

Preliminary Review of Wellesley's Policy on Affordable Housing

February 22, 2010

Workgroup Members

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Meetings on Jan 21, Feb 4, and Feb 18.

Workgroup's Objectives

- Assemble and organize relevant background materials
- Review the Town's present policy and its limitations
- Recommend whether or not the Board of Selectmen should initiate a more complete policy review.
- Identify issues to be considered, if a complete policy review is undertaken.

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Subsidized Housing Inventory*

- Publicly-owned properties (234 units)
 - Barton Road (88)
 - 41 River Street (26)
 - Morton Circle (36)
 - 487-513 Washington Street (40)
 - 315 Weston Road (32)
 - Waldo Court (12)

*As counted for purposes of Chapter 40B.

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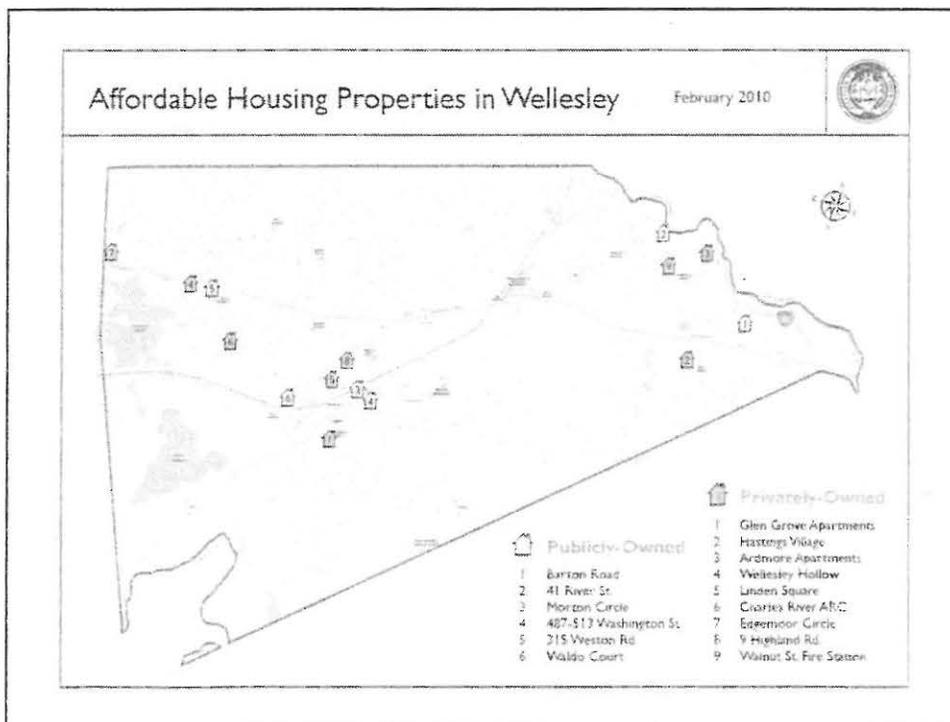
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Subsidized Housing Inventory (cont.)

- Privately-owned properties (236 units)
 - Glen Grove Apartments (125)
 - Hastings Village (52)
 - Ardmore Apartments (36)
 - Wellesley Hollow, Linden Square (7 each)
 - Charles River ARC (4)
 - Edgemoor Circle (3)
 - Highland Rd., Walnut St. Fire Station (1 each)

continued

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Subsidized Housing Inventory (cont.)

- Expected future additions (152 units)
 - 27 Washington Street (138)
 - 978 Worcester Street (7)
 - Wellesley Inn project (6)
 - 65 Washington Street (1)

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Present Policy Statement (1989 ATM)

“Wellesley is an outstandingly attractive residential community, enriched by the diversity of its residents. Wellesley seeks to maintain and enhance its present character by preserving a mix of housing stock that includes low income, moderate income and market rate housing.” In establishing this Affordable Housing Policy, . . .

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Present Policy Statement (cont.)

. . . Wellesley seeks to control its own growth and development. Affordable housing is housing which, under the guidelines and regulations promulgated by Massachusetts General Laws, Chapter 40B, is defined as low or moderate income housing, or housing which may otherwise be determined by vote of Wellesley Town Meeting to be affordable housing.

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Limitations of Present Policy Statement

Wording is ambiguous with respect to:

- “diversity of . . . residents”
- “preserving a mix of housing stock”
- “control . . . growth and development”
- “otherwise . . . affordable housing”

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“diversity of . . . residents”

What is meant by “diversity”?

- Social, economic, educational
- Race, ethnicity, age
- Singles, couples, families, empty-nesters, retirees

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“preserving a mix of housing stock”

Varying definitions of income eligibility:

based on Area Median Income (AMI) for Boston

= \$90,200 for 4-person household in FY2009

- Chapter 40B:
 - Low income: <50% of AMI
 - Moderate income: <80% of AMI
- Community Preservation Act (CPA):
 - Community housing: <100% of AMI

Affordable: housing costs < 30% of household income

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“control . . . growth and development”

- Would require 10% of Town’s housing stock to be affordable, as defined under Chapter 40B.
- Currently, 5.5% of our housing units (482 of 8,789) are counted as affordable.

Notes: (1) 2010 Census may show increase in housing stock, and (2) November 2010 ballot question may repeal Chapter 40B.

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“otherwise . . .affordable housing”

- Could include “workforce housing”: affordable to Town employees (e.g., entry-level teachers, police officers, fire fighters)
- Some assisted households would be above 80% of AMI—and thus no longer countable under Chapter 40B rules—but those under 100% of AMI could be CPA-eligible for community housing.

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Criteria for Housing Development

These issues (included in the 1989 ATM policy) could also be clarified:

1. Avoid urban-scale projects
2. Give preference to projects where 100% of units satisfy Town's housing goals
3. Preserve single-family residential character

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Criteria for Development (cont.)

4. Affordable units to remain affordable in perpetuity
5. Give priority to Wellesley residents in marketing of units
6. Preserve open space and protect natural resources
7. Do not overburden existing utility systems or public facilities
8. Respect Town's Fair Housing Policy

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Why initiate a fuller policy review?

- To guide Town decisions on potential major acquisition/development opportunities.
- To provide a clearer basis for Town decisions on the use of CPA funds.
- To better evaluate the effectiveness of efforts to date.

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Why initiate fuller policy review? (cont.)

- Town's existing policy was adopted in 1989, has not been reviewed since, may not reflect current Town needs or recent experience with Town policies.

Recommendation: Selectmen should initiate a more complete policy review.

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Issues to Be Considered

- Desire to avoid comprehensive permit projects, but this would require another 250+ units (beyond expected additions) to achieve 10% target under Chapter 40B.
- Desire to preserve single-family character, but high subsidy cost of a single-family home (\$300K to \$350K), lower for a two-family residence (\$150K-\$200K per unit).

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Issues to Be Considered (cont.)

- Substantial unmet housing need among moderate-income Town residents (<80% AMI), with more than 3/4 of such residents now in market-rate housing, but . . .
- Narrow income range (70-80% of AMI) within which a family could be considered for “affordable” owner-occupied housing and might still qualify for a mortgage.

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Issues to Be Considered (cont.)

- Severity of housing needs for:
 - Families
 - Older residents
 - Town employees

- Whether additional efforts should be made to better involve the residents of affordable units in the life of the community.

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Issues to Be Considered (cont.)

- Range of policy tools, including:
 - Purchase and discounted resale of market units
 - Rehabilitation/adaptive reuse of older structures
 - Conversion of BoS-controlled Town-owned land parcels to housing
 - Inclusionary zoning, density bonuses, overlay districts
 - Possible rental assistance for entry-level Town employees

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