\$200		\$108,000	
Three-bedroom	\$3,000	\$225		\$129,000	
Source: Calculations provided by Karen Sunnarborg.					
* From The Warren Group Town Stats data, as of the end of 2018 for single-family homes and condos. The median price for the two-family dwelling based on 1.25 of the median of \$451,200 in Town Assessor data for Fiscal Year 19.					
*** Figures based on interest rate of 5.0%, 30-year term, annual property tax rate of \$11.81 per thousand, insurance of \$6 per thousand for single-family and two-family homes and \$4 per thousand for condos, \$250 monthly condo fees, the purchaser spending 30% of income on housing costs, and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, and rental income of 75% of \$2,000 or \$1,500. Figures do not include underwriting for PMI in calculations with a 20% down payment.					
*** Conservative estimate based on sample internet listings in Table 2-28.					

In regard to rentals, using the conservative listings advertised in March 2019 internet listings, a one-bedroom unit renting for \$2,000 would require an income of \$87,000, assuming \$175 per month in utility bills and housing expenses of no more than 30% of the household's income. This income is relatively comparable to a two-person household earning at 100% AMI. It is considerably higher than the median income of renter households of \$48,284. Also, someone earning minimum wage of \$12.00 for 40 hours per week every week during the year would still only earn a gross income of only about \$25,000. Households with two persons earning the minimum wage would still fall far short of the income level needed to afford this rent level. While

there are rents that fall below this level, particularly subsidized rents, market rents tend to be beyond the reach of what has been considered even middle-income earners much less lower wage earners. Consequently, many renters find themselves paying much more than 30% of their incomes to live in Hingham.

Affordability Gaps – Widening gaps between income and housing costs

Through the combination of information in Tables 2-29 and 2-30, it is possible to compute the affordability gap, typically defined as the difference between what a median income earning household can afford and the median priced unit on the market. In the case of the single-family home, there is a gap of \$277,000, the difference between what the median income earning household could afford of \$543,000 (based on 80% financing) and the median price of \$820,000 as of September 2019. The affordability gap increases dramatically to \$542,000 when considering those earning at 80% AMI, the difference between what a three-person household earning at \$73,000 can afford, or \$278,000 with 95% financing, and the median house price. It is important to note that the upfront cash requirements for the down payment and closing costs in effect substantially add to the affordability gap, particularly in the case of 80% financing, translating into more than \$175,000 in the case of an \$820,000 median purchase.

The high up-front costs in obtaining mortgage financing or leasing an apartment add considerably to affordability gaps.

In regard to condos, there was not a current affordability gap as what the median income earning household can afford, or \$514,500 (based on 80% financing) based on the 2018 median price, which was higher than the median priced condo of \$450,000. However, the median increased substantially to \$711,000 as of September 2018 which would result in an affordable gap of \$196,500.

An affordability gap for rentals can also be calculated as the difference between what a median income earning household can afford, or \$2,928.60 (see Table 2-29), and the median rent of \$2,190 (Table 2-27). Consequently, there is no affordability gap. However, if the analysis focused on the median income earning renter household with an income of \$48,284 who could afford a rent of about \$1,007, the gap would be \$1,183.

Table 2-31: Affordability Analysis III Relative Affordability of Single-family and Condo Units in Hingham					
Price Range Single-family/ Condo*	AMI Income Range**	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		Number	Percent	Number	Percent
Less than \$278,000/ Less than \$246,500	Less than 80% AMI	13	0.2	166	15.7
\$278,000-\$421,000/ \$246,501-\$345,000	80% - 99.9%	300	4.8	263	25.0
\$421,001-\$505,000/ \$345,001-\$389,000	100% - 120%**	546	8.8	73	6.9
More than \$505,000 more than \$389,000	More than 120%**	5,381	86.2	552	52.4
Total		6,240	100.0	1,054	100.0

Source: Hingham Assessor’s Database for Fiscal Year 2019. Please note that as a standard practice, assessed value is assumed to be at least 93% of actual value or potential sale price. Figures based on a three-person household.
 * Based on interest rate of 5.0%, 30-year term, annual property tax rate of \$11.81 per thousand, insurance of \$6 per thousand for single-family and two-family homes and \$4 per thousand for condos, \$250 monthly condo fees, the purchaser spending 30% of income on housing costs, and 80% financing. See Table 2-29.
 ** Figures based on HUD area median income limits for a household of three with the 100% AMI limits provided by the Community Preservation Coalition and the 120% limits based on the 100% figures (see Table 2-36).

Table 2-31 identifies how many single-family homes and condos exist in Hingham that were affordable within various income categories. There were only 13 single-family homes affordable to those earning at 80% AMI and another 300 in the 80% to 100% AMI range. It is important to note that these numbers reflect assessed values and therefore under-represent market values. For example the median single-family home assessment was \$706,400 compared to the 2018 median sales price of \$813,750 (see Table 2-26 for recent market activity and prices from March 2018 through February 2019). The condos were generally more affordable with 166 or 15.7% affordable to those earning at 80% AMI range while one-quarter were likely affordable to those earning between the 80% and 100% limits.

It is also important to note that the ability to obtain financing, including issues related to credit history and cash requirements, can provide substantial barriers to accessing housing.

Table 2-32 demonstrates a substantial need for more affordable homeownership opportunities in Hingham, for those earning at or below 80% AMI in particular. These calculations are based on data in Table 2-34 and suggest that of the 1,454 owner households who were estimated to have earned at or below 80% AMI, there were 540 dwelling units that would have been affordable to them based the numbers of owners living without cost burdens, defined as spending 30% or more on housing costs. The projected deficit of 914 units for those earning at or below 80% AMI is considerable, and there is a deficit in affordable units even for those earning above 80% AMI including 160 units for those with incomes between 80% and 100% AMI. It should be noted that 60% of homeowners earning at or below 100% AMI are seniors 62 years of age or older. Town programs to lower the taxes on elderly homeowners, such as the recently-approved means-tested exemption program, could help to ease some of their financial burdens.

Table 2-32: Homeownership Need/Demand Analysis					
Income Group	Income Range*	Affordable Sales Prices Single-family/Condos**	# Owner Households ***	# Existing Affordable Units (No Cost Burdens)***	Deficit -/ Surplus+
Less than 80% AMI	\$73,000 and less	Up to \$278,000/\$246,500	1,454	540	-914
80%-100% AMI	\$73,001 to \$97,020	\$278,001-\$421,000/ \$246,501-\$345,000	540	380	-160

Source: U.S. Census Bureau’s 2013-2017 American Community Survey 5-Year Estimates and Table 2-34.
 * HUD 2018 Income Limits for the Boston area for a household of three, which is the average household size for homeowners in Hingham (2.83 persons). ** See analysis in Table 2-29. *** Data from Table 2-34.

Table 2-33 indicates that there is also a substantial shortage of affordable rental units, particularly for those in the very lowest income levels with a *deficit of 205 units for extremely low-income households* earning less than 30% AMI and 224 units for those earning between 30% and 50% AMI, referred to by HUD as very low-income households. Rental subsidy programs typically target these populations. There is also a substantial

deficit of 195 units for those earning between 50% and 80% AMI and even a deficit of 85 affordable units for the 80% to 100% AMI range. These figures are largely based on those who are overspending on their housing.

Table 2-33: Rental Unit Need/Demand Analysis					
Income Group	Income Range*	Affordable Rent**	# Renter Households***	# Existing Affordable Units (No Cost Burdens) ****	Deficit -/ Surplus+
Less than 30% AMI	\$25,900 and less	\$472 and less	255	50	-205
Between 30% and 50% AMI	\$25,901 to \$43,150	\$473 to \$904	340	116	-224
Between 50% and 80% AMI	\$43,151 to \$64,900	\$905 to \$1,448	280	85	-195
Between 80% and 100% AMI	\$64,901 to \$86,240	\$1,449 to \$1,956	105	20	-85

Source: U.S. Census Bureau’s 2013-2017 5-Year Estimates from the American Community Survey.
 * For a household of two (as the average household size for renters was 1.72 persons per the 2017 census estimates based on 2018 HUD income limits for the Boston area that includes Hingham.
 ** Includes a utility allowance of \$200 per month.
 *** Based on HUD CHAS report as summarized in Table 2-34.
 **** Based on HUD CHAS report in Table 2-34 of those without cost burdens.

Cost Burdens – Increasing numbers and percentages of households are overspending on their housing

An important measure of housing affordability or housing need is the number of residents who are living beyond their means based on their housing costs, whether for ownership or rental. Such information is helpful in assessing how many households are encountering housing affordability problems or cost burdens, defined as spending more than 30% of household income on housing, or severe cost burdens based on spending more than 50% of income on housing costs.

The 2017 census estimates indicate that 452 Hingham homeowner households or 6.5% were spending between 30% and 34.9% on housing costs (82 without a mortgage) while 1,508 or 21.6% were spending more than 35% of their income on housing (457 without a mortgage). **Thus 1,960 owner households or 28% were experiencing cost burdens (539 without a mortgage), lower than the 32% level in 2010.**

In regard to renters, 35 households were spending between 30% and 34.9% of their income on housing costs with another 1,000 or 60% spending 35% or more. **Therefore, 1,035 or 60% of renter households had cost burdens, considerably higher than half of such households in 2010.**

Altogether 2,493 households or about 30% of all Hingham households were living in housing that is by common definition beyond their means and unaffordable.

These census estimates then suggest that 2,995 households were experiencing cost burdens, representing 34% of all households and somewhat higher than the 2,884 households in 2010 but at the same 34% level. The U.S. Department of Housing and Urban Development (HUD) provides data on housing cost burdens as well. Table 2-34 summarizes this information for 2015 (the latest report available). The data is based on the U.S. Census Bureau’s American Community Survey Five-Year Estimates for 2011-2015. The table includes how many

households were included in the particular category (by income, tenure and household type), how many were spending between 30% and 50% of their income on housing, and how many were spending more than half of their income on housing. For example, the first cell indicates that there were 135 elderly renter households (age 62 or older) estimated to be earning at or below 30% of median income that includes 20 spending between 30% and 50% of their income on housing and 105 spending more than half.

This HUD report further suggests the following:

Total Households

- Of the 2,493 Hingham households experiencing cost burdens, 1,415 or almost 17% had severe cost burdens as they were spending more than half of their income on housing costs.
- Of the 2,329 households earning at or below 80% of median family income (MFI), 1,538 or two-thirds were spending more than 30% of their income on housing, including 1,200 or more than half (51.5%) who were spending more than 50% of their income on housing.

Findings generally point to significant numbers of cost burdened households including more than half of all households earning at or below 80% MFI spending more than 50% of their income on housing. There were also substantial numbers of seniors and single individuals with severe cost burdens, which suggests a need for smaller affordable rental units. The findings also reflect the high costs of housing in Hingham, whether for ownership or rentals, that make it extremely challenging to afford to live in the community.

- Of the 6,110 households earning more than 80% Median Family Income (MFI), 955 or 16% were spending too much on their housing as well.
- Of the 780 households earning at or below 30% MFI, 645 or 83% were spending too much on their housing with 610 or 78% spending more than half of their income on housing costs.

Renter Households

- Of the 875 renter households earning at or below 80% MFI, 624 or 71% were spending too much on their housing including 480 or 55% who were spending more than half of their income on housing expenses.
- There were 255 renter households earning at or below 30% MFI with 205 or 80% experiencing cost burdens and 185 or 72% having severe cost burdens.
- HUD-defined very low-income renter households, earning more than 30% and up to 50% MFI, included 340 households with 224 or two-thirds having cost burdens, 145 or 43% with severe cost burdens.
- Of the 280 renter households earning more than 50% and up to 80% MFI, 195 or 70% were overspending including 150 or 54% with severe cost burdens.

- It can largely be assumed that most of the 384 renter households earning below the 80% MFI level and without cost burdens were living in subsidized housing or with family without rent given the high costs of rentals in Hingham. However, only 10 senior households were without cost burdens, which is surprising given the number of subsidized units at Thaxter Park and Lincoln School.
- About 74% of the 545 elderly renter households earning at or below 80% MFI were overspending on their housing, including 340 or about 62% with severe cost burdens. Those remaining 141 seniors earning below 80% MFI and not overspending were likely living in Hingham's subsidized housing reserved for seniors (158 units) or other subsidized or 40B developments. Elderly renters represented 62% of all renter households earning at or below this income range and most were single individuals.
- There were only 150 small families (2 to 4 household members) who earned within 80% MFI with 95 paying too much for their housing, 55 with severe cost burdens. Of particular concern are the 45 small families earning at or below 30% MFI with severe cost burdens which should be targets of new affordable housing development, however, it is challenging to finance development for this income level without project-based Section 8 subsidies.
- All of the 35 large families (5 or more members) in the 50% to 80% MFI income range were spending more than half of their income on housing, however, none of the 20 households were cost burdened in the 30% or under range. This is surprising given the very limited number of subsidized rentals in Hingham, only 8 units of public housing for families.
- There were also 125 non-elderly, non-family households (single individuals) earning at or below 80% MFI, of which 90 or 72% were overspending on their housing, including 50 or 40% with severe cost burdens. Of particular concern are the 35 individuals who are in the extremely low-income category of at or below 30% MFI and severely cost burdened. Many of these may be persons with disabilities who are typically most challenged to find housing that is affordable based on very limited Social Security Disability Income as well as accessible in meeting their special needs.

Owner Households

- **Of the 6,919 owner households, 1,624 or 24% were overspending on their housing including 1,415 or 17% with severe cost burdens.**
- Of the 1,454 owner households earning at or below 80% MFI, 914 or 63% were spending too much and 720 or half were spending more than 50% of their earnings on housing costs. Most of these cost burdened households were earning at or below 50% AMI.
- It should also be noted that 710 owner households earning more than 80% MFI were overspending on their housing including 550 earning more than 100% MFI, not a big surprise given Hingham's high housing costs that stretch the pocketbooks of what could be considered even middle-income households.
- There were 900 elderly owners earning at or below 80% MFI, representing 62% of owners in this income range. Of these, 445 households or almost half were overspending, including 295 or one-third with severe cost burdens. *These high levels of cost burdens likely point to a situation where long-term senior residents who are retired and living on fixed incomes are experiencing challenges affording the high housing costs in Hingham, including rising energy, insurance costs and property taxes. Many of*

these owners are likely empty nesters living in single-family homes that now cost too much for them to maintain and with more space than they require at this stage of their lives.

- Of the 310 small family households earning at or below 80% MFI, 250 or 81% were spending too much, including a concerning 240 or 77% with severe cost burdens.
- There were only 79 large families earning within 80% MFI limit, of which 65 or 82% had severe cost burdens, all earning at or below 30% MFI.
- There were also 165 non-elderly, non-family owner households earning at or below 80% MFI of which 150 or 91% were spending too much for their housing and 120 or 73% were spending more than half of their income on housing costs, all earning at or below 50% AMI.

Type of Household By Tenure	Households Earning <30% MFI/# with cost burdens*	Households Earning > 30% to < 50% MFI/# with cost burdens*	Households Earning > 50% to < 80% MFI/# with cost burdens*	Households Earning > 80% to < 100% MFI/# with cost burdens *	Households Earning > 100% MFI/# with cost burdens *	Total
Elderly Renters	135/20-105	260/29-130	150/15-105	90/40-30	225/60-15	860/164-385
Small Family Renters	45/0-45	40/25-0	65/15-10	0/0-0	140/20-0	290/60-55
Large Family Renters	20/0-0	15/0-15	20/0-20	0/0-0	45/0-0	100/0-35
Other Renters	55/0-35	25/25-0	45/15-15	15/0-15	130/65-0	270/105-65
Total Renters	255/20-185	340/79-145	280/45-150	105/40-45	540/145-15	1,520/329-540
Elderly Owners	300/15-215	235/105-55	365/30-25	295/25-50	1,150/80-40	2,345/255-385
Small Family Owners	85/0-85	140/0-120	85/10-35	160/50-25	2,910/310-40	3,380/370-305
Large Family Owners	65/0-65	10/0-0	4/4-0	60/0-0	615/55-0	754/59-65
Other Owners	75/0-60	75/15-60	15/15-0	25/10-0	250/25-0	440/65-120
Total Owners	525/15-425	460/120-235	469/59-60	540/85-75	4,925/470-80	6,919/749-875
Total	780/35-610	800/199-380	749/104-210	645/125-120	5,465/615-95	8,439/1,078-1,415

Source: U. S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, American Community Survey, 2011-2015 5-Year Estimate.

*First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing – and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Small families have four or fewer family members while larger families include five or more members. The “Other” category, for both renters and owners, includes non-elderly and non-family households, basically single individuals. Median Family Income (MFI) is the equivalent of Area Median Income (AMI).

Foreclosures – Upsurge in recent activity

Another indicator of housing affordability involves the ability to keep up with the ongoing costs of housing which some residents have found challenging since the recession about a decade ago. This recession forced some Hingham homeowners to confront the possibility of losing their home through foreclosure as shown in Table 2-35.

Since 2008, a total of 24 homeowners have lost their homes to foreclosure auctions with another 40 facing possible foreclosure. The highest level of foreclosures occurred in 2018. The jump in recent foreclosure activity is reputed to relate to a backlog of cases that have been on hold pending court cases and the need to clarify new regulations. This is the case in many communities across the state.

Table 2-35: Foreclosure Activity, 2008 through 2018

Year	Petitions to Foreclose	Foreclosure Auctions	Total
2018	11	7	18
2017	8	3	11
2016	11	1	12
2015	5	1	6
2014	0	2	2
2013	0	1	1
2012	0	4	4
2011	0	3	3
2010	5	2	7
2009	0	0	0
2008	0	0	0
Total	40	24	64

Source: The Warren Group, Banker & Tradesman, January 21, 2019.

Subsidized Housing Inventory (SHI)

Definition of Affordable Housing

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.

Affordable housing is also defined according to percentages of median income for the area, as established annually by the U.S. Department of Housing and Urban 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 (AMI) and *very low-income* is defined as households earning between 31% and 50% AMI. *Low-income* generally refers to the range between 51% and 80% AMI. These income levels are summarized in Table 2-36 for 2018. Hingham is part of the Boston, MA-NH Metro Area that includes a considerable number of communities in the Greater Boston area, including some in New Hampshire and extending down to the south coastal area.

The more recent release of 2019 HUD income limits showed considerable increases. For example, the limit for a household of three increased to \$80,300 at the 80% AMI level, \$53,350 at 50% AMI, and \$32,000 at 30% AMI. Because affordable rents and purchase prices are typically indexed to these limits, affordable housing prices have increased accordingly at about 10%. Consequently, many of those living in affordable rental units have or will be hit with sizable rent hikes that will likely lead to increasing cost burdens with some potentially forced to relocate.



Source of Report: Competitive Bidding Implementation Contractor (CBIC)
Run Date: 7/18/2011

In general, programs that subsidize rental units are typically targeted to households earning below 60% AMI with some lower income requirements at the 30% and 50% AMI levels. First-time homebuyer projects and the state’s Chapter 40B comprehensive permit program typically apply income limits of up to 80% AMI. Income limits under the Community Preservation Act (CPA) are up to 100% AMI. This CPA funding has been adopted in more than 170 communities across the state, including Hingham, to support open space preservation, historic preservation, recreation and community housing activities through a local property tax surcharge, also leveraging state funding. Some further income thresholds refer to workforce units for those earning up to 120% AMI, or even higher for example, but still priced out of a good portion of the local housing market.

Table 2-36: HUD Income Limits for the Boston-Cambridge-Quincy, MA-NH HUD Metropolitan Area, 2018

# in Household	30% AMI	50% AMI	80% AMI	100% AMI *	120% AMI **
1	\$22,650	\$37,750	\$56,800	\$75,460	\$90,552
2	\$25,900	\$43,150	\$64,900	\$86,240	\$103,488
3	\$29,150	\$48,550	\$73,000	\$97,020	\$116,424
4	\$32,350	\$53,900	\$81,100	\$107,800	\$129,360
5	\$34,950	\$58,250	\$87,600	\$116,424	\$139,709
6	\$37,550	\$62,550	\$94,100	\$125,046	\$150,055
7	\$40,150	\$66,850	\$100,600	\$133,672	\$160,406
8+	\$42,750	\$71,150	\$107,100	\$142,296	\$170,755

Source: U.S. Department of Housing and Urban Development (HUD), *Figures provided by the Community Preservation Coalition **Based on 120% of 100% figures.

A common definition of affordable housing relates to the Chapter 40B comprehensive permit program. The state established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B)¹⁴ to promote affordable housing production in all cities and towns in the Commonwealth. Chapter 40B allows developers to seek a single local permit under flexible rules for housing developments where at least 20-25% of the units will have a long term affordability restriction. Developers also have the right to appeal to the state

¹⁴ 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.

There are only eight units of public housing for families, which rarely turnover as waits are 10 years or longer. Consequently, the waitlist has been closed for years.

an unfavorable decision from the local Zoning Board of Appeals if the municipality has not achieved its statutory minima (defined as 10% of the year-round housing that qualifies as affordable and eligible for inclusion in its Subsidized Housing Inventory (SHI), or housing production goals and other statutory requirements are met). Specifically, all SHI units must meet the following criteria:

1. Permanent units subsidized by an eligible state or federal program or approved by a subsidizing agency.
2. At least 25% of the units must be affordable to those earning at or below 80% AMI or 20% must be affordable to those earning at or below 50% AMI.
3. Subject to a long-term deed restriction limiting occupancy to income-eligible households for a specified period of time.
4. Subject to an Affirmative Fair Housing Marketing Plan.

Current Inventory – Town currently at 11.37% affordability level but still has unmet housing needs

As shown in Table 2-37, of the 8,841 year-round housing units in Hingham, 1,005 or 11.37% meet the Chapter 40B requirements and thus have been determined to be affordable by the Commonwealth of Massachusetts as part of the SHI. This means that the Town has surpassed the state 10% affordability goal and is no longer susceptible to comprehensive permit applications that it determines to be inappropriate as they do not address local housing needs.

Housing growth will drive the 10% goal upwards, as adjusted by each decennial census, and therefore it is a moving target.

Based on development since 2010 and projected single-family development of about ten net new single-family homes per year and 32 units through the River Stone 40B condo development, the estimated total number of year-round housing units would be an estimated 9,801 units. Given the current 1,005 SHI units that will likely increase by eight units as part of the River Stone development, the Town should remain above the 10% affordability threshold following the 2020 census with 1,013 SHI units and a cushion of 33 affordable units.

Moreover, unlike many communities, Hingham's SHI does not include a substantial number of units where affordability restrictions are due to expire. The Town's control of the 60 units at the Lincoln School will likely ensure that these units remain affordable, and the only other expiring use units include the six ownership units at Whiting Lane, due to expire in 2042, and another six rental units at Fort Hill with an expiration timeline in 2062.

Despite the fact that the Town has surpassed the Chapter 40B threshold, Hingham still has considerable unmet housing needs as summarized in the priority housing needs section below. Additionally, the comprehensive permit process can be an efficient permitting tool and has been used effectively in communities that are beyond the 10% affordability threshold.

The Hingham Housing Authority (HHA) owns a total of 106 SHI units of public housing and manages 92 of these units, mostly as part of Thaxter Park. Development began in 1974 soon after the state purchased the former home of the West Elementary School at 30 Thaxter Street that included six units of congregate housing and 58 apartments financed by the state under its Chapter 667 Program for the elderly (60 years and over) and

younger disabled. The second phase was built in 1990 which produced 20 more units under Chapter 667 and eight units under the state's Chapter 705 Program for family housing development. Additionally, a single-family house was built on Beal Street in collaboration with the Department of Mental Health (DMH), under Chapter 689, housing up to 14 individuals supported by programs administered by DMH.

Seniors looking to apply for HHA housing face a wait time of about five years with 572 applicants on the waitlist, including 49 Hingham residents.

Despite the fact that the HHA has received approval to offer vouchers with rents at 110% of Fair Market Rents (FMRs), voucher holders discover that it is extremely challenging to find qualifying units in Hingham given the high costs of housing. In fact, only 2 of the HHA's Section 8 voucher holders live in Hingham.

The HHA also administers 29 Section 8 Housing Choice Vouchers, four of which belong to the Housing Authority with the others being administered by the HHA on the behalf of other local housing authorities. These rental subsidies are provided to qualifying households renting units in the private housing market, filling the gap between an established market rent – the Fair Market Rent (FMR) – and 30% to 40% of the household's income.¹⁵ Priority can be given to applicants who are veterans, homeless, victims of domestic abuse, those with significant medical emergencies, etc. who can use Hingham as their last address. There is a considerable wait time of at least ten years for these housing vouchers as well. HHA also administers six project-based Section 8 Housing Choice Vouchers for homeless veterans, partnering with local agencies and Father Bill's.

After receiving a grant to hire a Service Coordinator, the HHA is also participating in a program that helps families attain Self Sufficiency over a five-year period. This is an extremely competitive funding program and while HHA received the grant again this year, last year they were not so fortunate and thus were not remunerated for the staff time needed to maintain the program, which included 19 participants.

¹⁵ The 2018 Fair Market Rents (FMRs) for the Boston metropolitan area by unit size include: efficiency = \$1,253, one-bedroom = \$1,421; two-bedroom = \$1,740, three-bedroom = \$2,182, four-bedroom = \$2,370, five-bedroom = \$2,726, and six-bedroom = \$3,081.

Table 2-37: Hingham’s Subsidized Housing Inventory (SHI)

Project Name	# Affordable Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Thaxter Street*	58	Rental/DHCD (senior and younger disabled)	No	Perpetuity
30 Thaxter Street*	26 (includes 6 congregate units with some services)	Rental/DHCD (senior and younger disabled)	Yes	Perpetuity
100 Beal Street*	14	Rental/DHCD (senior and younger disabled)	Yes	Perpetuity
30 Thaxter Street*	8	Rental/DHCD (family housing)	Yes	Perpetuity
Whiting Lane	6	Ownership/DHCD	Yes	2042
Lincoln School	60	Rental/MassHousing (senior housing)	No	2030
Brewer Meadows	21	Rental/FHLBB	Yes	Perpetuity
Lincoln Hill	4	Ownership/FHLBB	Yes	Perpetuity
DDS Group Homes	10	Rental/DDS	No	NA
Linden Ponds**	272	CCRC/FHLBB	Yes	Perpetuity
Central Street	1	Ownership/DHCD	Yes	Perpetuity
Ridgewood Crossing	3	Ownership/DHCD (55+)	No	Perpetuity
Avalon at Hingham Shipyard	91	Rental/DHCD	No	Perpetuity
Back River Condominiums	5	Ownership/DHCD	No	Perpetuity
Derby Brook	5	Ownership/MassHousing	Yes	Perpetuity
80 Beal Street	2	Ownership/DHCD	Yes	Perpetuity
Damon Farm	1	Ownership/MassHousing	Yes	Perpetuity
Avalon Hingham Shipyard II	190	Rental/DHCD	Yes	Perpetuity
Beal’s Cove Village	1	Ownership/DHCD	No	Perpetuity
Fort Hill (Commander Paul Anderson House)	6	Rental/DHCD (homeless veterans)	No	2062
Weathervane at Chestnut Gardens	1	Ownership/DHCD	No	Perpetuity
Broadstone Bare Cove	220	Rental/MassHousing	Yes	Perpetuity
Total	1,005	694 or 69% rentals 29 or 3% ownership 272 or 27% CCRC 10 or 1% Group Homes	770 units or 77% Used 40B	

Source: Massachusetts Department of Housing and Community Development, January 14, 2019.

*Hingham Housing Authority units.

**The Town of Hingham has not waived its position that 100% of the units in Linden Ponds are eligible for inclusion in the SHI, thereby significantly increasing Hingham’s actual percentage of subsidized housing units.

Note: An additional unit will be added to the SHI for each of the Damon Farm and Weathervane at Chestnut projects.

Several large developments added a significant number of units to the SHI. These include the following:

- *Lincoln School*

Lincoln School Apartments involved the conversion of the former public school on Central Street to a residence for seniors 62 years of age or older and people with disabilities in 1981 that included a five-story addition. The Town followed-up with an additional investment of \$1 million for repair work in 2016. While ongoing management is handled by the Corcoran Management Company, the Town continues to own the property and oversee operations through the Lincoln School Committee.

There are 72 applicants on the waitlist (64 for one-bedroom units and 8 for the two-bedroom ones), including 21 Hingham residents. Wait times are estimates to be two to three years. All applicants must have incomes at or below 80% AMI, however, almost all occupants have incomes below 50% AMI (51.7% earning at or below 30% AMI, 46.7% earning between 30% and 50% AMI and 1.7% earning more than 50% AMI but at or below 80% AMI). Rent levels are \$1,477 for the single studio, \$1,746 for the 55 one-bedroom units, and \$2,167 for the 4 two-bedroom units. These rents will change with the annual increases in HUD area median income limits. Residents pay one-third of their income for rent, made available through Section 8 operating funds.



- *Linden Ponds*

Linden Ponds, located at Linden Pond Way, is a 1,086-unit Continuing Care Retirement Community (CCRC) for those 62 years of age or older with a wide range of housing options, from independent living, to various levels of assisted living, and skilled nursing that residents can transition through as their needs change over time. The development also includes many amenities and a range of services. The project was permitted in 2001 through a Chapter 40B comprehensive permit application process that allowed construction of up to 1,750 units overall. Issues were raised over time as to how the units would be counted as part of the SHI.

The project includes eight 6-story elevator buildings as well as a 132-bed nursing facility. In addition to monthly rent, this housing involves residents paying an upfront entrance fee of \$300,000 (that is 90% refundable) and have at least \$450,000 in financial assets (1.5 times the entrance fee). The project also included a special scholarship fund that helped subsidize the entrance fee for those who did not have the minimum required amount of assets, involving 286 households earning at or below 80% AMI. However, these funds are already encumbered and consequently this development does not provide any additional opportunities for low- and moderate-income seniors. Nevertheless, the development has never evicted anyone due to a lack of resources. The state currently counts 272 of

these units as part of the SHI. Sample entrances fees and monthly service charges are offered in Table 2-28.

It is useful to note that all applicants are put on a priority list that currently includes hundreds of those who have expressed an interest in moving into the development at some point in the nearer or long-term future.



- *Brewer Meadows*

Brewer Meadows includes 21 townhouse-style attached rental units with a mix of six two-bedroom units and 15 with three bedrooms, all with 1.5 baths. Six of the units are targeted to those earning at or below 80% AMI. Built in 2004 at Chief Justice Cushing Highway and Kirby Street, the project has been fully occupied with very little turnover.

- *Avalon at the Hingham Shipyard*

Avalon at the Hingham Shipyard includes a five-story apartment building, consisting of 91 units of which 23 are affordable for households earning at or below 80% AMI, although all units count as part of the SHI. Construction began in 2008 and the project has been fully occupied for several years. The development was permitted through a Mixed Use Special Permit as a component of the Hingham Shipyard Redevelopment.

The project is sited in close proximity to a variety of shops, services, and entertainment, as well as various transportation options including the commuter ferry to Boston. The development includes a mix of unit sizes.



- *Avalon Residences at the Hingham Shipyard*

At the time of this report, construction was close to completion on another Avalon development adjacent to the Hingham Shipyard. The project, permitted through a comprehensive permit, consists of a 190-unit rental community, including 48 affordable units. There are 18 one-bedroom apartments, 25 two-bedrooms and 5 three-bedroom units, with numbers on the waitlist including 40, 35, and 49 applicants, respectively. Rents are listed in Table 2-28.



- *Broadstone Bare Cove*

The Broadstone Bare Cove development on Beal Street includes 220 units in two four-story multi-family buildings. It was developed through a Chapter 40B comprehensive permit and consequently at least 25% or 55 units must be affordable and eligible for inclusion in the SHI although all units count as part of the SHI because it is a 40B rental development. Construction was completed late 2019 – early 2020.



The SHI also includes a number of ownership developments that were permitted through Chapter 40B including Whiting Lane, Lincoln Hill, Central Street, Derby Brook, 80 Beal Street, and Damon Farm for a total of 19 units, however, one additional unit will be eligible for inclusion when these projects are completed. Several other ownership projects were permitted through other means including Ridgewood Crossing, Back River Condominiums, Weathervane at Chestnut Gardens, and Beal’s Cove Village for a total of 10 units with one additional SHI unit to be added upon project completion. These were primarily permitted through a special permit.

Recent or Proposed Housing Developments

The following housing developments are in the early planning or predevelopment phases or pending appeal/lawsuits:

- *River Stone*

The River Stone development is proposed to involve a 32-unit condominium project on Viking Lane off of Ward Street in the Autumn Circle neighborhood. The developer filed the comprehensive permit with the Zoning Board of Appeals (ZBA) in March 2016, and the Town subsequently notified the developer and DHCD that it was denying approval of the application as it had already achieved safe harbor as more than 10% of its housing stock were eligible for inclusion in the SHI. This was based on the affordability of units at Linden Ponds, which the developer disputed.

In July 2016, the ZBA appealed to the state Housing Appeals Committee (HAC) with the parties filing cross motions, and HAC ultimately granted in favor of the developer.

The case was therefore returned to the ZBA, which reopened the hearing again in December 2017. The Board voted unanimously to issue the comprehensive permit in July 2018 subject to waivers and conditions, which the developer again appealed to the HAC. Litigation remains ongoing at the time of this report.

- *Potential Expansion of Lincoln School Apartments*

The Town, through its Lincoln School LLC and the Affordable Housing Trust, has discussed the potential expansion of the Lincoln School senior development.

- *Old Ship Parish House*

The Old Ship offered its Old Ship Parish House at 107 Main Street for sale before taking the property off the market. While the property was for sale, there was some early discussion about the possible acquisition of a portion of the property that could potentially be used to expand the adjacent Lincoln School Apartments. At the time of this report, it is unclear whether the Town would be interested and able to acquire a portion of the property if it were to become available again.

- *100 Beal Street*

The Hingham Housing Authority has been exploring the development of about 2.70 acres of a 15-acre parcel at 100 Beal Street to include 50 rental units for low-income households, veterans and people with disabilities earning up to 80% AMI. HHA commissioned a Supply and Demand Analysis for affordable rental housing in 2016 to help in the project planning process.

- *132 Scotland Street*

The Hingham Housing Authority purchased this home with CPC funding, and it has been occupied since by an income eligible household. Nevertheless, the unit is not on the SHI, which should be rectified if at all possible.

- *Special Needs Community*

The South Shore Special Needs Athletic Partnership (SNAP), which is focused on providing athletic and other social opportunities for special needs children, established the Housing Opportunities Made Easy (HOME) program to help these children transition to permanent living situations when they age out of state-supported school programs at age 22. The organization is exploring the development of

about 7½ buildable acres of a total 12-acre Town-owned property off of Bare Cove Park Road. Early plans include 16 condo duplexes around a circular drive to include 12 to 14 units for adults with disabilities. Plans envision having two special needs adults living on the first floor with the top floor including the main living space and a room for an on-site caregiver. This project would involve support from the Massachusetts Department of Developmental Services (DDS) as well as other state financing sources. Permitting would likely be through the state’s Local Initiative Program (LIP), also known as the “friendly 40B” process.

- *Whiting Street*

A parcel of land was offered to the Town as part of the Derby Brook Project, which received a comprehensive permit (40B) from the Zoning Board of Appeals on January 22, 2009. The Decision originally contemplated a restriction on the use of the parcel for public safety purposes. However, a review determined that the property had no practical utility for such a facility. As a result, the Hingham Affordable Housing Trust (HAHT) acquired the property in October 2014 for affordable housing purposes. In 2017, the Trust issued a Request for Proposals to dispose of the property for the purpose of developing up to three deed restricted affordable homes. South Shore Habitat for Humanity submitted a successful response. Habitat filed a comprehensive permit application in December 2019 to construct two, detached single-family homes. The Zoning Board of Appeals granted the comprehensive permit with conditions in September 2020. Once constructed, each residence will consist of approximately 1,200 square feet and include three bedrooms. The initial sales prices will be based on households earning no more than 60% AMI.

- *Cushing Street*

In 2018, the Hingham Affordable Housing Trust acquired a 2.3-acre parcel of land, improved by a single-family, Cape-style dwelling. The Trust engaged an engineer to consider the possibility of siting another home on the property. Once permitted as a 40B, both homes would be transferred to income-eligible households.

- *Rhodes Circle/Rhodes Circle*

In 2019, the HAHT acquired a two-family dwelling on Rhodes Circle. Each unit consists of three bedrooms. The Trust plans to make repairs prior to transferring the units to income eligible households subject to long-term affordability restrictions.

Priority Housing Needs

As the affordability analysis indicates above, significant gaps remain between what many Hingham 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 A HUD report estimates that 30% or 2,493 Hingham households were spending too much on their housing including 15% or 1,415 households spending more than half their income on housing costs.

The Town will continue to work with public and private sector stakeholders to devise and implement strategies that preserve and produce additional community housing options, directing development to appropriate locations and target populations.

Based on input from a wide variety of sources including census data, demographic projections, market information, interviews with local and regional stakeholders, community meetings, as well as prior planning efforts; the following housing needs have been identified:

Rental Housing – Need affordable rental housing for those with limited incomes as well as more opportunities for downsizing/Goal of 85% of all affordable units produced

Both rental and ownership housing are needed to encourage a mix of housing types in response to diverse populations and household needs. There is, however, a more compelling case for rental development based on the following important considerations:

- Target the needs of the community’s most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash. Rental development also can be targeted to lower income tiers. For example, Low Income Housing Tax Credits are directed to households earning up to 60% AMI and other housing subsidies can target units to even lower income levels such as 50% and 30% AMI. Subsidized rental projects often involve all of these income tiers as multiple sources of funding are frequently needed to make projects financially feasible.
- Promote greater housing diversity as 80% of Hingham’s housing stock is comprised of homeownership units and 70% involves single-family detached homes. Hingham has been making progress however, producing 729 units through multi-family housing development between 2010 and 2018.
- Offer greater local control over affordable housing development as all units in a Chapter 40B rental development count as SHI units as opposed to only the affordable units in homeownership developments. Maintaining a cushion over the 10% threshold will enable the Town to maintain a safe harbor against what it considers to be inappropriate 40B applications that do not meet local housing needs and avoid overrides of local zoning.
- Invest local subsidy funds (e.g. CPA and Hingham Affordable Housing Trust Funds) in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Provide more appropriately sized units for increasing numbers of smaller households.
- Provide opportunities for some seniors who are “over-housed” and spending far too much of their fixed incomes on housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Leverage other funds as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for subsidized or assisted housing based on asset limitations.

Indicators of the need for additional affordable rental units

There are significant numbers of residents who are struggling financially based on the following indicators of need:

Limited incomes

- Of all households counted in 2017, 1,577 or 18.1% had incomes of less than \$35,000, including 1,084 or 12.4% earning less than \$25,000.
- Those earning at or below \$15,000 increased between 2000 and 2017 from 5.7% to 7.0% of all households and from 412 to 611 households, a surprising trend.
- About 2,449 households, or approximately 30% of all households, might have qualified for housing assistance in 2010 as their incomes were approximately at or below 80% AMI defined by the U.S. Department of Housing and Urban Development (HUD) as \$58,000 for a family of three (2018 limits).¹⁶ Extrapolating from the 2017 census estimates, those earning at or below 80% AMI, or \$70,350 at the time, would have stayed about the same at 2,462 households during a time when those earning more than \$200,000 increased by 70%.
- There were 687 individuals living in poverty in 2010, and the 2017 census estimates suggest an increase to 1,314 individuals, representing 5.7% of all residents and 212 or 3.4% of all families. These figures also include 408 children under age 18 and 298 seniors 65 years of age or older.

High rents and upfront costs

- To afford the median rent of \$2,190 based on 2017 census estimates, a household would have to earn approximately \$95,600, based on the assumptions of spending no more than 30% of income on housing costs including an average of \$200 in monthly utility bills. This income is lower than Hingham's median household income of \$125,144 but double the median renter household income of \$48,284 and more comparable to the \$116,424 income level for a household of three earning at the 100% AMI limit.
- Market rents in newer multi-family developments are \$3,000 or more, even beyond the means of what might be considered middle-income households.
- Rentals also come with high up-front cash requirements including first and last month's rent and often a security deposit or broker's fee as well.

High cost burdens

- A HUD report identified 1,520 renter households and of these 869 or 57% were experiencing cost burdens as they were paying more than 30% of their income on housing costs, including 540 or 36% spending more than half of their income on housing.
- This HUD report also indicated that of the 875 renter households earning at or below 80% of area median income (57.6% of all renter households counted), 624 or 71.3% were experiencing cost burdens and 480 or 55% were spending more than half of their income on housing expenses.

¹⁶ 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.

High demand and limited supply of affordable rental units

- The Hingham Housing Authority (HHA) owns 106 units of public housing for seniors and younger disabled adults, mostly at Thaxter Park. They have 572 applicants on their waitlist including 49 with a Hingham preference. Waits for these units can be five years or more.
- The Hingham Housing Authority has only eight subsidized units available to families in Hingham. The waitlist for these units has been closed for eight years as turnover is rare involving waits of ten years or more.
- HHA also manages 25 Section 8 Housing Choice vouchers, however, only two of these voucher holders live in Hingham given the challenge of finding affordable qualifying units in the private housing market. There is also at least a ten-year wait for these vouchers, and veterans at the Fort Hill Veteran’s House have a preference for all available funding.
- Unmet rental housing needs, based on cost burdens, suggest that as many as 869 additional affordable rental units are needed in the community with the priority for 624 such units for those earning at or below 80% AMI. Of particular concern are the 480 units needed for those renter households earning at or below 80% AMI who are spending more than half their income on housing costs.

Rental housing needs of seniors

Representatives from the Hingham Department of Elder Services indicate that they come across older couples who are struggling to hang on to their homes and remain in the community as their housing costs are disproportionately high in comparison to their incomes. While some are drawing down on their financial assets, others have little or no remaining such sources of income.

Rental housing needs of seniors are growing as this population continues to become a larger segment of Hingham’s population and cost burdens remain significant as noted below. 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 included in housing development efforts.

High population growth and further projected increases

- The population of those 65 years and older grew by 77% between 2010 and 2017 while the population as a whole increased by 16%.
- Those 85 years and older increased by 179% during this period, often referred to as the frail elderly as they typically require more service support.
- Demographic projections suggest that the age 65+ population will increase by a range of between 46% and 66% from 2010 to 2030 to become more than 30% of all residents.

Lower incomes

- The median income of seniors 65 years of age or older was \$60,327, less than half of the median household income and one-third of the median household income of those with heads in the 25 to 44 age range.
- Those with incomes of less than \$35,000 included 6.6% of households in the 25 to 44 age range, 15.2% of those 45 to 64 years old, and 28% of those 65 years of age or older.
- Poverty among those 65 years of age or older increased from 79 residents in 2000, to 274 by 2010, and then to 298 or 6% of all such residents in 2017 based on census estimates.

High cost burdens

- Of the 545 elderly renter households earning at or below 80% AMI, 404 or 74% had cost burdens including 340 or 84% with severe cost burdens who should become targets of new housing development.
- As properties in Hingham continue to escalate, so do property taxes. Seniors living in modest houses in close proximity to newer, larger and more expensive homes, find their property assessments climbing and subsequently are less able to afford their housing costs.

High demand for subsidized units

- There were five-year waits for HHA's elderly housing units.
- Lincoln School has 72 applicants on the waitlist with waits of two to three years.

Rental housing needs of families

There are many low- and moderate-income households in Hingham who are struggling to pay their bills, housing expenses chief among them. Given an impending crisis, a family may become at risk of homelessness, some forced to double-up with friends or family and/or live in substandard conditions while waiting for subsidized housing or a Section 8 Housing Choice Voucher.

High cost burdens

- Families who rent were also confronting problems affording housing with 150 small family renter households (2 to 4 members) earning at or below 80% AMI that included 95 or 63% who were spending too much on their housing, also including 55 or 37% with severe cost burdens.
- There were 55 large family households (5 or more members) renting in Hingham with incomes of at or below 80% AMI and of these 35 or 64% had cost burdens, all with severe cost burdens.

Fewer subsidized housing opportunities and long waits

- The Hingham Housing Authority (HHA) has only eight subsidized housing units available for families, and these units rarely turnover. Consequently, the waitlist has been closed for years.

- Those families looking for a Section 8 Housing Choice Voucher are hard-pressed to be able to obtain them given long waits and then challenged to find qualifying units in Hingham given HUD Fair Market Rent (FMR) limits. Even with the ability to go to 110% of FMR limits, only two vouchers holders are living in Hingham out of 25 the HHA administrators.

Rental housing needs of non-elderly individuals

There are also lower income non-elderly, non-family households in Hingham, mostly single individuals, experiencing cost burdens and long waits for subsidized housing that make finding appropriate affordable housing a challenge. Some of these individuals have disabilities that further complicate their housing problems as those with disabilities, many reliant on Social Security, tend to be among the most financially vulnerable residents in any community.

High cost burdens

- There were 125 such households earning at or below 80% AMI of which 90 or 72% were experiencing cost burdens including 70 or 40% paying more than half of their income on housing.

Long waits for subsidized housing

- 13.5% of HHA’s units in elderly developments are targeted to younger individuals who are disabled with average waits of five years or more.

Homeownership Need – Need for starter units and options for downsizing/Goal of 15% of all affordable units produced

Efforts to provide starter homes for first-time homebuyers and better housing alternatives to empty nesters should be promoted to address several objectives including:

- Provide opportunities for families who want to invest in Hingham but are shut-out of the current housing market;
- Lend additional stability to neighborhoods as homeowners tend to become more rooted and invested in the community;
- Enable children who were raised in the community to return to raise their own families locally;
- Provide smaller homes for increasingly smaller families; and
- Offer more affordable housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families.

Small clustered cottage-style housing in pocket neighborhoods as well as other infill development, mixed-uses that include mixed-income condo development, and the redevelopment/reuse of previously nonresidential properties offer good options for increasing affordable homeownership opportunities in Hingham. Some of these developments could include several income tiers to address a wider range of housing needs, including those whose incomes are over 80% AMI but still priced out of the housing market.

Indicators of the need for more affordable homeownership units

The high cost of housing is shutting many residents out of the private housing market. For example, the median single-family house price was \$813,750 as of the end of 2018 requiring an income of approximately \$187,500 based on 80% financing and spending 30% of household income on housing costs. High upfront costs also challenge first-time purchasers. More affordable options are necessary that can support a range of incomes based on the indicators of need below.

Few subsidized ownership units

- Only 29 units or 3% of all SHI units involve ownership as of January 2019.

High demand for affordable homeownership units

- An affordable condo unit at Ridgewood Crossing was put up for resale and the lottery agent was inundated with applications.

High affordability gaps

- In the case of the single-family home, there is an affordability gap of \$270,750, the difference between what the median income earning household could afford of \$543,000 (based on 80% financing) and the median price of \$813,750. This gap increased to \$277,000 as of September 2019 when the median price increased to \$820,000.
- The affordability gap increases dramatically to \$535,750 when considering those earning at 80% AMI (2018 limits), the difference between what a three-person household earning at \$73,000 can afford, or \$278,000 with 95% financing, and the median house price.
- It is important to note that the upfront cash requirements for the down payment and closing costs in effect substantially add to the affordability gap, particularly in the case of 80% financing, translating into as much as \$175,000.
- In regards to condos, there was not an affordability gap as of the end of 2018 as what the median income earning household can afford, or \$514,500 (based on 80% financing), was higher than the median priced condo of \$450,000. However, the median price as of September 2019 spiked to \$711,000 that translated into an affordability gap of \$196,500.
- The condo affordability gap for those earning 80% AMI was about \$325,000 under the 2018 median price.
- While condos frequently present a more affordable alternative for new homeownership, obtaining financing since the recession has become more challenging for condominiums in particular and monthly fees raise housing expenses, limiting the amount that can be borrowed.

High cost burdens

- There remains a need for more affordable homeownership opportunities in Hingham as of the 1,454 owner households who were estimated to have earned at or below 80% AMI, only 37% were not

overspending on their housing resulting in a deficit of 914 affordable ownership units for those below this income range, 49% that involved seniors age 62 or over, 35% including families, and 16% of non-family and non-elderly residents.

- Of particular concern is the deficit of 490 units for those earning at or below 30% AMI.
- While the Town should focus on those more financially vulnerable residents earning below 80% AMI, it is worth noting that when looking at cost burdens (spending more than 30% of income on housing) there are deficits in the higher income categories as well including 160 units for those earning between 80% and 100% AMI and 550 units for those earning more than 100% AMI.

Maintain population diversity and attract young families

- Young adults in the family formation stage of their lives, the 25 to 34-age range, decreased by 27% between 2000 and 2010, during a time when the population increased by 11.4%. The 2017 census estimates show a modest net increase of 65 residents in this age range since 2000. Millennials, looking to put down roots, are likely either experiencing problems in affording to live in Hingham or are opting for a more urban lifestyle in other areas.

Financing challenges

- Without a subsidized or government insured mortgage, households have to come up with a substantial amount of cash, now more typically including a down payment of as much as 20%, thus presenting a major obstacle for many who seek to own a home. Credit problems also pose substantial barriers to homeownership.
- Prior generations have had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the median home price to income ratio was much lower than it is today, making homeownership more accessible.

Very low vacancy rates

- The 2017 vacancy rate for homeownership units was 0% according to census estimates, reflecting extremely tight market conditions.

Special Needs Housing: Integrate handicapped accessibility and supportive services into new development/Goal of 20% of all units produced for seniors and single persons and 10% for families

Handicapped accessibility and supportive services (such as those offered by the Department of Elder Services or through assisted living options as well as transportation, home maintenance and other service-related programs) should be integrated into new housing production efforts.

Indicators of the need to provide more special needs housing

Significant local population with disabilities

- Of all Hingham residents in 2017, 1,861 or 8.2% claimed a disability, representing significant special needs within the community. Disabilities among seniors included one-quarter of all those 65 years of age or older.

Growing senior population

- As the number of seniors continues to increase with the aging of the Baby Boomers, growing numbers of residents will need better access to housing that includes on-site supportive services and/or handicapped accessibility.
- Given the high number of senior citizens, efforts should continue to make affordable home care services available in the community in addition to more diverse and affordable housing opportunities. The need for combined shelter and services runs across all income levels and will continue to require coordinated approaches between service providers and developers.

Significant special needs among veterans

- The 2017 census estimates counted 1,064 veterans.
- Most of these veterans are older as 21% served in World War II, 22% in the Korean War, and 30% in the Vietnam era.
- The incomes of veterans are lower, at \$45,655 compared to \$125,144 for all households. While likely correlated to the age of these vets, this income level is still significantly lower than the median income of households with heads 65 years of age or older of \$60,327.
- About 40% of the veterans claimed a disability compared to 24% of all households with heads 65 years of age or older.
- Hingham does have a special needs facility for six veterans at Fort Hill (Commander Paul Anderson House).

High costs of housing have a profound effect on those with disabilities

- Those with disabilities, who are unable to work full-time or are reliant on Social Security Disability Income, have some of the greatest challenges in finding stable, decent and affordable housing that meets their special needs. While Hingham has a number of group homes for special needs populations, more such housing is needed as some of the lower income non-elderly, non-family households with severe cost burdens likely include those with disabilities.

Older Housing Stock – Need for resources to preserve the existing housing stock

Programs are needed to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly for the elderly living on fixed incomes and investor-owned properties tenanted by lower income households.

Indicators of need for housing preservation efforts

Significant older housing stock

- About 64% of Hingham’s housing stock was built prior to 1980, and houses in this age category are more likely to have traces of lead-based paint, posing safety hazards to children, as well as problems concerning aging system and structural conditions.
- Not all units are connected to municipal sewer services and consequently reliant on septic systems, some of which could be failing and need replacement.
- Hingham has many historic properties and resources to help owners restore them will continue to be beneficial to the community.

Unit accessibility problems

- There are a very limited number of handicapped accessible units in the town’s Subsidized Housing Inventory. Additionally, a relatively large number of people with disabilities would benefit from resources that will allow some modifications of existing conditions to promote accessibility and visitability, particularly the growing number of older residents.

Summary of Housing Needs

Table 2-38 provides a summary of unmet housing needs according to income level and type of household, focusing on households that are paying too much of their income on housing costs. While there are more owner-occupied units than rentals in Hingham with rentals comprising about 20% of the housing stock, the percentage of unmet housing needs of rentals is 35% of the total deficit of 2,543 units. If focusing solely on the needs of those earning at or below 80% AMI however, the proportion of unmet rental housing need increases to 39% of the total deficit of 1,588 units.

Table 2-38 also provides numbers on the unmet housing needs of seniors, families and non-elderly single individuals.

In regards to *seniors*, 404 renter households earning less than 80% AMI were overspending and therefore had unmet housing needs, representing 74% of all such households in this income range. The unmet housing needs of elderly owners are just a bit higher with 445 households or 49% of all such households overspending. While it is challenging to qualify homeowners for assisted housing, there are other actions that the Town can take to reduce the cost burdens of these residents such as several current tax deferral and exemption programs including the recently-approved means-tested property tax exemption program.

In regard to *families* in this income range, there is a somewhat lower proportion of unmet rental housing needs at 63% for renters and 82% for owners, however, this may also be related to having so few subsidized units for lower income families. Moreover, most of the units that are created through Chapter 40B developments are dominated by smaller units that are not conducive to families, except for the required 10% three-bedroom units.

There are far fewer *non-elderly, non-family households* in Hingham, however 72% of the renters and 91% of the owners have unmet housing needs, most in fact with severe cost burdens. Many of these households may have disabilities that limit their earning potential and accessibility to housing that meets their special needs. Others may be younger adults in the early stages of their professional lives and earning potential.

What is compelling about this documentation is the very high level of unmet housing need for those earning at or below the 80% AMI level, representing 71% of renters and 63% of owners. Within these limited incomes, residents are struggling to live in the community, some likely having to decide whether they pay their rent or mortgage versus a heating bill in the winter, medical prescriptions, or food.

Table 2-38: Unmet Housing Needs			
Population in Need	All Units	Housing Available That is Affordable	Unmet Need*
Rentals			
Extremely Low Income (Within 30% AMI)	255	50	205
Very Low Income (30% to 50% AMI)	340	116	224
Low to Moderate Income (50% to 80% AMI)	280	85	195
<i>Subtotal</i>	875	251	624 (71.3%)
80% to 100% AMI	105	20	85
Above 100% AMI	540	380	160
Total Renter Households	1,520	651	869 (57.2%)
Homeownership			
Extremely Low Income (Within 30% AMI)	525	85	440
Very Low Income (30% to 50% AMI)	460	105	355
Low to Moderate Income (50% to 80% AMI)	469	350	119
<i>Subtotal</i>	1,454	540	914 (62.9%)
80% to 100% AMI	540	380	160
Above 100% AMI	4,925	4,375	550
Total Owner Households	6,919	5,295	1,624 (23.5%)
TOTAL ALL HOUSEHOLDS	8,439	5,835	2,493 (29.5%)
Target Population in Need	All Units Occupied By Those Earning ≤ 80% AMI	Housing Available That is Affordable to Those Earning ≤ 80% AMI	All Those with Cost Burdens/Unmet Needs Occupied by Those Earning ≤ 80% AMI
Seniors (62 and over)	545 Renters 900 Owners	141 Renters 455 Owners	404 Renters (74.1%) 445 Owners (49.4%)
Families	205 Renters 389 Owners	75 Renters 70 Owners	130 Renters (63.4%) 319 Owners (82.0%)
Non-elderly Individuals	125 Renters 165 Owners	35 Renters 15 Owners	90 Renters (72.0%) 150 Owners (90.9%)
Source: U.S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2015.			
*Includes all those spending too much on their housing per Table 2-34.			

Table 2-39 presents targeted affordable housing development goals based on priority housing needs over the next ten years. The total figure of 250 units represents an aspirational goal that is also about 10% of the unmet housing need of 2,493 units. As noted in the opening parts of this section, given a list of considerations, rental housing should be the Town's top priority. This table suggests a breakdown of 85% to 15% of rental to homeownership units or 212 to 38 affordable units, respectively. All of the ownership units that are included in the SHI are small-scale projects and many were permitted through the Chapter 40B process. It is therefore likely that such future units will be produced on this basis as well through Habitat for Humanity, Housing Trust, or other private developers.

On the other hand, projects that involve some significant scale and can reach households earning at or below even 50%-60% AMI through a mix of state and local financing, including the Low Income Housing Tax Credit Program, will produce higher numbers of units towards meeting housing goals.

Table 2-39: Summary of Priority Housing Needs and Targeted Development Goals				
Rental Units	Seniors + Single Persons/ One Bedroom Units @ 40%	Small Families/ 2 Bedrooms @ 50%	Large Families/ 3+ Bedrooms @ 10%	Total 10-Year Goal
Rental @ 85%	85	106	21	212
Ownership Units	Seniors + Single Persons/ One Bedroom Units @ 25%	Small Families/ 2 Bedrooms @ 25%	Large Families/ 3+ Bedrooms @ 50%	Total/5-Year Goals
Ownership @ 15%	10	10	18	38
Total	95	116	39	250
Special Needs* (% of total units)	(19)	(12)	(4)	(35)
Source: 2015 HUD SOCDs CHAS and Karen Sunnarborg Consulting				
* Represents at least 10% of all units created in family housing and 20% in senior and single-person housing. For example, of the total 140 projected total one-bedroom units produced, largely directed to seniors, individuals, or those with disabilities, 20% or 28 would involve handicapped accessibility and/or supportive services.				

These priorities also address another priority housing need related to providing barrier-free units and supportive services where feasible, representing 20% of the one-bedroom units and 10% of the two- and three-bedroom units.

In conclusion, there is a need to provide support to all these types of households along a wide range of incomes. Everyone should have a right to safe and affordable housing, which is fundamental to stabilizing both individuals and families who may be living in substandard conditions and/or spending far too much for their housing. The whole community benefits when all residents have a decent and affordable place to call home.

3. CHALLENGES TO HOUSING PRODUCTION

The Town of Hingham continues to confront a range of challenges in addressing local housing needs, particularly in light of the following development constraints:

Environmental Constraints

Historic land use patterns focused greater and denser development in the northern part of town near Hingham Harbor and associated fishing and maritime uses. On the other hand, southern portions of the community were more sparsely developed as predominantly agricultural. This development pattern has largely been reinforced by environmental conditions, regulation, soil patterns, open space preservation, and the provision of infrastructure.

Water Resources

Approximately 35% of the Town's land area consists of water and wetlands, both fresh and salt water. Hingham is located in two major watersheds with most of the Town included in the Weir River Watershed that discharges north to Hingham Bay and remaining included in the South Coastal Watershed in the southeast area of the community. Of particular concern to environmentalists, known as Areas of Critical Environmental Concern (ACEC), are the Weir River Watershed and Weymouth Back River area which drain approximately 85% of the land area to Boston Harbor with the balanced drained by the Aaron River to the South Coastal Watershed.

The Weir River is a tidal estuary, picking up flow from a number of small tributaries and providing the water supply for Hingham, Hull, and 50% of Norwell. The Massachusetts Water Resources Commission has declared it "highly stressed", indicating that the water flows are diminished and the health of this resource is threatened. The Weir River ACEC, which includes about 950 acres in the communities of Hingham, Hull, and Cohasset, has one of the most extensive salt marsh systems in the Boston area and supports over 100 species of migratory and resident bird species in addition to numerous species of fish and shellfish.

The Weymouth Back River ACEC also contains about 950 acres, approximately 180 of which are tidal waters flushing into Hingham Bay that include important clam flats and a wide variety of fish as well as bird habitats. The area also includes about 100 acres of salt marshes, swamps, and ponds as well as the upland area of Bare Cove Park. Within this area are numerous historical sites, including prehistoric ones, and unique examples of glacial eskers that need to be protected.

Endangered, Threatened or of Special Concern

The state through its Division of Fisheries and Wildlife maintains a list of documented species that are endangered (E), threatened (T), or of special concern (SC). When identified, the presence of these species can substantially constrain development. Many of these species are in the areas of special environmental concern mentioned above.

Hazardous Waste Sites

Hingham has no federally-identified Superfund Sites that require remediation, but the state has a list of 151 sites in the state's Department of Environmental Protection (DEP) database where a release of oil and/or hazardous material was identified. Almost 100 of these sites have been investigated and/or remediated or determined to pose no significant risk of harm. Another 17 were identified as requiring no further action. The remaining 30 plus sites include active disposal sites that were also identified as requiring no further action or

do not appear to pose a significant threat to Areas of Critical Environmental Concern or to the water supplies.

Mitigation Measures:

- Representatives of Hingham, Hull and Norwell have formed the Weir River Watershed Association to bring the environmental concerns of this important water resource to public attention and has promoted the development of the Weir River Estuary Park.
- The Town has established the Accord Pond Watershed and Hingham Aquifer Protection District, with bounds that loosely correspond to those of Zone II recharge areas, in order to protect water quality through regulation and control of toxic and hazardous substances. The purposes of the Flood Plain Protection Overlay District include the protection of public health, safety and welfare in areas prone to flooding.
- The housing strategies are meant to comply with smart growth principles and therefore avoid significant impacts on the environment.

Infrastructure

Sewer Services

North Hingham has benefited from access to a public sewerage system in contrast to the southern portions of the community where more suburban and large lot sizes are more the norm. The Town has two active sewer districts, the North Sewer District in the northwest area of town and the newer Weir River Sewer District serving the area between George Washington Boulevard, Route 3A, and Hull Street. These sewer districts serve approximately 2,200 households or about one-quarter of all households, most in the North District.

As noted in the Town’s draft Open Space and Recreation Plan, the present systems are allowing new connections to Town sewer services through service agreements thus “allowing infill development on previously unusable lots, along with intensification of uses. The latter takes the form of teardowns where moderately-sized and moderate-cost housing previously on septic systems is replaced by much larger houses when the street has sewer.” The potential loss of such housing, and of open space, in sewer areas suggests giving a higher priority to potential acquisition or protective measures in those areas”¹⁷ The Draft Open Space and Recreation Plan also points to problems involving the loss of groundwater recharge and stream flows to the Weir River Watershed that is classified as “highly stressed”.

Water Services

The water supply system serves all of Hingham with the exception of Linden Ponds and some scattered private wells. The system was initially managed by Hingham Water Company and then the Aquarion Water Company, however, the spring 2019 Town Meeting approved the Town’s acquisition and management of the system.

The Town’s water resources are approaching capacity and is one of the reasons the Town acquired the local water company. Because existing wells draw largely on the Weir River Watershed, which is considered to be highly stressed due to withdrawals that exceed the natural recharge rate, it will be important for the Town to

¹⁷ Hingham Draft Open Space and Recreation Plan, 2016-2023, page 15. This Plan has been an important resource in preparing this Section.

explore new sources and support water conservation measures.

School Population and Capacity

A common concern about new development involves potential impacts on local schools. Census data and school enrollments suggest that the school-age population has been modestly increasing.

For example, census data indicates that the population three years or older enrolled in school (nursery through graduate school) included 5,740 residents or 26% of the town's overall population in 2010. This number increased by 29 children to 5,972 students by 2017, which still represents 26% of the population. Those enrolled in kindergarten through high school increased to 4,590 students in 2017, up from 4,157 in 2010.

Population projections predict some reversal of this trend with predicted decreases in school-age children. For example, MAPC's "Status Quo" projections forecast that those under age 20 will decrease from 26% to about 23% of the total population between 2010 and 2030, representing a 9.6% population loss of about 576 residents.

Increases in school-age children are also reflected in Hingham Public Schools enrollments between the 2000-2001 and 2016-2017 school years, rising from 3,401 students to 4,252 or by 25%. Since then enrollments have decreased only modestly to 4,202 students in 2018-2019 and 4,178 as of June 2019.

Hingham Public School projections from the New England School Development Council forecast relatively flat total enrollments through 2027-2028, rising only to 4,277 students. This report also provided some estimates regarding the "student yield" in relation to the 190 units constructed as part of the Avalon Hingham Shipyard II project and 220 units at Broadstone Bare Cove, both Chapter 40B developments, with the former yielding about 27 to 34 students and the latter from about 39 to 49 students. Recent history also suggests that about 12% of these 410 new units may become occupied by Town residents who are downsizing from their current homes. The report notes that based on 2010 data, Hingham had 0.45 kindergarten through grade 12 students per dwelling unit, well above the state average of 0.33. Additionally, the report suggests that as new families move into Hingham, about 70% of the school-age students will likely enroll in the elementary grades, 20% in the middle school grades, and about 10% in high school.

Transportation

Hingham is well-connected to a highway system as well as public transportation. The highway network includes Routes 53, 228, and 3A and the Town is also positioned along the Route 3 and Interstate 93 corridor thus connecting it to Boston and Cape Cod. With respect to public transportation, the Town is served by multiple MBTA bus connections as well as the MBTA Greenbush commuter rail line with two train stations in Hingham including the West Hingham Station and Nantasket Junction. Transportation access to Boston has been further enhanced by the MBTA commuter boat terminal at the Hingham Shipyard. Consequently, a much higher percentage of Hingham residents commute to work by public transportation, 18% compared to 10% statewide according to 2017 census estimates.

Nevertheless, transportation surfaces as an issue in other ways as well. For example, traffic congestion that might result from denser new development has continually been brought forth as a community concern. Moreover, it is recognized that Hingham's strong transportation connections have contributed to development pressures and higher housing costs as those looking for auto-free access to the region are increasingly drawn to the community.

Mitigation Measures: The strategies are compliant with smart growth principles and will therefore, to the greatest extent possible, avoid areas that lack water and sewer services or apply technology that would avoid negative impacts on the environment. While school enrollments are predicted to decrease, strategies in this Housing Plan are unlikely to result in significant increases in the school-age population that will cause school capacity problems. Additionally, the Town intends to work cooperatively with developers and residents to fully analyze and address potentially problematic traffic issues, also siting new development near public transit or areas in proximity to services to the greatest extent possible.

Regulatory Challenges

A great many of the concerns raised during the May 15th Community Housing Forum focused on local regulations. Participants identified the need for greater flexibility in the Hingham Zoning By-Law (the “By-Law”) to address the needs of a wider range of demographic groups by being able to better diversify housing options and promote smart growth development. For example, it was pointed out that there are limited areas in town that are available for mixed-use development. Conversely, participants also suggested that greater control in the By-Law may preserve more moderately sized and priced housing. The By-Law presently includes an exemption¹⁸ allowing the by right extension of nonconforming conditions associated with single-family and two-family dwellings. Approximately 130 property owners used the so-called “Hatfield Amendment” to replace older homes with larger homes.

As presented in Table 3-1, Hingham has seven zoning districts where residential uses are allowed. Similar to many other communities, larger-lot zoning requirements of at least a half-acre are the norm. While such zoning is intended to protect the environment, particularly in areas that rely on septic systems, as well as maintain community character, it also contributes to sprawl and thwarts housing development that relies on some economies of scale. Rising land values coupled with these large lot requirements also promote large home development with price-tags of well over \$1 million.

Table 3-1: Dimensional Regulations by Zoning District							
Dimensions	RA	RB	RC	RD	RE	BA	BB
Min. Lot Size (SF)	20,000	30,000	40,000	5,000	30,000		
Min. Frontage (LF)	125	150	150	30/du	150	20	100
Setback/Front (LF)	25	35	50	50	35	10	40
Setback/Side (LF)	15	20	20	20	20		25
Setback/Rear (LF)	15	20	20	20	20		25
Max. Height (LF/ # Stories)	35/2½	35/2½	35/2½	35/2½	35/2½	3	3

Source: Hingham Zoning By-Law, Section IV-A.

It should also be noted that multifamily development is permitted in both Residence District D and Residence District. Residence District D, located on Union Street opposite Wompatuck State Park, was developed in the 1980s with 54 townhouse-style condominium units. Residence District E includes three larger multifamily developments: Beals Cove Village, with 198 units; Hingham Woods, with 277 units; and Back River

¹⁸ Section III-I, 2. of the By-Law, the so-called “Hatfield Amendment,” allows by right any alteration, reconstruction, addition, extension, or structural change to a single-family or two-family dwelling that “does not further reduce the minimum linear measurement of the existing nonconforming dimensions.”

Townhomes, with 45 units. These developments were respectively permitted in the 1970s, 1980s, and 2000s. Both Districts are builtout, and consequently, any new housing opportunities would be limited to redevelopment.

The uses that are allowed in each of the major districts that permit residential development are presented in Table 3-2. Single-Family Dwellings are the only principal residential use allowed by-right. These are permitted in every residential zoning district, with the exception of Residence District D. Other residential uses that are allowed by Special Permit in some districts include:

- *Single-Family Conversions (Use 1.2)* – Single-family homes constructed prior to March 10, 1941 (the day that Hingham initially adopted the Zoning By-Law) that have more than six rooms may be converted to two-units, provided the exterior of the home continues to appear as a single-family dwelling. In the past 10 years, the Board of Appeals has issued 14 Special Permits to convert Single-Family Dwellings to Two-Family Dwellings. In 2015, the Board also initiated, but later withdrew from consideration, a proposed zoning amendment that would eliminate the date-based criteria for this Special Permit, so that the ability to convert could be applied uniformly throughout zoning districts.
- *House Trailers or Mobile Homes (Use 1.3)* – These are only allowed for very temporary purposes.
- *Residential Multi-Unit Development (Uses 1.4, 1.6, 1.7)*– Multi-family development, including apartment houses, townhouses, and garden apartments, is allowed in limited zoning districts and requires a site with a minimum of five acres with a maximum density of eight units per acre. The Residential Multi-Unit Development zoning includes affordability requirements such that 10% of the units in projects with six units or less per acre must be eligible for inclusion on the Subsidized Housing inventory (SHI); 15% of the units in projects with more than six units per acre must be eligible for inclusion on the SHI. As noted above, the districts in which these uses are allowed, specifically Residence District D and Residence District E, have no remaining undeveloped land. Apartment Houses are permitted in Business District A and B; however, there is little opportunity to compile sufficient land area in these districts in order to comply with the 5-acre lot size requirement.
- *Multi-Unit Development for Low-income Residents (Use 1.5)* – Multi-unit development that is built by public housing authorities for seniors or families under Chapter 121B of the Massachusetts General Laws is allowed in both Residential and Business zoning districts.
- *Accessory Dwelling Units (Use 1.8.9)* – Accessory dwelling units (ADUs) are allowed by special permit in all of the Residence and Business Districts and defined in Section V-K of the By-Law as:
 - a) A second self-contained dwelling unit within a single-family dwelling, which second dwelling unit is subordinate in size to the principal dwelling and otherwise complies with the provisions of this Section V-K.
 - b) For the purposes of this Section V-K, a “family member” shall be a person related to the owner by blood, adoption or marriage, and may also include domestic help and caregivers.
 - c) A “principal dwelling” for the purposes of this Section V-K is a single-family dwelling exclusive of the area that constitutes the accessory dwelling unit.
 - d) A single-family dwelling with an accessory dwelling unit shall not be deemed to be a two-family dwelling.

The ADU regulations were adopted at the 2018 Annual Town Meeting. At the time of this report, the Board of Appeals had received 10 applications to construct an ADU. In each instance, the Board issued the requested special permit.

- *Commercial/Residential Buildings (Use 4.22)* – These mixed-use developments are allowed in both Business District A and B. The definition of a Commercial/Residential Building follows:

A building containing commercial uses on the first floor at ground level and a dwelling unit or dwelling unit(s) above the first floor. A Commercial/Residential Building may also contain commercial uses above the first floor, but in no event shall residential uses be permitted on the first floor, at ground level, or below ground level.

There is increasing interest in this type of development, particularly in the Downtown Hingham Overlay District, which is a subset of the Business District A. In the past 10 years, the Board of Appeals issued Special Permits for 5 Commercial/Residential Buildings, creating 20 residential units overall.

Table 3-2: Schedule of Uses for Districts that Allow Residential Uses							
Uses	RA	RB	RC	RD	RE	BA	BB
Single-family Dwelling	P	P	P	O	P	O	O
Alteration/Conversion of Single-family to Two-family	A1						
House Trailer/Mobile Home for < 6 Months	A1	A1	A1	A1	O	O	O
Apartment House/ Multi-unit Development	O	O	O	O	O	A2	A2
Multi-unit Development For Low-income Households	A2	O	O	A2	A2	A2	A2
Town House with 4 to 10 Connected Dwellings	O	O	O	A2	A2	O	O
Garden Apartments With 4 to 10 Connected Dwellings	O	O	O	O	A2	O	O
Accessory Apartments	A1						
Commercial/Residential Building	O	O	O	O	O	A2	A2
Source: Hingham Zoning By-Law, Section III.A. P = Permitted; A1 = Special Permit by the Board of Appeals; A2 = Special Permit by the Board of Appeals, subject to Site Plan Review the Planning Board; O = Prohibited.							

Hingham’s Zoning By-Law also includes the following overlay districts that permit residential uses under certain conditions including:

- *Floodplain Protection Overlay District* – To protect the public health in flood-prone areas with residential requirements pertaining to the underlying zoning.
- *Accord Pond Watershed and Hingham Aquifer Protection District* – To protect the water quality of these important water resources with residential requirements pertaining to the underlying zoning.
- *Downtown Hingham Overlay District* – To encourage mixed-use development, also promoting more diverse housing options and maintaining the area’s historic character.

The Town has established a couple of additional zoning provisions to better encourage affordable housing and/or smart growth development including:

- *Mixed Uses in Industrial Districts* – Section IV-G of the By-Law permits a mixture of retail, residential, open space, general commercial, limited industrial and office uses, and a variety of building types, tracts of land within the Industrial District through a Special Permit by the ZBA if the development is considered in the public interest. Requirements limit residential uses to 15% of the total allowable square footage, also including 6% for retail space and the remainder for general commercial uses. Also, no more than 15% of all residential units in any development can include three bedrooms and larger units are not allowed. Other requirements include having a site of at least 100 acres and a maximum of 140 acres in an Industrial District as well as a 1:1 Floor Area Ratio with 15% of the total area in a new construction project set aside as permanent open space reserved for active or passive recreation use. The height restriction is up to 40 feet above the finished grade. The Hingham Shipyard was redeveloped pursuant to a Mixed-Use Special Permit. It includes a total of 488 residential units. Approximately half of these, or 235, consist of rental units owned and operated by AvalonBay Communities. There are 23 affordable units within the Avalon portion of the development.
- *Flexible Residential Development (FRD)* -- This zoning, under Section IV-D of the By-Law, is intended to encourage the permanent preservation of open space and other natural amenities while diversifying the housing stock, including the integration of affordable housing. This clustered housing approach is optional, not mandatory, but is meant to allow some greater flexibility in the layout and design of a subdivision, also permitting some greater density in return for the preservation of open space and affordable units. Zoning allows this clustering of housing based on a number of conditions including:
 - Minimum parcel size of three acres
 - Located in Residence Districts A, B or C
 - Minimum designation and protection of 40% of the site as permanent open space conveyed to the Town, non-profit, Trust or other approved conservation entity to enforce the open space restrictions
 - Limited to single-family or two-family dwellings
 - Maximum height of 2½ stories or 35 feet
 - Total units restricted to what would be allowed under a conventional subdivision with allowance of additional affordable units
 - Minimum 30-year term for deed restrictions on affordable units, if any
 - Different specifications in regard to floor area, number of bedrooms and number of garage spaces and for the affordable units and “moderately-sized homes” with single-family and two-family variations for each
 - A complicated formula for calculating the density bonus

The Weathervane at Chestnut Gardens and Ridgewood Crossing projects were both permitted through this zoning and include two and three affordable units, respectively.

Mitigation Measures:

This Housing Plan recommends further changes to the By-Law to promote more diverse housing options including consideration of the following zoning changes:

- Adopt zoning for mixed uses
- Amend flexible zoning provisions
- Better promote ADUs
- Explore inclusionary zoning
- Pursue measures to resolve some problematic teardown activity
- Pursue greater housing diversity in more areas

High Housing Costs

Many of the comments related to development challenges from the May 15th Community Housing Forum focused on high housing costs. Section 2 of this Housing Plan, which analyzes housing market conditions, documents high and rising housing costs for both rental and ownership units. These costs are causing many residents, particularly longer-term residents, to spend far too much on their housing and thus struggle to remain in the community.

For example, to afford the median rent of \$2,190 based on 2017 census estimates, a household would have to earn approximately \$95,600 based on the assumptions of spending no more than 30% of income on housing costs including an average of \$200 in monthly utility bills. This income is lower than Hingham's median household income of \$125,144 but double the median renter household income of \$48,284 and more comparable to the \$116,424 income level for a household of three earning at the 100% AMI limit. Moreover, market rents in newer multi-family developments are \$3,000 or more, even beyond the means of what might be considered middle-income households. Consequently, it is not surprising that of the 875 renter households earning at or below 80% of area median income (57.6% of all renter households counted), 624 or 71.3% were spending more than 30% of their income on housing costs with 480 or 55% spending more than half of their income on housing expenses.

Costs related to homeownership units are at unprecedented levels and consequently widening the affordability gaps between what households can afford and what is available and thus also increasing cost burdens. For example, in the case of the single-family home, there is an affordability gap of \$270,750, the difference between what the median income earning household could afford of \$543,000 (based on 80% financing) and the median price of \$813,750. The affordability gap increases dramatically to \$535,750 when considering those earning at 80% AMI, the difference between what a three-person household earning at \$73,000 can afford, or \$278,000 with 95% financing, and the median house price. There remains a need for more affordable homeownership opportunities in Hingham as of the 1,454 owner households who were estimated to have earned at or below 80% AMI, only 37% were not overspending on their housing resulting in a deficit of 914 affordable ownership units for those in this income range, 49% that involved seniors age 62 or over, 35% including families, and 16% of non-family and non-elderly residents.

The driving force behind rising market values is the cost of land. As development continues and development opportunities start dwindling, remaining developable parcels become more expensive. Moreover, existing developed properties become targets for redevelopment. This is demonstrated in the level of teardown activity where more modest homes are being demolished and replaced by much larger and expensive ones. In fact, about 40% of all new single-family homes is a result of this teardown activity. These large homes are attracting newcomers who are drawn to the community's excellent schools, historic character, exceptional transportation network, coastal location and other community characteristics and are able to afford the million plus sales prices. As housing values increase, so do property taxes, which is also leading to the affordability problems of longer-term residents and most modest income earners.

Mitigation Measures: The Town has utilized high market prices to support affordable units through inclusionary provisions in existing zoning provisions and Chapter 40B. Moreover, this Housing Plan provides guidance in the investment of additional regional, state, and federal sources of financing as well as local support by the Community Preservation Act (CPA) and Housing Trust Funds for example.

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 limited and extremely competitive. State subsidies for homeownership developments have been cut significantly for example. Communities are finding it increasingly difficult to secure necessary funding and applications for state financing frequently wait through several funding rounds before funds are allocated. Having local resources to leverage other public and private financing is critical.

Hingham is fortunate to have passed the Community Preservation Act (CPA) in 2001, which provides an important local resource with a state match for open space preservation and recreation, historic preservation and community housing. The Town approved a property tax surcharge of 1.5%. While in the past the state was able to match the community's surcharge on a one-on-one basis, based on more towns opting into the program and some fall-off in Registry of Deed fees that support it, the state's match has decreased in recent years. In 2018, Hingham was projected to raise approximately \$1,266,000 in surcharge funding and state matching funds.

The Town, at the Annual Town Meeting in 2007, accepted the provisions of M.G.L. c. 44, s. 55C and amended the General By-Laws to establish the Affordable Housing Trust (the "Trust"). Creation of the Trust has allowed the community to rely on a single entity to serve as the Town's permanent committee for overseeing housing issues; implementing the Housing Plan; managing the Affordable Housing Trust Fund; defining policy issues that are in the public interest; working with the Planning Board on regulatory reforms related to affordable housing; guiding developers on affordable housing projects; sponsoring local initiatives, etc. More information on CPA and Housing Trust funding is provided in Appendix 3.

Mitigation Measures: This Housing Plan provides guidance in the investment of CPA funding and the Affordable Housing Trust Fund for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources. This Housing Plan also offers strategies to raise other sources of support for affordable housing activities.

Community Perceptions

The May 15th and December 4th Community Housing Forums surfaced many concerns about community perceptions regarding affordable housing including comments related to a lack of awareness and understanding of affordable housing requirements, problematic perceptions of density, and a low sense of priority relative to other community issues. In every community, the Not in My Backyard (NIMBY) response to affordable housing can be more the norm than the exception. However, community perceptions have been tilting towards the realization that the inclusion of more housing affordability in new development is needed to meet the needs of those who are priced out of the Hingham's high cost housing market. More people are recognizing that the new 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 that

many residents view as hostile, and some appreciation that affordable housing can be well designed and integrated into the community, which are spurring communities such as Hingham to take a more proactive stance in support of affordable housing initiatives. Also, once residents understand that the Town can potentially reserve up to 70% of the affordable units in any new development for those who have a connection to Hingham, referred to as “local preference”, greater local support is typically more forthcoming.¹⁹

Mitigation Measures: Hingham will continue an ongoing educational campaign to 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. This Housing Plan also offers an excellent opportunity to once again showcase the issue of affordable housing, providing information to the community on local needs and proactive measures to meet these needs.

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 also have opportunities for real input.

¹⁹ “Local 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.

4. HOUSING STRATEGIES TO ADDRESS NEEDS AND GOALS

There is general recognition that Greater Boston is in the throes of a housing shortage and estimates suggest the need to add more than 200,000 apartments and condos to meet the region's growing housing demand. Regionally, the South Shore Chamber of Commerce has introduced the South Shore 2030s Housing Initiative with a housing goal of 44,000 new units by 2030. The Chamber of Commerce suggests that this Initiative is not just about housing production but about the right kind of housing in the right locations that builds communities and supports the economic vitality of the region.

The state has recently recognized Hingham for its housing production efforts through a Housing Choice designation that rewards communities that are producing new housing and have adopted best practices to promote sustainable housing development. Consequently, the Town will be eligible to apply for a major new competitive capital grant program and earn bonus points for many state grant and capital funding programs. Given still significant unmet housing needs in the community however, as documented in Section 3, the Town still needs to focus on how best to strategically produce additional housing opportunities and support statewide and regional housing production efforts.

It should be recognized that the Town has made considerable progress in forwarding its housing agenda over the past several years, proactively creating affordable housing opportunities including:

- *Whiting Street*
The Town, acting through the Affordable Housing Trust, selected the South Shore Habitat for Humanity to construct two, detached single-family homes, each with three bedrooms, for families earning no more than 60% of area median income.
- *Cushing Street*
The Affordable Housing Trust acquired a 2.3-acre parcel of land with a single-family, Cape-style dwelling, and engaged an engineer to undertake a feasibility analysis on siting another home on the property. Once permitted as a "friendly" 40B, both homes would be transferred to income eligible households and included on the SHI.
- *Rhodes Circle*
The HAHT acquired a two-family dwelling on Rhodes Circle. The Trust plans to make repairs and then transfer each of the three-bedroom units to income eligible households subject to long-term affordability restrictions.
- *New Staff Position*
The Town approved a new job description for a full-time Land Use and Development Coordinator. This position would provide administrative and technical staff support to the HAHT.
- *Master Plan*
The Town is embarking on preparations for an updated Master Plan, the timing of which allows for the coordination and reinforcement of the Town's housing agenda by both the Housing element of the Master Plan and this Housing Plan.
- *Seniors Citizen's Property Tax Exemption Program*

Town Meeting voted unanimously to authorize the Board of Selectmen to initiate special legislation to create a means-tested property tax exemption would help alleviate escalating tax burdens experienced by those on fixed incomes. The Selectmen will need to prepare a home rule petition for state legislative approval. It is anticipated to go into effect in 2021.

It should be noted that a major goal of this Housing Plan is to serve the wide range of local needs from those who may be at risk of becoming homeless to those who earn too much to typically qualify for housing assistance but are still priced out of the private housing market. Consequently, there are instances where housing initiatives might be promoted to meet needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments and mixed-income housing that includes “community housing” or “workforce housing” units).²⁰ Community Preservation Funds, for example, are eligible for assisting those earning up to 100% AMI, and the Governor has allocated \$100 million towards a special state fund for the creation of workforce housing, increasing rental housing opportunities for households earning 61% to 120% AMI.

The Town will also encourage developers to incorporate certain high-performance principles into new housing development including universal design²¹ and “visitability” standards,²² particularly given the increasing number of seniors in the community. Development should also incorporate sustainability measures to significantly reduce energy consumption.

Because affordable units take so much time, effort and funding to produce and are a vital factor for enabling residents to remain in Hingham, it is essential that the Town continue to safeguard their continued affordability and inclusion in the 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, referred to as Local Action Units (LAUs), 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 town; and/or
- Provision of land or buildings that are owned or acquired by the 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:

²⁰ In this Plan “workforce housing” refers to units directed to those earning between 80% and 120% AMI but still priced out of the private housing market. The term “community housing” may also be used and applies to units directed to those earning between 80% and 100% AMI who are eligible for receiving CPA assistance.

²¹ “Universal Design” is the design and composition of an environment so that it can be accessed, understood and used to the greatest extent possible by all people regardless of their age, size, ability or disability.” National Disability Authority, Centre for Excellence in Universal Design.

²² “Visitability” is the design approach for new homes such that there is sufficient wheelchair access to nonresidents who visit the homes. A social visit requires the ability to also get into the house, pass through interior doorways, and get into a bathroom.

- 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.

Units are eligible for inclusion in the SHI at the earliest of the following:

1. When the comprehensive permit is filed with the municipal clerk, notwithstanding any appeal by a party other than the ZBA.
2. When the building permit is issued.
3. When the occupancy permit is issued.
4. When the unit is occupied by an income eligible household and no comp permit, building permit or occupancy permit is required.

The Town's Senior Planner for Zoning and Special Projects coordinates this work. 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. The Town should ensure that all designated monitoring agents for SHI units are fulfilling their responsibilities and obtain their annual monitoring compliance reports.

The strategies outlined below are based on input from a wide variety of sources including interviews with local and regional stakeholders, prior planning efforts, housing needs and targeted housing goals, the community housing forum held on May 15, 2019, the outcomes of local housing initiatives, and the experience of other comparable localities in the area and throughout the Commonwealth. A summary of these actions is included in Table 1-1 of the Executive Summary.

It is important to note that these strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels. The strategies are also prioritized according to the timeframe for implementation with short-term strategies requiring some immediate attention and implementation over the next year or two, middle-term strategies involving some focus within the next five years, and longer-term strategies implemented within the next ten years.

Capacity-Building Strategies

Hingham is a relatively small community and, unlike many cities, does not have substantial annual state or federal funding available to support local housing initiatives on an ongoing basis. Nevertheless, there is a structure in place to coordinate housing-related activities that includes the Hingham Affordable Housing Trust (HAHT), the Hingham Housing Authority (HHA), and other local and regional developers and service providers (see Appendix 3 for a summary of these entities). This Housing Plan will also boost the Town's capacity to promote affordable housing as it provides the necessary blueprint for the next ten years, prioritizing affordable housing initiatives based on documented local needs and community input. This Plan will also

serve as input into the Master Planning process which the Town embarked upon in the fall of 2019.

The following strategies are proposed to further build local capacity to implement the recommendations included in this Housing Plan through an enhanced community outreach effort related to affordable housing and additional resources to subsidize and guide initiatives.

1. Make community education on housing issues a priority

Responsible Party: Affordable Housing Trust

Priority: Short Term

Because most of the proposed 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. The need to educate residents on housing insecurity issues was a repeated subject in the May 15th Community Housing Forum.

Continued and strategic efforts to inform residents and local leaders on the issue of affordable housing and specific new initiatives builds 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 concerns and suggestions.

The presentation of this Housing Plan offers an important opportunity to bring attention to the issue of affordable housing, providing information on housing needs, targeted goals, and proposed strategies that can help generate community support for affordable housing initiatives. Interviews have been conducted with key housing stakeholders and public meetings have been held with local leaders and residents to get important input into this Housing Plan including a special housing forum on May 15, 2019 (see Appendix 1 for a summary) and another on December 4, 2019. The process of preparing a Master Plan over the next year will also focus on long-term housing needs, goals and actions; reinforcing themes in this Housing Plan.

Tapping into social media to attract attention to local and regional housing issues and initiatives is another way to share important information with residents, particularly younger residents.

Other education opportunities should be pursued including:

- Special forums on all new housing initiatives;
- Annual or biannual housing summits that can provide community residents and housing stakeholders with an update on housing-related activities, offer roundtable discussions on a range of housing issues, and also enable representatives of appropriate boards and committees a formal forum for advancing communication and collaboration;
- Public information on existing programs and services potentially involving a special event with a panel of housing service providers;

- Special forums on important housing issues such as Fair Housing laws or available housing-related services and programs for example, that could include a panel of experts with ample time for questions and comments.
- Enhanced use of public access television potentially with a conversation with a member of the Affordable Housing Trust on the work of the Trust and this Housing Plan;
- Expanded housing website with key links to other local, state, regional and federal organizations and agencies and with important information on such issues of Fair Housing, lead-based paint, and new affordable housing opportunities; and
- Educational opportunities for board and committee members as well as professional staff to keep updated on new requirements and best practices and for new members to obtain some additional orientation towards their responsibilities.

2. *Secure sustainable funding sources to capitalize the Affordable Housing Trust Fund*

Responsible Parties: Board of Selectmen with support from the Community Preservation Committee

Priority: Short Term

While Hingham is fortunate to have CPA funding and an Affordable Housing Trust Fund to support affordable housing, additional resources are needed. The message that community preservation and economic development can be achieved through affordable or mixed-income housing development can be a compelling one for those who care about the community.

Because of such high and rising property values, the affordability gap is increasing and thus requiring higher levels of subsidies to make projects that include affordable units financially feasible. Moreover, because the most critical housing needs are for those earning at or below 50% of area median income, even additional levels of subsidy funds are required to reach this population. Consequently, the Town will need to work with developers that have a proven track record in obtaining financing from the state and/or federal government including Low Income Housing Tax Credits. It should also explore additional housing resources for tapping into further consistent funding streams, potentially in concert with neighboring communities:

- Some communities have decided to commit at least the minimum 10% of Community Preservation Act (CPA) funding on an annual basis to their Housing Trusts without targeting the funding to any specific initiative. For example, the Towns of Grafton and Sudbury have been directing 10% of their annual CPA allocation to their Trust Funds for years. The Trusts are also encouraged to apply for additional CPA funds for specific projects.
- Providing information to owners on the *potential tax advantages* of donating property or selling property at a discounted price for charitable purposes.
- *Special fundraising events* that can not only raise awareness on the issue of affordable housing but also raise donations to the Housing Trust Fund.

Creative Community Models for Capitalizing the Housing Trust

Scituate’s Town Meeting funded its Housing Trust with \$700,000 of Community Preservation funding from its community housing reserves. The Town of Harwich has committed lease payments from its cell tower as well as sale proceeds of a Town-owned property (fetching more than a million dollars) to its Housing Trust Fund. Towns with inclusionary zoning bylaws that allow cash-in-lieu of actual affordable units have also used these funds to capitalize their Housing Trusts. Other communities have obtained funding from developers through negotiations on proposed developments and donations of property or funding.

- Using *regional appropriations of CPA funding* based on the premise that housing that is developed in one community is likely to benefit residents of the other nearby communities as well. Examples of this approach is the development of the Cape Cod Village project in Orleans.

Model: Cape Cod Village

The Cape Cod Village (CCV) project provides a safe and caring home environment for 15 income-eligible (80% or less of area median income) adults with autism at a site in downtown Orleans. The project includes two duplex homes with four residences on each side as well as a common building where residents can gather with their families and other members of the community for programs, activities and events. The campus-like setting also includes spaces for outdoor activities. The development is staffed 24 hours a day. The \$5,225,000 development budget included \$950,000 in CPA donations from the following communities:

Orleans	\$450,000
Chatham	\$100,000
Brewster	\$100,000
Wellfleet	\$100,000
Eastham	\$100,000
Truro	\$50,000
Provincetown	\$50,000

Zoning Strategies

As with most communities, Hingham’s Zoning Bylaw includes relatively large lot zoning in most areas of town and other exclusionary provisions that help protect the environment but nevertheless constrain development. This creates the likely need for regulatory relief for many residential developments that include affordable units, possibly through the “friendly” comprehensive permit process if not through normal regulatory channels.

The second housing-related goal included in the Housing Section of the Hingham Master Plan Update is to “encourage and maintain a mix of housing types in various locations throughout the town by supporting development that provides for households at all income levels and encourages a diversity of age and families and housing types of a scale and character consistent with Hingham’s character”. To do this will require greater flexibility in Hingham’s Zoning Bylaw.

Allowing a wider range of housing types will result in public benefits associated with broader private development options and more opportunities for affordable units. Many of these more diverse housing types are described in strategy #1 under Housing Development strategies below. To build such housing in Hingham will require zoning changes including adding them to the use regulations in more zoning districts, to establishing additional overlay districts, and to changing some dimensional and parking requirements. Both by-right and special permit provisions can be identified according to housing type and zoning district.

It should also be noted that along with Cohasset, Scituate, and Duxbury; the Town of Hingham is participating in a project coordinated by the Metropolitan Area Planning Council (MAPC) to more fully explore potential new zoning options for smaller housing types including:

- Townhouses
- Mixed use, with a focus on detached infill mixed use and adding housing to single-story retail
- Co-housing. This could mean a few different things, so MAPC will do some research on this and will circle back with the group to make sure our perception of co-housing is consistent
- Accessory Dwelling Units (ADUs).
- Cottage zoning.
- Conversion of historic housing to be included if the budget allows.

The Town should consider the following zoning-related strategies to promote the production of additional affordable units as well as a greater diversity of housing types to address a diversity of housing needs and direct new development to appropriate locations and target populations.

1. Better promote Accessory Dwelling Units (ADUs)

Responsible Party: Planning Board

Priority: Short Term

Accessory dwelling units (ADUs) are allowed by special permit in all of the Residence and Business Districts and defined in Section V-K of the By-Law as:

- a) A second self-contained dwelling unit within a single-family dwelling, which second dwelling unit is subordinate in size to the principal dwelling and otherwise complies with the provisions of this Section V-K.
- b) For the purposes of this Section V-K, a “family member” shall be a person related to the owner by blood, adoption or marriage, and may also include domestic help and caregivers.
- c) A “principal dwelling” for the purposes of this Section V-K is a single-family dwelling exclusive of the area that constitutes the accessory dwelling unit.
- d) A single-family dwelling with an accessory dwelling unit shall not be deemed to be a two-family dwelling.

The ADU regulations were adopted at the 2018 Annual Town Meeting. At the time of this report, the Board of Appeals had received 10 applications to construct an ADU. In each instance, the Board or its Zoning Administrator issued the requested special permit.

Because of changes to the state’s Local Initiative Program (LIP) in 2008, all affordable accessory units must be affirmatively marketed based on a state approved Affirmative Fair Housing Marketing and Resident Selection Plan. This would involve the Town establishing and maintaining a waiting list of prequalified households applying to rent any affordable accessory units, referred to as a Ready Renters List, and precludes units that are currently occupied or where owners select their own tenants including family members. Consequently, most communities that are promoting accessory apartments are not pursuing the inclusion of these units in the Subsidized Housing Inventory. Moreover, since Hingham has surpassed the 10% state affordability goal, the enforcement of affordability requirements becomes less of a concern. It should be noted that the Town of Lincoln, which is also over the 10% state goal, has introduced a special program to support deed-restricted

Information from Section 3 of this Plan indicates that 215 of the 300 senior homeowners 62 years of age or older with incomes at or below 30% AMI were spending more than half of their income on housing costs. Such owners are struggling to remain in the community, many with likely more living space than they need. Some of these owners may find income from an ADU of great benefit but do not have a family member that would be interested and available to occupy an ADU.

affordable ADUs with incentives through a property tax exemption and 10-year, zero interest loans of up to \$25,000 to help create such units.

The recent adoption of an ADU bylaw is a good start and certainly a step in the right direction. However, restricting occupancy to family members largely sidesteps one of the primary purposes and benefits of such units – to provide homeowners with additional income that is particularly important for elderly homeowners, single parents, and others who are spending too much of their income on housing and for whom such income may be critical to remaining in their homes. Also, without the flow of income from the rent of an accessory apartment, some young families or moderate-income households might not be able to afford homeownership.

There are a number of reasons for promoting accessory apartments in the community besides keeping extended family together and offering potential support from caregivers including:

- Create moderately-priced housing for those who might otherwise find it difficult to find housing.
- Offer appropriately sized units for growing numbers of smaller households, young adults and senior citizens in particular.
- Provide a fairly inexpensive means of increasing the supply of year-round rental units at lower cost than new construction and without significant impact on the surrounding neighborhood.
- Create housing units that do not require additional Town services, such as new streets or utilities, and involve little or no loss of open space.
- Provide companionship, security and services for the homeowner or tenant.
- Generate increased tax revenue in a locality because accessory units typically add value to existing homes.
- Offer a way of preserving historic properties given the rental stream available to help maintain the property.

While the Town might have some apprehensions concerning the impact of ADUs on existing neighborhoods, problems have not been borne out in other communities. For example, the Town of Needham conducted a survey of nine communities to obtain information on accessory dwelling unit zoning in what it considered to be relatively comparable communities.²³ This report provided compelling evidence that ADUs could contribute to the overall goal of increasing housing options for older adults, young adults, people with disabilities, and people with moderate incomes without negatively impacting the quality of life. Using the Massachusetts Model Bylaw and the experiences of these nine communities as guides, the report concluded that Needham could create a bylaw that ensured units could be integrated into existing single-family neighborhoods with little or no negative impact on the character of the neighborhood or on Town services, provide new options for current Needham homeowners, and minimize the regulatory burden on Town officials. The report

²³ These communities included Acton, Bedford, Carlisle, Lexington, Milton, Newton, Scituate, Sudbury, and Westwood.

emphasized the importance of affordability, allowing homeowners to rent their units to those beyond family and caregivers.

In order to promote accessory units, the Planning Board with support from the Affordable Housing Trust should further explore the Massachusetts Model bylaw as well as the bylaws in other communities. It should be noted that Lexington, Newton, and Scituate have relatively recently amended their zoning to better promote accessory units, eliminating what they considered ineffective restrictions. Both Lexington and Newton have a tiered permitting system that includes by-right approval when the unit meets standard requirements and is created within the existing footprint of the principal dwelling while extending a special permit process for those applications that fall out of these basic provisions including units in detached structures. These bylaws, especially Lexington's, would be a good place to start in the exploration of changes to the ADU bylaw.

2. Amend Flexible Residential Development Bylaw

Responsible Party: Planning Board

Priority: Short Term

The Town has a Flexible Residential Development bylaw that is intended to encourage the permanent preservation of open space and other natural amenities while diversifying the housing stock, including the integration of affordable housing. This clustered housing approach is optional, not mandatory, but is meant to allow some greater flexibility in the layout and design of a subdivision, also permitting some greater density in return for the preservation of open space and affordable units. While the bylaw is premised on smart growth principles, it has not been very effective to date. Details on this bylaw are provided in Section 3 of this Housing Plan.

The Planning Board is in the process of exploring changes to the bylaw. It might review model by-laws and tweak the existing one. 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).

3. Explore inclusionary zoning

Responsible Party: Planning Board

Priority: Short Term

Inclusionary zoning, not currently included in Hingham'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. This mechanism has been adopted by more than half the communities in the state. While the Town has an inclusionary provision as part of its Flexible Residential Development bylaw, this zoning has not effectively created affordable units. Adopting a town-wide bylaw would enable Hingham to have some affordability integrated into any new development or redevelopment project over a certain size.

Studies on inclusionary zoning indicate that mandatory provisions coupled with strong incentives are most effective in promoting affordable housing. It is important to provide sufficient incentives to developers to make sure that the incorporation of affordable units will be financially feasible. Incentives also reduce the risk of litigation from developers who claim that the mandatory inclusion of affordable units involves a “taking” of their property rights. In fact inclusionary zoning can be legally vulnerable if requirements make it impossible for the developer to earn a reasonable return on the project as a whole.

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 other affordable housing production efforts. Most of the by-laws include mandated percentages of units that must be affordable, typically 10% to 20%, coupled with density bonuses. Some also allow the development of affordable units off-site and/or cash in-lieu of actual units. Table 4-1 provides a summary of some inclusionary zoning requirements from other communities.

Providing options for developers as part of inclusionary zoning mandates will likely result in the greater use of the bylaw. If a payment in-lieu of units is adopted, it will be essential that the formula for calculating the fee provide sufficient proceeds to fully subsidize the required number of affordable units despite changes in market conditions and to ensure that the funding will be dedicated to supporting affordable housing. The cash-out fee should be tied to the value of the affordable unit. From a theoretical standpoint that value is commonly considered to be the difference between a unit’s market-rate price and the affordable one. This means that the value of the cash-out fee relates to the losses the developer would suffer by building affordable units. Stronger fees typically match the value of the affordable unit not built, allowing the fee to subsidize the same number of units in a separate project.

A simple formula, adopted by Somerville and Groton for example, would be the difference between the market sales price and the affordable one with the affordability based on the state’s formula for calculating the purchase price through the Local Initiative Program (LIP). The per-unit fee would be multiplied by the number of affordable units required under the permitting.

Another consideration is adopting the cash-out fee calculation included in Watertown’s inclusionary zoning bylaw in which the cash payment is equal to the most current Total Development Costs (TDC) as articulated in the MA Department of Housing and Community Development’s Qualified Allocation Plan (QAP) for projects using the Low-Income Housing Tax Credit. These costs are divided by whether the units are part of a production or preservation project, are outside or within the Metro Boston area and by the type of housing to be built. For example, a production project with small units in an urban area within the Metro Boston area would have a TDC cap of \$379,000, a project with large units would have a cap of \$399,000 based on the 2018-2019 QAP. For Hingham this would range from \$259,000 to \$349,000 in 2018-2019.

There are a variety of by-laws that have been adopted in localities throughout the state and requirements vary considerably. The Executive Office of Environment and Energy’s Smart Growth Toolkit includes a model inclusionary zoning by-law that highlights key local decisions and makes some commentary for consideration throughout (www.mass.gov/envir/smart_growth_toolkit/pages/SG-by-laws.html). The Citizen Planner Training Collaborative website has a model by-law with commentary and some policies as well (www.umass.edu/masscptc/exampleby-laws.html).

Table 4-1: Summary of Inclusionary Zoning Requirements in Other Communities			
Municipality	Required Percentage of Affordable Units	Minimum Project Size	Payment-in-lieu of Affordable Units
Amherst	Based on project size Ranges from 7% to 12%	10 Units	No ²⁴
Arlington	15%	6 Units	Yes
Barnstable	10%	10 Units	Formed a committee to stu
Belmont	10%, 12.5% or 15% depending on project size	2 single-family or two-family homes	Yes
Brookline	15%	6 Units	Yes
Cambridge	15%**	10 Units	Yes
Duxbury	10%	6 Units	Yes
Hopkinton	10%	10 Units	Yes
Medway	10%	6 Units	Yes
Newton	15%	4 Units*	Yes
Somerville	12.5% to 20% depending on location	6 Units*	Yes
Tewksbury	15%	4 Units*	Yes
Watertown	12.5% to 15%	6 Units	Yes
Wellesley	20%	5 Units	Yes
Yarmouth	20%	5 Units	Yes
*Zoning indicates that the calculation of a fractional unit of 0.5 or more shall be regarded as a whole unit. With a 12.5% to 15% affordability requirement, the 0.5 threshold occurs with four (4) total units. ** Considering increasing the percentage to 20%.			

It will be important to also ensure 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. Some clearly designated oversight and familiarity with state requirements is required. The monitoring of projects to ensure 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 role in supporting the monitoring process.

4. Pursue measures to resolve problematic teardown activity

Responsible Parties: Planning Board and Special Working Group

Priority: Short Term

The level of demolition and replacement activity in Hingham is high, representing about 40% of the permitting activity for new single-family homes. Hingham is not the only community experiencing such high levels of teardown activity as it involves almost all of the new single-family home development in Needham. Such activity can have a number of negative impacts including:

- Erosion of the smaller and more modest privately-owned housing units in the community and thus more affordable ones.

²⁴ A cash in-lieu fee was recommended as part of the Housing Production Plan that the Town approved in 2013.

- Increases in housing values and thus property taxes.
- Loss of light and privacy.
- Storm-water run-off onto adjacent properties.
- Loss of trees.
- Changes in the very character of neighborhoods.

Communities have used a number of zoning-related approaches in response to teardown activity. For example, Wellesley, Newton and Weston have enacted new review processes and zoning to better control the massing of new development. Needham formed a special working committee to research the dynamics of teardown and replacement activity, examine what other communities were doing to better regulate such activity, and recommend zoning changes that would reduce negative impacts on abutters and neighborhoods while balancing the rights of property owners.

Model: Wellesley Large House Review Regulations

Wellesley changed its zoning to require a special Large House Review (LHR) process for new single-family homes and additions that exceed dimensions established in the Zoning Bylaw. Size is based on the concept of “Total Living Area plus Garage Space” (TLAG) and review thresholds vary according to zoning district as follows:

- Single Residence 10,000 square feet (SF) Area Regulation District – TLAG threshold for review of 3,600 SF.
- Single Residence 15,000 SF Area Regulation District – TLAG threshold for review of 4,300 SF.
- Single Residence 20,000 SF Area Regulation District – TLAG threshold for review of 5,900 SF.
- Single Residence 30,000 and 40,000 SF Area Regulation Districts – TLAG threshold for review of 7,200 SF.

TLAG includes all finished areas above ground and garage space and storage buildings to the extent they are larger than 600 SF taken together. Also, if more than 25% of the area of basement walls appears above ground, then a portion of the basement area, according to a specified formula, is included in the TLAG.

The Design Review Board (DRB) is designated to review the LHR submission materials and make a recommendation to the Planning Board within 30 days from the referral of the application. The Planning Board will evaluate the proposed project against a set of criteria identified in the LHR section of the Zoning Bylaw (related to landscape preservation, drainage, building scale, lighting, open space and circulation), also considering the recommendation from the DRB and comments from the Town Engineer as well as other locals boards and committees as appropriate.

Model: Needham Large House Review Study Committee

The Board of Selectmen appointed the Large House Review Study Committee that began work in May 2014, starting with a review of the Committee’s purpose and goals including:

- Review past reports, plans and maps prepared by Town committees and officials, state agencies and consultants including the previous Large House Study Committee in 1999.
- Seek the input of neighborhood residents, builders, contractors, real estate agents, property owners and others including holding citizen information meetings to elicit general public comments and input.
- Review and analyze the current Zoning By-law and Planning Board regulations and consider amendments to each.
- Analyze the impact of recent planned and potential new housing constructed in the past five years in the Residence B and General Residence Districts.
- Review and analyze alternative zoning dimensions, restrictions, or limitations that may address neighborhood concerns.
- Prepare recommendations to amend the Zoning By-law or propose other regulatory strategies that will protect the characteristics valued by residents in the Single Residence B and General Residence Districts.
- Generally identify key issues and needs, analyze alternative solutions, and make recommendations to the Planning Board, both short and long-term, within the overall purpose of the Large Housing Review Study Committee.

Over the course of this work, members reviewed potential strategies to address the siting of the house on the lot in terms of its setback to the property lines and street and the type of projections that would be permitted into the required setback to break-up the overall massing of the structure. To further address the issue of massing, the Committee revisited existing lot coverage requirements and explored options to introduce Floor Area Ratio (FAR) regulations. It was suggested that FAR in concert with lot coverage would promote greater design flexibility to enhance the appearance of the home and accommodate the construction of the baseline house elements. The Committee also reviewed potential approaches to control building height by revising how it is measured.

The Working Group drafted zoning articles regarding setbacks, lot coverage, Floor Area Ratio (FAR), and building height which were ultimately approved by Town Meeting including:

- Increase and encourage architectural variety by allowing various elements to be built within the front and side setbacks.
- Change setbacks to reduce some negative effects of massing.
- Increase lot coverage to 28%.
- Add FAR calculations to the regulations defined as gross finished habitable area on the first and second floors with an additional 600 square foot allowance for garage space.
- Change the measurement for establishing maximum building height by providing two options from which the applicant can choose.
- Require that alterations and extensions of existing structures would be governed by the same regulatory provisions afforded new construction with a couple of exceptions that would require a special permit.

5. Adopt zoning for mixed-use development

Responsible Party: Planning Board

Priority: Middle Term

In the context of good town planning and smart growth, the likely location for denser development that could provide housing for smaller households and seniors is in or near commercial areas, village centers, and transportation. Mixed-use development is particularly well suited to these areas as the residential units add vitality; provide housing for small households in easy walking distance to goods, services and transportation; and reduce the amount of traffic.

Mixed-use development is limited but allowed in both Business District A and B. The definition of a Commercial/Residential Building follows:

A building containing commercial uses on the first floor at ground level and a dwelling unit or dwelling unit(s) above the first floor. A Commercial/Residential Building may also contain commercial uses above the first floor, but in no event shall residential uses be permitted on the first floor, at ground level, or below ground level.

There is increasing interest in this type of development, particularly in the Downtown Hingham Overlay District, which is a subset of the Business District A. In the past 10 years, the Board of Appeals issued Special Permits for 5 Commercial/Residential Buildings, creating 20 residential units overall. Other locations that have been discussed as appropriate for mixed-use development include areas near the train station and as well as South Hingham in proximity to Whiting Street and Route 53.

To better promote mixed-use development, the Planning Board should explore mixed-use zoning bylaws that have been adopted in other communities. Some communities have adopted overlay district while others have created new zoning.

Model: Scituate’s Village Business Overlay District

The stated purpose of Scituate’s Village Business Overlay District is to promote opportunities for local, small-scale businesses, encourage alternative models of transportation such as public transit, bicycling, and walking; provide for higher density of mixed-use and multi-family housing in village areas; provide for a variety in residential housing development patterns which reflect the unique characteristics of each subarea; increase the production of housing affordable to low- and moderate- income households; and encourage efficient provision of necessary utilities and community services”.²⁵ This zoning district does not change the underlying zoning except when an applicant voluntarily chooses to follow the provisions of this section of the Zoning Bylaw.

The requirements for mixed-use development include:

- Fifteen percent of the proposed dwelling units must be affordable to low- and moderate-income households earning no more than 80% of area median income.
- Affordability restrictions will be controlled by a deed rider or use restrictions that operate in perpetuity and must be recorded with the Plymouth County Registry of Deeds. Units must be in compliance with the state’s Local Initiative Program.
- All affordable units must be distributed throughout the proposed development so that exteriors are not distinguishable from the market rate units.
- At the discretion of the Planning Board, the development of off-site affordable units may be allowed.
- The first floor should be occupied by retail uses.
- The number of permitted uses should be up to 16 units per 40,000 square feet, or 17 to 20 units per 40,000 square feet if significant public benefits are offered, or the equivalent of 36 units per 40,000 square feet in Scituate Harbor if parking is located underground and significant public benefits are involved.
- Density bonuses may be offered up to the equivalent of 20 units per 40,000 square feet of lot area in Greenbush or North Scituate or up to 36 units per 40,000 square feet in Scituate Harbor if parking is provide under the mixed-use structure and the developer provides significant improvements that provide a public benefit such as off-site infrastructure, land suitable for a public way, open space, additional affordable units, etc.
- Twenty-percent of the lot area must be open space, however, this requirement can be waived in the case of the re-use of existing buildings for mixed-use development.
- Parking requirements are one space per 300 square feet within 400 feet of a Town Public Parking Lot if parking is available during the hours of operation of the retail or office use. This requirement may be waived if the applicant can demonstrate adequate on-street parking is available or that other special circumstances exist such as the shared use of a parking lot by activities having different peak demand times.
- In Greenbush and North Scituate, due to the proximity of transit, parking requirements may be reduced for residential units in a mixed-use building to one space per one-bedroom unit, 1.5 spaces per two-bedroom unit, and 2 spaces per three or more bedroom units.
- Developments of seven or fewer units are exempt from affordability requirements and may be waived if an existing historic structure is involved.

Model: Dennis Port Village Center Zone

This by-law was enacted to support “the development of the Dennis Port Village Center District surrounding Route 28 and Upper County Road to promote a more functional and attractive community through the use of recognized principles of urban design, the preservation of structures and open space, and by allowing developers and land owners considerable flexibility in land use and site design”.²⁶ The by-law encourages a mix of uses including affordable housing. As such, the

²⁵ Town of Scituate Zoning Bylaw, Section 560.1.

²⁶ Dennis Zoning By-law, Section 8.1.

by-law stipulates that the base residential density of the district is one unit per 40,000 square feet of land area or pre-existing lot of record unless an increase of density is granted by a special permit for the creation of mixed-income housing opportunities requiring a minimum of 25% of the total number of dwellings be affordable with deed restrictions and affordability requirements cited under its affordable housing section of the Zoning By-law. This by-law includes architectural design guidelines and makes a considerable effort to promote attractive, smart growth development in this village center.

Model: West Dennis Village Zoning Districts²⁷

As with the Dennis Port Village Center District, the Town of Dennis has a similar purpose in encouraging smart growth and mixed-use development in the West Dennis Village that surrounds Route 28 and School Street. This District has in fact been divided into five distinct areas including:

- Residential Commercial District is envisioned as a lower density mixed-use area that transitions between the higher density commercial area and the adjacent residential areas.
- Mixed Use Marine District is envisioned as an area that enhances the traditional waterfront and tourist-oriented services adjacent to the Bass River.
- Marine Open Space District is a low-density waterfront district promoting open space and water-dependent uses.
- Village Center Support District is envisioned as a slightly lower density mixture of commercial and residential uses than the West Dennis Village District.
- West Dennis Village District represents the traditional core of West Dennis and is envisioned to contain mostly ground-floor commercial space with residential units above to provide a critical population to support the commercial component.

Density, allowed uses (allowed by-right), permitted uses (allowed by special permit) and design standards vary by each of the above districts and demonstrate an attempt to plan for smart growth development with standards based on the vision for each specific area. Also as with the Dennis Port Village Center Zone, the by-law stipulates that the base residential density of the district can be increased by a special permit for the creation of mixed-income housing opportunities if a minimum of 25% of the total number of dwellings are affordable.

Development Strategies

The following strategies, sometimes in combination, provide the basic components for the Town to produce new affordable housing:

1. Partner on private property development

Responsible Parties: Affordable Housing Trust, Planning Board and Zoning Board of Appeals

Priority: Short Term

Continuing to work cooperatively with private developers, non-profit and for profit, on housing development is the most effective and efficient way to boost affordable housing. The Town already has a good track record working with developers on affordable housing, non-profit developers in particular, including South Shore Habitat for Humanity, Father Bills and the Hingham Housing Authority for example.

With incentives created in the zoning bylaw to promote affordable housing and the availability of the “friendly

²⁷ Dennis Zoning By-law, Section 9.1.

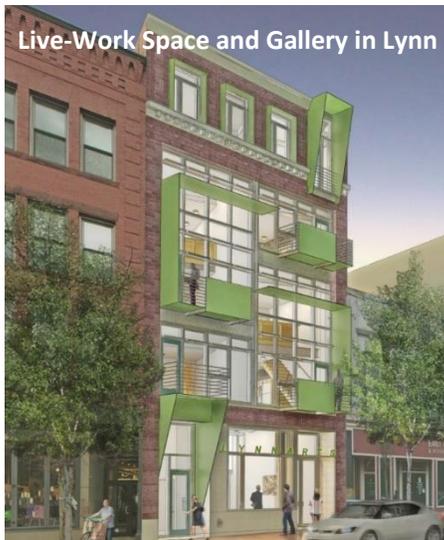
40B” option, the Town can work cooperatively with developers to guide new development that incorporates affordable units and smart growth principles. Proposed Housing Guidelines would offer additional direction to developers on the locations, scale and types of projects that would likely result in local support. Zoning recommendations included in this Plan would offer additional opportunities for promoting more affordable and diverse housing types. The Town anticipates exploring efforts with private developers on the following types of projects:

- *Mixed-use development in appropriate locations*

Through proposed modifications to zoning to better promote mixed-use development in appropriate locations (Downtown as well as areas near the train station and South Hingham in proximity to Whiting Street and Route 53), the Town will be in a better position to attract developers to create projects that combine commercial and residential uses, including some amount of affordable housing. An example of a small and effective mixed-use project is 34-36 Conwell Street in Provincetown that was developed by Community Housing Resource, Inc. with two commercial spaces, four one-bedroom units that include an affordable unit and one with an attached workspace, as well as six non-residential artist workspaces.



- *Live-work space in commercial areas*



Live-work space, sometimes referred to as zero commute housing, are spaces where artists or other workers combine their residence with their work area, typically in an open floor plan offering large, flexible work areas. For example, in addition to the mixed-use project described above, Community Housing Resource Inc. (CHR) has developed other live-work projects including Old Ann Page Way, a project that includes 18 rental units for households earning at or below 60% of area median income with pricing of rentals based on 40% and 50% of median income. The development also includes ten non-residential artist studios available for rent to the general public. The project involved the redevelopment of a former supermarket site held by A&P after they relocated to another location in Provincetown.

The City of Lynn has also focused on attracting artist live-work space as part of boosting what is generally referred to as the “cultural economy”. The City adopted new zoning in support of such development and a number of creative projects have been built. While the Micro-lofts and Gallery in Lynn might suggest a somewhat denser housing type than what might be considered appropriate in Hingham, the project shows how such housing can be conducive to appealing design.

- *Smaller infill housing in existing neighborhoods*

There are many examples of housing that has been built on vacant lots in existing neighborhoods. Most Habitat for Humanity builds are based on these infill development opportunities. Based in Weymouth, Habitat for Humanity of the South Shore has produced three affordable homes in Hingham thus far and is planning another two on Whiting Street. Hingham’s Housing Trust has also acquired a house on Cushing Street with the potential of adding another affordable unit on the property.

Such small-scale development can be designed to be harmonious with the existing built environment. There are potential sites that might accommodate a housing unit or small number of units or even conversions of existing properties to serve local affordable housing needs, particularly small starter units, affordable rentals, and special needs housing.

Model: The Missing Middle Concept

As reported by the Lincoln Institute of Land Policy, “Urban planners and public officials are focused on developing housing types that restore the ‘missing middle’ – row houses, duplexes, apartment courts, and other small to midsize housing designed at a scale and density compatible with single-family residential neighborhoods.” The “missing middle” concept grew out of the New Urbanism movement “to inject more moderately-priced housing into residential neighborhoods, from shrinking or subdividing lots to adding accessory dwelling units (ADUs), to expanding legal occupancy in homes.”²⁸ It suggests housing types that “typically have small to medium-size footprints with a body width, depth, and height no larger than single-family homes. They can blend into a neighborhood as compatible infill, encouraging a mix of socio-economic households and making more effective use of transit and services.”²⁹

- *Cluster development including clusters of bungalow/cottage-style housing*



Jenney Way Site Plan, Edgartown

This type of housing has been popular on the West Coast of the country where there is an intense focus on smart growth development principles and the housing needs of increasing numbers of

²⁸ McCormick, Kathleen, “Gentle Infill”, *Land Lines*, Lincoln Institute for Land Policy, July 2016.

²⁹ Ibid.

smaller households. The model involves the development of small cottages or bungalows that are clustered around a community green space.

This housing type targets empty nesters, single professionals, and young couples. Such development provides opportunities for the ownership of small, detached dwellings within or on the fringe of existing neighborhoods, often enhancing affordability while simultaneously encouraging the creation of more usable open space for the residents through flexibility in density. This approach was used in the pocket neighborhoods of Jenney’s Way and Eliakim’s Way in Edgartown as well as Olde Village Square in Medfield, Cottages on Greene in East Greenwich Rhode Island, Cottages at River Hill in Newbury, Concord Riverwalk, and Emerson Green in Devens among others. Many of these projects have received design awards and some have included multiple income tiers and affordable units.



Emerson Green in Devens

- *Adaptive reuse*

Adaptive reuse involves the conversion of nonresidential properties – such as institutional, commercial and even industrial properties – into housing. This type of development has been prevalent in cities with underutilized mill space, but has also been used in small communities where vacant and underutilized structures, including institutional properties, present opportunities for conversion to residential use. Hingham effectively redeveloped the Lincoln School into 60 rental units for seniors, and an expanded phase is being explored. This type of development should also be encouraged as it holds to smart growth principles of redeveloping existing property and may even be an avenue for reclaiming historic properties.



Common Allbright Micro-unit Co-Living

- *Micro-units*

Boston area developers have pitched smaller studio micro-units in market-rate buildings as an “affordable” solution. While some such units can run as high as \$2,700 in the Seaport District for example, some developers are partnering with co-living companies to make living with roommates feel less like living with strangers and more affordable as well.

Some developers are also testing the co-living concept for families. Smaller-scale versions of co-living projects could be integrated on the edge of Hingham neighborhoods and larger projects could be easily adaptable as part of mixed-use development.

Model: Common Allbright project in Allston

Arx Urban is partnering with Boylston Properties and Common (a company that manages co-living space) in Allston on the Common Allbright project, a 282-bedroom co-living development. Renters get private bedrooms, but they share common living spaces and a bathroom with their suitemates. WiFi, furniture, a weekly cleaning service and shared goods like toilet paper and olive oil are included in the rent. Compared to market-rate studios in the area, co-living space at Common typically runs at a 15% to 25% discount, according to Common Senior Director of East Coast Real Estate Brian Lee. Because utilities and other services factor in the utility costs are included in a Common rent, the discount grows to as much as 40%, Common claims.³⁰

- *Special needs housing*

Hingham has 10 units in group homes sponsored by the state’s Department of Developmental Services (DDS) as well as a group home for veterans at the Fort Hill project (Commander Paul Anderson House). The Housing Authority’s Thaxter Street project also includes six congregate units with some services.



Numbers of communities have invested local resources in these developments. For example, the Town of Needham committed \$220,000 in HOME funds and \$280,000 in CPA funding for the development of a state-of-the-art facility for five adults with severe developmental disabilities. This building was developed by the Charles River Association for Retarded Citizens. The project did not receive any opposition from the community, including neighbors, despite locating the facility in perhaps the community’s most affluent neighborhood.

It should be noted that the South Shore Special Needs Athletic Partnership (SNAP), a non-profit organization that is focused on providing athletic and other social opportunities for special needs children, is studying a new development as part of its Housing Opportunities Made Easy (HOME) program to help these children transition to permanent living situations when they age out of state-supported school programs at age 22. The organization is exploring the development of about 7½ buildable acres of a total 16-acre Town-owned property off of Bare Cove Park Road. Early plans include 16 condo duplexes around a circular drive that will include 12 to 14 units for adults with disabilities that are envisioned to have two special needs adults living on the first floor with the top floor including the main living space and a room for an on-site caregiver. This project would involve support from the Massachusetts Department of Developmental Disabilities (DDS) as well as other state financing sources. Permitting would likely be through the state’s Local Initiative Program (LIP), also known as the “friendly” 40B process.

- *Conversions of Large Residential Structures*

Hingham also has a significant number of large residential structures, many of them historic, which may be oversized for the current owners and go largely underutilized for parts of the year. Such

³⁰ Sperance, Cameron, Bisnow Boston, September 19, 2019.

properties might be conducive to the conversion of individual apartments or even as opportunities for “collaborative living” which are shared among residents with some common space. These structures can continue to retain their single-family character without negative impacts on surrounding properties.

Model: Norwood Historic Homes Zoning

Norwood Town Meeting approved a zoning amendment in October 2019, with a vote of 70 to 11, to encourage and assist in the preservation of large residential structures in any zoning district of the community having historic value. Eligible properties include single-family residences of at least 4,000 square feet that were built before 1930. With a special permit from the Planning Board, these properties can be converted to two, three, or four separate housing units provided that the historic exterior of the structure is substantially maintained.

Model: Milton Great Estates Planned Unit Development (PUD)

Milton’s Great Estates Planned Unit Development Bylaw was created to “permit well-designed, multi-unit attached or detached townhouse development on existing large tracts of land” on properties that contain at least 46 acres, have frontage of at least 1,500 feet, and where there exists at least two single-family dwellings constructed before 1900. The bylaw also requires that the housing units be age-restricted to those 55 years and over and that 10% of the total number of housing units be affordable and not age-restricted and counted as part of the SHI. The bylaw also allows the off-site provision of the affordable units based on certain provisions. This zoning was created for the Milton Woods development and modified for the Wolcott Woods project.

All of these development types can be designed to be harmonious with the existing built environment. There are potential sites that might accommodate a single housing unit, two-family homes, small cluster of units or even conversions of existing properties to serve local affordable housing needs, particularly small starter units, affordable rentals, and special needs housing.

Additionally, participants in the May 15th Community Housing Forum were asked to identify potential locations for affordable housing development which included the following responses for consideration:

General area suggestions

- Commuter rail/ferry vicinity
- Additional units in existing properties that are walkable to grocery store, etc.
- Beal Street
- Close to public transportation
- TOD areas including the Route 3A corridor
- Availability of Town sewer
- Areas where housing can better blend into the community
- Downtown
- Route 3A in East Hingham near the commuter rail
- South Hingham
- Small pockets of housing where not as much open space is available
- Near green space

Specific properties

- Old Ship Parish Property
- Armory

- The Old Light Plant
- DPW Building on Hersey (Town owned)
- Beal Street – Selectmen’s parcel (Town owned)
- South Shore Park at Route 3 border of Rockland and Weymouth
- Bristol Brothers property

The Town will focus on the following approaches to creating new affordable units on privately-owned parcels in cooperation with developers and in line with “smart growth” principles:

- *Zoning changes* – The zoning strategies included in the Zoning Section above in addition to current zoning, should provide a good framework for new development that will include some amount of affordable housing.
- *Chapter 40B* -- Comprehensive permits, particularly the “friendly” 40B process through the state’s Local Initiative Program (LIP), have proven to be a useful permitting tool for projects that require significant waivers of local zoning but meet local needs and priorities. Key to the success of such new development is the partnership between the Town and the developer to build affordable housing. Local Housing Guidelines, as recommended in this Housing Plan, should offer important input to developers on the types and locations of projects that will address local preferences.
- *Advocacy* – The Town, largely through the Affordable Housing Trust, can also serve as an advocate for private development that responds to local needs and priorities, helping projects move expeditiously through permitting. Additionally, the Town can help advocate for additional sources of financing, leveraging its local investment.
- *Funding* – Additionally, applications for state or federal sources of financing typically must document some local investment to render a project competitive, and the Town can use CPA or Affordable Housing Trust funding to serve as a gap filler to help make affordable or mixed-income projects financially feasible.

2. Develop suitable Town-owned property for affordable housing

Responsible Parties: Board of Selectmen and Affordable Housing Trust

Priority: Short Term

There is a precedent for the Town providing publicly-owned property for affordable housing including:

- Thaxter Street
- The Lincoln School
- Whiting Street

The Affordable Housing Trust will continue to identify and pursue other possible Town-owned properties that might be suitable for some amount of affordable housing. Those that have been mentioned as part of this planning process include:

- Potential expansion of the Lincoln School
- 100 Beal Street

- DPW Building on Hersey
- Beal Street – Selectmen’s parcel

Where feasible, the Town will investigate the suitability of various Town-owned sites for development relying on the knowledge and expertise of various Town staff and preliminary feasibility analyses where appropriate by consultants. Such analyses could potentially be funded through some state funding for predevelopment work or CPA funds. For Town-owned properties, approval will be required from both the Board of Selectmen and Town Meeting to designate and convey them 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 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 also based on identified criteria included in the RFP. Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and this might be obtained through normal regulatory channels or potentially 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 50% to 100% 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.

Continued efforts on the part of the Affordable Housing Trust to acquire properties and convert them to long-term affordability, such as on Cushing Street and Rhodes Circle projects, should also be promoted in the years to come.

Additionally, while Town-owned property that is suitable for development is limited, there may be opportunities for the Town to acquire property at some point in the future. The new revenue streams that are suggested as part of strategy 2 under capacity-building strategies or the bonding of CPA funding as other communities, such as Carlisle and Falmouth have done, could be very helpful in making such acquisitions possible.

As the Town becomes alert to opportunities for acquiring property that might be suitable for some amount of affordable housing, such properties would ideally meet a number of “smart growth” principles such as:

- Mixed-use properties in appropriate areas,
- The redevelopment of existing nonresidential structures that might become available,
- Infill site development including small home development as starter housing such as a Housing Trust or Habitat for Humanity project,
- Conversion of existing housing to long-term affordability,
- Development of housing in underutilized locations with some existing or planned infrastructure,
- Parcels large enough to accommodate clustered housing through an amended flexible zoning bylaw for example, and
- Located along a major road.

Beyond the traditional subsidy programs, the state has introduced several new programs that could also be explored in support of future developments that might be considered in Hingham including:

- *Workforce Housing Fund*

The state is investing in a Workforce Housing Fund to provide rental housing for those households earning 61% to 120% AMI. It was envisioned that the Fund, when coupled with strategic capital investments by the state, will promote additional private investment in tandem with critical support for middle-income residents. Other components of the Fund include:

- Provides up to \$100,000 per workforce housing unit to create 1,000 new units statewide.
- Leverages resources in development opportunities on state-owned land.
- Ensures that in addition to the workforce housing tier at least 20% of the units will be affordable to those earning at or below 80% AMI.
- Requires deed restrictions for units targeted to those earning between 61% and 120% AMI for generally 30 years or longer.
- Offers support for newly created units as well as the refinancing of existing developments that incorporate new workforce housing units.

- *Community Scale Housing Initiative (CSHI)*

The state has developed a small-scale production program to address non-metro community need for smaller-scale housing that responds to local housing needs and density requirements. These projects, because of their small size, are not a good fit for the Low Income Housing Tax Credit program. Generally, projects that can leverage some debt by having a few higher income units and a gap filler like the Community Preservation Act funding (CPA) are in the best position to utilize such a program. This initiative provides \$10 million in funding for projects based on the following eligibility criteria:

- Community must have a population not to exceed 200,000.
- Program sponsors can be both non-profit and for-profit entities with a demonstrated ability to undertake the project.
- The proposed project must include at least five rental units but no more than 20 rental units.
- Project must involve new construction or adaptive reuse.
- A minimum of 20% of the units must be affordable but it is anticipated that most proposed projects will have a minimum of 50% affordable units.
- The host community must provide a financial commitment in support of the project.
- The CSHI subsidy may not exceed \$200,000 per unit unless the developer intends to seek DHCD project-based rental assistance in which case the subsidy may not exceed \$150,000 per CSHI unit.
- The total development cost per unit may not exceed \$350,000.
- Projects will receive no more than is necessary to make the project feasible.
- Projects must be financially feasible without state or federal low income housing tax credits.
- Projects are expected to close and proceed to construction within 12 months of the date of the award letter.

Model: Herring Brook Hill at 40 River Street in Norwell

In 2015, the Town of Norwell proposed to use the property of the former police station at 40 River Street to create affordable senior housing in support of the community’s aging population and veterans. This project not only involved a transfer of Town-owned land but also a major local commitment of \$1.3 million in CPA funding. Other funding sources included \$2.6 million of private debt and state financing through the state’s Community Scale Housing Initiative (CSHI).

Through a Request for Proposals process, the Town selected Metro West Collaborative Development, a mission-driven, non-profit community development corporation, as developer and partner with the Town. The project includes a total of 18 units for those age 60 or older based on the unit distribution summarized below.

Herring Brook Hill Unit Distribution			
Area Median Income	# of Units	# of Bedrooms	Maximum Rent**
80% AMI	10*	1	\$1,425
100% AMI	4	1	\$1,675
100% AMI	4	2	\$2,000

* Four of these units will have access to Project Based Rental Assistance
 ** Projected rents at time of occupancy

- *Starter Home Program*



State legislation was enacted to implement a Starter Home Program as part of the Governor’s Economic Development Bill. This was accomplished by modifying the existing Smart Growth Zoning and Housing Production law of Chapter 40R to include \$25 million in new funding over five years for cities and towns that create new starter home zoning districts. The new districts must be a minimum of three acres, restrict primary dwelling size to 1,850 square feet of heated living area, require that 50% of the primary dwelling units contain three bedrooms, allow a minimum of four units per acre by right, and provide 20% affordability up to 100% AMI.

- *State Down Payment Assistance*

While state financing assistance has largely focused on multi-family rental development, particularly for families, the state recently announced an expanded program to assist first-time homebuyers with their down payments under the following conditions:

- Increased assistance of up to 5% of the purchase price or \$15,000, whichever is less.
- More property types are eligible for assistance including for single-family homes, condominiums and 2-, 3-, and 4-family properties.
- Higher income limits of up to 135% of the area median income (AMI) in Boston and the Commonwealth’s 26 Gateway Cities and up to 100% AMI in other communities, including Hingham.

- The assistance is in the form of a 15-year, fixed rate loan at 2%. (Example: \$15,000 down payment assistance loan = 180 payments of \$96.53; 2.011% APR)
- Repayment of the down payment assistance is due upon the sale or refinance of the property prior to the end of the 15-year term and otherwise forgiven.

Housing Preservation and Assistance Strategies

In addition to creating new housing opportunities, this Housing Plan recommends that the Town also focus on the need to preserve existing housing and provide assistance to health and safety violations in properties occupied by qualifying homeowners.

1. Introduce a Small Repair Grant Program

Responsible Party: Affordable Housing Trust

Priority: Short Term

Many communities have introduced grant programs for qualifying homeowners to make important health and safety improvements to their homes. Most programs provide grants of up to \$5,000 for such repairs. Because the use of CPA funding for home improvements or housing rehab is limited to projects that were acquired and/or built with CPA funding, most programs must rely on other sources of funding. For example, Sudbury's program is funded through the marketing/lottery fees of its Housing Trust, Norwell's program involved proceeds from the sale of an affordable unit as part of a local development, and Needham received funding from the Town's general budget, for example.

Model: Sudbury Small Grant Program

The Sudbury Small Grant Program is administered by the Sudbury Housing Trust and provides up to \$5,000 for home repairs with no obligation to repay. Examples of repair work include minor plumbing or electrical work, light carpentry, window and door repairs or replacement, tiling, touch-up painting, smoke or CO2 detectors, weather stripping, bathroom grab bars, among many others. Eligibility requirements include:

- The property must be located in Sudbury and be the owner's primary residence.
- Participating owners must plan to stay in Sudbury for the next 12 months after receiving payment.
- Income cannot be higher than the Boston area median income limit.
- The home's assessed value must be lower than the median assessed value.
- Participating owners must inform the Sudbury Housing Trust before they list their home for sale.

Grants are awarded twice a year and prioritized based on health and safety considerations and financial need.

Model: Norwell Senior Small Grant Program

The Norwell Senior Small Grant Program provides grants of up to \$2,500 to qualifying property owners to help them make health and safety improvements to their homes. The Program is targeted to seniors 60 years of age or older with the following additional requirements:

- Property is located in Norwell and is the applicant's primary residence. The applicant must agree to reside in the home for at least a full 12 months following completion of the repair work.
- Household income must be less than the "Circuit Breaker" income limit determined by the Massachusetts Department of Revenue. In 2018 this income was \$58,000 for a single individual who is not the head of a household, \$73,000 for a head of household, and \$88,000 for married couple filing a joint return.

- The maximum home value can be no greater than the median single-family home assessment but can be waived in unusual circumstances.
- All those who want to participate in the program must submit an application which is available on the Town's website. The Norwell Council on Aging is available to answer questions and to help applicants fill out the applications.

There are other housing rehab initiatives that are available to qualifying Hingham residents however, including the following:

- *MassHousing Home Improvement Loan Program (HLP)*

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.

- *Get the Lead Out Program*

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$107,800 for one and two-person households and \$123,900 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan that includes the Quincy Community Action Program (QCAP).

- *Septic Repair Program*

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 \$25,000 and three or more person households earning up to \$28,500 annually. There are 3% loans available for those one or two person households earning up to \$50,000 and three or more persons earning up to \$57,000. The 5% loans have income limits of up to \$100,000 for one and two-member households and \$114,000 for three or more persons. 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 that includes the Bank of Canton.

- *Home Modification Loan Program (HMLP)*

This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible. Income limits vary by size of household at \$166,000 for a single-person household and \$213,400 for three persons for example. NeighborWorks Housing Solutions, based in Kingston, administers this program for Hingham and other South Shore communities.

Appendix 1: Community Housing Forum May 15, 2019 Meeting Summary

The Hingham Affordable Housing Trust sponsored a Community Housing Forum on May 15, 2019 at Hingham Town Hall to present key findings from a Housing Needs Assessment and obtain community input into the next phase of its work in preparing a Housing Plan. The meeting opened with a welcome and introductions from Hingham Affordable Housing Trust Chair, Tim White, who summarized the mission and major activities of the Housing Trust. He was followed by Selectmen Mary Powers who announced that the Baker Administration had recently awarded Hingham a Housing Choice designation which rewards communities that are producing new housing and have adopted best practices to promote sustainable housing development. Consequently, the Town will be eligible to apply for a major new competitive capital grant program and earn bonus points for many state grant and capital funding programs. Tim White then introduced the project Consultant, Karen Sunnarborg, who provided a PowerPoint presentation on the highlights of the Housing Needs Assessment and facilitated a brief question and comment period.

Participants were then divided into four small groups and provided with instructions on proceeding with Breakout Group Brainstorming. The purpose of the breakout groups was to obtain input from participants on their vision for community housing as well as priority actions for fulfilling this vision and addressing local housing needs.

Members of the Housing Trust served as Facilitators to keep the members on track in fulfilling the assigned tasks within allotted timeframes. Group members were instructed to identify a Recorder to document key comments throughout the course of the discussion and then asked to introduce themselves and provide brief comments on how long they have lived in Hingham and what drew them to the Housing Forum.

Visioning

Group members were asked in turn to complete the following three questions, resulting in these comments:

What is your greatest concern regarding affordable housing?

Affordability Issues

- More affordable housing may lead to further segregation of residents.
- Some residents on fixed incomes are having trouble affording to stay in their homes given rising taxes and other expenses.
- When seniors want to downsize, where do they go, especially for units priced lower than \$400,000? The rate of senior homelessness is skyrocketing.
- What is and is not affordable? For example, rents at \$2,100 are not affordable.
- HUD income limits are still high.
- There is a gap in the availability of housing priced between \$200,000 and \$800,000.
- Housing costs are too high.
- There is an overall lack of income diversity in town.

Housing Diversity Issues

- Need a wider range of available affordable units to diverse ages and needs.
- Enhance the use of existing housing for multi-generational living through zoning.
- Balance senior and family housing development.

- Need more housing for seniors, those with disabilities and the workforce.
- There is insufficient diversity of the housing stock, including workforce housing, which needs to be addressed through zoning changes.
- There is a need to promote multiple units in existing homes in neighborhoods that will require further zoning changes.
- Teardown activity is eroding the supply of smaller more affordable private homes.
- There is a lack of affordable housing for middle-income earning households.

Other Issues

- Local preference is too restrictive.
- Need preferences for local residents, including veterans.
- Need to consider impacts on natural resources
- Failure to understand developers/need to manage them.

The Town's greatest challenge related to preserving and producing housing affordability and diversity is _____?

Community Perceptions

- NIMBYism requires further educating current residents.
- Community perceptions of Chapter 40B and other developments with affordable housing can be problematic.
- Affordable housing is not a priority for some.
- There is a lack of awareness and understanding of affordable housing.
- Perceptions of density.
- Community opposition in historic districts.

Regulatory Issues

- New housing has to be harmoniously integrated into neighborhoods both physically and culturally.
- Integrating residents into large developments.
- Conflict with Town priorities such as conservation.
- Balance private property rights with shared Town goals and values.
- Need design and construction standards for new units to better promote unit longevity.
- Current zoning lacks flexibility.
- Limited areas available for mixed-use development.
- Managing developers.

Municipal Services

- Lack of infrastructure including fire, police, schools, water (especially) and sewer.
- Traffic implications of new development.
- Consider impacts on local schools.

Limited Housing Diversity

- Provide greater housing diversity including rentals.
- High cost market conditions.
- Problems with homeownership units remaining affordable in perpetuity despite increases in the owner's income.

- Different demographic groups need different types of housing.
- Need to save smaller homes that are the targets of teardown activity.
- There is no place for downsizing.
- Provide housing through the Housing Trust instead of large-scale development.
- There is limited land availability.

The best locations for new housing development include _____?

General area suggestions

- Commuter rail/ferry vicinity.
- Additional units in existing properties that are walkable to grocery store, etc.
- Beal Street.
- Close to public transportation.
- TOD areas including the Route 3A corridor.
- Availability of Town sewer.
- Areas where housing can better blend into the community.
- Downtown.
- Route 3A in East Hingham near the commuter rail.
- South Hingham.
- Small pockets of housing where not as much open space is available.
- Near green space.

Specific properties

- Old Ship.
- Armory.
- The Old Light Plant.
- DPW Building on Hersey.
- Beal Street – Selectmen’s parcel.
- South Shore Park at Route 3 border of Rockland and Weymouth.
- Bristol Brothers property.

Prioritizing Actions and Voting

Each member of the breakout groups was then asked in turn to identify the most important actions or strategies for the Town to implement to address priority housing needs. They were then asked, also in turn, to identify their preferences based on the full list of proposed actions created by the group. The full group was then instructed to select the top six actions that received the most support.

Representatives from each group then presented the priority actions to all participants. Following these presentations, all participants voted on their preferred actions with five stickers which they could place on one item or spread among strategies. They also had one negative sticker that they could use to record opposition to a particular action.

This voting process produced the following actions and corresponding number of votes:

Regulatory and Planning Strategies

- Revisit Hatfield amendment as to how it impacts zoning (5 votes).
- Establish a shared vision for housing in the Master Planning process (4 votes).
- Identify properties for major development (4 votes).

- Review zoning regulations including overlay districts (2 votes).
- Explore rent control (1 vote).
- Adopt zoning changes to reflect Town housing priorities to incentivize certain housing types in particular areas.
- Adopt circuit breaker tax relief.
- Approve a tax on luxury properties based on size for example (3 negative votes).

Town Programs and Services

- Continue community outreach to educate Town residents on the housing insecurity issues facing their neighbors (5 votes).
- Contact residents to see if they are planning to put their home on the market and provide a possible incentive for not selling to a developer (i.e. tax deferrals or other tax incentive) (5 votes).
- Continue CPC funding for the Housing Trust (3 votes).
- Encourage cooperation among Town boards and agencies (1 vote).
- Conduct planning meetings like this one in concert with the Town's Master Plan.

Development Opportunities

- Support the Housing Authority in developing additional senior housing and some family units as well (10 votes).
- Expand Lincoln School Apartments (7 votes).
- Decide on plans for the Selectmen's parcel (again) (5 votes).
- Create a series of small cluster developments that are in character with the Town/location/neighborhood (5 votes)
- Encourage multi-use development (3 votes).
- Continue Housing Trust efforts to acquire and make smaller homes affordable (1 vote).

Participants were informed that the Town will be working with the Consultant on the next sections of the Housing Plan that will include challenges and priority actions that were discussed during the public forum. After the draft is prepared, the Affordable Housing Trust will schedule another public meeting to present the highlights of the Plan for further input from local leaders, housing stakeholders and residents.

Appendix 2: Benchmark Community Data

Benchmark Community	2010	2017	2010-2017	2010 Year-Round			2010 Owner Occupied ²		2010 Renter Occupied ²		2017 Owner Occupied ³		2017 Renter Occupied ³	
	Population	Population	% Change	Housing Units ¹	SHI Units ¹	SHI % ¹	No.	%	No.	%	No.	%	No.	%
Andover	33,201	35,375	6.5%	12,324	1,637	13.3	9,448	79.7	2,403	20.3	9,846	79.6	2,523	20.4
Needham	28,886	30,429	5.3%	11,047	1,397	12.6	8,642	83.6	1,699	16.4	8,799	82.6	1,853	17.4
Canton	21,561	22,829	5.9%	8,710	1,090	12.5	6,184	73.8	2,194	26.2	6,978	77.3	2,048	22.7
Concord	17,668	19,357	9.6%	6,852	804	11.7	4,987	76.9	1,497	23.1	5,145	76.6	1,575	23.4
Hingham	22,157	23,047	4.0%	8,841	1,005	11.4	6,762	79.9	1,703	20.1	6,989	80.2	1,723	19.8
Lexington	31,394	33,339	6.2%	11,946	1,321	11.1	9,171	79.5	2,359	20.5	9,501	80.8	2,254	19.2
Dedham	24,729	25,337	2.5%	10,115	1,104	10.9	6,972	72.2	2,679	27.8	6,823	69.1	3,049	30.9
Cohasset	7,542	8,393	11.3%	2,898	311	10.7	2,278	83.7	444	16.3	2,358	77.4	688	22.6
Westwood	14,618	15,597	6.7%	5,389	576	10.7	4,581	87.3	668	12.7	4,754	86.1	767	13.9
Braintree	Not available			14,260	1,382	9.7	Not Available				Not Available			
Norwell	10,506	10,897	3.7%	3,652	297	8.1	3,240	91.2	313	8.8	3,422	94.2	210	5.8
Weymouth	53,743	55,890	4.0%	23,337	1,771	7.6	15,105	67.3	7,330	32.7	15,304	66.5	7,710	33.5
Rockland	17,489	17,849	2.1%	7,030	450	6.4	4,813	71.9	1,884	28.1	4,895	71.4	1,958	28.6
Wellesley	27,982	29,004	3.7%	9,090	573	6.3	7,112	81.8	1,583	18.2	7,161	82.7	1,497	17.3
Milton	27,003	27,527	1.9%	9,641	481	5	7,644	82.4	1,630	17.6	7,401	82.5	1,569	17.5
Scituate	18,133	18,491	2.0%	7,163	315	4.4	5,727	83.5	1,132	16.5	5,976	86.5	935	13.5
Weston	11,261	12,027	6.8%	3,952	167	4.2	3,225	85.4	551	14.6	3,256	86.5	508	13.5
Marblehead	19,808	20,393	3.0%	8,528	333	3.9	6,325	77.7	1,819	22.3	6,621	80.3	1,629	19.7
Winchester	21,374	22,579	5.6%	7,920	244	3.1	6,357	83.2	1,288	16.8	6,827	86.1	1,101	13.9
Hull	10,293	10,402	1.1%	4,964	84	1.7	3,264	70.5	1,366	29.5	3,325	68	1,567	32
				SHI Average	8.3	Ave. Own	79.6	Ave. Rent	20.4	Ave. Own	79.7	Ave. Rent	20.3	
¹ Department of Housing and Community Development, Chapter 40B Subsidized Housing Inventory (SHI) as of September 14, 2017														
² 2010 US Census Bureau, 2010														
³ American Community Survey 5-Year Estimates, 2013-2017														

Appendix 3: Local and Regional Housing Organizations

The town of Hingham has a number of local and regional agencies and organizations available to help support the production of affordable housing or provide housing-related services. The following organizations represent important resources for the Town to continue to access, creating partnerships in the implementation of this Housing Plan:

Local Entities

Hingham Affordable Housing Trust

The Hingham Affordable Housing Trust was established by the 2007 Annual Town Meeting to further the following goals:

- **Preserve affordable housing** through a variety of means which will benefit both current homeowners and potential new residents.
- Propose, support and **develop affordable housing** that contributes positively to the character of the town, considering both Hingham's history and its future.
- Engage in **education and advocacy** with the goal of promoting the diversity of Hingham's population.

On June 7, 2005, the state enacted the Municipal Affordable Housing Trust Fund Act, which simplified the process of establishing housing funds that are dedicated to subsidizing affordable housing. 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. Per statute, the chief elected officer must be one of the members of the Trust.

Hingham Housing Authority (HHA)

The Hingham Housing Authority (HHA) owns 106 units of public housing and manages 92 of these units, mostly as part of Thaxter Park. Development began in 1974 soon after the state purchased the former home of the West Elementary School at 30 Thaxter Street that included six units of congregate housing and 58 apartments financed by the state under its Chapter 667 Program for the elderly (60 years and over) and younger disabled. The second phase was built in 1990 which produced 20 more units under Chapter 667 and eight units under the state's Chapter 705 Program for family housing development. Additionally, a single-family house was built on Beal Street in collaboration with the Department of Mental Health (DMH), under Chapter 689, housing up to 14 individuals who are supported by programs administered by DMH.

Hingham Community Preservation Committee

The Hingham Community Preservation Committee (CPC) has been charged with the oversight of funds raised through Hingham's passage of the Community Preservation Act (CPA). In September of 2000, CPA was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match that has ranged considerably over the years. The Town of Hingham approved a 1.5% surcharge in 2001.

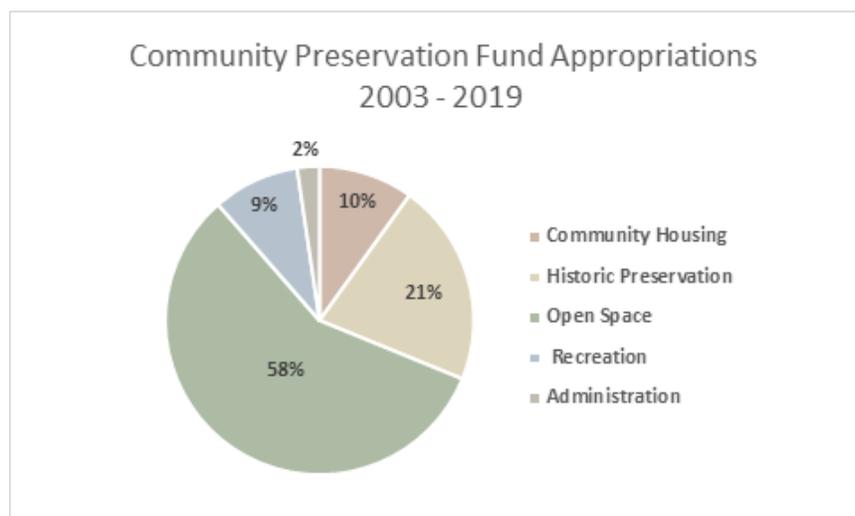
Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space and recreation, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of these uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case Town Meeting, how to spend the Community Preservation Fund.

Hingham’s Community Preservation Committee is comprised of nine (9) members including representatives of the Planning Board, Historic Commission, Conservation Commission, Recreation Commission, Housing Authority, Board of Selectmen and three appointed “at large” members, one by the Selectmen and two by the Town Monitor.

Between 2003 and 2019, more than \$23 million was initially appropriated with about \$1 million rescinded or held back, and \$22 million in net appropriations as shown in Table 1. Of the net appropriations, \$2,344,799 or 10% went to community housing initiatives. It is worth noting that this is the minimum required amount to allocate to community housing. A substantial portion of this funding was committed to 80 Beal Street (Craftsman Village), the Opportunity Fund (and subsequently acquisitions at on Whiting Street and Rhodes Circle), the Selectmen’s parcel, and Lincoln School improvements.

Table 1: Community Preservation Fund Appropriations, 2003 -2019			
Use Category	Appropriation	Amount Rescinded/ Closed or Reserved	Net Appropriation
Community Housing	\$2,344,779	\$750,342	\$1,594,437
Historic Preservation	\$5,016,297	\$266,4094	\$4,749,804
Open Space Preservation	\$13,546,100	\$241,135	\$13,304,965
Recreation	\$2,150,650	\$1,364	\$2,149,286
Administration	\$500,921	NA	\$500,921
TOTAL	\$23,608,747	\$1,259,334	\$22,349,413

Source: Community Preservation Coalition



Lincoln Apartments, LLC.

Lincoln Apartments, LLC. was authorized at the Special Town Meeting in October 2008 to provide oversight responsibility of the professional management agent, Corcoran Management Company, and to review all proposed capital expenditures and financial statements. Lincoln Apartments, LLC's sole member is the Hingham Affordable Housing Trust and its manager is a Board of Directors. Lincoln Apartments, LLC leases the apartment building at 86 Central Street, the Lincoln School Apartments, with the Town of Hingham holding the ground lease. The development involved the conversion of the former public school to a residence for seniors 62 years of age or older and people with disabilities in 1981 that included a five-story addition.

Hingham Department of Elder Services

The Hingham Department of Elder Services is a Town department that provides services to support the quality of life of area elders through a wide variety of services including the operation of a Senior Center that offers social programs for seniors, an information and referral service on a wide range of issues (e.g., housing advice, in-home help, nutritional programs, legal matters, health care, consumer issues, and home maintenance services), community-based outreach services to promote independent living (e.g., transportation, congregate meals, health programs, educational programs, fuel assistance, and social/recreational programs), and a range of in-home support services. The Council relies heavily on local volunteers to support its services.

The Department receives many inquiries from area seniors regarding housing, most related to how they can find more affordable housing options in the community. Some elders are encountering difficulties affording to remain in their current homes and cannot locate alternative housing that is affordable, particularly if they require supportive services. Rising property taxes have been particularly burdensome for some seniors

Regional Entities

Housing Solutions of Southeastern Massachusetts

Housing Solutions of Southeastern Massachusetts, formerly known as South Shore Housing Development Corporation, is committed to enhancing the quality of life for low- and moderate-income people by providing decent, safe and affordable housing; helping families move forward toward economic and social independence; and assisting individuals in reconnecting within their respective communities. This non-profit housing development corporation was established in 1970 to serve Bristol and Plymouth counties in the Southeast region of Massachusetts, including the town of Hingham. The organization has expanded its housing services over the past decades to include rental assistance, new housing development, property management, homeless assistance, housing rehabilitation, as well as counseling and education. Housing Solutions continues to administer Section 8 rental assistance throughout Plymouth and Bristol Counties.

NeighborWorks Southern Mass

NeighborWorks Southern Mass is part of a network of NeighborWorks non-profit community development corporations throughout the country that are focused on producing affordable housing and stabilizing neighborhoods to help individuals and families realize their full dignity and potential. The organization involves a partnership of residents, businesses and local governments in its efforts of developing and managing affordable housing, educating and assisting homeowners and homebuyers, and helping homeowners repair and maintain their homes.

Both Housing Solutions and NeighborWorks 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 avoid foreclosure. Additional housing rehab, down payment, and counseling programs are also available to qualifying local residents.

South Shore Habitat for Humanity

Habitat for Humanity International is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need. The organization has grown over the past several decades into one of the largest private homebuilders in the world with almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one on the South Shore. This regional organization has been able to build new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies. Based in Weymouth, it has produced three affordable homes in Hingham thus far and is planning another two on Whiting Street.

South Shore Community Action Council

South Shore Community Action Council, Inc. is the region's community action agency that was established to serve a wide range of education, housing, health and service needs of low-income and disadvantaged area residents. The organization is based in Plymouth but has expanded during the past three decades to include a number of cities and towns on the South Shore including Hingham. Programs include fuel assistance, weatherization, burner repair and replacement, Head Start, and other services directed to area families.

South Shore Special Needs Athletic Partnership (SNAP)

The South Shore Special Needs Athletic Partnership (SNAP) is a non-profit organization that is focused on providing athletic and other social opportunities for special needs children. The organization has also established the Housing Opportunities Made Easy (HOME) program to help these children transition to permanent living situations when they age out of state-supported school programs at age 22. The organization is exploring the development of about 7½ buildable acres of a total 16-acre Town-owned property off of Bare Cove Park Road. Early plans include 16 condo duplexes around a circular drive that will include 12 to 14 units for adults with disabilities that are envisioned to have two special needs adults living on the first floor with the top floor including the main living space and a room for an on-site caregiver. This project would involve support from the Massachusetts Department of Developmental Disabilities (DDS) as well as other state financing sources. Permitting would likely be through the state's Local Initiative Program (LIP), also known as the "friendly 40B" process.

Wellspring Multi-Service Center

The Wellspring Multi-Service Center is a private, non-profit organization that provides support and skills to those confronting challenges to their financial, physical or emotional well-being, helping them achieve independence and self-sufficiency. Program services range considerably from a food pantry, crisis counseling, and legal advocacy for example.

Appendix 4: Glossary of Housing Terms

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.

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.

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.

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.

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.

Inclusionary Zoning

A zoning ordinance or bylaw 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.

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.

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 Hingham’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 Metropolitan Area Planning Council (MAPC) serves as Hingham’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.

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.

US 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 5: 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 US 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 developer cannot appeal the ZBA decision to deny or place conditions on a comprehensive permit project cannot if any of the following conditions are met³¹:

- 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 Housing 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.

³¹ Section 56.03 of the new Chapter 40B regulations.

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.³² 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 or cannot 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.

³² 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.

- ***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.

For the purpose of inclusion on the Subsidized Housing Inventory, all units within a rental development count towards the state standard, provided a minimum of 25% of the units are affordable. For homeownership projects, only the units restricted to 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).

Changes to 40B regulations expand 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 principle 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.

Chapter 40B regulations also add a number of requirements related to the hearing process that include:

- The hearing is 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 these 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. 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”.³³

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.”³⁴ 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 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 would prepare the Zoning District bylaw (ordinance) for Town Meeting (City Council) enactment, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”³⁵

The principal benefits of 40R include:

³³ 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.

³⁴ Massachusetts General Law, Chapter 40R, Section 11.

³⁵ “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

- 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 burdened 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.

C. 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 Rents³⁶

- 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 payed by the 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 fees³⁷, 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.

³⁶ DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

³⁷ 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.

- No third party mortgages are allowed for homeownership units.

Marketing and Outreach

- Marketing and outreach, including lottery administration must adhere to 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 unit design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- 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.
- 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:

- 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, if applicable. The chief executive officer is in fact required to submit the application to DHCD.

- 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.
- Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
- Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.
- 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:

Application process

- Developer meets with Town
- Developer and Town agree to proposal
- Town chief elected officer submits application to DHCD with developer's input

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.

DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.

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.

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.

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 Rieko Hayashi of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: rieko.hayashi@state.ma.us).

D. MassWorks Infrastructure Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:

- Public Works Economic Development (PWED)
- Community Development Action Grant (CDAG)
- Growth Districts Initiative (GDI) Grant Program
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

II. SUMMARY OF HOUSING RESOURCES

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

A. Technical Assistance

1. *Housing Choice Initiative*

The state has stated its commitment to producing 135,000 new housing units statewide by 2025 or by about 17,000 units per year, an ambitious task. To help accomplish this, it has created the Housing Choice Initiative that has three basic components:

I. Legislation

The Baker Administration filed legislation, An Act to Promote Housing Choices, which has been referred to the House Committee on Ways and Means. The key element of the bill is to reduce the required vote from a two-thirds supermajority to a simple majority for certain zoning changes including:

- Chapter 40R
- Cluster bylaws
- Reductions in parking and dimensional requirements
- Transfer of Development Rights/natural resource protection zoning
- Increased density through the Special Permit process
- Accessory dwelling units

II. Capital Grant Funding

Communities can receive a Housing Choice designation that provides exclusive admission to new Housing Choice Capital Grants as well as priority access to existing grant and capital funding programs such as MassWorks, Complete Streets, MassDOT projects, and LAND and PARC grants. To obtain this designation, the community must submit an application that documents the increase in the total year-round housing stock from the 2010 census and the cumulative net increase in year-round units from January 1, 2013 through December 31, 2017. Documentation will be based on building permit data coming from the Building Department.

III. Technical Assistance Resources

The state has also allocated \$2 million in technical assistance grants for planning assistance through what it is calling the new Planning for Production Program. Support includes:

- Crafting new zoning to result in new housing production through Chapter 40A, 40R or a collaborative Chapter 40B proposal.
- Planning and designing public infrastructure projects or enhancements that will facilitate needed housing growth.
- Public education initiatives regarding financial feasibility, development cost-benefit analysis, local infrastructure needs, and school costs relative to the potential for new housing growth.

2. *Planning Assistance Toward Housing (PATH)*

A relatively new state-funded initiative, the Planning Assistance Toward Housing (PATH) Program, provides planning assistance to municipalities for housing production. The state has made \$600,000 in planning grants available through the program to support locally initiated planning for municipally owned sites, changes to land use and zoning, and other strategies that directly contribute to housing production. (This program currently is out of funding.)

3. *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 (contact is Karl McLaurin at DHCD). 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.

4. *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. (Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

5. *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.

(Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227 for more information.)

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.

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 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 ONE Mortgage 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 non-entitlement 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.

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 ONE Mortgage 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. 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.

12. 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.

13. 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.

14. Compact Neighborhoods Program

DHCD recently announced “Compact Neighborhoods” that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of “future zoned units” in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;
- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions to age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the elderly, persons with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encourage housing that is priced to meet the needs of households across a broad range of incomes and needs.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an “as-of-right” base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from DHCD; and
- Adopt the Compact Neighborhood Zoning.

15. DHCD Project-Based Homeownership Program

DHCD recently announced a first round of funding for its Project-Based Homeownership Program with two (2) funding categories:

- *Areas of Opportunity*
Funds are being awarded for new construction of family housing projects for first-time homebuyers in neighborhoods or communities that provide access to opportunities that include but are not limited to jobs, transportation, education, and public amenities. The minimum project size is ten (10 units) for up to \$500,000 in funding for a single project and no more than \$75,000 per affordable unit. The maximum total development cost for affordable units is \$300,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to the amount of the DHCD subsidy request.
- *Gateway Cities*
A limited amount of funding will be made available to Gateway Cities or other smaller communities with well-defined Neighborhood Redevelopment Plans for the acquisition and rehabilitation or new construction of single-family or duplex units or triple-deckers (rehab only). The development of single sites is preferred but scattered-site projects are permissible. The minimum project size is six (6 units) for up to \$500,000 in funding for a single project and no more than \$75,000 per affordable unit. The maximum total development cost for affordable units is \$250,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to one-half the amount of the DHCD subsidy request.

Sponsors/developers must have hard letters of interest from construction lenders and mortgage loan originators, follow prescribed design/scope guidelines, submit sound market data at the time of pre-

application, and have zoning approvals in place. Interested sponsors/developers must submit a pre-application for funding and following its review, DHCD review will invite certain sponsor/developers to submit full applications.

16. National Housing Trust Fund (NHTF)

The state has allocated \$3.4 million in Housing Trust Funds and 100 Massachusetts Rental Vouchers to help create supportive housing for vulnerable populations including homeless families and individuals, unaccompanied homeless youth, frail seniors with service needs, and individuals in recovery from substance abuse. This program is intended to provide supplemental support to the federal National Housing Trust Fund, a newly authorized affordable housing program.

17. Community Scale Housing Initiatives (CSHI)

The state has introduced a new program to address the need for smaller scale affordable housing projects that are sized to fit well within the host community. The new initiative will provide funding for these projects based on the following eligibility criteria:

- Community must have a population not to exceed 200,000
- Program sponsors can be both non-profit and for-profit entities with a demonstrated ability to undertake the project
- The proposed project must include at least five rental units but no more than 20 rental units
- Project must involve new construction or adaptive reuse
- A minimum of 20% of the units must be affordable but it is anticipated that most proposed projects will have a minimum of 50% affordable units
- The host community must provide a financial commitment in support of the project
- The CSHI subsidy may not exceed \$200,000 per unit unless the developer intends to seek DHCD project-based rental assistance in which case the subsidy may not exceed \$150,000 per CSHI unit
- The total development cost per unit may not exceed \$350,000
- Projects will receive no more than is necessary to make the project feasible
- Projects must be financially feasible without state or federal low income housing tax credits
- Projects are expected to close and proceed to construction within 12 months of the date of the award letter

The 40 River Street project was awarded funding under this program.

18. Starter Home Program

State legislation was recently enacted to implement a Starter Home Program as part of the Governor's Economic Development Bill. This was accomplished by modifying the existing Smart Growth Zoning and Housing Production law of Chapter 40R to include \$25 million in new funding over five years for cities and towns that create new starter home zoning districts. The new districts will be a minimum of three acres, restrict primary dwelling size to 1,850 square feet of heated living area, require that 50% of the primary dwelling units contain three bedrooms, allow a minimum of four units per acre by right, and provide 20% affordability up to 100% AMI.

19. Workforce Housing Fund

The state is investing in a Workforce Housing Fund to provide rental housing for those households earning 61% to 120% AMI. In his announcement, Governor Baker said, "Making more affordable housing options available to working Massachusetts families deterred by rising rent expenses is essential to economic growth

and development in communities throughout the Commonwealth. These working middle-income families are the foundation of our economy and talented workforce, and the creation of this \$100 million fund by MassHousing will advance opportunities for them to thrive and prosper.”

The Workforce Housing Initiative was created to do the following:

- Target individuals and families with incomes of 61% to 120% of Area Median Income (AMI)
- Provide up to \$100,000 of subsidy per workforce housing unit to create 1,000 new units of workforce housing statewide
- Leverage strategic opportunities to use state-owned land
- Complement, does not replace, traditional MassHousing development financing
- Ensure workforce housing units are deed restricted as affordable for at least 30 years

Eligible projects include:

- Preference is for new units; existing projects where unrestricted units become restricted will be considered
- Workforce housing units are intended for working age household and may not be not be elderly restricted or occupied by full-time students
- 20% of units at the development must be affordable for households earning at or below 80% of AMI

20. Housing Choice Initiative

The state has stated its commitment to producing 135,000 new housing units statewide by 2025 or by about 17,000 units per year, an ambitious task. To help accomplish this, it has created the Housing Choice Initiative that has three basic components that includes Capital Grant Funding. Communities that qualify for designation under this Initiative can receive exclusive admission to new Housing Choice Capital Grants as well as priority access to existing grant and capital funding programs such as MassWorks, Complete Streets, MassDOT projects, and LAND and PARC grants. To obtain this designation, the community must submit an application that documents the increase in the total year-round housing stock from the 2010 census and the cumulative net increase in year-round units from January 1, 2013 through December 31, 2017. Documentation will be based on building permit data coming from the Building Department.

C. Homebuyer Financing and Counseling

1. ONE Mortgage Program

The Massachusetts Housing Partnership Fund, in coordination with the state’s Department of Housing and Community Development, has recently introduced the ONE Mortgage Program, a new simplified version of the successful Soft Second Loan Program, which from 1991 to 2013 helped over 17,000 families purchase their first home. Like the Soft Second Program, ONE features low, fixed-rate financing and state-backed reserve that relieves homebuyers of the cost of purchasing private mortgage insurance.

2. American Dream Down-payment Assistance Program

The American Dream Down-payment Assistance Program is 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 ONE Mortgage 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 de-leading 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.

3. Homebuyer Counseling

There are a number of programs, including the ONE Mortgage Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, which 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 close proximity to Hingham includes the Housing Solutions of Southeastern Massachusetts and NeighborWorks of Southern Mass.

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. MassHousing Home Improvement Loan Program (HILP)

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.

2. Get the Lead Out Program

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred, or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$74,400 for one and two-person households and \$85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan.

3. 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.

4. *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 South Middlesex Opportunity Council (SMOC) administers this program for southeastern Massachusetts.

Appendix 6: Map of Affordable Housing Developments

