

WELLESLEY FACTS

AFFORDABLE HOUSING FACT SHEET

Who Can Live in "Affordable Housing?" Income Eligibility Limits for Subsidized Affordable Housing

To be eligible for affordable housing subsidized by state and federal programs (and counted for the purposes of Chapter 40B), the housing must be restricted to households earning no more than 80% of the median family income in the metropolitan area. The median is the point at which half the families have higher incomes and half the families have lower incomes. These income eligibility thresholds are set by the U.S. Department of Housing and Urban Development (HUD). Wellesley is subject to the limits set for the Greater Boston metropolitan area.

PMSA : Boston, MA-NH
 FY 2004 MEDIAN FAMILY INCOME: \$82,600

	I N C O M E L I M I T S – H O U S E H O L D S I Z E (N U M B E R O F P E R S O N S)							
	1	2	3	4	5	6	7	8
30% OF MEDIAN	\$17,350	\$19,850	\$22,350	\$24,800	\$26,800	\$28,800	\$30,750	\$32,750
VERY LOW-INCOME (50% OF MEDIAN)	\$28,950	\$33,100	\$37,200	\$41,350	\$44,650	\$47,950	\$51,250	\$54,600
LOW-INCOME (80% OF MEDIAN)	\$46,300	\$52,950	\$59,550	\$66,150	\$71,500	\$76,750	\$82,050	\$87,350

Chapter 40B Affordable Units

To be counted for the purposes of Chapter 40B, affordable housing has to have the following characteristics:

- The units must be approved for direct state or federal subsidy. With the exception of the Local Initiative Program (LIP), the subsidies are financial. In the case of the LIP, towns work directly with developers but receive technical assistance from the state Dept. of Housing and Community Development (DHCD) and receive standing as Chapter 40B projects. LIP projects allow towns more flexibility in making decisions about the design and site plan of a project. The state merely has to approve the affordability elements of the project: the incomes of the persons to be housed, the minimum quality of the units, fair marketing, and a maximum level of profit.
- At least 25 percent of the units must be restricted to households having incomes at or below 80 percent of the area median income. The units must have rents or sales prices that limit housing costs to no more than 30% of the residents' household income.
- For newly-constructed housing, the affordability restrictions must remain in place for at least 15 years. The Town can negotiate much longer terms of affordability during the permitting process.
- The development must be subject to use restrictions and deed restrictions ensuring that the units will remain available only to people who have qualifying incomes, and these requirements must be monitored by a public agency or a non-profit organization.
- The units must be openly marketed according to fair housing laws. However, towns can establish a local preference for their own residents.
- In rental projects, **all** the units count towards the Chapter 40B goal - *both the affordable units and the market rate units*.
- In ownership projects, **only** the affordable units count towards the Chapter 40B goal.

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Chapter 40B

- Chapter 40B allows developers who propose a housing project with a minimum of 25% affordable units meeting certain state requirements to override local zoning restrictions and undergo a streamlined permitting process (the Comprehensive Permit).
- Under Chapter 40B, municipalities that have not reached a goal of 10% of the census year-round housing units (8759) in permanently affordable (deed restricted) housing may have denials or conditional approvals of Chapter 40B housing proposals appealed to the state Housing Appeals Committee.
- In a 40B ownership project, the state counts only the affordable units for the inventory. In a 40B rental project, all units are counted towards the town's 40B inventory.
- Wellesley currently has 4.6% of its housing units (403) on the state 40B inventory list.
- To reach 10%, Wellesley would need to create an additional 476 units, assuming no other new units were to be built. If these units were all to be created through 40B ownership-only projects with 25% affordable housing, the total number of new units (including the affordable units) would be 1,904. The addition of new housing units raises the basis for the 10% affordable goal.
- By developing its own affordable housing plan and working with nonprofit or for-profit developers to implement the plan, the Town can create affordable housing that is in character with Wellesley without adding a large number of market-rate dwellings.

State-Approved Affordable Housing Plans and Chapter 40B

- Towns can submit a plan for production of affordable housing to the state for approval.
- If the town then implements the plan by actually producing a specific percentage of the planned units within a year, the town can then seek certification of the plan by the state, which would then permit the town to deny or condition a 40B project without possibility of appeal for one year.

State required elements for *approval* of an affordable housing plan:

- Housing needs analysis
- Plan for a mix of housing consistent with needs
- Strategies including one or more of the following:
 - Modification of land use regulations in identified geographic area
 - Identification of sites where 40B applications will be encouraged
 - Preferable development characteristics, such as infill, cluster, compact development
 - Identification of municipally owned parcels where affordable projects will be sought
- Description of use restrictions to insure affordability

State requirements for *certification* of implementation of an affordable housing plan:

- Creation of 40B eligible units in the number of at least $\frac{3}{4}$ of 1% of the town's total year-round housing units (66 units for Wellesley)
- A town with a certified plan can deny comprehensive permit applications for one year following certifications (two years if it produces 1.5% of total housing units).

Further information on Chapter 40B is available at www.mass.gov/dhcd/Ch40B/default.htm

Questions? Visit the Wellesley Comprehensive Plan web page: www.ci.wellesley.ma.us