

HOUSING

Market forces are working against Rochester's objectives of a diverse, multifaceted population. Home values are out of reach for a broad range of the population of the SouthCoast. Values had accelerated through 2006 so that building lots had "broken" the \$300,000 level and private residences had "broken" \$1,000,000. With the current sub-prime and financial uncertainty, prices for homes are more modest now but still "eye opening" at a median owner-occupied value of \$360,700 in 2008.

These forces will push Rochester toward a suburban social ethic and lead to more and more of the "keeping up with the Jones" kind of behavior. This is not the ideal profile for Rochester as outlined in the initial chapter of this Master Plan entitled *Planning for the Town We Want*.

THE PREVIOUS PLAN

The Master Plan of 2000 was pleased with a then recent formation of a Rochester Housing Partnership Committee which had an objective of requiring 40% of new developments to be Inventoried Affordable by the criteria of Massachusetts Department of Housing and Communities Development. It was concerned with an increase of retiring Baby Boomers, recommended formation of a Housing Development Action Plan, sought projects for persons of age 55 or older. All of the recommendations had an overall goal: "To be a community with housing opportunities for people at all stages of life, regardless of their economic status."

Unfortunately, the Housing Partnership Committee lost its chairman and fell into inactivity, the Housing Development Action

Plan was never assembled and the economics of development has lead us no closer to the stated "goal". We have eight living units which qualify as Inventoried Affordable by the relevant State agency. The 12 living units at the Annie Maxim House on North Avenue do not count despite being free to persons of very modest means. This is because these units were not created under the auspices of the Commonwealth program.

But the news is not all negative:

WHAT WE HAVE ACHIEVED

The Planning Board implemented what is called a Special Residential Development which allows condominium-type residences for persons of 55 years or older. This has attracted several project applications and does allow a large land owner to realize value without generating the construction of more single-family residential homes and the associated municipal service costs. Unfortunately, the condominiums that developers find attractive to build are still out of the price range of ordinary people.

The existing by-laws do permit owners of residences which are older than five years to apply to the Board of Appeals for a Special Permit to become two-family. This often creates one of the units as a rather modest facility, thereby providing some source of diversity. Unfortunately, these Special Permits do not require qualification as Inventoried Affordable per the Commonwealth criteria.

THE PROBLEM

Remembering that a vibrant, cohesive community is built on a broad array of interests, incomes and skills, and also remembering that a large section of the population doesn't earn exotic livings, the availability of modest though respectable living facilities becomes urgent. Those families who's income is less than or equal to 80% of the median income of a geographic area enjoy some recognition

and respite from the Commonwealth. This is because developers can by-pass local zoning restrictions if they build projects in which 25% of the units are affordable by these people. Such projects are permitted by a Comprehensive Permit sometimes referred to as a “40B project” as that is the Mass General Law Chapter in which the law resides. Living units which qualify are said to be “Inventoried” as affordable by the Mass Department of Housing and Communities Development (DHCD).

AFFORDABLE HOUSING

The term Inventoried Affordable by the Commonwealth of Massachusetts means that housing costs shall not exceed 30 % of the income of a household with total income at or below 80% of the area median income of a pre-determined geographic area. Rochester is included within a greater New Bedford group. The Commonwealth has set an objective that each municipality shall have a documented inventory of “Inventoried Affordable” living units equal to or greater than 10% of the total living units. Should the percentage fall below 10%, a developer is entitled to apply for a Comprehensive Permit allowing him to by-pass local zoning by-laws through application to the Zoning Board of Appeals in exchange for a project which generates at least 25 % of the proposed units qualifying as Inventoried Affordable.

As of Fall of 2007, Rochester has 8 Affordable living units or 0.48 % of the 1682 year-round living units. Clearly Rochester is at risk of Comprehensive Permit applications. To generate 10%, Rochester needs to add 160 units of Inventoried Affordable housing. And, since Comprehensive Permits usually can't make a profit with more than 25 % affordable, this would generate 480 additional market-rate living units for a total additional of 640 units,

or a growth rate of 38% if done in one year. Such projects are typically done at significantly higher density than conventional subdivisions and, in addition they will generate a need for increased municipal services and schools.

In the fall of 2006, Rochester Selectmen received a preliminary proposal from one of the Commonwealth's sponsoring agencies for a Comprehensive Permit for 146 units of housing. Following this the Rochester Board of Appeals received a formal application on October 30, 2007 for a Comprehensive Permit for 144 units of housing, 36 of which would qualify as Inventoried Affordable by the Commonwealth. Hearings are currently ongoing.

With this one exception to date, the economics of Comprehensive Permit projects have not attracted developers. Of course, this can change and Rochester should generate an Inventoried Affordable Housing Plan to manage generation of its 10% quota and to dampen the possible pressure for large projects.

AFFORDABLE HOUSING PLAN

An Affordable Housing Plan will identify geographic areas most conducive for Inventoried Affordable housing, consider conducting a Commonwealth- supervised Housing Needs Analysis, evaluate committing to a Planned Production program and encourage Local Initiative Petitions for smaller projects, possibly promoted by Habitat for Humanities.

The Commonwealth program called Planned Production provides that if the Town generates 0.75%, or 12 units per year, it can deny a Comprehensive Permit for one year. Rochester would need to be proactive about generating 0.75% annually until 10% of the housing units were Affordable. Twelve units of Inventoried Affordable translates into a total of 48 additional units of housing. For the second year 0.75% is 13 units or 52 units in total so after two years Rochester would

have 33 units of affordable or 1.92 toward its quota of 10% and suffered an additional total increase of 100 living units or a 6% growth rate over 2 years without considering all the other building projects that seem to come along annually.

The Commonwealth does allow a town to sponsor its own projects in what is called the “Local Initiative Program” or the “LIP” program. This is really a “mini” and self managed 40 B project but Rochester Selectmen could sponsor a 100 % affordable project on some town owned property and possibly make the economic numbers work. The local chapter of Habitat for Humanity would be pleased to assist with such a project. The town should not consider doing this without a mature organization to manage it such as a resurrected Rochester Housing Opportunity Partnership or creation of a Housing Authority.

MODEST HOUSING FOR MODEST-INCOME RESIDENTS

Beyond the Commonwealth’s Inventoried Affordable criteria, there remains a vast middle ground between what’s Inventoried Affordable, as defined by the Commonwealth, and the market price of the single-family residential homes being built or offered for sale. Inventoried or not, Rochester should consider a plan to encourage more modest-cost housing. This can be achieved with increased density in the form of mixed-use developments with apartments or condos interspersed with small business, garden apartments, duplex units or very modest standalone residences. One or two bedroom units might tend to minimize associated increased municipal costs for services. By-law changes will be needed should this kind of initiative be adopted. Selected zones may be assigned or special permit circumstances defined. Working children of Rochester

families may seek to stay in town but don’t qualify in the Inventoried Affordable category. Starter homes or condominiums may be really attractive to retain this group in the town of Rochester.

IMPLEMENTING ACTION TASKS

The following actions have been identified to carry out the above goals and objectives:

ADMINISTRATOR:

Form a comprehensive, proactive Affordable Housing Plan to promote and manage development of Inventoried Affordable housing as well as modestly priced housing for most of us with modest means.

BOARD OF SELECTMEN:

1. Reenergize the Rochester Housing Opportunity Partnership and charge that group with conducting a Housing Needs Analysis as defined by the Commonwealth Department of Housing and Community Development.
2. Assemble a committee to evaluate the incentives to creation of an approvable Planned Production Plan.
3. Initiate a program to build small Inventoried Affordable units on town owned land using the Local Initiative Program (LIP) option of the Comprehensive Permit law.
4. Encourage the Habitat for Humanity organization to achieve “Affordable” living units.
5. Evaluate incentives to create a formal Housing Authority.

PLANNING BOARD:

1. Explore strategies to offer housing solutions for living groups not qualified by earnings for Inventoried Affordable but still unable to “reach” the style of the present single family residential homes being constructed.
2. Enhance the bonus-lot provisions of the Flexible Development by-law for creation of Inventoried Affordable units and add an Affordable requirement to the SRD (over age 55) by-law.
3. Create an Open Space Residential Development Subdivision By-Law (Rural Subdivision Design) with bonus lots for creation of affordable units.
4. Proactively cultivate developers interested in utilizing the LIP provisions to achieve smaller Affordable housing projects.
5. After achieving an Affordable Housing Plan, and a Commercial Development Plan covered in the Economic Development section of this Master Plan, recommend economically viable projects as candidates for the large Chapter 61 properties including Inventoried Affordable projects where applicable. This may possibly position the Town to make acceptable plans to acquire such properties within the allowable 120 day decision “window” provided by statute should the owner exercise the right to request release. *Note: Chapter 61 of Mass General Laws provides tax breaks for owners of farm, woodland and selected recreational acreage. When the acreage is sold, the Town gets first refusal at the P & S price with 120 days to decide.*
6. The Planning Board in conjunction with Board of Appeals recommend an

Accessory Apartment Special Permit which requires qualification as Inventoried Affordable under Commonwealth rules to replace the current two-family Special Permit by-law.