

# Draft Nahant Housing Production Plan

## Goals and Strategies

### Overview

The following is a summary of the recommended housing production plan (HPP) goals and strategies and the analysis and public input that led to these recommendations. The HPP goals were presented by the MAPC project team at the April 13<sup>th</sup> Nahant Housing Plan Advisory Committee meeting and the committee endorsed these goals. Building from this conversation, the MAPC project team has detailed the goals and outlined strategies to discuss with the committee at the upcoming May 11<sup>th</sup> meeting.

### Housing Needs Assessment Key Takeaways

At the April 13<sup>th</sup> committee meeting, MAPC recapped the key takeaways from the housing needs assessment and the public input gathered at the forum on March 8<sup>th</sup>. Key takeaways from the HNA are summarized in the bullets below:

- **Address the aging population.** Nahant's population is aging, and the share of young adults and children is declining. Housing development and strategies must address these changes.
- **Create greater housing choice.** Nahant has a modest supply of mostly small multifamily housing and needs more of these alternatives to single-family homes.
- **Lower high housing costs:** Many struggle to afford housing in Nahant. More attainable market-rate housing and significantly more Affordable Housing are needed in addition to strategies and programs that reduce housing costs for Nahanters.
- **Advance Equity:** Expanding housing options and advancing housing affordability is key to making Nahant a more equitable community, particularly for creating opportunities for people of color.

### Public Forum I Key Takeaways

Public forum participants viewed a full presentation of the housing needs assessment and then engaged in a series of activities to share their thoughts on Nahant's housing needs and goals, thinking broadly as well as in terms of their personal experiences. Themes from public input closely aligned with the takeaways from the housing needs assessment. These themes are summarized below:

- **Interest in different housing types:** It was clear that forum participants were interested in expanding the different types of housing available in Nahant; particularly accessory apartments. There was also interest in expanding small multifamily and mixed-use housing options.
- **Meet the needs of Nahant's aging population:** Input collected from engagement activities, as well as conversations, throughout the forum, demonstrated that meeting the needs of Nahant seniors is a high priority. Specifically, participants mentioned the need for smaller housing types to create more downsizing options in Nahant. Multifamily rental

units were identified as housing that would be suitable for seniors looking to downsize. Housing paired with supportive services was also discussed in the form of assisted living. Many participants expressed concerns about long-time Nahanters being faced with increased housing costs and/or limited smaller housing options that could compel them to move out of town.

- **Need for housing options to support young families.** Another theme gathered from the engagement activities at the forum was the housing needs of young families. Participants noted there are few “stater-home” size housing options. Most existing housing options are too large or too expensive for young families. The lack of smaller housing options and the high price of housing in town were viewed as a detriment to people who grew up in Nahant and want to start families of their own here.
- **A vision for a family-friendly, welcoming, and inclusive Nahant:** When asked about a vision for Nahant's future as it relates to housing goals, a common sentiment was the desire for an inclusive community. A diverse population, that's welcoming to people from various races, ethnicities, ages, incomes, and cultural backgrounds, was emphasized as a priority.

## HPP Goals and Strategies

Understanding the relationship between HPP goals and HPP strategies will be important for ongoing discussions. HPP goals reflect the overarching vision of the plan and serve as the framework for the plan and guide recommendations concerning housing development opportunity sites and housing strategies. For this reason, HPP goals are broad.

HPP strategies are focused on methods for achieving the HPP goals and so HPP strategies are based around specific actions. Some HPP strategies work toward one goal and some advance multiple goals.

Based on a proposal by MAPC at the April 13<sup>th</sup> committee meeting, the Advisory Committee endorsed the following HPP goals:

1. Expand “little to middle” housing options
2. Produce upper-case A Affordable Housing
3. Reduce housing instability for seniors and vulnerable households
4. Support first-time homeownership
5. Harmonize housing needs with sustainability

MAPC now recommends that support first-time homeownership be treated as a strategy since this is based on specific actions rather than an overarching vision. The proposed goals and strategies have been outlined with this change in preparation for a discussion with the Advisory Committee on May 11<sup>th</sup>. The proposed goals are detailed below along with an outline of corresponding strategies.

## **Goal 1: Expand “Little to Middle” Housing Options**

According to the housing needs assessment, Nahant's current housing stock could be improved to better meet the needs and preferences of its residents. To provide more housing options for Nahanters of all backgrounds, it's important to expand the types of homes available in the town. This is particularly important as people's housing needs change over time, especially as they age. The decline in Nahant's young adult population is concerning, with residents aged 22-29 decreasing by 57% between 2015 and 2020. Meanwhile, the senior population is growing, with significant increases in residents aged 65-69 (40%) and 70-79 (74%). Offering smaller and medium-sized homes can benefit both young people seeking affordable rentals or homes for sale, as well as seniors looking for downsizing options that are easier to manage. Expanded housing options can also support blue-collar workers, veterans, and moderate-income households of all kinds.

Nahant could benefit from a range of "little to middle" housing options, such as accessory dwelling units, tiny homes, duplexes, triplexes, mixed-use housing, and townhouses. Many of the town's existing multifamily homes are in older buildings that don't comply with current zoning regulations and are considered "legally non-conforming." However, these buildings exemplify the charming small-town character of Nahant and offer alternatives to large, expensive single-family homes. Currently, single-family homes make up 73% of the town's housing stock. While single-family homes are important, smaller and mid-sized multifamily homes would better serve many residents who don't need a large multi-bedroom home or cannot afford one. For example, the median sale price of a single-family home in Nahant is \$950,000, while a condominium is more attainable at a median sale price of \$376,900. Smaller housing types will add both more attainable home ownership options and opportunities to rent for those that don't have the resources for a downpayment. Nahant can stimulate the expansion of little to middle housing options by allowing these types of homes through its zoning and by complementing these regulations with programs and policies.

## **Goal 2: Produce Upper-case A Affordable Housing**

Primary Goal – Make Progress Toward Filling Affordable Housing Gap

While having a greater variety of housing types in town will accommodate more residents and expand housing choice, many new homes will still be prohibitively expensive, and prices will continue to increase with the market. This is why it's important for Nahant to take a holistic approach and work to expand Upper-case A Affordable Housing that is guaranteed to be affordable per deed restriction and can be required to be permanently affordable. This type of housing is for income-eligible households only and must cost no more than 30% of their income. It's evident that Nahant requires more Affordable Housing, given that there are only 48 such units available for 645 income-eligible households. Filling this gap will be challenging, especially considering there is limited land and development opportunities in Nahant. But with the great need for Affordable Housing in mind, the Town should make Affordable Housing development a priority for all development opportunities identified in this HPP and those that arise in the future.

Secondary Goal – Achieve Safe Harbor to Plan for Desired Affordable Housing Development

While the primary goal is to fill the gap in Nahant's Affordable Housing supply, the Town can also work towards compliance with state law M.G.L. Chapter 40B. This law allows developers to use a separate permitting process from local zoning regulations when a town doesn't have 10%

of its housing stock as subsidized housing. If Nahant can bring its subsidized housing inventory (SHI) percentage up to 10%, it will have safe harbor and can choose to deny 40B applications that are inconsistent with the goals of this HPP but continue to use the 40B permitting process for development proposals the Town supports.

With a subsidized housing inventory of just 2.98%, Nahant is far from reaching the 10% requirement, but the Town can achieve periods of safe harbor through certification of the HPP and progressively adding Affordable Housing units each year.

- Nahant can achieve a two-year period of safe harbor if the Town increases the SHI by **1%** by adding **15 SHI units or more**, in one calendar year.
- A one-year period of safe harbor can be achieved if the Town increases the SHI by **0.5%** by adding **8 SHI units** in one calendar year.

Safe harbor can also be achieved in the long term by meeting the General Land Area Minimum (GLAM) requirements, which qualifies a community for safe harbor if 1.5% of the town's total land area zoned for residential, commercial or industrial use, is developed for Affordable Housing as SHI eligible housing units. According to the GLAM analysis completed by Stantec, 0.62% of land in Nahant is currently developed for SHI-eligible units. This percentage would need to be increased by 0.88% through an additional 3.5 acres of qualifying land.

### **Goal 3: Reduce Housing Instability For Seniors and Vulnerable Households**

In addition to development-oriented goals, it's equally important for Nahant to provide programming and funding that addresses housing instability among vulnerable households. This includes seniors, veterans, the disabled, middle-income workers, and single-person households. The town's renters are at a higher risk for housing instability, with 45% of them being cost-burdened. However, the HNA also reveals that a significant number of homeowners are facing financial strain due to high housing costs, with 36% of them being cost-burdened. The housing needs assessment highlights that single-person households, excluding the elderly, bear the highest cost burden, with more than half of them falling into this category.

It is crucial for Nahant to gather more information about the needs of single-person households and take steps to address their concerns. Although cost burden affects Nahanters of all ages, the public input received throughout the plan indicates senior households are especially concerned about housing costs. To better comprehend the challenges faced by residents struggling with housing costs, Nahant should persist in engaging with those who require the most assistance and connect them to existing federal and state programs to help meet their needs.

### **Goal 4: Harmonize Housing Needs with Sustainability Goals**

In meeting the housing needs of Nahant, the community must take into account the unique constraints of being a coastal town. While expanding Affordable Housing options is important, it's important for the Town to maintain the recreational amenities that make Nahant a special place to live. New housing development should enhance these assets and work toward climate resiliency and advance clean energy initiatives. Leveraging funding sources for all these initiatives collectively can also provide more resources to address the Town's housing needs, while achieving a balance between housing goals and sustainability. To achieve this balance, it is necessary to coordinate housing development with the town's Open Space and Recreation Plan, explore state and federal funding opportunities, and utilize existing local funding.

## Draft Strategies Overview

In the chart below, MAPC has drafted a high-level outline for thirteen preliminary strategies that work toward advancing the HPP goals. We intend to discuss these strategies with the Advisory Committee and decide on which strategies to present for public input at the forum on June 14<sup>th</sup>. Following input gathered at the public forum, the strategies will be refined further. Our objective is to narrow the list of strategies to between five and seven to be included in the final plan. The final strategies should be the most important things for Nahant to work on implementing in the next five years. Once final strategies are determined, MAPC will work with the Advisory Committee to add action steps and resources to support their implementation.

DRAFT HPP Goals and Strategies Outline		1. Little to middle housing	2. Affordable Housing	3. Housing Stability	4. Sustainability
Capacity Building Strategies					
1.	<b>Establish an Affordable Housing Trust:</b> Establish an Affordable Housing Trust (AHT) that can hold and disperse funds to support Affordable Housing development as opportunities arise. The Town currently sets aside 10% of Community Preservation Act (CPA) funds for Affordable Housing. These funds should be entered into the AHT and the Town should explore ways to bring additional funding into the AHT such as through assessments and annual town appropriation.		X	X	

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2.	<b>Hire a part-time planner or on-demand consultant to support housing planning and initiatives:</b> Nahant's capacity to plan for housing growth and administer housing programming is limited. The Town should explore hiring a part-time planner or a housing professional to offer consulting services as needed.	X	X	X	X
Regulatory Strategies					
1.	<b>Create a zoning by-law allowing accessory dwelling units by-right with development standards:</b> The housing needs assessment and engagement throughout the planning process have shown a need and preference for accessory dwelling units (ADU). The Town should draft and adopt a zoning by-law allowing different types of ADUs in appropriate areas of Nahant. A pending mapping analysis will inform the development of this by-law by showing the most suitable locations for detached, attached, and internal ADUs. To encourage ADU development, the by-law should set appropriate development standards that make it possible to provide a by-right straightforward permitting process.	X			X

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2.	<p><b>Allow small to medium-sized housing types in all residential districts:</b> Nahant should update its zoning regulations to allow tiny houses, townhouses, small multifamily housing, and mixed-use housing types in all residential zones. Allowing this variety of small to medium-sized housing will make it possible to expand little to middle housing options as infill or redevelopment opportunities arise.</p>	X			
3.	<p><b>Utilize 40R zoning with built-in affordability requirements to comply with state law 3A:</b> Through this planning effort, Nahant is exploring areas to establish zoning that is compliant with the MBTA Communities Chapter 3A regulations. Nahant should use the state's smart growth overlay (SGOD) tool as a template for zoning that complies with Chapter 3A. SGOD's allow for site-specific considerations, and they have a built-in affordability component that will require a portion of new housing units to be Affordable Housing. Since the affordability requirements are established from a state zoning tool, a financial feasibility study won't be required. If the Town adopts a SGOD, the Town will receive state funds that can be used to make capital improvements.</p>	X	X		

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Policy Strategies					
1.	<b>Explore updating the Coast Guard Housing Site development agreement:</b> The Town should review the existing plans for the Coast Guard Housing Site that were approved at Town Meeting and explore different development proposals considering the Town's Affordable Housing goals, and new Chapter 3A requirements.	X	X		
2.	<b>Utilize publicly owned sites identified in this HPP for Affordable Housing development combined with recreational space:</b> Several publicly owned sites have been identified in this HPP as potential residential development opportunities. The Town should leverage this publicly owned land by working with development partners to create plans for Affordable Housing development. By offering publicly owned land at a below-market cost through lease or sale, the Town can execute development agreements that detail what the Town feels is impactful and appropriate for each site. Development agreements should be made through a request for proposal (RFP) site disposition process that prioritizes Affordable Housing that is deeply affordable and permanently affordable. Development should be complemented by recreational open space that's accessible to Affordable Housing residents and all Nahanters.	X	X		X



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3.	<p><b>Adopt a community impact fee for short-term rentals and use the revenue to support Affordable Housing development:</b> State law allows Nahant to adopt a community impact fee on short-term rentals up to 3%. The Town should determine an appropriate impact fee rate and dedicate the revenue to the Affordable Housing Trust, proposed as another HPP recommendation. This revenue should be used to support Affordable Housing development and to support the promotion of housing stability programs.</p>		X	X	

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4.	<b>Explore the possible expansion of the existing property tax reduction volunteer program offered for income-eligible seniors:</b> Nahant currently has a property tax reduction program for income-eligible seniors that volunteer time to support town administrative work. This program should be evaluated to determine its impact and if there are opportunities for expanding the program to more income-eligible seniors and possibly other income-eligible households.			X	
5.	<b>Adopt the new state building codes to ensure new development in Nahant is energy efficient and climate resilient:</b> Nahant should explore opting into the new specialized building code that provides several pathways toward residential development that is highly energy efficient. Energy-efficient homes will reduce utility costs for residents and work to reduce greenhouse gas emissions (GHG) in line with state goals to reduce GHGs.			X	X

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Programming Strategies					
1.	<b>Promote existing state programs that improve housing stability and aging in place:</b> The state offers several programs to reduce housing costs such as weatherization programs to reduce utility costs, direct rental and utility payment assistance, favorable home modification loans to support aging in the home, and more. The Town should promote these programs on its website, social media platforms, and through printed materials to distribute in public places like the Library and Town Hall. Additionally, the Town should partner with organizations like AARP to hold workshops and events to connect residents to state programs that meet their unique needs.			X	
2.	<b>Promote existing federal and state first-time homebuying programs:</b> There are several federal programs and state programs in place with a proven track record of helping people purchase their first home. These programs offer first-time homebuying classes, connections to banking partners, reduction or elimination of private mortgage insurance costs, favorable loans, and direct downpayment assistance. The Town can connect its residents to these programs by promoting them through online and written materials and through events targeted at young adults.	X	X	X	

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