

Nahant Housing Production Plan

Frequently Asked Questions (FAQ)

2023



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Housing Production Plan Frequently Asked Questions

1. What is a Housing Production Plan (HPP)?

A HPP is a community's proactive strategy for planning and developing affordable housing and expanding residential opportunities in general. Through a HPP a community: 1) creates a strategy to enable it to meet its affordable housing needs in a manner consistent with the Chapter 40B statute and regulations, and 2) produces housing units in accordance with the HPP.

HPP's also propose local policies for a community to consider implementing such as funding and programs to support a community's housing goals.

2. Why does Nahant need a Housing Production Plan?

There are many advantages for a community to create a HPP. It provides an opportunity to understand current housing conditions and then to determine both the projected housing needs of both the current population and the growth/change in composition of the population (e.g., more families, single-person households, seniors, veterans, and more).

For example:

- Are there enough "starter homes" for those forming new households?
- Is there adequate workforce housing?
- What are the options in the community for empty nesters?
- How are the needs of the elderly and the frail elderly being met?
- Are there options for residents with physical and mental disabilities?
- Are there options for both rental and home ownership?

Communities need to look at the amount, type, and condition of the current housing stock to determine whether there is a sufficient variety of housing types to meet projected housing demands and preferences now and in the years ahead. Through this public process the residents of Nahant have indicated a need for affordable housing emphasizing for seniors and veterans. This assessment serves as a starting point for examining suitable locations for housing development.

3. What is the duration of an approved HPP? Do they have to be renewed?

A HPP is valid for a five-year period from the approval date by EOHLC (Executive Office of Housing and Livable Communities). Upon expiration, HPPs may be renewed. The community must decide whether to update/revise the existing plan or write a new HPP.

4. What is Chapter 40B?

By state statute, M.G.L. Chapter 40B, cities and towns are encouraged to provide 10% of their total year-round housing units as deed-restricted Affordable Housing. Nahant has 1,609 year-round housing units, per the 2020 Decennial Census, of which 48 (or about 2.98%) are deed-restricted Affordable Housing units on the state's Subsidized Housing Inventory (SHI).

In communities like Nahant, where less than 10% of housing units qualify as Affordable Housing, developers may override local zoning bylaws through a Comprehensive Permit for mixed-income housing development that includes Affordable Housing units.

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5. What is Safe Harbor?

A community may claim safe harbor and thereby deny a developer a Comprehensive Permit if the municipality has a locally adopted and state-approved Housing Production Plan (HPP) and is increasing its stock of Affordable Housing by 0.5% or 1% in a calendar year.

Nahant can also achieve safe harbor by increasing the amount of land in town that has Affordable Housing, referred to as the General Land Area Minimum (GLAM). These pathways to safe harbor are detailed within Goal 2 on Page 88 of the Housing Goals and Strategies Chapter in the Housing Production Plan: <https://nahant.org/documents/nahant-housing-production-plan-draft-2023/>

6. What is GLAM?

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. This requirement would be met through the development of two or more sites identified in this HPP.

To review Nahant's GLAM Analysis, visit: <https://nahant.org/documents/glam-analysis/>

7. What is Deed-restricted Affordable Housing

Deed-restricted Affordable Housing, often spelled with a capital 'A' and 'H,' is legally required to cost no more than 30% of a household's income and be available to income-eligible households only. The U.S. Department of Housing and Urban Development (HUD) defines eligible households as households earning 80% of the Area Median Income or less.

8. What is Subsidized Housing Inventory (SHI)?

The subsidized housing inventory is the number of housing units in a municipality that are deed-restricted Affordable Housing. The SHI percentage is the number of subsidized units divided by the total amount of housing units in a municipality.

48 out of 1,609 total housing units in Nahant are deed-restricted Affordable Housing making Nahant's SHI percentage 2.98%. Nahant would be open to the possibility of a Comprehensive Permit Development that would override local zoning regulations should a developer seek a 'unfriendly' 40B development. See Appendix C of the Housing Production Plan for Nahant's Subsidized Housing Inventory. <https://nahant.org/documents/nahant-housing-production-plan-draft-2023/>

Currently there are 645 households in Nahant that are eligible for Affordable Housing. Since there are only 48 deed-restricted Affordable Housing units. For every 13 eligible households there is only one deed-restricted Affordable Housing unit.

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9. How many communities have approved HPPs? Where can I find a list of Certified communities?

A list of communities with approved plans and a listing of Certified communities is continuously updated at <https://www.mass.gov/doc/hpp-log-2003-august-23-2023/download>. This list is as of August 23, 2023.

10. What is the difference between approval and certification of a HPP?

This distinction is very important. Plan approval refers to Executive Office of Housing and Livable Communities (EOHLC) action of reviewing a HPP and determining that it is complete and contains all the elements required by regulation and accompanying Guidelines. Certification of compliance refers to EOHLC's determination that the community has produced units that are affordable to low- or moderate-income households totaling at least 0.5% of 1% of year-round housing units in one calendar year and in accordance with the approved plan. **In order for a ZBA's decision on Comprehensive Permits to be "Consistent with Local Needs" EOHLC must grant certification and not just approval.**

11. Multifamily Zoning Requirement for MBTA Communities Section (3A)

By state statute M.G.L. Chapter 40A, Section 3A, all MBTA communities (defined by reference to Section 1 of MGL c. 161A) shall have at least one zoning district of reasonable size in which multifamily housing is permitted as of right, without the need to obtain a special permit. Other criteria for a 3A zoning district include a minimum gross density of 15 units per acre, located no more than half a mile from a commuter rail station, subway station, ferry terminal or bus station (if applicable), with no age restrictions and the permitted housing must be suitable for families with children.

MBTA communities have varying requirements based on the size of the municipality as well as their category as either a rapid transit community, a commuter rail community, an adjacent community, or an adjacent small town. The law's requirements are administered by the Executive Office of Housing and Livable Communities (EOHLC).

To comply with these requirements, Nahant has been classified as an "Adjacent Small Town" and is required allow for 84 new multifamily units through zoning and site plan review. This is one of the lowest requirements for MBTA communities in the Commonwealth. Nahant does not need to meet a minimum land size requirement. Proposed 3A zoning must be approved at Town Meeting.

12. What is the difference between 40B Affordable Housing requirements and 3A Multi-family Zoning requirements?

M.G.L. Chapter 40B is a production requirement meaning you must have a certain amount of housing units or developable land dedicated as Affordable Housing and the penalty of not having that required amount is the risk of an unfriendly development occurring where the developer can bypass Nahant's zoning restrictions and build something that the Town would have no control over.

M.G.L. Chapter 40A, Section 3A, is a zoning requirement and not a production. The Town has to create a multi-family zone(s) that will provide the opportunity to build at least 84 units of

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housing. The statute does not require that 84 units have to be built; however, it does require that there be an area in town zoned for multi-family housing development. The consequence of not meeting the 3A zoning requirement continues to change.

The Commonwealth through the Governor's office and the Attorney General's office have continued to expand the penalties in a concerted effort to push Massachusetts cities and towns into compliance. As of August 2023, the cities and town who are not in compliance with 3A would be ineligible for the following grants:

1. Community Planning Grants, EOHLC,
2. Massachusetts Downtown Initiative, EOED,
3. Urban Agenda, EOED,
4. Rural and Small-Town Development Fund, EOED,
5. Brownfields Redevelopment Fund, MassDevelopment,
6. Site Readiness Program, MassDevelopment,
7. Underutilized Properties Program, MassDevelopment,
8. Collaborative Workspace Program, MassDevelopment,
9. Real Estate Services Technical Assistance, MassDevelopment,
10. Commonwealth Places Programs, MassDevelopment,
- 11. Land Use Planning Grants, EOEEA,**
12. Local Acquisitions for Natural Diversity (LAND) Grants, EOEEA, and
- 13. Municipal Vulnerability Preparedness (MVP) Planning and Project Grants, EOEEA.**

The Town of Nahant has received grants in FY2018, FY2020, and FY2023.

13. What are the submission requirements for HPP? Who approve the HPP?

The HPP will be voted on by the Nahant Planning Board and Board of Selectmen. In order to be adopted, the HPP must be accompanied by:

- (1) a letter signed by the Chief Executive Officer that states that the document:
 - (a) Was adopted by the municipal Planning Board and Board of Selectmen (the Chief Executive Officer, is the Chair of the Board of Selectmen);
 - (b) Constitutes the community's affordable housing plan (for the HPP), or is an amendment or an update; and
 - (c) Requests approval from EOHLC.

14. Why was the Coast Guard Housing location selected as an opportunity site if the Town voted to divide the property and sell as 12 individual house lots?

The decision to sell the Coast Guard Housing site was made before Nahant began this housing production planning process and the Town did not have an existing plan that identified local housing needs or provided guidance for how to meet M.G.L. Chapter 40B requirements. This also happened before the Massachusetts Legislature passed c40A, Section 3A in August 2022, which requires Nahant to have zoning that allows multifamily housing.

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Considering the findings of the Housing Production Plan and the opportunity that Section 3A affords for better meeting local housing need, Nahant should explore a future path to accomplish both goals of meeting its financial obligations as well as its housing needs.

Publicly owned land is a huge asset that can be used to facilitate affordable housing because the Town has a high level of control over what will be built. The Coast Guard Housing site received public support as a development opportunity site, it has historically provided one of the only affordable housing options in town, and it is in an area that is suitable for housing. Most importantly, by building deed-restricted Affordable Housing here, the Town can offer new and improved units to the households that were displaced from the site.

15. How were the opportunity sites determined?

The selection for housing opportunity sites considered public and privately owned properties where analysis and public input showed housing growth and Affordable Housing development would be highly suitable. Identifying these sites in the plan means the Town supports development here. This does not suggest that privately owned sites be acquired by the Town or that publicly owned sites will inevitably be developed.

The Town can use zoning and the comprehensive permitting process to encourage development on privately owned sites, but these decisions are entirely up to the private property owners. The Town can exercise greater control over publicly owned sites, but final decisions must be made by the Nahant public through a Town Meeting vote. Identification of the opportunity sites in the housing plan is a high-level planning exercise.

16. How were the housing goals and strategies identified in the Housing Plan?

To address the housing need of Nahant residents, goals and strategies were developed that combine best practices with the practical realities of Nahant's limited municipal capacity as a small community. The goals of this plan were formed based on public input and analysis. The recommended strategies received strong public support and no strategy was opposed by the majority of participants in the planning process.

The project team presented data and recommendations for updated HPP goals, priority strategies, best practices, and development opportunities at two public forums and through an online open house survey. All this input strengthened the plan's analysis and informed recommendations.

The goals sit above the strategies in a hierarchy working as an overarching vision to advance housing objectives. Strategies are also recommended to work toward specific outcomes by advancing one or multiple goals. These recommendations have been designed to be effective and consistent with the Town's capacity for implementation.

17. Who qualifies for Affordable Housing?

An individual can earn up to \$78,300 and a four-person household can earn up to \$111,850 and be income-eligible for Affordable Housing (HUD income limits, 2022). Eligibility is based on the Area Median Income (AMI) and varies by household size and income level. These numbers are calculated by the US Department of Housing and Urban Development (HUD) each year for each metro area in the US and change based on family size. An AMI is for all families, so 80% AMI will

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change based on the number of people in the household. Income limits for Affordable Housing can be found at <https://www.huduser.gov/portal/datasets/il.html>

Households earning 80% of the AMI or lower are eligible for Affordable Housing. Depending on a housing development's financing and other factors, some Affordable Housing units will be available to households at higher and lower AMI levels. When households earning lower levels of AMI can access Affordable Housing units, these units are considered deeply Affordable.

Nahant's local median income of \$94,243 is considerably lower than the AMI and so it makes sense that many households in Nahant are eligible for Affordable Housing. According to 2019 CHAS records, 645 out of 1,600 households, approximately 40% of households in town are eligible for Affordable Housing.

18. What is the difference between Affordable Housing and Subsidized Housing?

As defined by the U.S. Department of Housing and Urban Development, affordable housing is any housing that costs an owner or renter no more than 30 percent of gross household income, including utilities.

Subsidized Housing (also known as low-income housing), on the other hand, describes households earning at or below 80 percent of an area's median income. Subsidized housing is housing that is made available at below- market rates through the use of government funding. Subsidized Housing also may be publicly or privately owned.

HUD calculates the area median income annually for different communities and is adjusted based on household size. It is used to determine the eligibility of applicants for federally and locally funded housing programs.

While affordable housing is simply housing that is affordable based on an area's median income, Subsidized Housing encompasses several federally funded housing programs.

19. Can future affordable housing developments give preference to Nahant residents?

When Affordable Housing is developed in Nahant, the Town can apply to the state to have up to 70% of new Affordable Housing units be reserved for Nahant residents, which is known as "local preference". This must be done according to federal and state fair housing laws.

Data showing that 40% of households in Nahant are eligible for Affordable Housing demonstrates the need for "local preference". Additionally, 132 veterans live in Nahant and the Town could use local preference to set aside Affordable Housing for veterans.

When making an application for local preference, Nahant should also consider that the population is predominantly white and applying for a high percentage of local preference units limits the ability to welcome new residents and advance diversity, equity, and inclusion. According to state and federal standards, a portion of local preference units must be prioritized for the elderly and disabled, and the proposal must be consistent with fair housing laws.