

Hingham Housing Plan

Planning Board Presentation

June 14, 2021



What is affordable housing?

Different definitions of affordable housing...

- HUD definition of affordable is spending no more than 30% of gross income on housing costs
- 40B definition – “A” affordable units include:
 - Available to households earning at or below 80% of area median income
 - Permanent units subsidized or approved by a subsidizing agency
 - Deed restricted
 - Affirmatively marketed

| Household Size (# of Persons) | 2021 Income Limits | 2020 Income Limits | 2019 Income Limits | 2018 Income Limits |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 1 | 70,750 | 67,400 | \$62,450 | \$56,800 |
| 2 | 80,850 | 77,000 | \$71,400 | \$64,900 |
| 3 | 90,950 | 86,650 | \$80,300 | \$73,000 |
| 4 | 101,050 | 96,250 | \$89,200 | \$81,100 |
| 5 | 109,150 | 103,950 | \$96,350 | \$87,600 |
| 6 | 117,250 | 111,650 | \$103,500 | \$94,100 |

There is “little a” affordable housing and “big A” affordable housing. The basic rule of thumb in terms of housing affordability is a cost that does not exceed more than 30% of a household’s gross monthly income. What is considered little a affordable housing is relative on the open market, so a family earning median income in one area may have a number of affordable housing options and in another may have limited affordable housing options.

Big A affordable housing generally needs to meet the requirements listed on the slide (income limit of less than 80% AMI; subsidized through financial or technical assistance program; long-term deed restriction; and affirmatively marketed). In Massachusetts, these units tend to be counted by the Department of Housing and Community Development (DHCD) on the Subsidized Housing Inventory (SHI).

What housing is “Affordable” in Hingham?

Subsidized Housing Inventory (SHI) Details

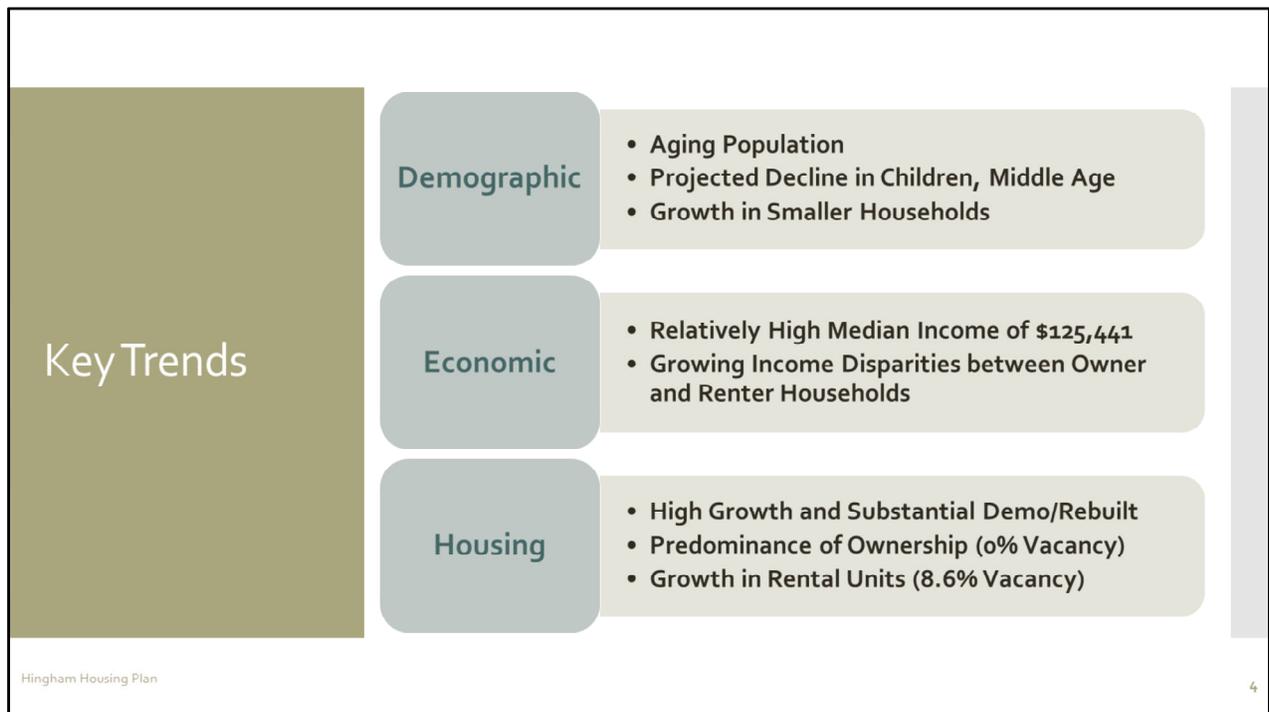
- 1,005 units or uncontested 11.37% of 8,841 year-round housing units, are currently considered eligible by the state for inclusion on the SHI
- 349 or 35% of SHI units are actually affordable
- 121 units over the 10% state affordability goal
- 30+ units above the 10% level following 2020 census based on projected housing growth



Here are the town’s current and projected SHI stats. The **uncontested** percentage of year-round housing units in Hingham that qualify for inclusion on the SHI is 11.37%. Inputs into the calculation include eligible units divided by the last census, so the denominator is the 2010 census (8,841 yr. round units). This exceeds to 10% affordability goal established under Chapter 40B.

It is important to note that only 349 of the 1,005 units on the SHI (numerator in the SHI) are actually “Affordable”. This is due to the fact that DHCD includes 100% of the units in rental developments, even though only a minimum of 20-25% of those are actually affordable under Chapter 40B.

The SHI is expected to remain above 10% following issuance of the 2020 census. There is a projected buffer of more than 30 units, which is significant (again, 30 affordable units offset 300 market rate units).



Key Trends identified in the plan fall into three major categories:

Demographic Trends

There have been major increases in older residents, likely related to both the Baby Boomer population and Linden Ponds. I would also highlight the decreasing size of households, including including those living alone.

Economic Trends

In terms of economic trends, Median Income is town is relatively high at \$125,441, but there are growing disparities. Median income of owners increased by 69% to \$152,674 while median income of renters decreased by 3% to \$48,284.

Housing Trends

Hingham is a High Growth Community with 918 new housing units built between 2010 and 2018.

Also substantial demolition/replacement activity. Teardowns accounted for about 40% of new single-family home development between 2010 and 2018.

- Predominance of owner-occupancy at 80% in 2017 but down from 86% in 2000 and with a net gain of 777 units.
- Notable growth in rental housing units, from 14% to 20% between 2000 and 2017 with a net gain of 746 units and more underway, thus increasing housing diversity.
- 0% vacancy rate for ownership, 8.6% for rentals.

How does Hingham compare?

As a side note, the Board might be interested to know how the town stacks up on a couple of these key issues. As noted on the previous slide, the DHCD reports that 11.37% of the year-round housing units in Hingham are eligible for inclusion on the SHI. Our inventory exceeds the average of our Benchmark Communities which is 8.3%. The Town's proportion of ownership to rental (80%/20% respectively) is exactly inline with the average of Benchmark Communities (79.7%/20.3%).

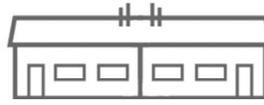
Housing Costs

Indicators of need for various income levels...

- Very little affordability remaining in the private housing market
- Median prices remain high for homeowners and renters
- High single-family affordability gap of \$270,750 for median income earning household and widening to \$535,750 at the 80% AMI limit
- Increasing cost burdens as 30% or 2,493 households were spending too much for their housing including 17% or 1,415 with severe cost burdens
- Two-thirds of those earning at or below 80% AMI were experiencing cost burdens including 1,200 or 51.5% with severe cost burdens



\$813,750
Single-Family Home



\$450,000
Condominium



\$2,190
Rent/Month

The Plan recognizes that there are still unmet and pressing housing needs, despite reaching the 10% state affordability goal.

Identify and address the wide range of housing needs based on various income levels and target populations, including seniors, families, veterans, those with disabilities.

Existing Tools to Address Housing Needs

Hingham is committed to maintaining and increasing housing diversity and affordability...

- Public-Private Partnerships to develop affordable housing
- Community Preservation Act
- Affordable Housing Trust; Dedicated Staff Support
- Housing Choice "High Growth" Community and Capital Grant
- Comprehensive Master Plan and Regional "Housing Options" Plan
- Zoning for Flexible Residential, Multi-Unit Developments (Big "A")
- Zoning for Mixed Uses, Accessory Dwelling Units (Little "a")
- Tax Exemptions



Hingham has a proven track record on affordable housing. Existing tools include:

Public-Private Partnerships: Examples: The Town partnered with Habitat for Humanity starting in the 1990s through the present time to develop single family affordable housing (Central Street, Winona Way, Whiting Street)

Most recent public-private partnership, expressed through a Development Agreement between the Select Board and Alliance Residential Development, yielded 55 affordable rental units, pushing Hingham over an uncontested 10% on the SHI. The project yielded other public benefits beyond housing, including \$1M for school improvements, land transfer for public park purposes, and parking and traffic improvements along Beal Street.

Other partnerships developed through the Local Initiative Program, in which the Select Board supported a 40B application or otherwise assisted in creating affordable housing. Examples include the Avalon development at the Shipyard, Whiting Lane, and Craftsman Village.

CPA: Adopted locally in 2001, the Community Preservation Fund generates resources through a 1.5% surcharge on real estate for certain community projects, including affordable housing. Approximately \$1.6M was appropriated from the source to housing

projects between 2003 and 2019. This year, the Community Preservation Committee recommended and Town Meeting authorized a \$700,000 grant to the Trust.

HAHT: The Town created the Hingham Affordable Housing Trust in 2007 under s. 55C of MGL c. 44. and Article 39 of the General Bylaws to preserve and develop affordable housing. The Town has recently allocated additional staff support to help the Trust advance these purposes.

DHCD Designated Housing Choice Community: Based on recent “high growth”. The Town successfully applied for a \$140k grant thereafter to rehabilitate a two-family dwelling.

Housing Plans: Chapter in Comprehensive Master Plan... Also working on a regional “Housing Options” plan with MAPC.

Zoning: Adopted FRD and Multi-Unit zoning to create Big A housing; Commercial/Residential Building and ADU regulations for Little A housing.

Tax Exemptions: The Town has adopted property tax exemptions, including all those under MGL c. 59, for seniors, along with a means-tested property tax exemption to help alleviate escalating tax burdens experienced by those on fixed incomes.

What other strategies should we consider?

Sources include:

- Previous plans and studies
- Housing Needs Assessment
- Interviews
- Meetings including Community Housing Forums in May and December 2019
- Effective strategies in Hingham and other communities
- Targeted goals



To develop new tools and strategies, the consultant and working group reviewed the listed sources. Two community forums were also held in 2019. The resulting strategies fall into four main categories: Capacity-Building; Zoning; Housing Development; and Preservation.

Capacity Building Strategies

Make community education a priority

- Forums
- Annual Summit
- Public Access Television
- Website
- Training

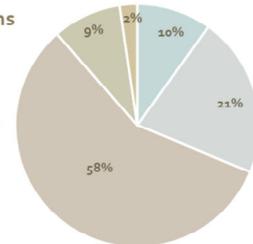


Secure sustainable funding sources for Housing Trust

- Community Preservation Act
- Regional CPA Appropriations
- Grants
- Donations
- Fundraising

CPA Appropriations
2003 - 2019

- Community Housing
- Historic Preservation
- Open Space
- Recreation
- Administration



Community Education – Efforts already underway: Girls Scouts, Neighborworks, Unity Council, and improved information on the website
Secure Funding – Previously noted 2021 CPA Appropriation; will continue to seek grants and other financial and technical resources

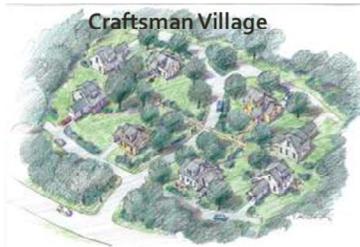
Zoning Strategies

Pursue greater housing diversity in more areas...



I am sure you are familiar with each of these strategies, so I don't plan to present any in great detail. I will note that the Housing Plan includes successful examples of these zoning strategies from other communities that you may enjoy seeing. The image shown is of Jenney Way in Edgartown on the Vineyard which is model of cottage style development that could potentially be modified to meet housing needs in Hingham.

Housing Development Strategies



Public Property Options

- Suitable Tax Title Properties
- Beal Street Opportunities
- Newly Acquired Property
- Lincoln School Expansion

Private Property Options

- Areas with Available Infrastructure
- Downtown
- South Hingham
- Infill Opportunities/Scattered Sites

Make suitable public property available for affordable housing

Includes tax title properties; Beal Street properties; Properties acquired by the Trust; and potential expansion of the Lincoln School Apartments

Responsible Parties: 1) HAHT for site exploration and feasibility analysis and 2) Town Meeting and Select Board for disposition and transfer

Partner with Private Developers on Privately-Owned Properties

Often housing in areas with available infrastructure, including public water and sewer service, can be easier to both permit and develop. Proximity to public transportation infrastructure also offers convenience to future residents and potentially reduces vehicle trips or traffic associated with the housing development. The Shipyard and Downtown are two areas that offer an opportunity to partner with private property owners to create more affordable housing.

As this Board knows, larger land owners in South Hingham have expressed interest in various forms of housing development. The Trust

Preservation Strategies

- Monitor Compliance with Affordability Requirements
- Consider Adaptive Reuse Opportunities
- Introduce a Small Grant Repair Program
- Connect Qualifying Residents to Other Housing Rehabilitation Initiatives



Finally, the Plan discusses preservation strategies. Affordable housing can be difficult to create, so it is important to actively monitor deed restrictions to ensure that the housing remains affordable. Locally, the Select Board, the Trust, and staff in the Land Use & Development Department work together with subsidizing agencies and third-party monitoring agents, including the Hingham Housing Authority, to track expiration dates, resale and marketing requirements.

Other strategies include adaptive reuse of commercial buildings or properties and small grants or depreciating loans for cost burdened homeowners to bring their properties up to code or assist income eligible renters with deposits.

These strategies can be iterative. For instance, in order to offer a small grant program, the Trust will need the technical and support capacity as well as funding...

Priorities and Responsibility

| 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 |
| Zoning Strategies | | | | |
| 1. Better promote ADUs | X | | | PB |
| 2. Amend Flexible Residential Development bylaw | X | | | PB |
| 3. Explore inclusionary zoning | X | | | PB |
| 4. Pursue measures to resolve some problematic teardown activity | X | | | PB |
| 5. Adopt zoning for 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 |

Hingham Housing Plan

12

Here is the summary of priorities discussed by the Affordable Housing Plan Working Group and the Trust. The Plan also identifies the Board or Committee that would be primarily responsible for implementation of each strategy. As you can see, the Plan assumes that the Planning Board (“PB” in the table) would take a lead role on a number of initiatives and particularly the Zoning Strategies.

Of the zoning strategies, the Trust acknowledges that the ADU By-Law will be the first priority, in part since Town Meeting recently approved creation of a study committee to consider expansion of the existing By-Law. A representative of the Trust participated as a member of the last ADU study committee. We hope that a HAHT representative is appointed by the moderator or select board to one of the open positions in the upcoming process as well. Less formally, the Trust is happy to help advance the public discussion on the topic as well as it related to housing.

I will note that almost all strategies are a short term priority. This is in part based on needs, but also based on the shelf life of the plan. The Trust hopes to initiate all these efforts within 5-10 year horizon. The Trust will also annually review progress on the plan during a public meeting to realign efforts as needed.

We are happy to hear your thoughts on the identified strategies and/or their prioritization.

What do you think?

We welcome your questions, comments, and input!

