



South Hadley Housing Production Plan

2016

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This Plan was prepared according to the requirements of the state's Housing Production Program (HPP), which is a program administered by DHCD and authorized by Massachusetts Chapter 40B to encourage communities to take a proactive approach to affordable housing development and to meeting their 10% affordable housing goal. This HPP is valid for a five year period from the approval date by DHCD. Upon expiration, this HPP may be renewed.

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EXECUTIVE SUMMARY

The Town of South Hadley seeks to assure that safe, high quality homes are available and affordable to people of all economic means. This housing production plan presents data, analysis, and recommended actions to achieve this goal while sustaining the character of South Hadley.

As of 2014, there are 7,091 year-round housing units in South Hadley. Of these, 396 units (5.6%) are considered affordable to individuals and families earning up to 80% of the area median income (AMI) for the region (\$65,800 per year for a family of four in 2015). South Hadley needs to add another 313 affordable homes to reach the 10% affordable housing goal established by the Massachusetts Comprehensive Permit Law of 1969 Chapter 40B.

South Hadley currently offers a variety of rental and homeownership options, many of which are affordable to individuals and families of varying economic means. However, housing affordability in the coming years will continue to be challenged by an overall shortage of housing production in Massachusetts, along with increasing market demand for homes in places like South Hadley.

To address these challenges, this Housing Production Plan has been produced with the guidance and input of the South Hadley Planning Board, and input from technical advisors and community residents. It builds off the findings and strategies discussed in the Town's 2010 Master Plan, and recent creation of a 40R Smart Growth Zoning Overlay District in South Hadley Falls. In addition, the plan is intended to provide information and resources that will support continued discussion and action on housing needs.

The plan finds the following challenges in the housing market are most important to address:

- South Hadley's population is aging and is expected to continue trending older. This is expected to lead to an increase in individuals living on a fixed income and/or requiring special accommodations within their homes. Trends also suggest an increased demand for walkable areas where older individuals have access to the amenities necessary to meet daily needs. Homes that are equipped to handle aging in place, located in walkable areas and/or are affordable will be in high demand and the existing stock in South Hadley will not meet this existing need.
- Rental units, both market-rate and affordable, are a limited segment of South Hadley's housing stock. Approximately one-fourth of South Hadley's housing stock is rental unit and the rental vacancy rate is extremely low. Affordable units in South Hadley are in particularly low supply, with an eight to ten year waitlist for subsidized rental units. Lastly, in South Hadley and across the region, the development of rental units has stagnated, limiting even the number of market rate apartments available.
- In many instances the current zoning in South Hadley requires that minimum lot sizes be ½ acre or larger. These requirements mean that even if a small home were built on the lot, it would still be unaffordable because of the cost of the land. This creates a barrier of entry into the market for many that can't afford the high costs associated with large parcels of land, and is especially difficult for those first time homebuyers trying to enter the market.

The plan considers a wide range of options to address these fundamental housing market challenges. Of these, the following 14 actions have been ranked by the Planning Board and stakeholders as having the highest priority, based on their effectiveness:

1. Create a Housing Partnership to serve as the advocate for private-public affordable housing development.
2. Identify and pursue financial resources to be used to leverage state, federal, and private funding of affordable housing development.
3. Create partnerships with area institutions to collaborate on formation of resource pools to develop affordable housing.
4. Reconsider adopting the Community Preservation Act, as at least 10% of the surcharge must be used for affordable housing programs.
5. Adopt guidelines that encourage landscaping, site layout, building typology, and open space designs that maintain the rural and semi-rural character of the large-lot zones.
6. Establish flexible standards for mixed-use developments to ensure integrated and walkable designs with a variety of building types, live-work spaces, common open spaces, shared parking and other appropriate features.
7. Provide density, parking reduction, and other incentives for the integration of affordable housing into mixed use development.
8. Seek to condition any new Comprehensive Permit projects on affordability provisions which run in perpetuity, or provide for the Town to have the right to purchase such units upon the expiration of the affordability protections.
9. Create zoning incentives (density bonuses, flexible bulk requirements, parking reductions, etc.) for development of affordable housing. This could be done as an expansion of the existing 40R district or by creating additional 40R districts centered at commercial nodes.
10. Enforce maintenance codes on existing housing units to prevent their falling into disrepair.
11. Continue and expand the existing CDBG-funded Housing Rehabilitation Program to provide feasibility assessments as to rehabilitation of housing units, and grants for necessary repairs, upgrades, and hazard abatement. Consider requiring SHI-eligible affordability restrictions in return for funds.
12. Have staff, officials and local stakeholders attend Mass Fair Housing Center and HAP Housing trainings on renter and homebuyer rights; landlord rights and responsibilities; and common fair housing violations.
13. Adopt a Fair Housing Bylaw to require equal access and a local means for resolving allegations of unequal housing and discrimination.
14. Create a Fair Housing Committee to resolve Fair housing disputes, possibly as a subcommittee under the proposed Housing Partnership/Housing Trust.

1. INTRODUCTION

1.1 Background

Historically, rental and ownership housing in South Hadley has been considered affordable for most residents, but this has begun to change in recent years as two larger national trends collide: the costs of housing have been increasing rapidly while household income has not. Many factors contribute to the price of housing – household growth and historically low interest rates increase housing demand, while increased material costs, building code requirements, predatory lending practices, increased assessed value, and increasing HOA and utility fees work to increase housing costs. Meanwhile, local zoning laws that favor larger and more expensive homes, NIMBYism, Federal financing policies, and other considerations limit housing production, especially for housing types that are now experiencing increased demand. On the income side, national economic shifts that have dampened wage growth are exacerbated by an increase in single-breadwinner households, fixed-income households, and disabled persons. At the same time, increasing costs associated with transportation, food, healthcare, and other necessities compete for household income.

The result: in attractive places, new homes, and to lesser extent older homes, have seen a tremendous rise in their sales and rental prices. Certainly South Hadley and most other Pioneer Valley towns have been spared the full strength of these trends, but the fact remains that housing in the town is becoming unaffordable for a growing number of residents. Indeed, one-third of residents responding to a survey conducted for this plan said they probably could not afford to buy the home they live in at its current market value. Children who grew up in the community are now facing the possibility that they may not be able to stay and raise their own families locally. Long-term residents, especially the elderly, are finding they are less able to maintain their homes and keep up with increased expenses, but are pressed to find alternative housing that better meets their current life styles. Families are finding it more difficult to “buy up,” purchasing larger homes as their families grow or move from rentals to homeownership. Lower-wage workers or people with disabilities who are squeezed-out of the private housing market are particularly burdened and are ever more reliant on subsidized housing. Waiting lists of 10 years or more for South Hadley’s public housing units have become standard.

1.2 Defining Affordable Housing

The U.S. Department of Housing and Urban Development (HUD) and Massachusetts’ Department of Housing and Community Development (DHCD) consider housing “affordable” if a household pays no more than 30% of their total income on mortgage or rent, utilities, insurance, taxes, HOA fees, and related costs. Households that pay more than 30% of their total income for housing can be considered “cost-burdened” and may have difficulty affording every day necessities, such as food, clothing, transportation, and medical care. A household paying between 30% to 50% of their income for housing

is considered to be “moderately cost-burdened”; households paying more than 50% of their income on housing are considered “severely cost-burdened.”

Since very wealthy households may spend a large percentage of income on housing yet have plenty of income left for necessities, HUD and DHCD also take into account a household’s income in relation to regional norms. The Area Median Income (AMI) is calculated from the US Census’ American Community Survey each year, and measures the median family income of a Metropolitan Statistical Area (MSA) – that is, half the households in the MSA earn more, half earn less. South Hadley is within the Springfield MSA, which includes Hampden and Hampshire Counties. The Springfield AMI in 2015 is **\$68,200**.

From the AMI, income benchmarks are derived based on family size (e.g. Income limits for a family of one are significantly lower than those for a family of four) and used to determine eligibility for federal and state housing programs. The three most commonly used affordable housing benchmarks are:

- Low Income (LI) – 80% or less of Area Median Income (AMI).
- Very Low Income (VLI) – 50% or less of AMI
- Extremely Low Income (ELI) – 30% or less of AMI

In some “high cost” MSAs, additional calculation are completed based on average rents. The Springfield MSA is not considered “high cost.”

FY2015 Benchmark Income Limits for Springfield MSA. AMI = \$68,200

Family Size	1-person	2-person	3-person	4-person	5-person	6-person
Low Income: 80% AMI	\$46,000	\$52,600	\$59,150	\$65,700	\$71,000	\$76,250
Very Low Income: 50% AMI	\$29,150	\$33,300	\$37,450	\$41,600	\$44,950	\$48,300
Extremely Low Income: 30% AMI	\$17,500	\$20,000	\$22,500	\$24,950	\$28,440	\$32,580

Source: U.S. Department of Housing and Urban Development

Affordable housing in Massachusetts usually refers to ***housing that is reserved for households with incomes at or below 80% of the area median income***. This is because the 80% benchmark is one of the criteria for a housing unit to be listed on DHCD’s Subsidized Housing Inventory (SHI), which is the official list of affordable housing that counts towards a municipality’s requirements under the Massachusetts Comprehensive Permit Law, or MGL Chapter 40B as it is coded. As shown above, in FY2015 the 80% of AMI threshold for the Springfield area was \$65,700 for a family of four.

1.3 MGL Chapter 40B, the SHI, and Housing Production Plans

Contemporary governmental response to housing affordability has tended to promote the increase of housing supply, usually by two means: reducing barriers to private housing production and subsidization of income-restricted housing units. The Massachusetts Comprehensive Permit Law of 1969 (the first of its kind in the country, also known as MGL Chapter 40B), sets a goal for each of the Commonwealth's cities and towns to ensure at least 10% of homes within their boundaries qualify as affordable. DHCD maintains a Subsidized Housing Inventory (SHI), updated annually, which records the number of qualifying affordable housing units in each town and its portion of the year-round housing stock.

To qualify for the SHI, housing units must meet several criteria:

- Units must be rented or sold to individuals or families who earn 80% or less of the area median income for the region in which the municipality is located.
- Sale prices or rents must be set so monthly housing costs (rent or mortgage, PMI, taxes, insurance, HOA fees, utilities) does not exceed 30% of monthly income for an individual or family earning 80% of area median income (AMI). This varies by household size, unit size, and the income levels in the chart above.
- The income qualification must be recorded on the deed, for a period of 15 years for rehabilitated housing and 30 years for newly created units. The deed restriction defines maximum permissible resale prices or subsequent rental prices.
- Units must be rented or sold according to state-approved affirmative fair marketing standards.
- Buyers face qualifications concerning income, including limited assets (\$275,000 for age-restricted buyers; \$75,000 for non-age restricted)
- 10% or more of the units in a development must have at least 3 bedrooms. Age-restricted, assisted living, and other specialty developments are exempt, and DHCD may waive the requirement for small projects (under 10 units), or if it renders a project infeasible.
- In a market-rate rental or assisted living development, if at least 25% of units are reserved for 80% AMI individuals or families or if at least 20% are reserved for 50% AMI individuals or families, then ALL of the units in the development are eligible. This is to encourage minimally-subsidized market rate projects as a means for creating affordable housing.

In communities that have not achieved Chapter 40B's 10% affordability threshold, residential developers who propose new projects that will create affordable housing are entitled to receive a single comprehensive permit from the local zoning board of appeals, effectively overriding local location, density, and other standards. Communities that have met and maintain the 10% goal are not subject to the comprehensive permit acceptance requirement.

As of 2014, there were 7,091 year-round housing units in South Hadley, of which 396 units (5.6%) were listed on the SHI. Thus, another 313 SHI-listed housing units are needed to reach the 10% affordable housing goal established by Chapter 40B.

South Hadley SHI-Listed Housing Units, 2016

DHCD Id #	Name	Address	Type	SHI Units	Expires	Comp. Permit?	Subsidizing Agency
2853	Lathrop Village	69 Lathrop St.	Rental	48	Perp.	No	DHCD
2854	Lathrop Village	69 Lathrop St.	Rental	48	Perp.	No	DHCD
2855	Newton Manor	643 Newton St.	Rental	40	Perp.	No	DHCD
2856	n/a	27 Abbey Lane	Rental	8	Perp.	Yes	DHCD
2857	Abbey St.	Abbey St.	Rental	12	Perp.	Yes	DHCD
2858	Hampshire Cty RHA	North St.	Rental	2	Perp.	No	DHCD
2859	Riverboat Village	River Lodge Rd.	Rental	170	Perp.	Yes	DHCD
4460	DDS Group Homes	Confidential	Rental	24	N/A	No	DDS
9144	Hubert Place	93 Canal St.	Rental	44	2048	No	HUD, DHCD
Total SHI Units in South Hadley				396	5.58% of housing stock		

Source: DHCD

To help communities meet the 10% goal and be proactive in the development of affordable housing, Chapter 40B encourages municipalities to prepare Housing Production Plans (HPP). This is a specific type of plan authorized by the legislation and administered by DHCD. Implementation of an HPP can relieve the municipality of the obligation to issue a comprehensive permit to developers of residential projects, provided that the HPP is 1) approved by DHCD and 2) the number of affordable units in the town are increased by at least 0.5% of total housing stock each year and documented by DHCD in an annual certification of compliance. **In South Hadley, production of at least 35 units of SHI-listed affordable housing production each year is necessary for compliance.**

Municipalities with DHCD-approved HPPs receive preference over non-HPP communities for certain state grant funds. Additionally, if a community is certified compliant, decisions made by the Zoning Board of Appeals to deny a comprehensive permit will be deemed consistent with Local Needs under Chapter 40B by the state's Housing Appeals Committee, and will be upheld as a matter of law.

1.4 Plan Components and Process

DHCD has published guidelines for developing Housing Production Plans (HPP). These essentially require communities to: 1) Complete a comprehensive housing needs assessment that takes into consideration both local and regional housing needs and identifies opportunities and constraints to meeting needs; and 2) Develop strategies to enable it to meet its affordable housing needs, including an explanation of how constraints will be mitigated. The Plan must show how the community will meet its annual affordable housing production goal (creation of affordable units equaling or surpassing .5% of year-round housing stock).

South Hadley's Housing Production Plan presents data to help better understand the housing needs of the Town and offers a program of actions that are geared toward achieving the annual progress goal and ultimate 10% affordable housing goal. The plan is organized into the following chapters:

- Chapter 1: Introduction (context and applicable laws and regulations).
- Chapter 2: Housing Needs Assessment (demographics and housing stock over time).
- Chapter 3: Housing Market Conditions (review of opportunities and constraints to housing development).
- Chapter 4: Action Plan (recommendations to improve affordable home development that addresses the Town's housing needs).

To develop the Plan, the Town contracted with the Pioneer Valley Planning Commission (PVPC). The Town's Planning Board, with support from the Town Planner, served as the reviewing body for the HPP.

PVPC began work on the plan in July 2015. A community survey was conducted from October 10 through November 15. Public presentations and conversations were conducted with the South Hadley Planning Board on the following dates:

- May 23, 2016 – Findings of Chapter 40B, and demographic and housing statistics research. Approximately 10 people attended the community meeting.
- June 16, 2016 – Discussion of affordable housing goals, constraints to housing production, and potential locations for housing development. Approximately 15 people attended the community meeting
- June 27, 2016 – Discussion of constraint mitigation and potential means to increase affordable housing production. Approximately 10 people attended the community meeting

A draft plan was submitted to the Planning Board for review on October 13, 2016. A general community meeting to review the plan was held on November 28, 2016. The final HPP will need to be approved locally by the South Hadley Planning Board and South Hadley Select Board before it can be accepted by DHCD as a valid HPP. To receive the annual "appeal-proof" protection from the Chapter 40B comprehensive permit, DHCD must approve the HPP by verifying that South Hadley's annual affordable housing unit production goal is met each year.

1.5 Data Sources and Method

Data for this report was gathered from a variety of available sources including: the U.S. Census Bureau (1990, 2000, 2010 U.S. Decennial Census and the 2007-2011, 2010-2014 American Community Survey); the Warren Group Real Estate and Financial Information; Massachusetts Department of Housing and Community Development; Massachusetts Department of Employment and Training; Massachusetts Department of Revenue; and Massachusetts Department of Education.

Local resources included: South Hadley Assessor's Office; South Hadley Department of Public Works; South Hadley Public Schools; and South Hadley Conservation Commission. State and regional resources included: the Pioneer Valley Planning Commission (PVPC); Citizens Housing and Planning Association (CHAPA), Massachusetts Housing Partnership (MHP), Massachusetts Community Preservation Act Coalition, and **HAPHousing**.

The following four plans were consulted in detail and provided significant context and guidance for the development of this plan.

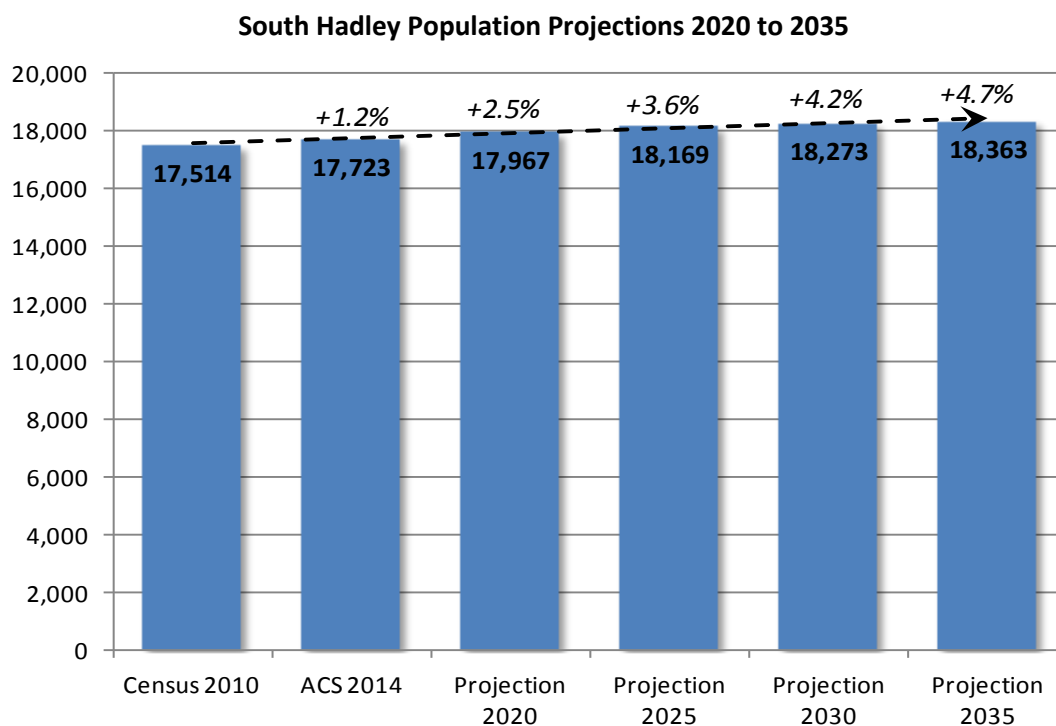
- South Hadley Master Plan (2010)
- South Hadley Open Space and Recreation Plan (2012-2019)
- Pioneer Valley Regional Housing Plan (2014)
- Fair Housing and Equity Assessment for the Knowledge Corridor (2014)

2. HOUSING NEEDS ASSESSMENT

This chapter presents a housing needs assessment for South Hadley – an overview of demographic and housing characteristics and trends that provide the context within which strategies can be developed set and meet affordable housing goals.

2.1 Population and Household Trends

The 2014 American Community Survey (produced by the US Census) estimates a population of 17,723 people live in South Hadley. This is a 1.2% increase since the 2010 Census. While that growth rate remains higher than many other Pioneer Valley towns, it is nowhere near the rapid population increases seen in the heyday of suburbanization following 1950. Population models anticipate continued low level increases going forward, similar to most Valley towns but far below statewide or national growth rates.



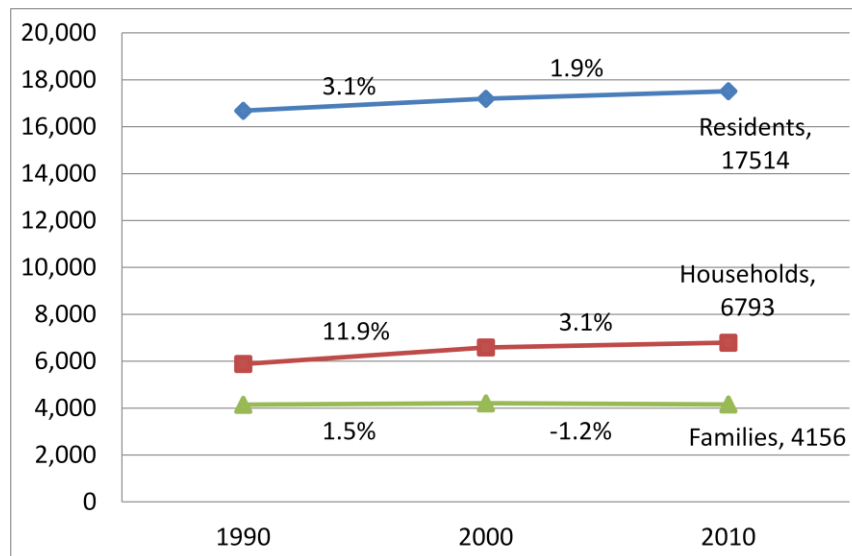
*Source: Long-Term Population Projections for Mass.Regions and Municipalities.
Henry Renski, Susan Strate. UMass Donahue Institute, March 2015.*

Several broad demographic changes affecting the region will influence local housing markets over the coming decades. Each of these is discussed in detail below.

Trend 1: The number of households is increasing more rapidly than population.

Like most communities in the Pioneer Valley region, the number of households in South Hadley has increased at a faster rate than the number of people from 1990 to 2010, reflecting a trend of smaller households. The number of people living in a housing unit (a household) has been declining for decades in the U.S. as more people live alone, have no children, have fewer children, or divorce.

South Hadley Population, Households, Families, 1990-2010



Source: US Census Bureau.

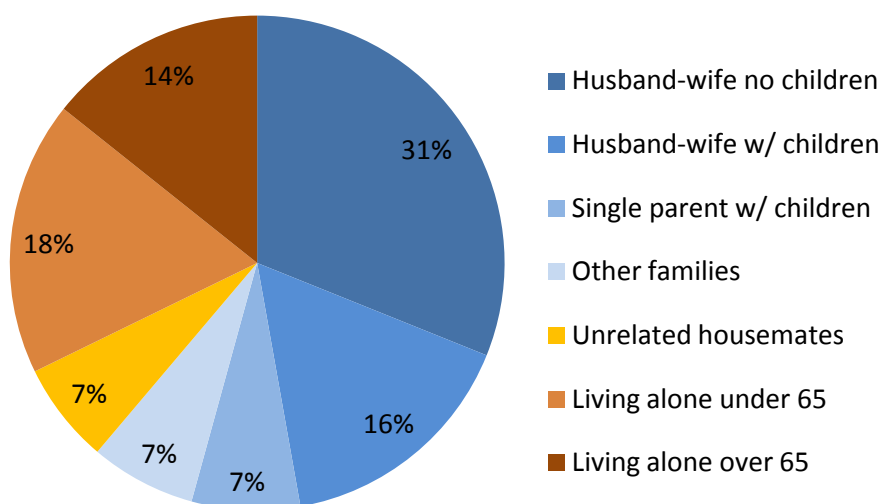
In South Hadley, several age-restricted senior housing developments and smaller college-housing developments were built in the 1990s and 2000s, which resulted in more households with smaller-than-average household sizes. Diving deeper, we see changes taking place in the types of households – these are important to understand, since housing needs are closely related to household typology.

Trend 2: The types of households are shifting as the number of households with children decrease and the number of people living alone increases.

South Hadley has seen a decrease in the number of households with children in the last decade, decreasing 8% to become less than a quarter of all households in the town. This accompanies a general decrease in the size of families as well, as people have fewer children, later in life. In particular, the number of 2-parent families with children dropped significantly (-16.8%), and now constitute only 16% of all households. (Families are defined by the Census Bureau as a householder and one or more other persons who are related by birth, marriage or adoption). Families with a single parent head of household increased 11.6%, such that single parents now constitute 26% of all households with children. Three-quarters of single-parent families are female-headed.

This is not an uncommon trend in suburban towns of the Pioneer Valley, and it will have ramifications on housing demand as fewer households make location decisions based on schools or other child-centric amenities and those towns with a large portion of housing stock geared towards ‘traditional’ large families compete for a decreasing share of those families. Moreover, single-parent households more regularly encounter difficulty affording a place that is safe with enough bedrooms and living space because there is usually only one income to support the family. An estimated three-fourths of all families led by a single parent in Massachusetts do not earn enough money to make ends meet, according to a 2013 study by the Crittenton Women’s Union. That study found that a single parent living in Massachusetts needs to earn \$65,880 a year to pay for food, housing, child care, health care and other basic needs for one school-aged child and another in preschool. While South Hadley has fewer single-parent households than both the region and the state, we can expect increased demand for cheaper and shorter-term housing. It should be noted that families with children are a protected class under federal law, and Massachusetts has made it unlawful to discriminate based on marital status.

South Hadley Households by Type, 2010



Source: US Census

Another key trend is the increase in people living alone, which rose by 10.5% for those under 65 years old as more young people delay marriage and child-rearing and more mid-life marriages end. As the general population aged, the number of singles 65 years and older also increased at an elevated rate (7.6%) and now constitute 14% of the total households. This is similar to the region as a whole (11%). Taken together, changes to household types suggest the town and region are experiencing a decrease in demand for larger houses with many bedrooms, and an increased preference for units geared towards smaller families, childless-couples, and individuals.

South Hadley Households by Type, 2000 to 2010

	2000		2010		% Change 2000 - 2010
	#	% HHs	#	% HHs	
Husband-wife, no children	2,084	31.6%	2,112	31.1%	1.3%
Husband-wife w/ children	1,315	20.0%	1,094	16.1%	-16.8%
Male head, no spouse w/ children	88	1.3%	115	1.7%	30.7%
Female head, no spouse w/ children	343	5.2%	366	5.4%	6.7%
Other family arrangements	378	5.7%	469	6.9%	24.1%
TOTAL FAMILIES	4,208	63.9%	4,156	61.2%	-1.2%
Non-family, 2+ people, no children	245	3.7%	298	4.4%	21.6%
Non-family households w children	129	2.0%	150	2.2%	16.3%
Living alone under 65	1,102	16.7%	1,218	17.9%	10.5%
Living alone over 65	902	13.7%	971	14.3%	7.6%
TOTAL NON-FAMILIES	2,378	36.1%	2,637	38.8%	10.9%
TOTAL HOUSEHOLDS	6,586	100.0%	6,793	100.0%	3.1%
Households with person under 18	1,875	28.5%	1,725	25.4%	-8.0%
Households with person 65+	2,102	31.9%	2,178	32.1%	3.6%
Average household size (all)	2.33		2.25		-3.4%
Average family size	2.93		2.85		-2.7%

Source: US Census Bureau.

Not shown in the chart above is the fairly large number of people in South Hadley (2200, or 12.6% of the population) living in “group quarters.” The Census includes correctional facilities, nursing homes, hospitals, college dormitories, military barracks, group homes, missions, and shelters.

Within the category of group quarters are “institutional” and “non-institutional” residents. This is largely accounted for by the 2,189 students enrolled at Mount Holyoke College and living in campus dormitories.¹

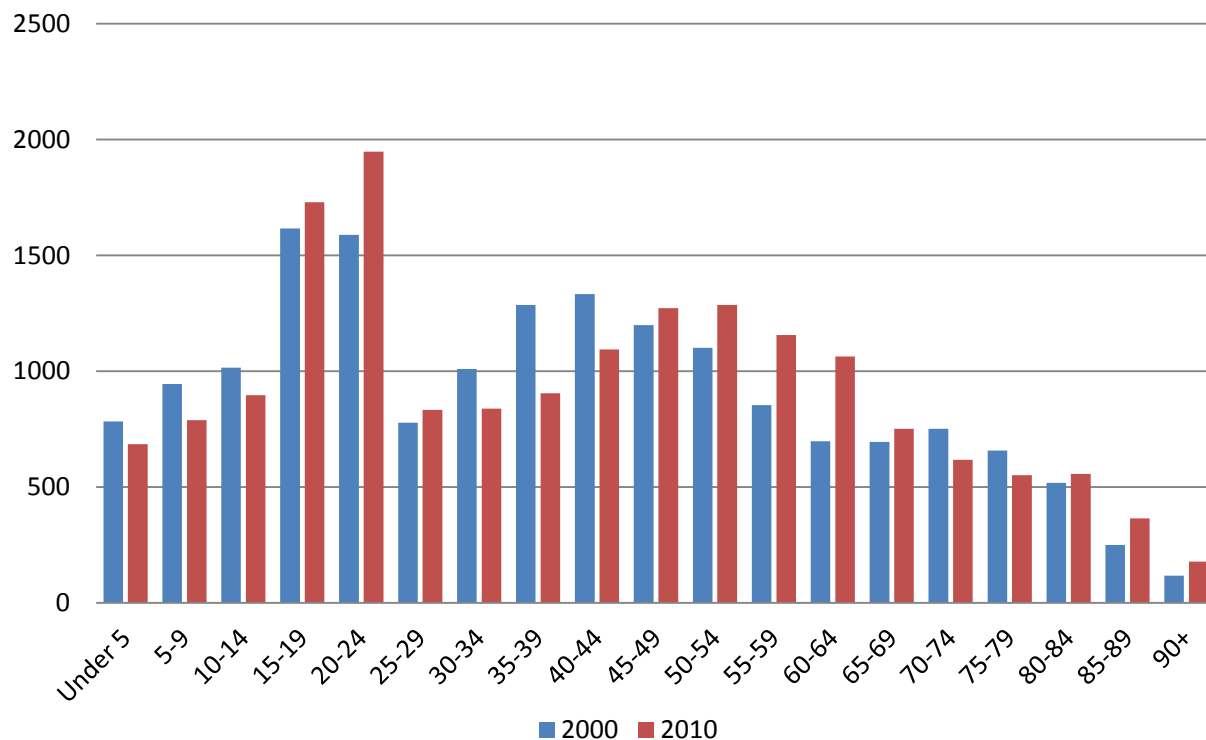
Trend 3: The population is aging and the large Baby Boom generation is entering retirement. Meanwhile, the Millennial generation is entering the housing market.

Between 2000 and 2010, the median age in South Hadley rose from 38.4 to 40.6 years old, and will continue to age, according to population projections. This trend is consistent with other Pioneer Valley

¹ Mount Holyoke College website “Fast Facts” <https://www.mtholyoke.edu/about/facts> Retrieved 11/23/15.

towns, as the large Baby Boom generation (people born 1946 to 1964) enters retirement age, and fewer working age and children replace them. The graph below shows South Hadley's population by age cohort – ignoring the dramatic spikes of 15-24 year olds caused by Mount Holyoke College's presence, a clear aging of the large group of Boomers is occurring. Also noteworthy: the large increase in the 85+ population, and a sizeable decrease in children as young families decline between generational bumps.

South Hadley Population by Age Cohort



Source: US CensusBureau.

Long-term population projections for South Hadley by the UMass Donahue Institute groups the ages differently, but similar trends are apparent. Their projections for the decades from 2010 to 2030 show:

- The portion of residents ages 29 and younger will fall significantly, by approximately -7.7% for the cohorts 10 to 19 and 20 to 29.
- There will be an even greater decline in the portion of “middle age” people ages 40 to 59, with drops of -11.4% in ages 40 to 49 and -18.7% in ages 50 to 59.
- The portion of residents age 60 and older will increase dramatically, from 25.6% for people age 60 to 69, 41.1% for people age 70 to 79, and 17.7% for people age 80 and older.

South Hadley Population Projections by Age

Age Group	Census 2010	Projection 2020		Projection 2030	
	#	#	% Change from 2010	#	% Change from 2010
Total	17,514	17,967	2.6%	18,273	4.3%
0-9	1,473	1,464	-0.6%	1,464	-0.6%
10-19	2,626	2,482	-5.5%	2,439	-7.1%
20-29	2,780	2,697	-3.0%	2,582	-7.1%
30-39	1,743	1,907	9.4%	1,845	5.9%
40-49	2,366	1,910	-19.3%	2,124	-10.2%
50-59	2,442	2,472	1.2%	2,058	-15.7%
60-69	1,815	2,414	33.0%	2,440	34.4%
70-79	1,169	1,545	32.2%	1,985	69.8%
80+	1,100	1,076	-2.2%	1,336	21.5%

*Source: Long Term Population Projections for Massachusetts Regions and Municipalities.
Henry Renski, Susan Strate. Umass Donahue Institute, March 2015*

Baby Boomers' decisions about where to retire will significantly affect future population growth and housing trends. Market research from around the country shows the following trends concerning this generation:

- Many baby boomers wish to age in place, staying close to their social network and children.
- In surveys, many baby boomers say they continue to prefer suburban communities, but many are seeking to downsize and live in maintenance-free homes.
- A growing portion of baby boomers are seeking walkable locations near cultural and entertainment destinations such as theaters, museums, and restaurants. College towns and successful downtowns have seen growth from this group.
- Others seek low-tax rural havens, especially those areas with natural amenities such as Cape Cod, the Berkshires, and Vermont.
- Some retirees are continuing to move to other regions of the country, especially the Sun Belt.

Finding ways for aging people to stay in South Hadley while accommodating demand for smaller, maintenance-free housing will be important. In addition, the town might capitalize on interest in mixed-use living close to amenities such as Holyoke College and Village Commons.

Meanwhile, the large generation born in the 1980s and early 90s reached adulthood after the turn of the century and are now entering the housing market in greater numbers. Beyond relatively strong health and education sectors, growth in entry-level employment in the Pioneer Valley is not as robust as in other regions. Many young adults are leaving in search of greater opportunities, though most stay in the Northeast. The result is a decrease in the numbers of young adults and families.

Several factors concerning housing are unique to this generation:

- Across the country, less-dependable employment has translated into an increasing demand for rental rather than owner-housing. This may be even more important in the Pioneer Valley where, generally, housing values do not appreciate rapidly.
- A larger share of young adults are saddled with student loan debt, and individual debt is larger than previous generations. This delays the ability to buy a home or car, and increases demand for rentals, and smaller, more affordable homes.
- Perhaps tied to the above, Millennials have been shown more willing to use public transportation, walk, or bike, and are drawn to locations where this is possible.
- In addition, young adults tend seek locations where other young adults are, especially in places with vibrant arts scenes and social amenities such as bars, restaurants, and cafes. This trend is illustrated in the ongoing revitalization of Easthampton center.
- The Millennial generation is far more ethnically and racially diverse than previous generations. When seeking housing, they seem to emphasize the racial mix of a neighborhood or school less.
- Millennials are having fewer children, later in life. Early housing choices rely less on the perceived quality of public schools. Whether this preference increases as the generation ages remains to be seen.

South Hadley has several traits that make it competitive in attracting Millennials, including convenient commutes to locations of relatively stable employment in health and education, proximity to arts and culture centers in Northampton, Amherst, and now Easthampton, and relatively affordable housing prices and lower property tax rates compared to these places. Millennial attraction can be furthered by fostering affordable starter-housing as part of mixed-use developments in desirable, walkable nodes.

Trend 4: South Hadley is slowly diversifying in terms of race and ethnicity.

The population of South Hadley continues to be primarily white, encompassing about 91% of all residents. This is a higher proportion than in many of the surrounding towns. Most other racial groups have increased in number from 2000 to 2014, with the number of blacks trebling to become 3.8% of the population. Latinos of any race make up 4.6% of the town, nearly double the percentage in 2000. The majority of Latinos have Puerto Rican and other Caribbean origins. The 2010-2014 ACS estimated that 5.6% of South Hadley residents are foreign born and another 2.5% were born in Puerto Rico.

For some migrants from Puerto Rico and immigrants from other places, language can present a significant challenge to finding decent, safe, and affordable housing. In addition to the challenge of linguistic isolation, people may also be subject to linguistic profiling, which is the practice of using auditory clues such as accent or dialect—for example, over the telephone—to identify (supposed) race, ethnic origin or other characteristics, which are then used as the basis for discrimination. According to the ACS 2010-2014, an estimated 8.8% of South Hadley residents ages five and older spoke a language other than English at home – 1.5% are said to speak English less than “very well.” Non-English languages

spoken at home are (in order of population size) include Other Indo-European languages, Spanish or Spanish Creole, and Asian and Pacific Island languages. South Hadley is likely to continue diversifying – the South Hadley Public School District reports approximately 18% of students were racial or ethnic minorities for the 2014-15 school year.

Race in South Hadley, 2000-2014

RACE	2000		2010		2014		% Change
	#	% pop	#	% pop	#	% pop	
White	16,172	94.0%	15,770	90.0%	16,168	91.1%	0%
Black / African American	207	1.2%	393	2.2%	674	3.8%	226%
Amerindian / AK Native	20	0.1%	23	0.1%	16	0.1%	-20%
Asian	435	2.5%	706	4.0%	472	2.7%	9%
Hawaiian / Pacific Islander	10	0.1%	9	0.1%	23	0.1%	130%
Some Other Race	132	0.8%	223	1.3%	116	0.7%	-12%
Two or More Races	220	1.3%	390	2.2%	276	1.6%	25%
TOTAL POPULATION	17,196	100.0%	17,514	100.0%	17,745	100.0%	3%

Source: US Census Bureau, Decennial Census 2000 and 2010, ACS 2014 five-year estimates

Hispanics in South Hadley, 2000-2014

ETHNICITY	2000		2010		2014		% Change
	#	% pop	#	% pop	#	% pop	
Hispanic/Latino	405	2.4%	753	4.3%	823	4.6%	103%
Mexican	54	0.3%	87	0.5%	61	0.3%	13%
Puerto Rican	207	1.2%	405	2.3%	501	2.8%	142%
Cuban	6	0.0%	26	0.1%	4	0.0%	-33%
Other Hispanic/Latino	138	0.8%	235	1.3%	257	1.4%	86%
Not Hispanic/Latino	16,791	97.6%	16,761	95.7%	16,922	95.4%	1%
TOTAL POPULATION	17,196	100.0%	17,514	100.0%	17,745	100.0%	3%

Source: US Census Bureau, Decennial Census 2000 and 2010, ACS 2014 five-year estimates

South Hadley Public Schools Enrollment by Race/Ethnicity 2014-2015

Race	% of District	% of State
African American	1.7	8.7
Asian	1.5	6.3
Hispanic	9.4	17.9
Native American	0.3	0.2
White, non-Hispanic	82.0	63.7
Native Hawaiian, Pacific Islander	0.1	0.1
Multi-Race, Non-Hispanic	5.1	3.1

Source: Massachusetts Department of Education

Trend 5: An increasing number of residents are living with long-term disabilities and special needs that require specialized housing.

Disability is a protected class under federal law. Conditions can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning or remembering, which can then impede the ability to go outside the home alone or to work. Many residents with one or more disabilities face housing challenges due to a lack of housing that is affordable and physically accessible.

According to the American Community Survey's 2009-2013, an estimated 822 (7.0%) of South Hadley's population of residents age 18 to 64 (sometimes known as "working age" residents) have one or more disabilities, which include difficulty with hearing, vision, cognitive function, ambulating, self-care, or living independently. Cognitive and ambulatory difficulties were the most prevalent types of disability reported. Of South Hadley residents age 65 and older, an estimated 923 (31.4%) have one or more disabilities. Because the Town's senior population is forecast to increase in coming years, the demand for barrier-free and accessible housing that accommodates people with disabilities is expected to increase sharply.

The proportion of population with disabilities in South Hadley is comparable to that of the region. The 2013 Pioneer Valley Regional Housing Plan notes the critical need for more accessible housing to meet existing and growing demand. The RHP also notes:

- The range of disabilities present in our region requires different types of accessible housing to serve the needs of persons with disabilities.
- The need for more concerted efforts to integrate accessible housing and housing with supportive services into our planning for market-rate and affordable housing development.
- Many of the existing units with accessibility features are often rented to people who do not need them or at least those particular features. More concerted efforts are needed to address this mismatch.

South Hadley Residents with Disabilities

Population with a disability	11.0%
Population 18 to 64 years	7.0%
With a hearing difficulty	0.6%
With a vision difficulty	0.7%
With a cognitive difficulty	2.8%
With an ambulatory difficulty	3.5%
With a self-care difficulty	1.4%
With an independent living difficulty	3.2%
Population 65 years and over	31.4%
With a hearing difficulty	12.8%
With a vision difficulty	4.1%
With a cognitive difficulty	6.5%
With an ambulatory difficulty	18.7%
With a self-care difficulty	6.1%
With an independent living difficulty	12.0%

Source: U.S. Census Bureau, 2009-2013 ACS.

Beyond those with long-term disabilities, there are populations with special needs that require specialized housing and/or support services including:

- Elderly and frail elderly
- Veterans
- Survivors of domestic violence
- Youth aging out of foster care
- People who are homeless
- At-risk youth
- People with substance abuse issues
- Ex-offenders
- People living with HIV or AIDS

In many cases, the needs of these subpopulations overlap, as do the institutions that serve them, although their priorities may differ. Due to lower incomes, special needs populations are more likely than the general population to encounter difficulties securing and retaining adequate housing, and often require enhanced support services. These populations often move through temporary placements, to transitional programs, and eventually seek permanent and stable housing options.

Municipal level data is not available on these special residents due to the fact that the population size of South Hadley is not sufficient to overcome high margins of error and/or risk identifying individuals because of their characteristics. However, the Regional Housing Plan summarizes each of these special needs populations and identifies key issues.

Homelessness populations include those who live long-term in shelters or in the woods or on the streets (actually a small subset of the homeless population), and those who experience a single episode of homelessness and then recover and regain housing stability. The causes of homelessness are complex, including both societal factors—such as housing costs that have outpaced income growth and the loss of manufacturing jobs—and individual factors—such as long-term unemployment, domestic violence, chronic illness, and substance abuse. Housing discrimination can also play a role in perpetuating homelessness. The economic recession begun in 2008 further exacerbated homelessness in the region.

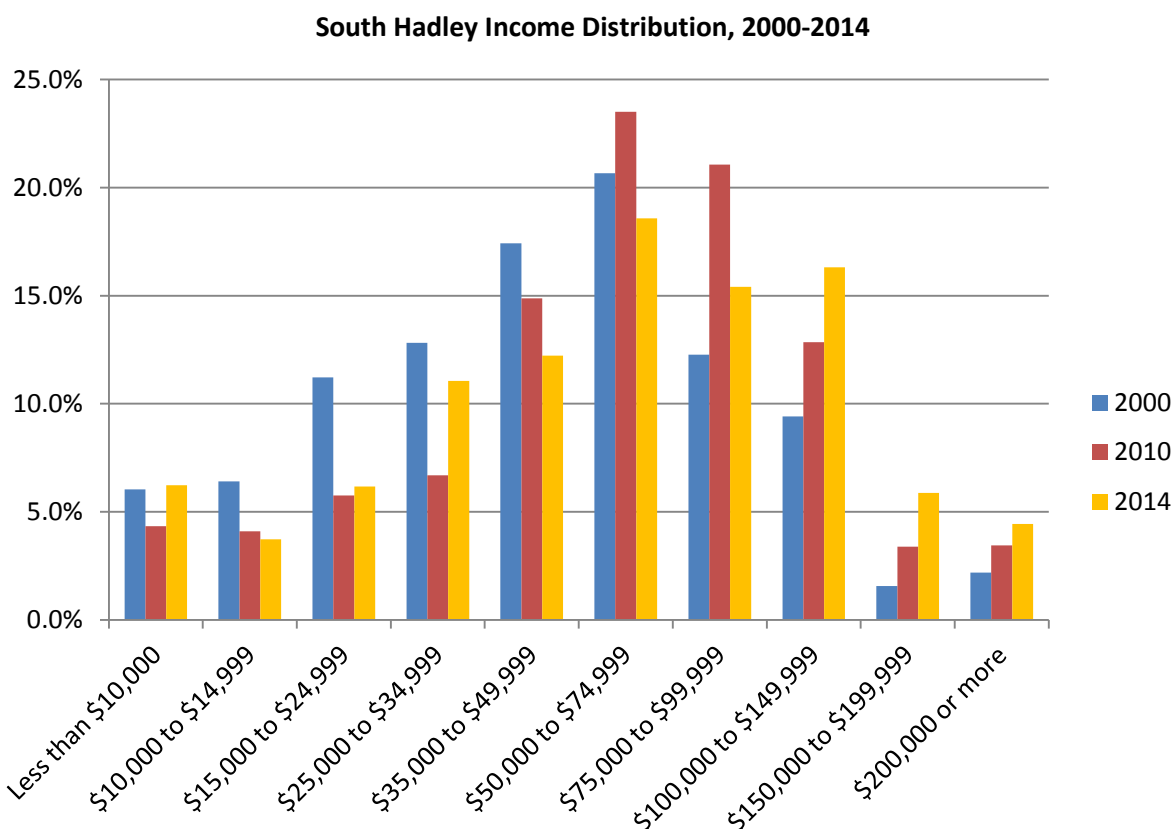
There are no family shelters in the region – families seeking housing are directed to the Department of Transitional Assistance intake center in Holyoke and then are placed temporarily in housing, often in motels. Springfield, Holyoke, Northampton, Westfield, and Greenfield have larger populations of homeless people because many social service providers are located in these communities.

2.2 Income Characteristics and Trends

The ability to exercise housing choice depends on the amount of money a household can afford to spend on housing. Housing that is affordable for low-income and moderate-to-middle-income or “working” households are major regional and state priorities. Housing that is affordable to lower income households is critical to creating household stability and economic self-sufficiency. Housing that is affordable to working class and middle class households is critical to building and retaining talent and for improving the region’s and the state’s overall economic competitiveness.

Median household income levels have risen significantly in South Hadley during the past 15 years, from \$46,678 in 2000 to close to \$62,803 in 2014. The current median household income is slightly higher than the Hampshire County median of \$61,000, and higher than \$50,000 of Hampden County.

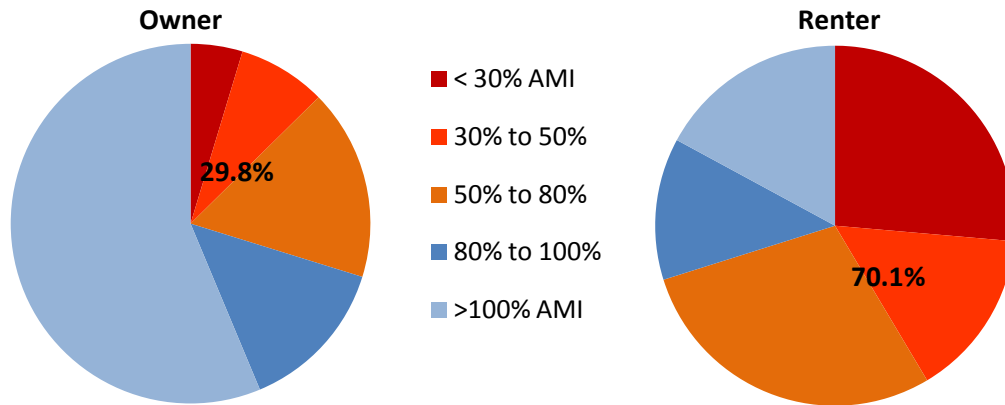
Though some of the increase is attributable to inflation, and while many know the community to be comprised of many working class residents, data shows that households making over \$100,000+ a year have increased substantially over last 15 years. This points to two trends: a higher number of households with two incomes rather than one, and wealthier people finding South Hadley attractive to live in. A breakdown of change by income category, shows the large increase in relatively wealthy households has been offset by a decrease in middle-income households.



Source: US Census 2000; ACS 2010-2014 five-year estimates. Note: The U.S. Census Bureau does not update data to adjust for inflation, which would allow a more accurate comparison between years.

The affect of these changes is that housing prices, especially for new construction or remodels, are driven higher than many existing households in the town can afford. 40% of the households in South Hadley earn at or below 80% of the Area Median Income level (\$68,200) of the Springfield MSA used as a benchmark to determine eligibility for subsidized housing. Renters, in particular, fall below this benchmark – 70.1% of renting households qualify. Geographically, many of these households reside in the South Hadley Falls area.

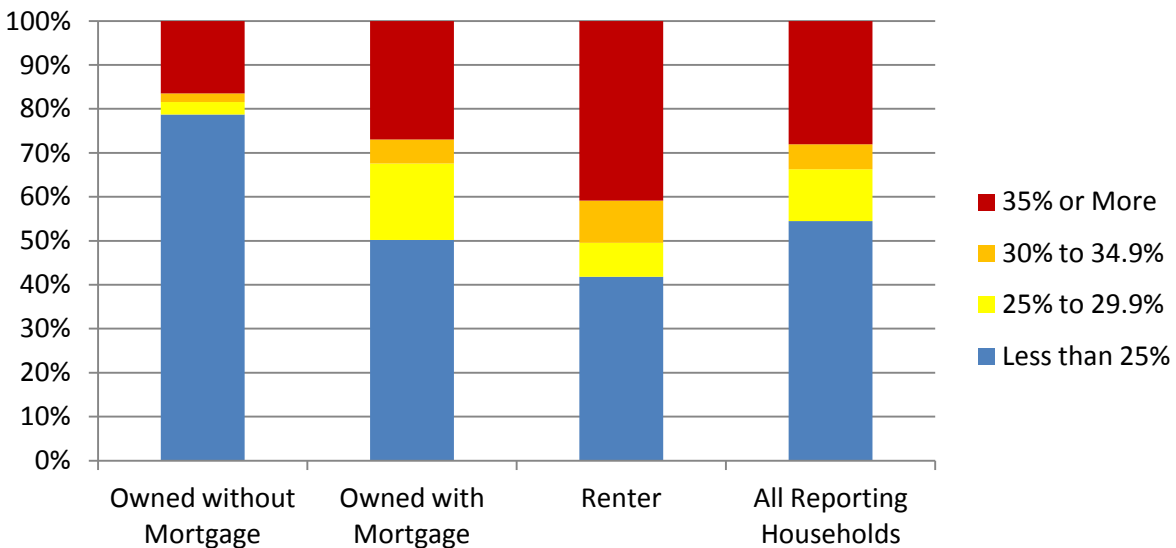
South Hadley Households Earning 80% or less of Area Median Income
(Warm colors meet affordable housing benchmarks)



Source: US Dept. of Housing and Urban Development, US Census Bureau.

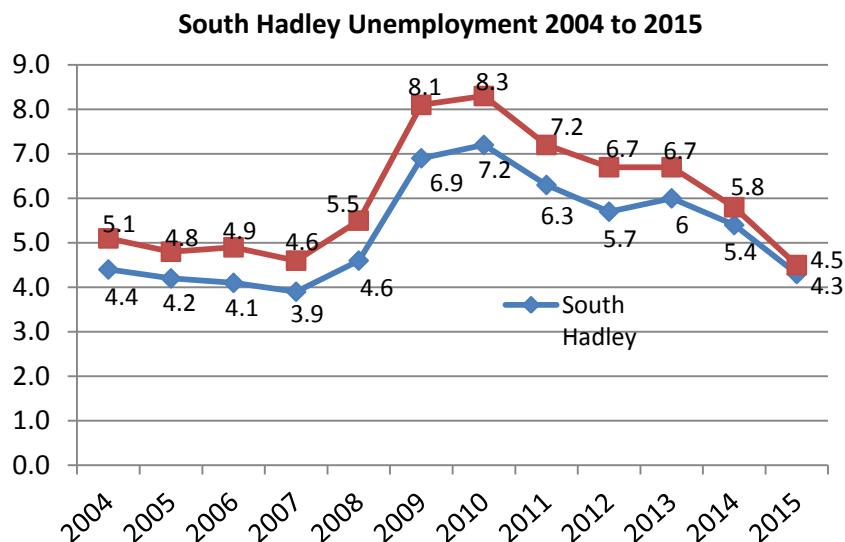
Examining housing costs as a percentage of a household's income gives us an idea of the portion of households in South Hadley that are likely to be cost burdened by housing (described as spending more than 30% of income towards housing costs). While some of this data comes with larger margins of error than preferred, it is useful as a ballpark measurement. Somewhere around 18% of households that own their home outright could be considered cost burdened. This number rises to about 32% of owners with mortgages, and about 50% of renting households. In addition, there are households paying between 25% and 30% of income on housing, who could fall into the "cost burdened" category should income drop or housing costs rise.

South Hadley Housing Costs as a Percentage of Household Income, 2014



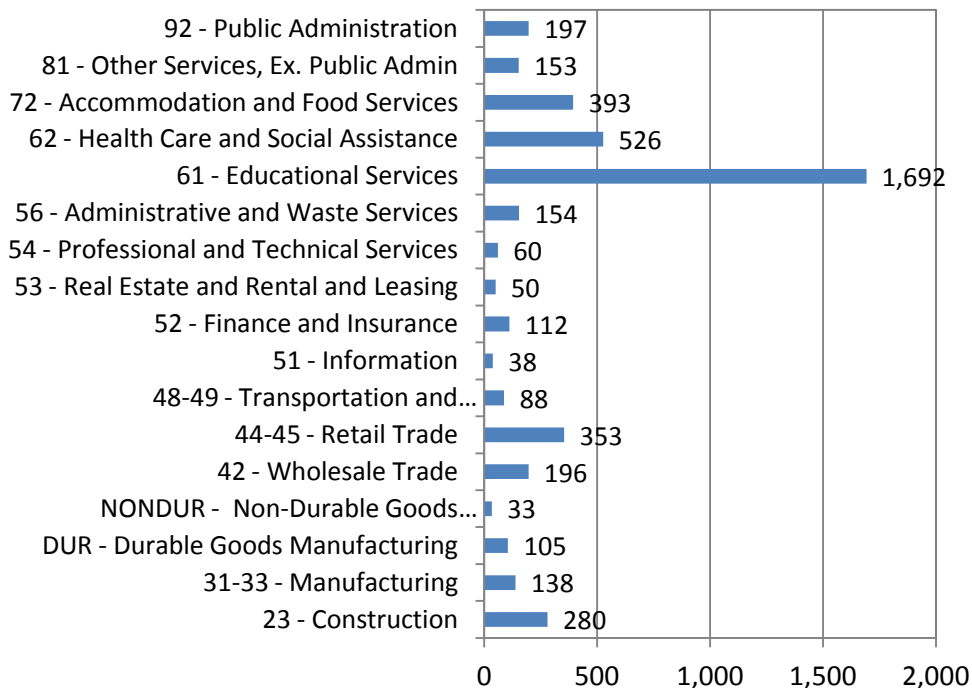
Source: US Census Bureau, ACS 2010-14. Data uncertainties create significant margins of error, but the measurements are useful as estimations.

Economically, South Hadley's unemployment rate has recovered from the post-recession high of 2010, yet the town is highly dependent on other towns for employment – 72% of workers commute beyond the town, with large portions working in regional education and healthcare. At the lowest income levels, approximately 4.2% of the 4,198 families in South Hadley lived below the poverty level in 2014. Single-mother families are disproportionately affected: 12.7% were below the poverty level.



Source: Massachusetts Department of Labor and Workforce Development.

South Hadley Employment by Two-Digit NAICS Code, Monthly Average for 2014



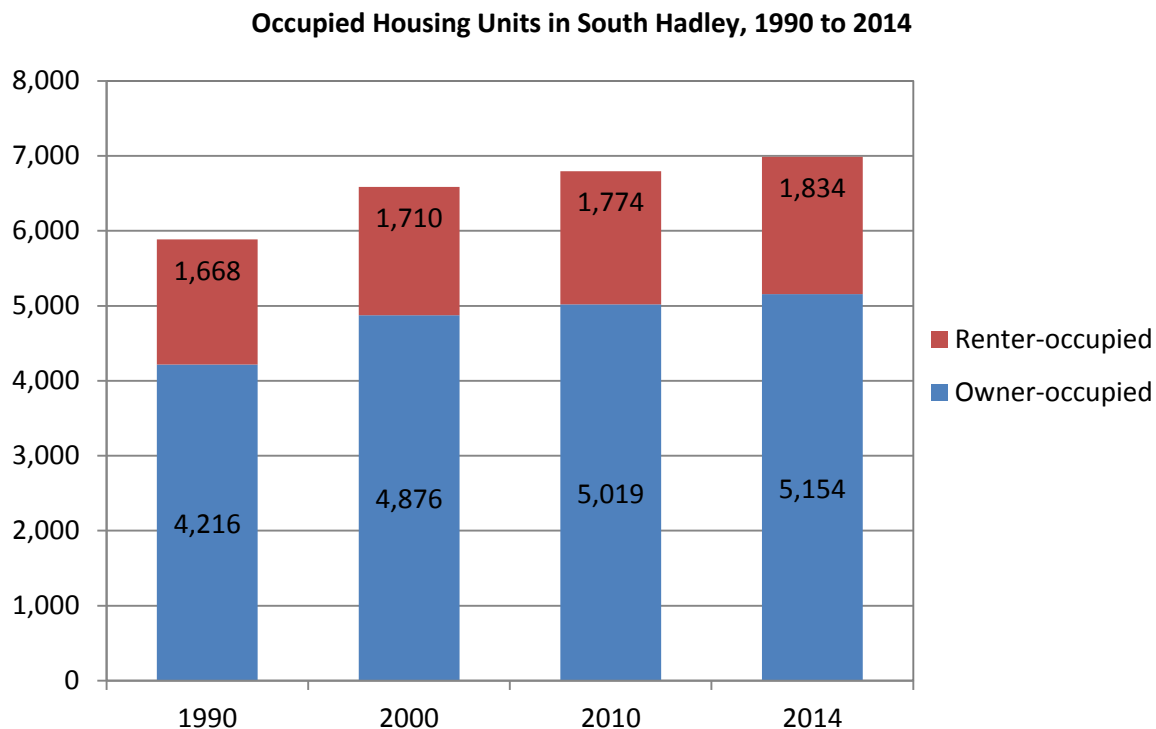
Source: MA Department of Labor and Workforce ES-202 data.

2.3 Housing Characteristics and Trends

Previous sections looked at the population and income trends affecting South Hadley and what they may mean for South Hadley's housing needs. This section looks at the characteristics and trends in South Hadley's housing stock.

According to the US Census' American Community Survey 2010-14, there are 7,435 housing units in South Hadley. Of these, 447 (6%) were vacant. Over the past few decades, the number of units has increased at a slightly faster pace than the region as a whole, but as in most communities, that increase slowed considerably following the 2008 recession.

In the last 14 years, the share of housing being rented has remained constant at 26%. This is consistent with comparably sized communities in the region. (Larger cities such as Springfield and Holyoke have owner/renter ratios closer to 50/50, while outlying communities such as Monson have 82% owner-occupied / 18% renter-occupied splits). The rental vacancy rate was pegged at 2.1% in 2014, which is fairly low and suggests a high demand/low supply situation. This is a significant concern, as rental homes are often the first, and many cases, only option for young families, single-parent families, and individuals – all of which are growing segments of the South Hadley population. Most of the new rental housing stock appears to be from existing owner-occupied homes flipping to rentals, as opposed to new construction of rental units.



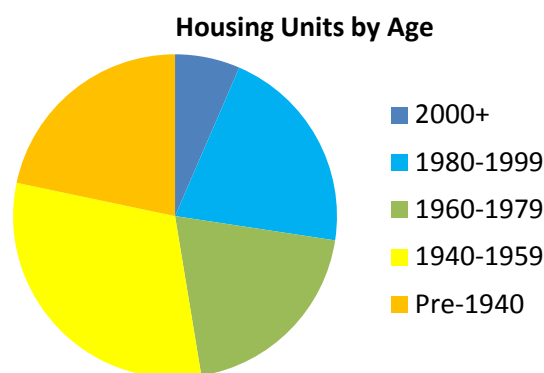
Source: U.S. Census Bureau.

The trend of flat to low rental housing production is also true at the regional level for the past 20 years, especially in communities outside the region's larger cities (Springfield, Holyoke, Northampton and Amherst). Most communities in the region saw limited growth in rental housing or a loss of rental units from 1990 to 2014. Much of the rental housing within buildings of four units or more that has been produced over the last two decades has been income-restricted housing, which means that market-rate rental housing development has been almost non-existent.

Age of Housing Stock

Well-maintained older homes are an important part of a community's local history and help preserve historic character; however, older homes can have many challenges:

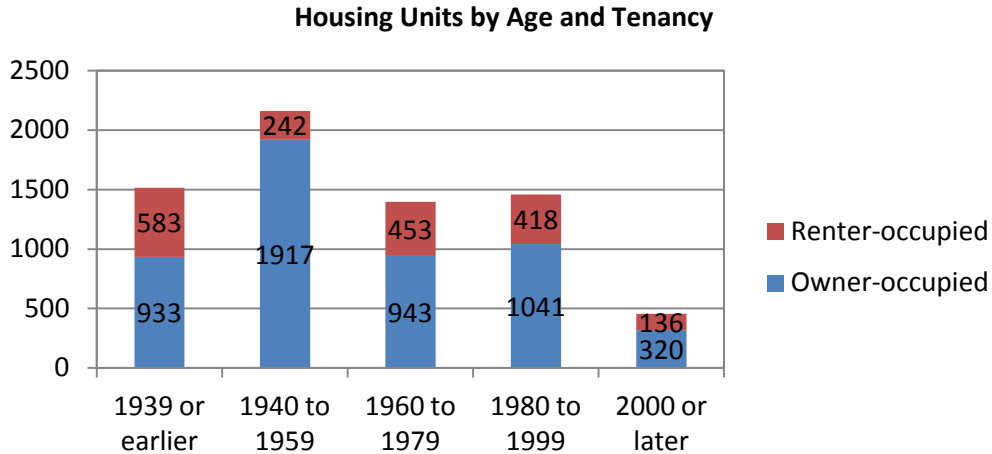
- Increased need for maintenance and repairs;
- Some have poor past maintenance and repair history, especially in the region's urban centers, resulting in a deteriorated state that requires costly rehabilitation;
- Design of many older homes are not well-suited for people with mobility impairments and can be expensive to retrofit;
- Outdated and inefficient heating, cooling, and insulation systems that result in higher associated utility costs;
- Outdated materials and products that present personal health risks such as: lead paint, asbestos, and lead pipes.



Source: U.S. Census, ACS 2010-14.

Like most established Northeast places, South Hadley has a high percentage of older homes, yet the average age here is younger than in communities like Holyoke and Northampton, reflecting more recent suburban development. Over half of the units are at least 55 years old, and 41% of these were built pre-WWII.

At the regional scale there is a correlation between the age of a home and its tenancy status as owner- or renter-occupied: 66.2% of owner-occupied homes in the Valley are at least 50 years old; for renter-occupied homes, the rate is 76.2%. South Hadley reflects this correlation to a limited extent – the older the home, the more likely it is rented. A noted exception are homes built in the 40s and 50s, which remain 89% owner-occupied (zoning restrictions against multi-family uses were strongest in these decades). Compared to previous decades, relatively little new housing, owner or rental, has been constructed since 2000. The recession of course plays a large part in this. Given that a good amount of the rental units constructed post-2000 are income- or age-restricted units, this means there has been a significant lack of new market-rate, unrestricted rental units constructed.



Source: U.S. Census, ACS 2010-14.

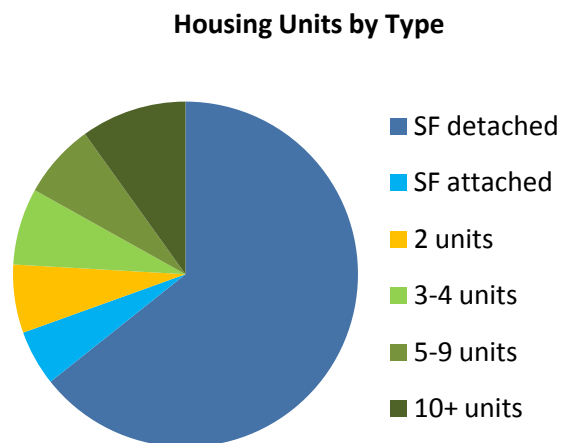
Since the cost to rehabilitate and achieve code compliance in older houses can be extremely high, some landlords and homeowners cannot afford to make these improvements or some have not invested in their properties because low home values do not justify the cost of capital or maintenance improvements. Deferred maintenance can result in low-quality or unsafe housing.

The age of the housing can also create impediments to fair housing. Some landlords have tried to avoid renting to families with young children because of the presence – or the perceived presence – of lead paint in their units and the associated expense of lead abatement and disposal, even though doing so is prohibited by law. This has the effect of limiting the supply and availability of housing, especially for families with young children.

Housing Typology

Housing affordability is closely related to a structure's typology. In general, multi-family and smaller single-family homes (i.e. 1,500 square feet or less) on smaller lots (i.e. 1/4 acre or less) tend to be more affordable to a wider range of individuals and families than larger single family homes on large lots (typically 1 acre or more).

The majority (63%) of housing units in South Hadley are single-family detached buildings – this is similar to the average across the region, and typical for older mill towns. By comparison, rural towns and newer suburbs such as nearby Hadley and Granby have far higher percentages.

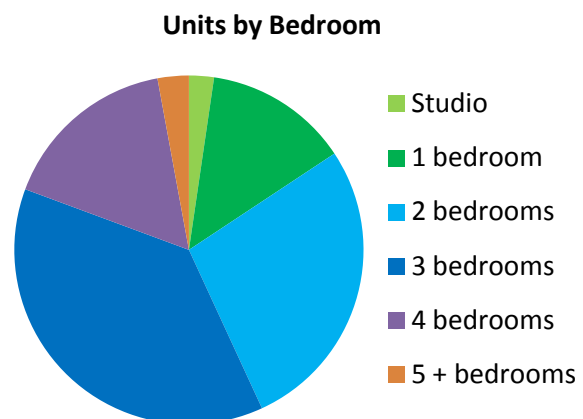


Source: U.S. Census, ACS 2010-14.

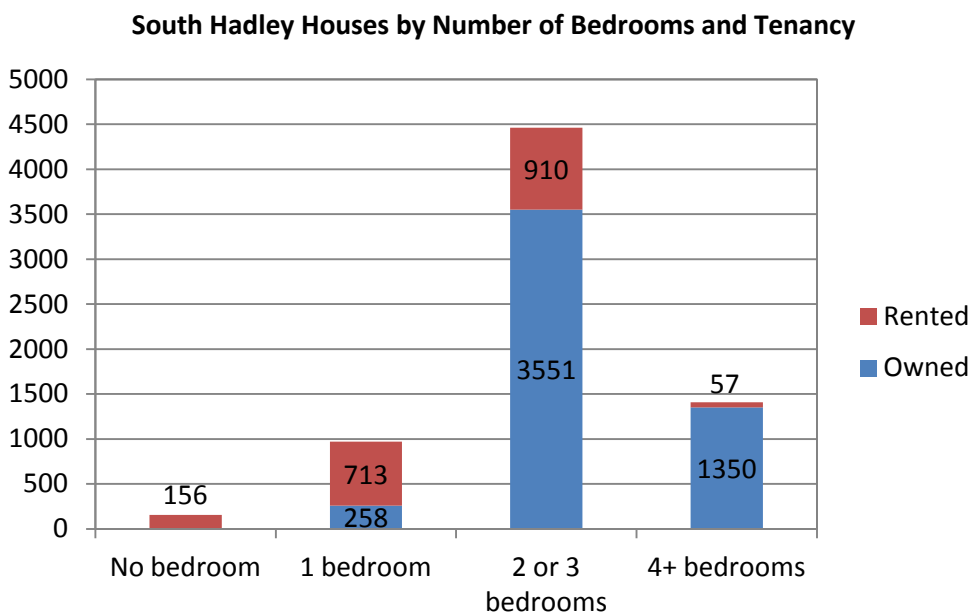
19% of South Hadley's building stock is of attached 1-family, and 2 to 4 unit buildings. Many of these reside in South Hadley Falls, where older buildings were often built as duplexes and triplexes (a vernacular style in New England mill towns) and older single-unit houses have been divided to produce additional units. Larger buildings with 5 or more units make up 17% of the stock. The vast majority (84-95% depending on typology) of buildings with 3 or more units are rented, not owned (e.g. condos). By comparison, only 13% of single family detached dwellings are rented.

Housing Unit Size (Number of Bedrooms)

Considering the changing demographics in town (increasing elderly, childless couples, and singles), it is helpful to review the housing stock regarding the number of bedrooms in each home. The large majority (69%) of homes in South Hadley are 2-3 bedrooms, which are useful in accommodating a variety of household sizes. Smaller units – studios and 1-bedrooms – constitute 17% of housing. There will likely be market demand for more of these given that 32% of current households are single living alone and this percentage will likely increase. The majority of small units are rented, which is consistent with the changing circumstances single households often face.

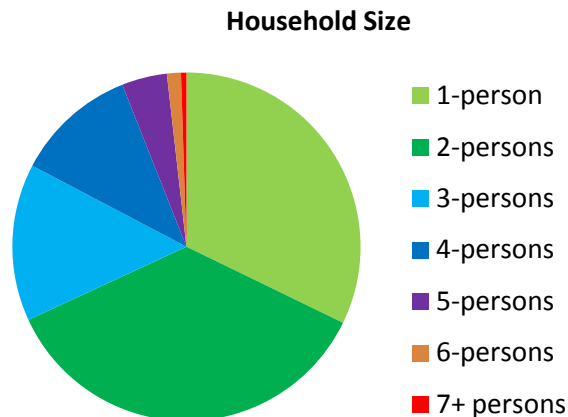


Source: U.S. Census, ACS 2010-14.



Source: U.S. Census Bureau, ACS 2010-2014.

Larger rental units of 4+ bedrooms might be slightly under-represented – there is a good percentage (21%) of these larger units as part of the total stock, but only 4% are rented. Typically, larger family sizes correlates with diminishing housing affordability. Massachusetts’ principal housing agencies—the Department of Housing and Community Development, the Massachusetts Housing Partnership, MassHousing, MassDevelopment, and the Community Economic Development Assistance Corporation—have established an interagency agreement that requires at least 10% of new affordable homes that are funded, assisted, or approved by one of these agencies to have three or more bedrooms.² However, there seems grounds to waive this requirement, considering the relatively low portion of large-sized households (t seems this requirement could be waived considering that households with 4 or more persons are only 17.3% of total households.



Source: U.S. Census, ACS 2010-14.

2.4 Existing Affordable and Restricted Housing

This section catalogs South Hadley’s existing affordable and restricted housing stock.

Subsidized (Income Restricted) Housing

There are two forms of income-restricted housing: public and private. Public income-restricted housing is managed by a public housing authority, established by state law to provide affordable housing for low-income people. Private income-restricted housing is owned and operated by both for-profit and non-profits owners who receive subsidies in exchange for renting to low- and moderate-income people. Both will be discussed in separate sections.

As of 2016, there were 396 units (5.6% of year round housing) listed on DHCD’s Subsidized Housing Inventory. Three things about this inventory are worth noting. First, all of the units are rentals (all of the units are this not necessarily income-restricted, since under Chapter 40B both subsidized and

² The Bedroom Mix Policy does not apply to affordable developments for age-restricted housing, assisted living, supportive housing for individuals, single room occupancy, or other developments in which the policy is not appropriate for the intended residents. The Bedroom Mix Policy also does not apply to new affordable developments where such units: (i) are in a location where there is insufficient market demand for such units, as determined in the reasonable discretion of the applicable State Housing Agency; or (ii) will render a development infeasible, as determined in the reasonable discretion of the applicable State Housing Agency. A state housing agency also has the discretion to waive this policy (a) for small projects that have less than ten (10) units and (b) in limited instances when, in the applicable agency’s judgment, specific factors applicable to a project and considered in view of the regional need for family housing, make a waiver reasonable.

non-subsidized units in a rental development count). Second, all the units except Hubert Place are deed-restricted in perpetuity, meaning the town need not concern itself with expiring units. Third, several of the projects were built pursuant to a comprehensive permit issued by the Zoning Board of Appeals under Chapter 40B.

South Hadley SHI-Listed Housing Units, 2016

DHCD Id #	Name	Address	Type	SHI Units	Expires	Comp. Permit?	Subsidizing Agency
2853	Lathrop Village	69 Lathrop St.	Rental	48	Perp.	No	DHCD
2854	Lathrop Village	69 Lathrop St.	Rental	48	Perp.	No	DHCD
2855	Newton Manor	643 Newton St.	Rental	40	Perp.	No	DHCD
2856	n/a	27 Abbey Lane	Rental	8	Perp.	Yes	DHCD
2857	Abbey St.	Abbey St.	Rental	12	Perp.	Yes	DHCD
2858	Hampshire Cty RHA	North St.	Rental	2	Perp.	No	DHCD
2859	Riverboat Village	River Lodge Rd.	Rental	170	Perp.	Yes	DHCD
4460	DDS Group Homes	Confidential	Rental	24	N/A	No	DDS
9144	Hubert Place	93 Canal St.	Rental	44	2048	No	HUD/DHCD
Total SHI Units in South Hadley				396	5.58% of housing stock		

Source: DHCD

Of the comparable Pioneer Valley communities used for analysis, only Amherst and Hadley have exceeded the goal of providing a minimum of 10 percent of their housing stock as affordable. Interestingly, these are the most and least populated communities analyzed. South Hadley ranks in the middle of those communities that have not achieved the 10 percent goal.

The South Hadley Housing Authority, in operation for 58 years, manages five properties, including Lathrop Village (96 units), Newton Manor (40 units), Abbey Street (12 family units), Hubert Place (44 elderly units), and a duplex with eight bedrooms for physically and mentally challenged individuals. The 2010 Master Plan describes the waiting lists for units – the situation remains similar:

- 85 applications are on file for family housing with an average wait of 8 – 10 years; 43 are for two-bedroom units and 42 for three-bedroom units (12 from South Hadley residents).
- 35 applications are pending for elderly housing with an average wait of one year (12 from South Hadley residents).

Subsidized Housing in Comparable Communities

Community	2000 Census Year Round Housing Units	Total SHI Units	Percent SHI Units
South Hadley	7,091	396	5.6%
Amherst	9,621	1,034	10.7%
Belchertown	5,771	372	6.4%
Easthampton	7,567	449	5.9%
East Longmeadow	6,072	436	7.2%
Granby	2,451	66	2.7%
Hadley	2,200	285	13.0%
Ludlow	8,337	187	2.2%
West Springfield	12,629	440	3.5%
Wilbraham	5,442	253	4.6%

Source: DHCD, Chapter 40B Subsidized Housing Inventory (SHI) as of June 1, 2010.

Rental Assistance for Lower Income Households

Rental assistance to afford housing can be obtained through vouchers, where the subsidy is used by a tenant to find rental housing in the private market and is paid to a private landlord. This subsidy stays with the tenant. There are two rental voucher programs available in Massachusetts – the housing choice voucher program also known as the federal Section 8 program and the Massachusetts Rental Voucher Program (MRVP). The Section 8 voucher program was enacted in 1974 to promote economic and racial integration and to shift public assistance to the private market. The MRVP has a similar purpose.

In 2012, a total of 9,760 vouchers were allotted in the region through either the Section 8 or MRVP program. These vouchers were allotted to and administered by the housing authorities of Amherst, Chicopee, East Longmeadow, Holyoke, Monson, Northampton, Springfield, Ware (administered by Westfield), West Springfield, and Westfield as well as by DHCD via HAPhousing. The South Hadley Housing Authority does not currently administer vouchers, and South Hadley residents do not have local preference status with any of the housing authorities that administer vouchers.

There is a much greater demand for vouchers than supply in the region. On April 5, 2012, there were 117,471 applicants currently waiting on the Massachusetts Section 8 Centralized Waiting List. The Massachusetts Chapter National Association of Housing and Redevelopment Officials (MassNAHRO), the administrators of the Centralized Waiting List, noted that an estimated wait time for a voucher cannot be gauged since all 86 housing authorities in the state have different selection preferences. However, they stated that some applicants have been waiting since the Centralized List opened in

2003. All voucher administering agencies in the region except the Northampton Housing Authority and HAP Housing utilize the state's Centralized Waiting List to distribute vouchers.

Senior Housing

South Hadley has the following age-restricted senior housing options, with varying levels of care:

South Hadley Age-Restricted Housing

Development Name	Income Restricted?	Units
Hubert Place	Yes	44
Loomis Village	No	159

Source: Town of South Hadley

Hubert Place provides 44 units of affordable housing for people ages 60 years and older. These units have affordability restrictions on them until 2048. These units are currently on DHCD's Subsidized Housing Inventory. In addition to Hubert Place, Loomis Village provides housing options for those over the age of 62 years old in South Hadley. This development provides 159 units of senior housing with a variety of care options. These units are not considered affordable in the DHCD Subsidized Housing Inventory. At present, there are no ownership opportunities for senior households that qualify as affordable under Chapter 40B legislation.

Accessible Housing

According to the American Community Survey's 2009-2013, an estimated 822 (7.0%) of South Hadley's population of residents age 18 to 64 have one or more disabilities, which include difficulty with hearing, vision, cognitive function, ambulating, self-care, or living independently. Among residents age 65 and older, the proportion of people with disabilities is significantly greater, with 923 persons (31.4% of population age 65+) having one or more of these disabilities. No matter their age, people with disabilities often face challenges in finding a home that is both affordable and safely accommodates their disability or disabilities—whether these are physical disabilities that require features such as ramps or elevators to be fully accessible, or features that help people with hearing or vision impairments live more safely and comfortably.

To address this long-standing problem, the Citizens' Housing and Planning Association (CHAPA), in conjunction with a variety of partners, created the web-based Massachusetts Accessible Housing Registry (MassAccess online at <http://www.massaccesshousingregistry.org>) in 2000 to help people with disabilities find affordable and accessible housing in Massachusetts. The Registry has been the best attempt at centralizing the total number of available accessible/adaptable units, units on a

ground floor, or units accessible by elevator. The management of Mass Access believes that the registry captures over 80% of all accessible housing rental housing that is available.³

The registry suggests that there is a great shortage of accessible housing units compared to the number of residents with one or more disability. As of November 30, 2015, the registry showed that there were only four accessible/adaptable units available in Hampshire and Franklin Counties (two in Easthampton and two in Springfield) of which all four were “income-based,” where the rent or price is based on the income of the occupant. The Regional Housing Plan identifies that this shortage also exists at the regional level and for every community in the region.

Special Needs Housing

Special needs housing typically refers to housing units specifically designed for populations with special needs such as: people with psychiatric and cognitive disabilities; veterans; survivors of domestic violence; youth aging out of foster care and at-risk youth; people with substance abuse issues; ex-offenders; people living with HIV or AIDS; and people who are homeless.

- The Massachusetts Department of Developmental Services (DDS) (formerly Department of Mental Retardation) operates group homes in the city (discussed in the next section).
- The South Hadley Housing Authority provides eight public housing units for physical and mental special needs.

The Regional Housing Plan discusses the special needs housing for these and the other special populations that is available in our region, and notes the demand for all forms of special needs housing in our region far outstrips the supply of these units.

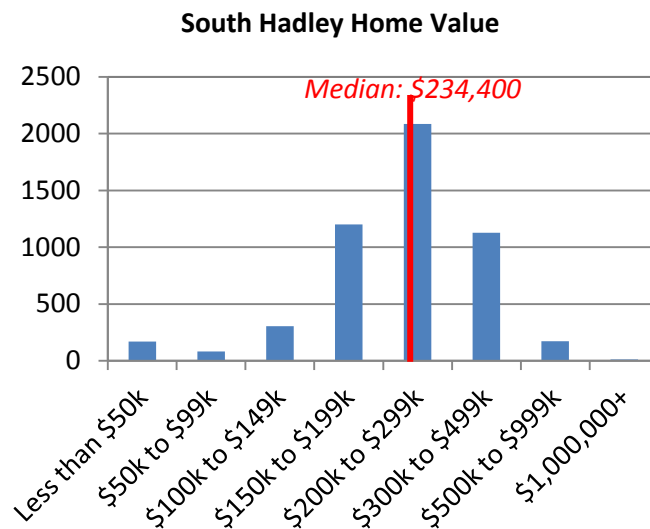
³ Accessible homeownership housing is more difficult to gauge because there may be a number of homeowners who may have made accessibility improvements to their homes with no intention of selling in the near future.

3. HOUSING DEVELOPMENT CONDITIONS

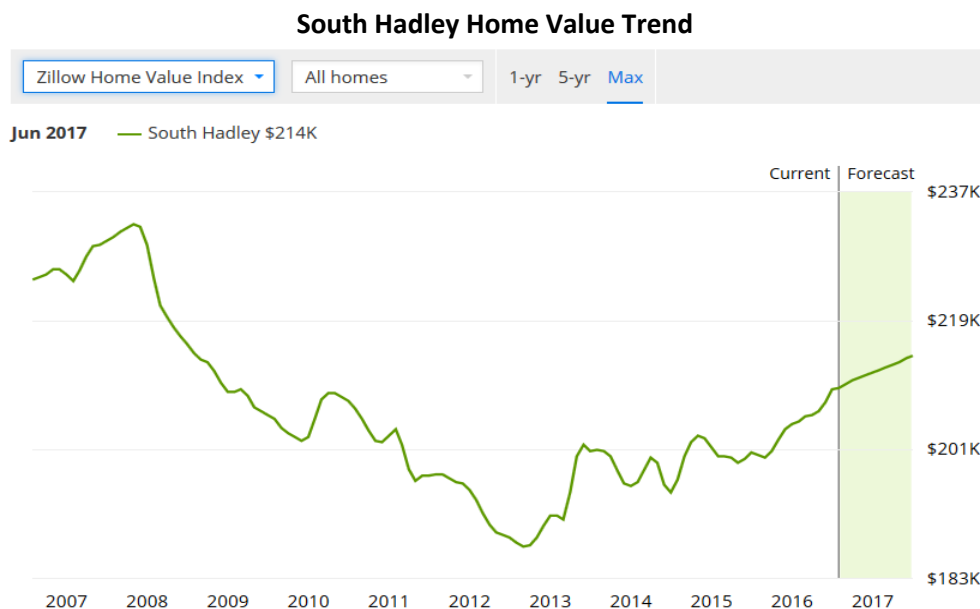
The purpose of this section is to understand local housing market conditions in and around South Hadley. Housing development is, of course, a complex process influenced by a variety of conditions, many of which are beyond local control – market preferences, financing conditions, materials costs, the regional and national economy, etc. This section therefore focuses on the constraints and limitations placed on housing development by local geography, infrastructure, and regulation.

3.1 Housing Market

As of 2014, the median value of housing in South Hadley is \$234,400 according to self-reported U.S. Census data. Real estate websites such as Zillow.com track sales more closely, and estimate the median at \$209,800, or about \$145 per square foot. As in many communities in the United States, this value has fluctuated during the recession, sinking from a high of \$232,000 in 2008 to a low of \$188,000 in 2012 before rising, leaving approximately 9.7% of property owners with negative equity.



Source: U.S. Census Bureau, ACS 2010-2014.



Source: Zillow.com, July 2016

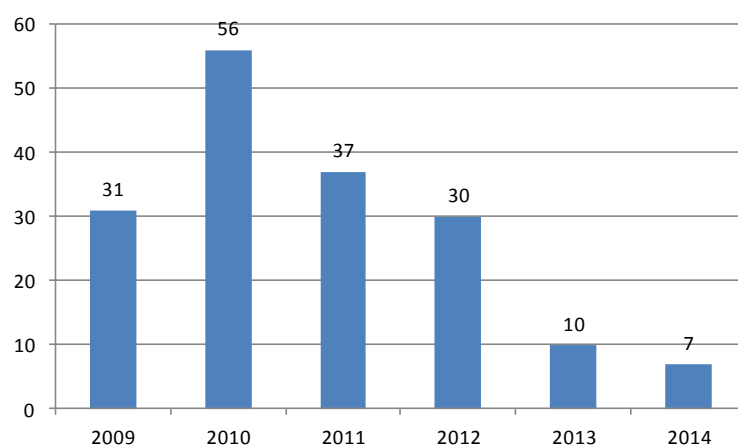
While certainly not the worst hit community in the region, South Hadley did experience a fair amount of foreclosure activity following the recession. New foreclosures have tapered off recently, but did serve to damper the prices of homes.

South Hadley is far from the most expensive (Amherst) or least expensive (Chicopee) of nearby comparable towns. It lies in the middle in terms of housing values and rental rates.

Measuring rental prices is a little more difficult since there are far fewer

rentals in town. Typically, rents are between \$1.00 to \$1.30 per square foot in the Valley – Zillow indexes South Hadley at \$1.20 per square foot.

South Hadley Home Foreclosure Deeds Filed 2009-2014



Source: Warren Group

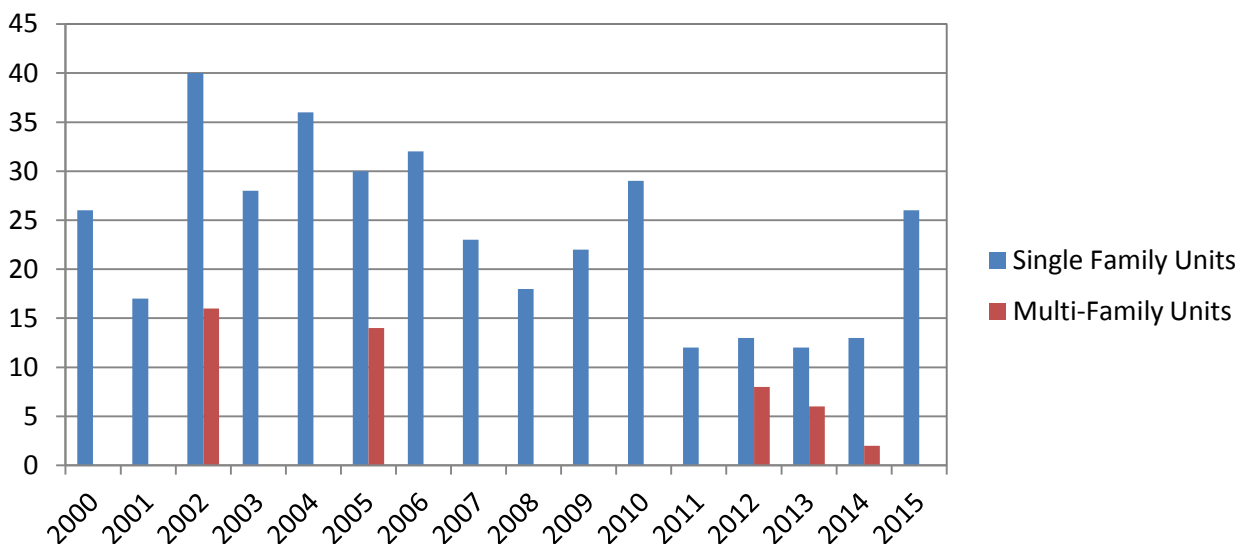
Zillow Home Value & Rent Index for, June 2016

	Home Value (ZHVI)	Peak Month	Change from Peak	Forecast ZHVI	Forecast 2017	Negative Equity	Rents (ZRI)	Rent Year-on-Year
Agawam	\$183,200	Sept '06	-15.3%	\$187,233	2.2%	9.9%	\$1,512	0.6%
Amherst	\$306,500	Nov-11	-4.5%	\$312,914	2.1%	6.5%	\$2,061	0.8%
Chicopee	\$166,800	Jun-07	-6.7%	\$170,907	2.5%	11.3%	\$1,379	-1.1%
Easthampton	\$231,000	Oct-07	-1.0%	\$236,312	2.3%	4.5%	\$1,775	9.2%
Granby	\$227,000	Sep-06	-3.0%	\$232,288	2.3%	6.2%	\$1,830	13.2%
Holyoke	\$174,600	Mar-06	-8.7%	\$179,059	2.6%	11.2%	\$1,385	0.4%
Northampton	\$263,700	Jun-16	0.0%	\$270,048	2.4%	5.2%	\$1,865	4.8%
South Hadley	\$209,800	Oct-07	-9.8%	\$214,552	2.3%	9.7%	\$1,703	9.3%
West Springfield	\$202,300	Aug-06	-4.2%	\$207,151	2.4%	8.2%	\$1,538	3.1%

Source: Zillow Market Overview Report, June 2016. (ZHVI = Zillow's proprietary Home Value Index)

The effect of South Hadley's middle-of-the-road costs is that housing is generally kept affordable for more middle income households, but for-profit developers may find it hard to create affordable housing as part of market-rate projects. Of note, however, is the recent sharp increase in rent prices – indicating that rental demand is increasing faster than supply.

Building Permit Activity in South Hadley



Source: HUD, Building Permit Database

Data for building permits and recent sales of new-construction homes shows how developers are responding to current market demand and the prices new units command. Except for a few significant projects in the early 2000's, multi-family construction was largely ignored. This has changed post-recession as developers learn to serve the growing demand for lower-maintenance houses and yards (and optimize building sites). Condos make up a significant portion of recent construction – 11 out of 32 sales of recent builds were condos. In addition, many of the new-build single-family houses are on small lots.

Unsurprisingly, new houses command a price premium – the median sales price for single-family houses is \$392,000 and new condos is \$320,100. While these prices are 87% and 53% respectively above the median sales price for all housing, they may have limited potential to subsidize construction of affordable units. Almost no new construction rental units have been built recently in South Hadley, so measuring the premium for new rental units is difficult.

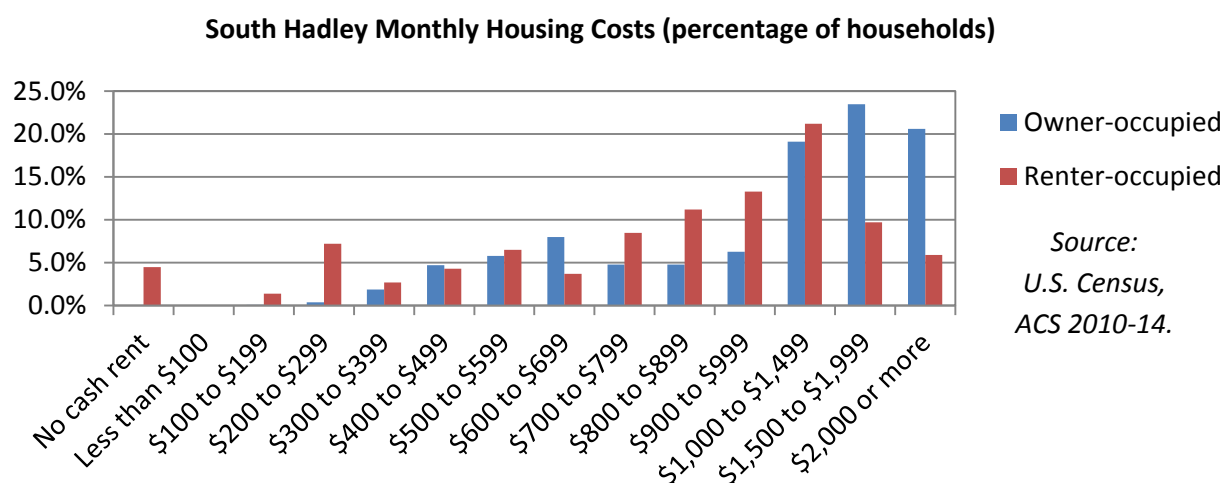
Recent Sales of New Construction Homes in South Hadley (Built 2010+)

	<i>Yr Built</i>	<i>Sale Date</i>	<i>Sale Price</i>	<i>Lot</i>	<i>Beds</i>	<i>SqFt</i>	<i>\$/SF</i>
SF Detached	2012	9/25/2013	\$425,000	0.33	5	2,736	\$155
	2013	10/10/2013	\$325,000	0.69	4	1,436	\$226
	2012	4/3/2014	\$435,000	1.27	4	2,240	\$194
	2014	5/5/2014	\$165,000	0.72	5	3,723	\$44
	2010	6/20/2014	\$465,000	0.32	3	2,510	\$185
	2012	6/20/2014	\$311,000	0.41	3	1,700	\$183
	2013	6/26/2014	\$465,000	0.33	3	2,250	\$207
	2012	7/22/2014	\$447,500	0.35	3	2,509	\$178
	2013	8/20/2014	\$410,000	0.33	3	2,239	\$183
	2013	10/9/2014	\$54,000	0.95	4	2,548	\$21
	2013	2/3/2015	\$351,300	0.69	3	1,884	\$186
	2014	4/16/2015	\$369,000	0.77	3	1,780	\$207
	2010	6/25/2015	\$395,000	0.70	3	2,643	\$149
	2014	7/10/2015	\$350,000	2.90	3	1,777	\$197
	2012	7/30/2015	\$410,000	0.32	3	2,197	\$187
	2011	7/31/2015	\$453,000	0.33	4	2,697	\$168
	2011	10/16/2015	\$360,000	1.87	3	2,406	\$150
	2013	10/22/2015	\$415,000	1.09	3	2,381	\$174
	2015	11/13/2015	\$382,507	0.69	3	2,018	\$190
	2016	4/22/2016	\$389,000	0.69	4	2,000	\$195
	Median		\$392,000	0.69	3	2,245	\$175
Condo	2011	8/22/2013	\$290,000	-	2	1,770	\$164
	2010	8/28/2013	\$324,900	-	2	1,922	\$169
	2011	8/30/2013	\$343,850	-	2	1,770	\$194
	2012	10/24/2013	\$305,050	-	2	1,439	\$212
	2012	11/15/2013	\$289,900	-	2	1,450	\$200
	2012	4/2/2014	\$299,900	-	2	1,448	\$207
	2013	5/9/2014	\$337,500	-	2	1,800	\$188
	2012	7/2/2014	\$333,775	-	2	1,439	\$232
	2013	10/7/2014	\$307,000	-	2	1,439	\$213
	2013	11/3/2014	\$320,100	-	2	1,439	\$222
	2014	3/1/2015	\$327,335	-	2	1,439	\$227
	Median		\$320,100	-	2	1,448	\$207
Duplex	2014	4/30/2015	\$250,000	0.43	6	1,488	\$168

Source: Zillow.com

3.2 Housing Affordability Analysis

Understanding housing costs versus housing prices in relation to Area Median Income thresholds allows us to assess the affordability of housing in South Hadley. A general rule of thumb is that housing is 'affordable' if the household pays no more than 30% of its annual income on housing. As Section 2.2 showed, approximately 33% of households in South Hadley are at or beyond this amount. The U.S. Census gives an indication of the distribution of housing costs, distinguished by tenure. South Hadley displays a typical pattern where rent costs are skewed lower than housing costs:



Estimated Affordable Monthly Housing Cost Thresholds for Springfield MSA

	1-person	2-person	3-person	4-person	5-person
Low-Income Limits (80% AMI)	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100
Utilities (estimated)	\$250	\$350	\$425	\$500	\$550
Rental Price (estimated)	\$903	\$966	\$1,056	\$1,145	\$1,228
Sales Price (estimated)	\$100,000	\$107,000	\$117,000	\$127,000	\$136,000

Source: HUD income limits, PVPC. Rental prices are assumed to be 30% of income limits minus utilities. Sales prices calculated with same monthly payment and the following financial assumptions: 30yr fixed mortgage; 5% down; 5% closing costs rolled into mortgage; 5% interest; 2% property tax; .6% insurance; .75% PMI; 1% maintenance costs, no HOA fees.

The cost measurements make a useful comparison with estimated costs of housing that meet the 30%-of-income threshold for households at the 80% of Area Median Income limits described earlier. Several assumptions are made concerning down payment amount, interest rate, and primary mortgage insurance that reflect typical buying conditions for low-income families.

A check of Craigslist, Padmapper, and Zillow in August 2016 found 12 rental units offered with South Hadley. While this is just a snapshot, the asking prices should be regarded as typical, and lend support to the theory that while there are rental properties affordable to low-income households in South Hadley, there are not many. A significant and growing portion of rental units are beyond the means of Low-Income households.

Homeownership is also problematic. Only 8 units were on offer for \$140,000 or below in August 2016. Some of these were in the range of affordability given the household size, but the better maintained products were not. All the units at this lowest price range were in or near the South Hadley Falls area of town. In conclusion, while South Hadley is not a community with a tremendous affordable housing problem at this time, at least compared to other communities in the region and state, new market-rate construction is certainly not within reach of targeted households, and the costs of existing housing and rental units are climbing further away from affordability.

To extend this conclusion, several points are worth noting:

- Homeownership is often more difficult than assumed here due to lending requirements depending on the buyer's credit, income history, and debt load – measurements that often push low-income households out of the mortgage market. Even with good credit, required down payments can climb to 15-20%, unlike in the pre-recession years. Higher interest rates, including variable-rate mortgages, can also significantly increase costs.
- Likewise, renting comes with hidden costs, such as first and last month's rent, security deposit, and application or broker fees, which can preclude some households from affording to rent.
- Very-Low and Extremely-Low Income thresholds (50% and 30% AMI respectively) are far from meeting housing costs as measured here. Even in towns with relatively low market rents and concentration of government-subsidized units, such as Springfield and Holyoke, many households face a gap between what they can afford to pay for housing and actual housing costs. As Holyoke's 2010-2014 Consolidated Plan acknowledged: "a significant number of rental households have incomes at or below 50% of median and just simply cannot afford even below market rents, although such apartments are available. No amount of additional construction or reconstruction can affect the income of potential tenants. Without some sort of rental assistance, certain families cannot afford even the lowest rents required to keep buildings viable. These are the families that require subsidies, and would require them no matter where they lived."

South Hadley Sales Housing (below \$140k), August 2016

Size	#	Range	Median
2 bedrooms	4	\$104k - \$130k	\$125k
3 bedrooms	4	\$92k - \$138k	\$121k

Source: Zillow

Available South Hadley Rental Units, August 2016

Size	# Units	Range	Median
1 bedroom	2	\$925 - \$1045	\$985
2 bedrooms	7	\$935 - \$1250	\$1100
3 bedrooms	3	\$1500 - \$1600	\$1550
4+ bedrooms	1	\$2600	\$2600

Source: Craigslist, Padmapper, Zillow

3.3 Development Constraints and Limitations

South Hadley faces some considerable constraints and limitations on new development, from basic geography, to municipal service areas, to land use regulations. This section outlines these and discusses how they relate to residential development.

Environmental Constraints and Limitations

The following environmental conditions place constraints on residential development in South Hadley. These are mapped on the following pages.

Steep slopes

Generally speaking, any slope under 15% grade is considered suitable for development – slopes greater than 15% are considered "excessive" or "steep" for residential or agricultural uses. Due to the high potential for erosion on steep slopes, it is best to preserve these areas as undeveloped. Most steep slopes in South Hadley are in the Holyoke Range in the north end of town, but there are ribbons of slopes in specific locations such as the Connecticut River escarpments to the north of the Falls area, hills east of Lower Pond on Holyoke College's campus, and areas along Buttery Brook in the south and Batchelor Brook in the north.

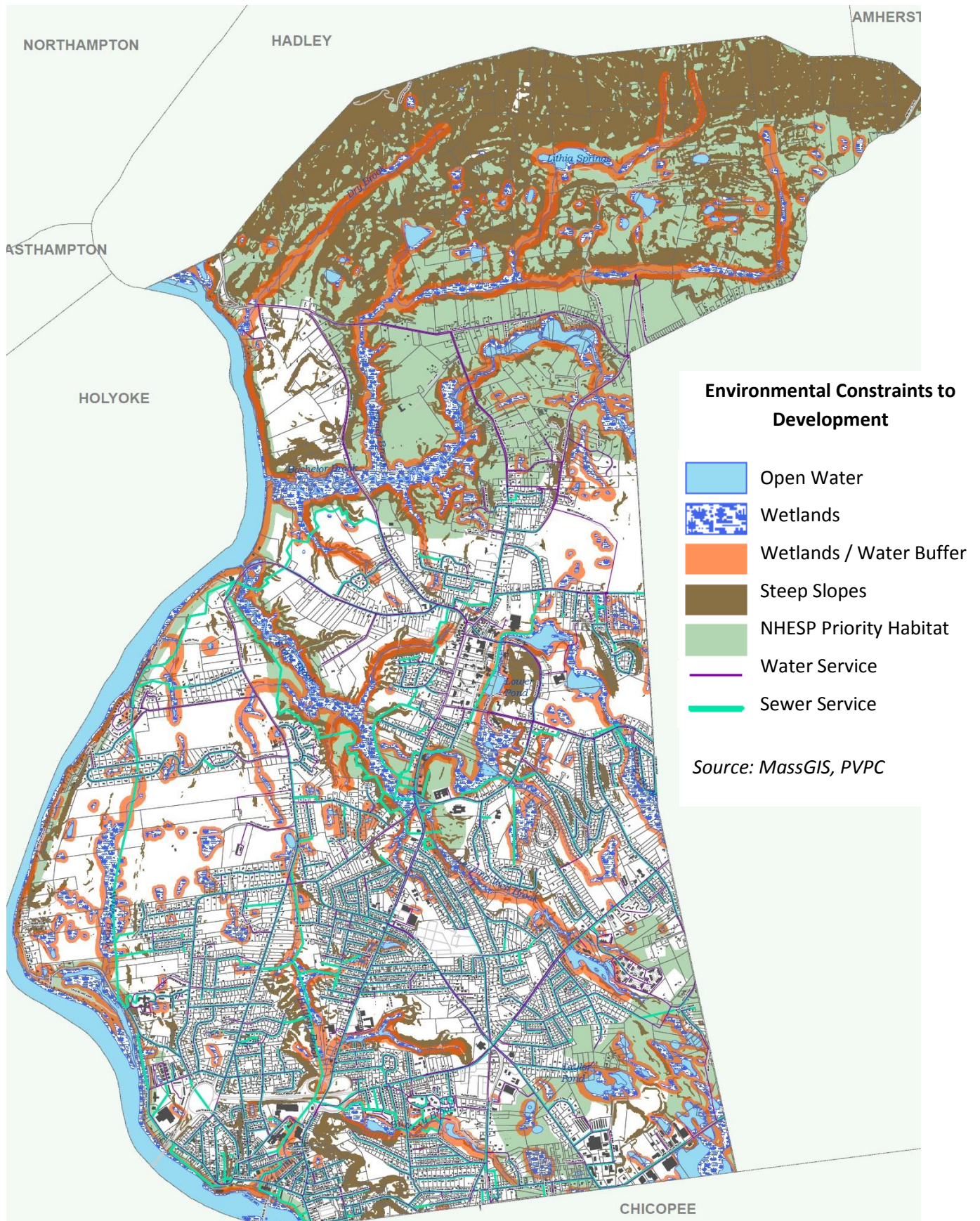
Wetlands and Vernal Pools

Wetlands are valuable because of the role they play in filtering water, slowing runoff, and as critical habitat. South Hadley's wetlands generally lie in floodplains along creek systems, such as Batchelor Brook, Stony Brook, White Brook, Buttery Brook, and Leaping Well Brook. In addition, there are significant wetlands along New Ludlow Road in the southeast corner of town, and smaller scattered wet areas west Lathrop/Alvord Street. Development can occur in wetlands, but mitigation or wetland replication may be required by the local conservation commission, which may add significant expense to proposed development projects. Vernal pools are ephemeral wetlands that fill annually from snowmelt, rain, and the rising groundwater of spring and early summer – they provide breeding habitat for many rare woodland amphibians and reptiles.

South Hadley's Conservation Commission reviews projects within 100 feet of wetlands and vernal pools and within 200 feet of open water, for adverse impacts and may regulate any such development, which can add significant expense to proposed development projects.

Natural Heritage & Endangered Species Program (NHESP) Priority Habitat

The Massachusetts Division of Fisheries and Wildlife responsible for the conservation and protection of hundreds of species in the state and the natural communities that make up their habitats, especially those officially listed as Endangered, Threatened or of Special Concern in Massachusetts. Priority Habitat in South Hadley is concentrated in the north third of town, along the Holyoke Range and Batchelor Brook. Habitat also appears along the Connecticut River shore, along Stony Brook, and



around the ponds and wetlands in the southeast corner of town. Any project within these areas that includes soil or vegetation alteration, grading, excavation, construction of buildings or structures, conversion of agricultural land, dock installation, dredging, pond vegetation management, beach nourishment, bank stabilization, or construction or removal of dams must file with the state for review and approval.

Floodplains and Flood Hazard Areas

Flood areas are those areas designated by FEMA to be susceptible to overflow of streams during 100-year flood events (those having a 1% or greater chance of happening in a given year). In South Hadley, these lie close to the Connecticut River, along lower Buttery Brook, and along the length of Stony Brook and Batchelor Brook. Existing development in floodplains should purchase flood insurance to limit financial exposure (mortgage companies usually require flood insurance purchases), which can be costly. New construction is often limited or faces expensive methods of raising enclosed buildings above the flood level.

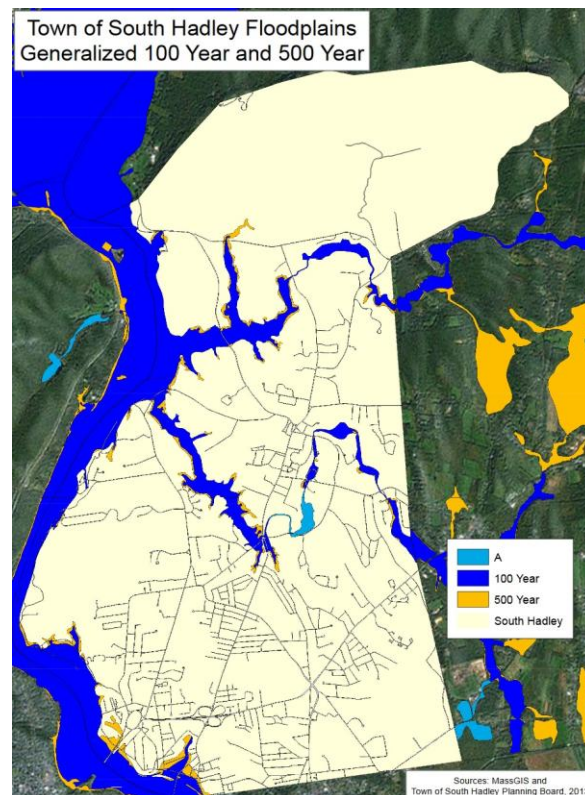
Water Supply Overlay District

The Town has established a water supply overlay zoning district to protect surface and groundwater resources from land uses and building practices which may reduce the quality and quantity of water resources. The district overlays the northern third of town, and limits residential density to 10,000 square feet of lot area per bedroom or 40,000 square feet, whichever is greater, where it is not serviced by public sewerage.

Protected lands

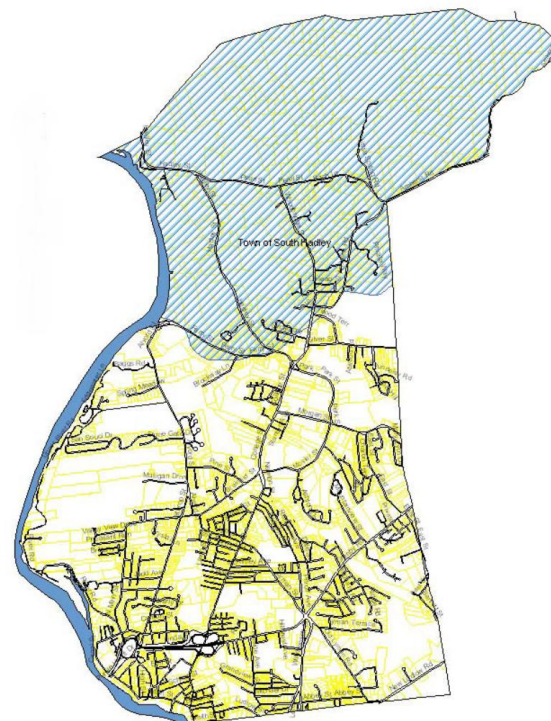
South Hadley contains several conservation areas aimed at protecting land from

Flood Hazard Areas



Source: FEMA

Water Supply Protection Overlay District Boundary



Source: Town of South Hadley.

development for recreation, agriculture, water supply, and wildlife. The largest of these areas is comprised of Skinner and Holyoke Range State Parks in the north, which are controlled by the Mass. Department of Conservation and Recreation. Other significant conservation areas include Batchelor Brook Resource Area, Black Stevens Conservation Area, Bagg-Pierce Wildlife Sanctuary, and Bynan Conservation Area.

South Hadley Conservation Areas

1. Bachelor-Stony Brook Conservation Area
2. Bynan Conservation Area
3. Bagg-Pierce Wildlife Sanctuary
4. Warner Conservation Area
5. Titus Pond Conservation Area
6. Carver Conservation Area
7. Jones Conservation Area
8. Newton Conservation Area
9. LeBlanc Conservation Area
10. Mount Holyoke Range Conservation Areas
11. Trompke/Stony Brook Conservation Area
12. Hawkins Bird Sanctuary
13. Gormally Conservation Area
14. Popp Conservation Area
15. Black Stevens Conservation Area
16. Bachelor Brook (East)

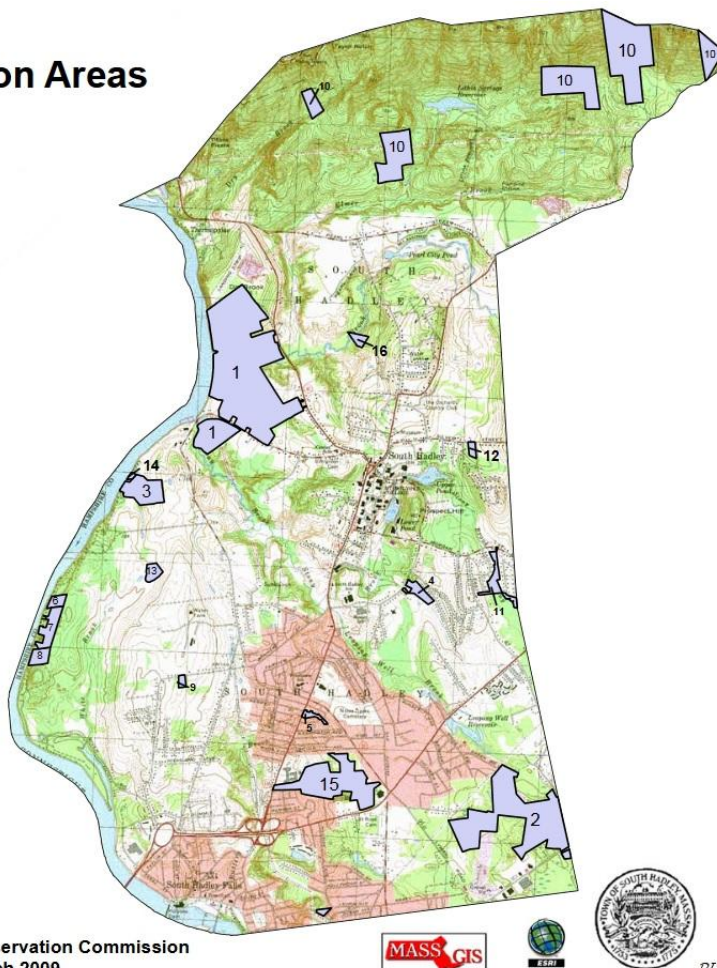
0 3,000 6,000 12,000 Feet

1 in = 4,917 ft



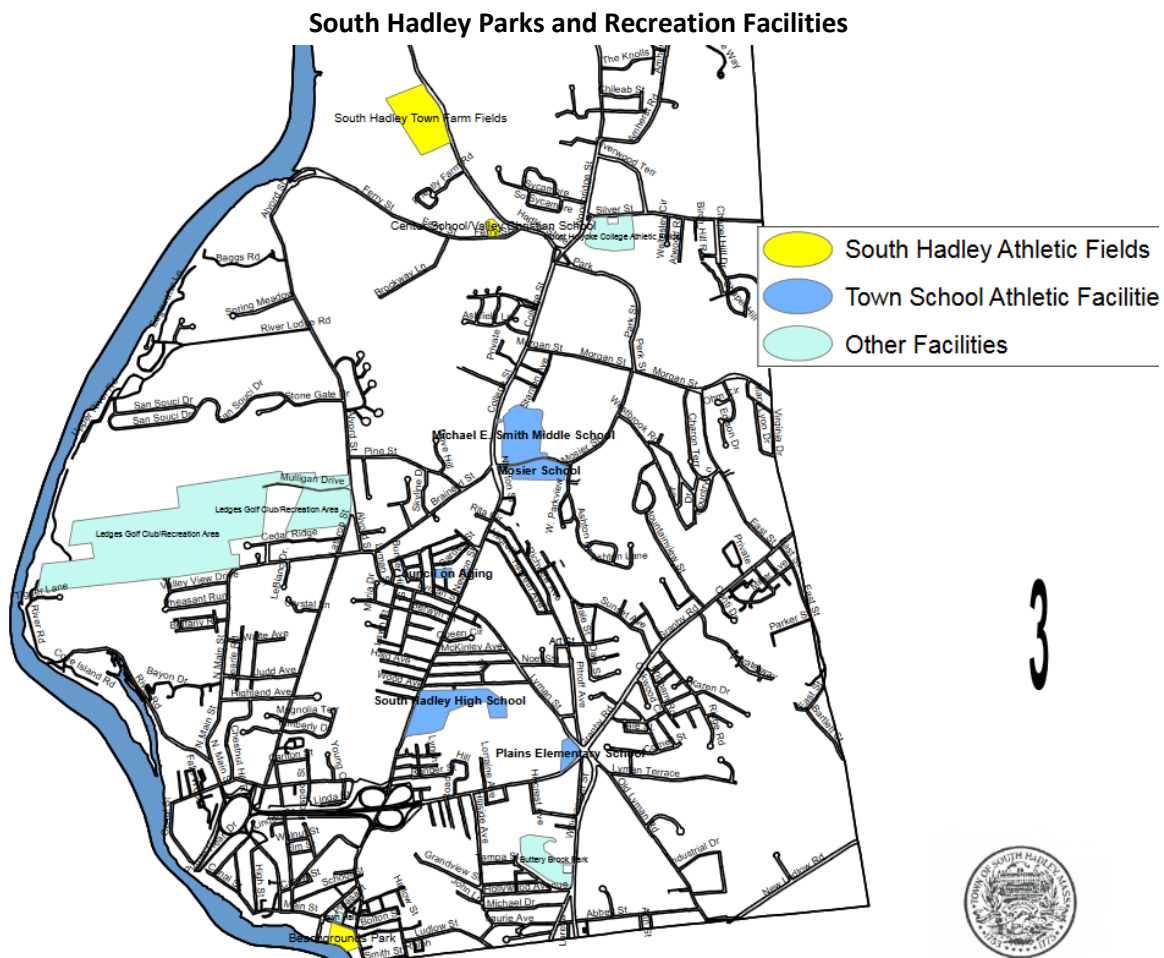
GIS Data Sources:
SH Conservation Commission
Mass GIS

South Hadley Conservation Commission
March 2009



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In addition to public-controlled conservation land, the Town controls several large parcels for recreation uses, including the town-owned Ledges Golf Course and several school playing fields. Beyond these properties, several large agricultural properties have sold development rights under the state's Agricultural Preservation Restriction (APR) program. These sites include McCrays Farm (2 parcels, 232 acres total) along River Lodge Road and Alvord Street and Cournoyer Farm on Alvord Street.



Source: South Hadley Recreation Department.

Transportation Systems

The major thoroughfares in South Hadley are US Route 202 and State Routes 116, 47, and 33. Two bridges (US 202 and Route 116) connect South Hadley to Holyoke, and only two roads (Rt 47 and 116) connect South Hadley to Hadley and Amherst to the north. All of these roads carry commuter traffic from town as well as from neighboring communities. Capacity exists to support additional residential development, however certain intersections may require improvements depending on projected traffic impacts. As a general rule, increasing housing in existing walkable mixed-use locations will produce lower impacts than removed, single-use development, but even then design of new development is critical for inducing non-auto trips.

The spine of South Hadley along Route 116, including Village Commons, the 33/116 intersection, and South Hadley Falls is well-served by Pioneer Valley Transit Authority routes that connect to major centers and universities outside town. Service off this main route is not frequent if it exists at all.

- *Tiger Trolley*. Village Commons to Holyoke Transportation Center via Woodlawn Plaza, Big Y, and South Hadley Falls.
- *R-29*. Amherst to Holyoke Mall via SR 116, serving UMass, Amherst College, Hampshire College, Mount Holyoke College, and downtown Holyoke.
- *X-90*. Holyoke and South Hadley Falls to Chicopee, Springfield, and Easthampton.
- *Route 38*. Amherst to Mount Holyoke College.
- *Route 39*. Northampton to Mount Holyoke College, via Hampshire College.

South Hadley is actively planning for bicycle and pedestrian improvements, seeking to create a connected system of bicycle infrastructure across the town.

Water and Sewer Infrastructure

South Hadley has two public water systems and a public sewer system. However, these do not service the northern third of town, where much of the undeveloped land of the town remains. Connecting this area would be prohibitively expensive, and thus residential development in this area will be limited in density by septic regulations as well as the Water Protection Overlay bylaw.

Considered together, environmental constraints, conserved land, and infrastructure limitations removes most of the “green field” development sites of South Hadley from potential residential development. The remaining unconstrained and undeveloped land consists of small infill sites, and a few larger agricultural parcels west of Alvord Street. These alone are not likely to supply the town with enough affordable housing units to meet the 10% contribution under MGL Chapter 40B. In addition, the town will need to rely on infill development and redevelopment of under-used sites. A look at the town’s land use regulations helps show where this is currently possible.

3.4 Land Use Regulations

Zoning has a huge influence on housing development patterns, housing variety and choices, and thus housing affordability. Zoning regulations substantially determine the location, size, and type of housing in a community, which, in turn, has a substantial influence on housing cost. South Hadley’s zoning bylaw varies regarding the permissibility of residential uses:

- Single-family housing is allowed by right in all residential districts, in the Agricultural District, and in the Business A and B Districts.
- Conversion from single-family to two-family is permitted in Residence B and Business A and B Districts by right, but requires a special permit in the Residence A-2 and Agriculture Districts.
- Multi-family dwellings are allowed by right in Residence B (two-family) and Residence C (three-family) but only by special permit in all other residential and in the Business A and B districts.
- Residential uses (single-family, two-family, three-family, and multi-family) are allowed in the Business C District, but only by special permit, and then only as part of a mixed-use project.
- Continuing care retirement developments are only allowed in Residential A-2, and only by special permit.

South Hadley Zoning Use Table – Residential Uses

	Agric.	Residential Districts				Business Districts			
		A-1	A-2	B	C	A-1	A	B	C
Single-family dwelling	Y	Y	Y	Y	Y	N	Y	Y	SP*
Conversion of single-family to two-family	SP	N	SP	Y	N	N	Y	Y	N
Two-family dwelling	N	SP	SP	Y	N	N	SP	SP	N
Three-family dwelling	N	SP	SP	SPR	Y	N	SP	SP	N
Multi-family dwelling	N	SP	SP	SP	SPR	SP	SP	SP	SP*
More than one building for dwelling purposes	N	SP	SP	SP	SPR	SP	SP	SP	SP*
Continuing Care Retirement	N	N	SP	N	N	N	N	N	N
Flexible Residential Development	SP	SP	SP	SP	SP	N	N	N	N

Y = Permitted; N = Prohibited; SPR = requires Site Plan Review; SP = requires Special Permit

** only as part of a mixed-use development.*

South Hadley Dimensional Standards

	Agric.	Residential Districts			
		A-1	A-2	B	C
Minimum Lot Area	30,000	22,500(b)	12,500(b)	7,500(c)	87,120(c)
Minimum Lot Frontage	150	125	100	75	-
Max. Bldg. Coverage	30%	30%	40%	40%	20%
Max Impervious Coverage	50%	60%	65%	70%	50%
Setback - Front	40(a)	40(a)	25(a)	15(a)	30
Setback - Side	20	20	10	10 (d)	50
Setback - Rear	25	25	20	20	50
Max Height (Stories/Feet)	3/35	3/35	3/35	3/45	3/35

(a) may vary by context.

(b) special permit uses need 87,120sf and other larger dimensional reqs.

(c) 3000sf per unit + 300sf per bedroom.

(d) lower for 1-2 story buildings, 50ft for special permit uses.

South Hadley's dimensional standards also vary widely, especially for multi-family developments. In particular, special permit uses in Residence A-1 and A-2 (namely, multi-family developments with 2+ units and flex developments) require two acres of lot area. Residence B, which covers the older and denser part of town, requires 3000 sf per unit PLUS 300 sf of lot area, which can quickly add up, making infill development of multi-family uses difficult or impossible.

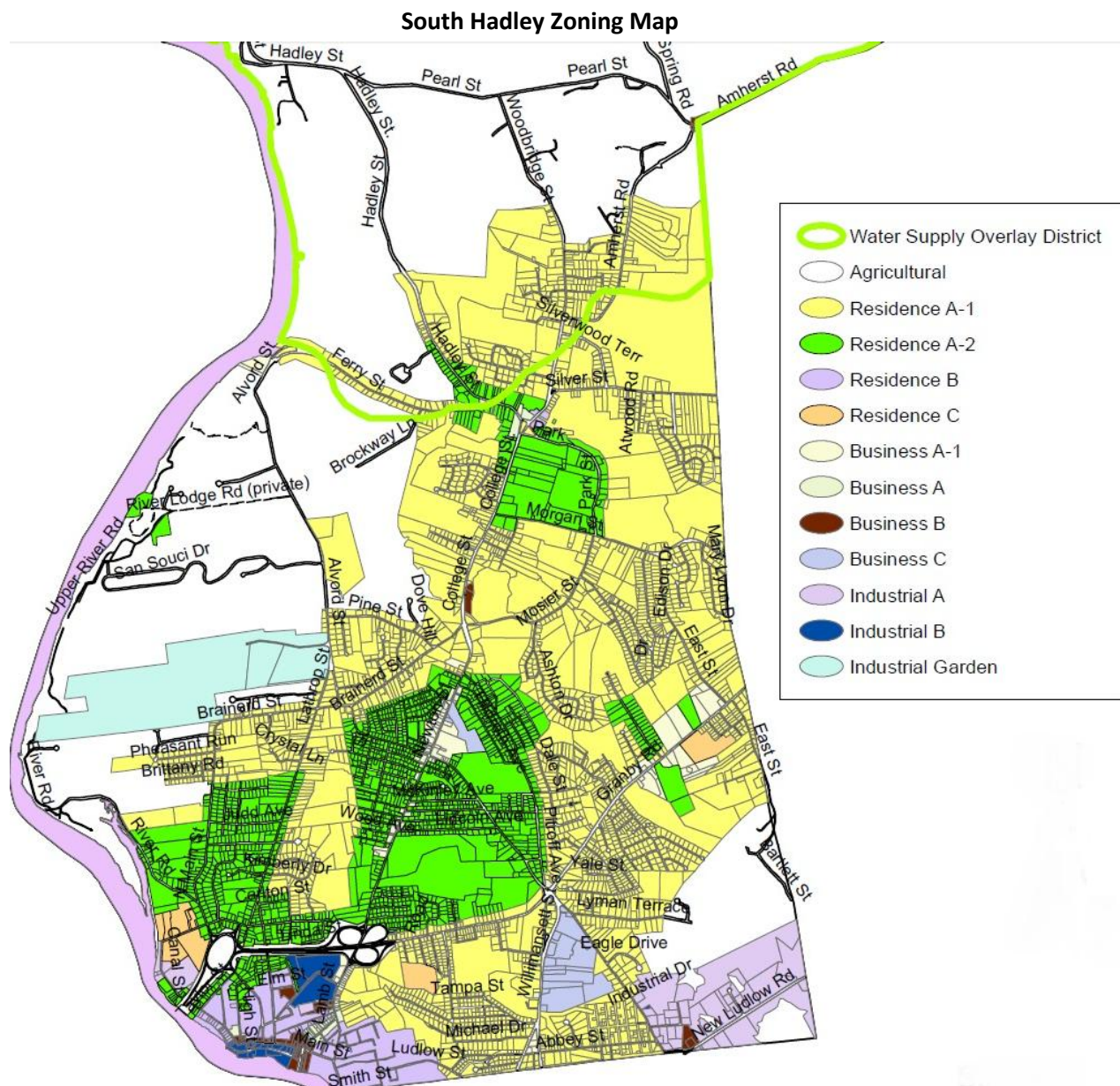
In particular, by allowing residential uses in the Business A and Business B zoning districts, the Zoning Bylaw could encourage mixed-use developments. However, the bylaw requires any development in these two districts which has residential uses to comply with the more stringent Residence B zoning district's dimensional limits. This imposition of more stringent standards could discourage mixed-use developments – reimagining zoning regulations for underperforming commercial locations could help these sites accommodate more housing, affordable or otherwise. Ensuring that redevelopment of these sites follows design guidelines to produce truly pedestrian and mixed-use developments will help lessen the impact of densification while allowing the market to meet a growing demand for this type of housing.

South Hadley has a more innovative design option in its Flexible Residential Development, which allows for units to be clustered on smaller lots while preserving the remainder of lot as open space or farmland. The ordinance also allows density bonuses for increased land conservation and a 25% unit bonus for providing 25% affordable housing units, while allowing waivers of normal infrastructure design standards. Unfortunately – and this is common in communities with similar provisions – flex development is the more arduous process, requiring a special permit and complex design work. Many developers would prefer to dependably build large lot houses and avoid the uncertain flex provisions. Switching this, so that flex development is permitted by-right and underlying large lot development requires a special permit may fix this problem.

Another innovative feature is South Hadley's recent addition of a South Hadley Falls Smart Growth District, which follows DHCD's policies under MGL Chapter 40R. Nominally, it encourages small lot, multi-family, and mixed uses within historic South Hadley Falls, with density bonuses, many by-right uses, parking exemptions, and adaptable standards for conversion of existing buildings. Moreover, it requires affordable housing – 20% of sales units, 25% of rental units. This was a big leap forward for the Town. While it is too early to know how successful the ordinance will be in creating affordable units, it might provide a model for other opportunity locations in town.

Of note is the Legislature's recent (Fall 2016) approval of amendments to Chapter 40R that encourage smaller single family homes. The amendments allow communities to take advantage of the financial incentives offered by the state through that law to facilitate the production of "starter" homes (1,850 sf maximum) on smaller lots (1/4 acre maximum) that are affordable to entry-level buyers of average means (20 percent of the units must be set aside for sale to households earning no more than 100 percent of area median income). As is the case under Chapter 40R, communities would receive zoning incentive payments ranging from \$10,000 to \$600,000, depending on the size of the "starter home" zoning district, as well as housing production payments of \$3,000 for each unit of housing built. This could be a useful tool in several areas of town with infill development sites – South Hadley planners should pay attention as DHCD creates regulations to implement these amendments in the coming months.

As for other affordable housing zoning provisions, many towns have found accessory dwelling units (a unit created within or on the property of an existing single-family dwelling) useful for creating subsidy-less affordable housing, especially for aging family members or adult children to remain living close to family. These also give homeowners a source of rental income, helping to make existing housing more affordable. Specific standards can be applied for size, unit design, location, ownership, and parking beyond those current by-law standards. If deed-restricted with defined terms of affordability, accessory apartments can also count towards the SHI. Accessory apartments often have their own entryways and bathrooms and may or may not have their own cooking facilities. There are no provisions in the South Hadley Zoning Bylaw for accessory dwelling units, beyond conversion of a single-family dwelling to a two-family.



Historic Preservation

The relatively older building stock in South Hadley increases the relevance of preservation considerations, such as demolition or renovation of homes. The town has two historic districts: Woodbridge Street Historic District (66 acres) and the South Hadley Canal Historic District (171 acres) which were established to recognize the contributions of these areas to local history. In addition, the campus of Mount Holyoke College is eligible for designation as a historic district, and another 203 individual properties have been inventoried for potential designation. However, the Historical Commission's role is advisory and not regulatory. Considering this fact, with the relatively innocuous locations of designated districts, it is not likely that preservation regulations will have a large impact on future residential development.

4. HOUSING ACTION PLAN

This chapter presents an Action Plan to advance the general goal of increasing the number of safe, high quality housing options in South Hadley that are affordable to people of all income levels. While a variety of measures that are beneficial to the local housing market are offered, this Action Plan focuses on steps that are intended to help increase the number of Hatfield homes that are listed on DHCD's Subsidized Housing Inventory (SHI) from to at least 10.0%, the target threshold of MGL Chapter 40B. The chapter reviews the key findings of the Housing Production Plan (HPP) and lays out the broader housing production goals, followed by an analysis of potential locations for new affordable housing development, and then specific actions aimed at achieving the housing goals.

4.1 Key Findings

Key findings taken from the housing needs assessment in Chapter 2, housing development conditions analysis of Chapter 3, and public input include:

- There is a need to preserve housing stock in the community that was built prior to 1960 because these units make up the bulk of non-SHI affordable housing in town and are able to house targeted populations while maintaining community character.
- Medium and large-lot single family sales housing is plentiful in South Hadley and meets current demand. Available land for new sales housing in appropriate zones can meet anticipated demand.
- Condo construction has increased recently, but demand for low-maintenance housing will likely increase.
- Market-rate rental housing is not adequate for current demand, which is increasing.
- Prices for new construction are well beyond the means of households median-priced home or condominium is priced beyond the level of affordability for households earning 80 percent and 100 percent of the median household income for South Hadley.
- There is a long waiting list for South Hadley Housing Authority owned and managed housing complexes. The need for subsidized affordable housing, especially for Very-Low Income and Extremely-Low Income households, is not met and is likely to grow.
- Populations whose housing needs are not being met in South Hadley, and where opportunities for new development exist over the next decade or two, include:
 - Smaller and lower-maintenance housing for downsizing empty nesters and retirees, close to services and social connections.
 - Assisted living housing for elderly residents, especially low-income seniors, as this population expands.
 - Young single adults, young couples, and young families, especially as rental units, particularly in walkable mixed-use areas.

- Low and moderate-income families and households, especially those with steady employment and social ties looking to become first-time homebuyers.
- Infrastructure capacity exists to support new housing, but environmental constraints limit the amount of undeveloped land available. Increasingly, new housing will need to look for redevelopment and infill sites.
- Zoning controls could be tweaked to improve housing development conditions, especially for multi-family uses, cluster developments, accessory apartments, and mixed-use redevelopment.
- An entity that can manage planning and development of housing in the Town is needed.

3.5 Potential Locations for Affordable Housing

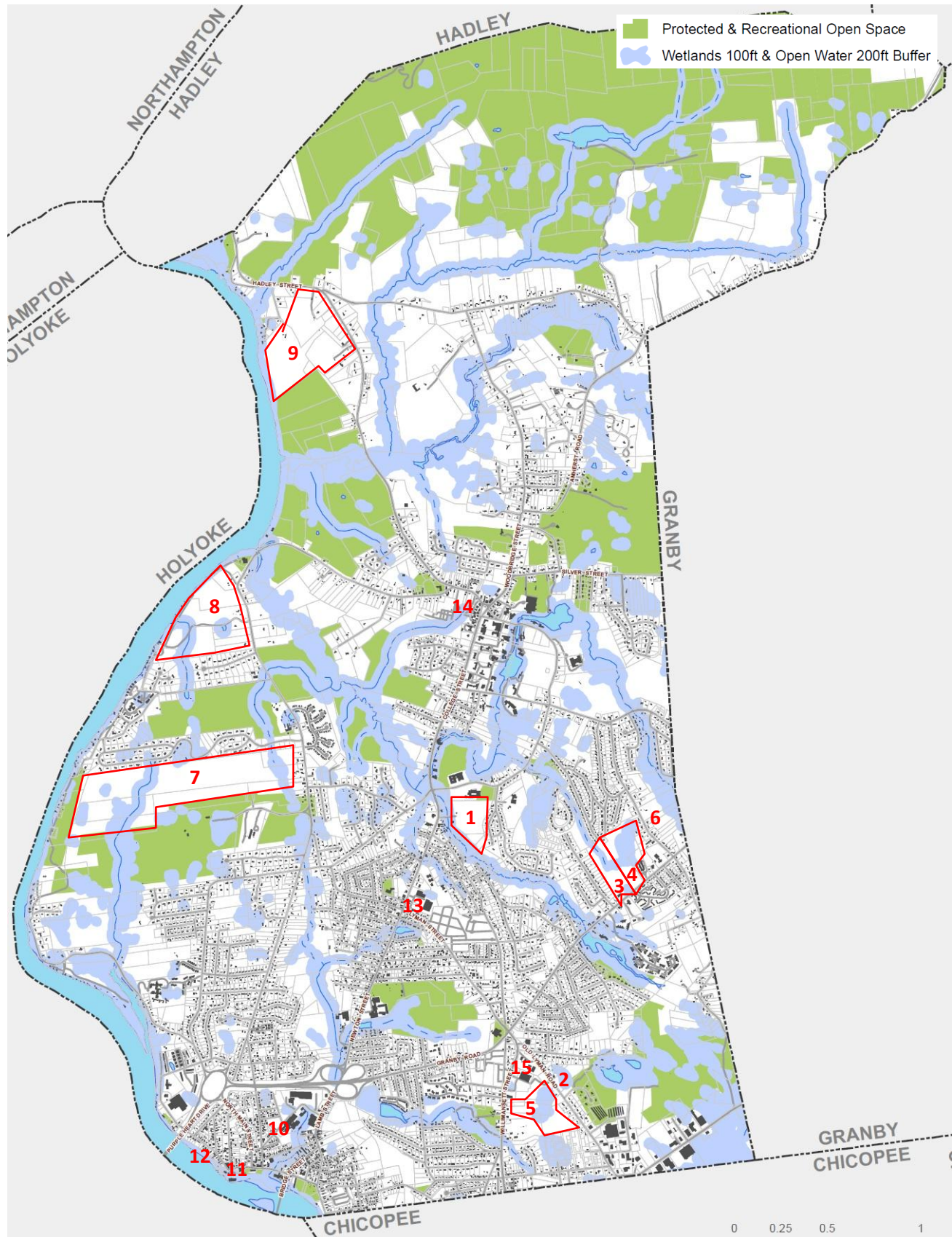
One important function of a Housing Production Plan is to identify sites considered appropriate for future housing development. South Hadley's 2010 Master Plan created a list of sites which forms the basis of this section, which was reviewed and expanded by the HPP committee.

New Development Opportunities

Sites that support new housing development on substantially undeveloped land include:

1. *"Toth" property.* This site is 22.1 acres and located behind the Mosier Elementary School off Mosier Street and the Newton Manor elderly housing off Newton Street. Recently acquired by the Town under Chapter 61A. A considerable portion of the property is in either wetlands or subject to the Rivers Act. However, the School Department has determined there is sufficient "upland" to develop a new elementary school on a portion of the property nearest Mosier Elementary. The Housing Authority has expressed interest in using a small portion of the property behind Newton Manor for some additional housing. The property is zoned Residence A-1 which allows multiple family dwellings under a Special Permit process.
2. *"SHELD" property.* This site is 7.51 acres and located on the east side of Old Lyman Road. The South Hadley Electric Light Department owns the property. The property is zoned Residence A-1 which may allow multiple-family dwellings under a Special Permit process. At their meeting in April 2010, the SHELD Commissioners voted to pursue development of this property for their new office/warehouse facility. If this project proceeds as envisioned, the property will be developed within the next 2-3 years and will be unavailable for housing development. But, such a move could make the existing facility site available for housing (see discussion under "Redevelopment Opportunities" below).
3. *"Polish American Club" property.* This site is 19.86 acres and located on the north side of Granby Road (Route 202). Currently, the site is in private ownership – the Polish American Club; but it has been offered for sale. While partially developed on the southern half of the property with the Polish American Club facility, the balance of the property is vacant, but has a considerable amount of wetlands. Such environmental conditions would limit development opportunities and

Potential Locations for Affordable Housing



require careful site analysis. The property has a split zoning designation with approximately half zoned Residence A-1 (to the rear of the property) and the balance zoned Business A-1. The Residence A-1 designation allows multiple family dwellings with an approved Special Permit while the Business A-1 designation does not allow any residential use.

4. *“Hospital” property.* Owned by Holyoke Hospital, Inc., this site is 24.70 acres and located on the north side of Granby Road (Route 202) adjacent to the Polish American Club. Similar to the Polish American Club site, this parcel also has a considerable amount of wetlands, but is not developed in any manner. The property has a split-zoning designation with less than half zoned Residence A-1 (to the rear of the property) and the balance zoned Business A-1. The Residence A-1 designation allows multiple-family dwellings under a Special Permit process while the Business A-1 designation does not allow any residential use.
5. *“South Hadley Square and environs” property.* This site is approximately 23.8 acres and has primary access off Willimansett Street (Route 33) with additional frontage on Old Lyman Road. Several outparcels with frontage on Willimansett Street were created. Two of these outparcels have been developed with office and bank buildings. All of the property is in private ownership; however, all of the parcels are not in the same ownership. Approximately 95 percent of the property is zoned Business C which allows residential use as part of a mixed-use development under a Special Permit process. The balance, a small tract fronting on Old Lyman Road, is zoned Residence A-1 which allows multiple family dwellings under a Special Permit process. Most of the property has been previously developed for South Hadley Square. A small portion of the property appears to have wetlands located thereon.
6. *“East Street” property.* This tax-title site, a former farm, has approximately 12 acres of land and is currently vacant, except for one house and barns. The Selectboard, at the request of the Housing Authority, is retaining the property as a potential site for affordable housing. With funding from MassDevelopment, the Town has had a subsurface environmental assessment completed. While no subsurface issues were identified, the consultant did identify some above ground issues which the Town is cleaning up. Further technical assistance is needed to evaluate the potential for this site to be redeveloped for affordable housing.
7. *“Alvord Street” Farm property.* While many community members do not want to see this large area of farmland on the bucolic west side of town developed, the collection of parcels does have road, water, and sewer infrastructure and is likely to be sold for standard large-lot tract housing unless the development rights are purchased. A back-of-napkin analysis suggests its Agriculture Zoning would allow up to 160 potential units while respecting wetlands and other constraints. Zoning changes should be put in place to promote clustered development of these units and perhaps require a percentage of affordable units, just in case the property cannot be conserved.
8. *“Marina” farmland.* Similar to #7 above, anywhere between 50 and 70 acres of developable land exists across several parcels below the marina, and a quick analysis shows the site potentially supporting up to 60 units under its Agricultural zoning.

9. *“Hadley Street” open space.* This unprotected 100 acres of land across several parcels (and owners) could potentially yield up to 90 houses, though the site is well beyond sewer infrastructure so any construction would face septic rules or expensive connections.

Redevelopment Opportunities. South Hadley has several sites with opportunities to develop new affordable housing through redevelopment projects.

10. *“School Street” property.* This site is very small (0.19 acres) and is occupied by a duplex that is in need of rehabilitation. Recently, the Town received a CDBG award to rehabilitate the duplex and the Housing Authority has agreed to manage the property, once the rehabilitation is complete, as affordable housing. Because it is a municipally-owned property, rehabilitation costs may be substantial, unless the Town solicits proposals from private, nonprofit groups to undertake the work with the CDBG funding.
11. *“Northeast Utilities” property.* This site is a 0.96-acre tract located at the junction of Canal Street, Main Street, and High Street and is developed with a 20,000 square foot vacant industrial building. Northeast Utilities owns this property and another property on the opposite side of Main Street. The Town is considering acquisition of both properties with the other property being redeveloped for either a new library or commercial development. Zoned Industrial A, this property would need to be rezoned to allow residential use.
12. *“Municipal library” property.* The Town is planning to either expand the existing library or build a new library on a new site. If the Town builds a new library, the location of this existing facility suggests that conversion to apartments would support the community’s objectives regarding revitalization of the Falls area and historic preservation while also being compatible with the neighborhood. At approximately 8,000 square feet, the building may be appropriate for a small apartment building serving one and two person households. Zoned Residence B, multi-family (over three dwellings) conversion would require approval by Special Permit.
13. *“Woodlawn Shopade” property.* This 10 acres commercial plaza is severely underused following the loss of its anchor grocery. The site is at the center of a fairly dense residential neighborhood centered around the 116/33 intersection, and has access to both roads and frequent transit service. It is zoned Business A-1, but with zoning changes, could support a walkable mixed use “village center” concept similar to Village Commons.
14. *“Village Commons II.”* Village Commons is a successful example of mixed-use retail/office/residential development that forms a town center for the Mount Holyoke area of town. Land behind the development, currently used as surface parking lots, could provide room for a second phase and provide housing units in this sought-after walkable village location.
15. *“Big Y Plaza.”* The recent Big Y development and several smaller parcels to the north total approximately 22 acres of land in a prime location between Rt 33 and Old Lyman Road, close to Route 202. The site is currently zoned Business C, and so could be developed as a mixed-use village center style development, though a mix of owners and the relative youth of the Big Y building add challenges.

These sites warrant further exploration for potential development for housing. Given the current status of these sites, housing development would be several years away from fruition. However, the Town should continue any ongoing discussions to determine future options, which at a minimum could include preparing concept development plans that meet specific housing needs.

4.2 Affordable Housing Production Goals and Actions

Housing goals provide the broad framework for development of South Hadley's residential areas while meeting the Town's affordable housing needs. The following goals arise from the goals developed during the Comprehensive Plan effort of 2010, which involved robust public input and discussion. These goals are reaffirmed by the Housing Production Plan steering committee:

Goal 1: Management and planning of housing development.

Goal 2: Diverse housing that contributes to community character.

Goal 3: Affordable housing as 10% of year-round building stock.

Goal 4: Fair access to safe, functional, and affordable housing.

Each goal is described in more detail in the following pages, along with recommended actions, priority rankings, and estimated timelines.

GOAL 1**MANAGEMENT AND PLANNING OF HOUSING DEVELOPMENT.**

A key recommendation of the 2010 Master Plan was the creation of a municipal housing trust or housing partnership to oversee planning and management of affordable housing. Town Meeting subsequently approved a Housing Trust and in 2015, the Select Board appointed the relatively newly-created South Hadley Redevelopment Authority to act as the Housing Trust. These moves should be applauded and taken as a sign that the Town is serious about addressing housing issues.

However, there is some concern over whether the Redevelopment Authority alone is the best entity to concentrate on housing. For one, the Redevelopment Authority's main geographic focus is on the South Hadley Falls area, and their proposed Urban Renewal Area is centered on the Falls. Second, typical redevelopment goals may not always be compatible with housing goals when it comes to facilitating new development. Lastly, the Redevelopment Authority is a relatively young organization and may lack the resources to focus on town-wide housing goals.

Instead, the Steering Committee recommends widening the Housing Trust into a partnership between the Redevelopment Authority and other land use, housing, and planning entities in South Hadley and the region. Ideally, the partnership would involve representatives from the Redevelopment Authority, Housing Authority, Planning Board, Select Board, Town Administrator, and area housing developers such as HAPHousing and WestMass Eldercare. Since many towns in the nearby area face similar housing issues, this group might be expanded to include, or at least work in concert with, existing housing entities serving surrounding towns.

Funding the Housing Trust/Partnership will be a critical task. Potential funding sources include the 40R districts' incentive payments and per-unit fees, sale of property liens, developer payments from an inclusionary zoning bylaw, CPA funds, Community Development Block Grant (CDBG), and other state or federal grants.

Goal 1 Recommended Actions:

Action 1.1	Create a Housing Partnership to serve as the advocate for private-public affordable housing development.	Priority (H,M,L)	Time (years)
1.1.1	Form a Housing Partnership, inviting representatives from the Redevelopment Authority, Housing Authority, Planning Board, Select Board, Town Administrator, and area housing developers such as HAPHousing and WestMass Eldercare.	H	1-2
1.1.2	Establish rules and roles, a schedule of regular meeting dates, and develop full list of the entity's roles and responsibilities.	H	1-2

Action 1.2	Maintain an up-to-date Housing Assessment and Housing Production Plan.		
1.2.1	Annually evaluate progress toward achieving the Housing Production Plan objectives.	L	5+
1.2.2	Integrate the periodic updating of GIS databases and census data regarding housing.	L	5+
1.2.3	Update the Housing Production Plan every 5 years or as needed.	L	5+
Action 1.3	Develop funding sources for planning and development of affordable housing.		
1.3.1	Identify and pursue financial resources to be used to leverage state, federal, and private funding of affordable housing development.	H	1-2
1.3.2	Create partnerships with area institutions to collaborate on formation of resource pools to develop affordable housing.	H	1-2
1.3.3	Reconsider adopting the Community Preservation Act, as at least 10% of surcharge must be used for affordable housing programs.	H	1-2
1.3.4	Assist South Hadley Housing Authority in grant-writing and matching fund provision, to upgrade and expand existing public housing.	M	3-4
1.3.5	Identify partners for development of specialty housing, such as veterans or disability housing.	M	3-4

GOAL 2**DIVERSE HOUSING THAT CONTRIBUTES TO COMMUNITY CHARACTER.**

As the housing needs assessment shows, South Hadley has a range of housing stock, but there are opportunities to diversify it further to meet growing portions of the population. Moreover, affordability is a growing problem, especially within new-build projects. The following actions seek to grow a more diverse and affordable housing stock that contributes and doesn't harm existing neighborhoods. The four organizing actions are correlated to the various geographies created by the zoning bylaw and housing issues found in each: large lot single family districts, existing residential districts, mixed-use village centers. In addition, town-wide actions relating to accessory units are offered.

Goal 2 Recommended Actions:

Action 2.1	Encourage diverse and more affordable development in large-lot zoning districts.	Priority (H,M,L)	Time (years)
2.1.1	Revise the zoning use table to make flex open space/cluster design a by-right use with site plan review in Agriculture and Residence A-1 districts. Require a special permit for standard large-lot subdivisions and developments.	M	3-4
2.1.2	Accommodate flexible design and encourage development to meet different markets / price points, by allowing a mix of building typologies in large-lot zoning districts, including SF, Duplex, Townhouse, and garden apartments.	M	3-4
2.1.3	Adopt guidelines that encourage landscaping, site layout, building typology, and open space designs that maintain the rural and semi-rural character of the large-lot zones.	H	1-2
Action 2.2	Encourage infill development in denser residential zoning districts.		
2.2.1	Lower lot area, frontage, and setback requirements in Residence A-2 and B districts to reflect the existing dimensions found in these districts, to allow infill development of vacant or oversized lots.	M	3-4
2.2.2	Consider new "starter home" smart growth district(s) to encourage small house, small lot construction under recent 40R amendments.	M	3-4
2.2.3	Amend bylaws and create incentives to encourage conversion of unused upper-stories of commercial buildings into rental housing.	L	5+

Action 2.3	Encourage mixed-use development at commercial nodes.		
2.3.1	Amend Zoning so mixed use developments are a by-right use in all Business districts. Consider creating a 40R or Compact Neighborhood District for future mixed-use nodes.	M	3-4
2.3.2	Establish flexible standards for mixed-use developments to ensure integrated and walkable designs with a variety of building types, live-work spaces, common open space, shared parking, and other appropriate features.	H	1-2
2.3.3	Provide density, parking reduction, and other incentives for the integration of affordable housing into mixed use development.	H	1-2
2.3.4	Modify the Town's Economic Development Incentive Program (EDIP) criteria to give preferences to commercial developments which incorporate housing.	L	5+
2.3.5	Consider financial incentives (loan guarantees, Tax Agreements, TIF, etc.) to encourage rental housing in mixed-use developments if market is weak.	L	5+
Action 2.4	Expand accessory dwelling unit opportunities.		
2.4.1	Revise zoning use table to allow accessory dwelling units in Agriculture and Residence districts, perhaps conditional on inclusion on the SHI.	L	5+
2.4.2	Develop design standards for accessory dwelling units to ensure neighborhood character is protected.	L	5+

GOAL 3**AFFORDABLE HOUSING AS 10% OF YEAR-ROUND BUILDING STOCK.**

Per M.G.L. Chapter 40B, each municipality is directed to maintain 10% of its year-round housing stock as affordable housing, income restricted by deed for households earning 80% or Area Median Income or less (\$65,800 per year for a family of four in 2015). As of 2014, there were 7,091 year-round housing units in South Hadley, of which 396 units (5.6%) were listed on the SHI. Thus, another 313 SHI-listed housing units are needed to reach the 10% affordable housing goal. This is a moving target since, as more housing units, affordable or otherwise, are built, the 10% amount increases.

To keep steady progress towards the overall goal, DHCD encourages increasing affordable units by 0.5% of total housing stock each year, and documenting the increase in an annual certification of compliance. **For South Hadley, production of at least 35 units of SHI-listed affordable housing production each year is necessary for compliance.** The following actions are recommended to help meet yearly production. They are divided into two organizing groups centered on existing housing units and the creation of new housing units.

Goal 3 Recommended Actions:

Action 3.1	Promote inclusion of existing non-SHI affordable housing onto the Subsidized Housing Inventory.	Priority (H,M,L)	Time (years)
3.1.1	Assign all tax title properties which are deemed unusable for municipal needs to the Housing Partnership / Housing Trust for disposition, rehabilitation, or redevelopment, as SHI-eligible affordable housing. Proceeds from disposition being used by the Trust to further affordable housing initiatives.	M	3-4
3.1.2	Acquire affordability restrictions on privately-controlled SHI-eligible housing units. Conduct long-term cost/benefit analysis of permanent versus minimum restriction periods (15 yrs for rehab building.)	L	5+
3.1.3	Consider requiring SHI-eligible affordability restrictions for receipt of Housing Rehabilitation Program funding for repair and upgrades to existing housing.	H	1-2

Action 3.3	Increase new-build affordable housing.		
3.3.1	Seek to condition any new Comprehensive Permit projects on affordability provisions which run in perpetuity, or provide for the Town to have the right to purchase such units upon the expiration of the affordability protections.	H	1-2
3.3.2	Create zoning incentives (density bonuses, flexible bulk requirements, parking reductions, etc.) for development of affordable housing. This could be done as an expansion of the existing 40R district or by creating additional 40R districts centered at commercial nodes.	H	1-2
3.3.3	Consider adopting a baseline Inclusionary Housing zoning provision which requires SHI-qualified affordable housing as a portion of all new housing developments. A suggested standard is that at least 10% of the units in any development of 10 or more dwellings is deed restricted for affordable housing and listed on the SHI. Provision the Inclusionary Housing such that developers may opt to provide an equivalent monetary contribution to the Housing Partnership/ Housing Trust in lieu of meeting standard.	M	3-4
3.3.4	As municipal buildings (such as, municipal library, SHELD building, and Town Hall) are vacated, evaluate the feasibility of converting them into appropriate, affordable rental housing.	M	3-4
3.3.5	Acquire obsolete commercial/industrial buildings, as appropriate, for redevelopment as affordable housing.	L	5+

GOAL 4**FAIR ACCESS TO SAFE, FUNCTIONAL, AND AFFORDABLE HOUSING.**

Maintenance of older housing is a vital part of keeping safe and functional affordable housing as part of the South Hadley's housing stock. Meanwhile, ensuring that all households have fair access to housing and increasing understanding of rights and responsibilities of tenants, landlords, and real estate transactors falling under the Fair Housing Act of 1968 could be a key role for South Hadley's Housing Partnership /Housing Trust. In addition to promoting legal rights, extending financial assistance for would-be renters and home-buyers helps close the income/cost gap at the heart of affordable housing.

Goal 4 Recommended Actions:

Action 4.1	Ensure existing housing is maintained as safe and functional.		
4.1.1	Enforce maintenance codes on existing housing units to prevent their falling into disrepair.	H	1-2
4.1.2	Continue and expand the existing CDBG-funded Housing Rehabilitation Program to provide feasibility assessments as to rehabilitation of housing units, and grants for necessary repairs, upgrades, and hazard abatement. Consider requiring SHI-eligible affordability restrictions in return for funds.	H	1-2
4.1.3	Work with local lenders to establish a Building Upgrade Loan programs to offer low-interest loans for safety improvements, lead and asbestos abatement, senior and disabled modifications, or perhaps façade improvements.	L	5+
Action 4.2	Increase understanding of fair housing laws and housing discrimination.	Priority (H,M,L)	Time (years)
4.2.1	Have staff, officials and local stakeholders attend Mass Fair Housing Center and HAP Housing trainings on renter and homebuyer rights; landlord right and responsibilities; and common fair housing violations.	H	1-2
4.2.2	Work with the Massachusetts Fair Housing Center to develop simple high school curriculum on housing finance and tenant's rights and responsibilities.	L	5+

Action 4.3	Administer a fair housing resolution process.		
4.3.1	Adopt a Fair Housing Bylaw to require equal access and a local means for resolving allegations of unequal housing and discrimination.	H	1-2
4.3.2	Create a Fair Housing Committee to resolve Fair Housing disputes, possibly as a subcommittee under the proposed Housing Partnership/Housing Trust.	H	1-2
Action 4.4	Foster access to financing to encourage low-income residents to affordably own or rent housing.		
4.4.1	Establish a fund for renters who cannot afford first month, last month, and security deposit.	L	5+
4.4.2	Establish a waiting list of prospective purchasers when properties with affordability riders become available.	L	5+
4.4.3	Working with local lenders, establish a First Time Homebuyers Program which provides assistance to income-eligible prospective homeowners for purchasing a first home.	L	5+
4.4.4	Establish a program of reduced and/or deferred property taxes for first time home buyers and rental developments meeting the Economic Development Incentive Program (EDIP) criteria.	L	5+
4.4.5	Assist residents to meet homeownership costs, including grants or "soft second" loans to reduce mortgage interest rates, provide a down payment, assist with closing costs, HOA fees, utility assistance.	L	5+

APPENDIX

1. Important Terminology
2. Survey Results

A.1. Important Terminology

Accessible Housing

Housing is “accessible” if it has been designed to allow easier access for people who are physically disabled or vision impaired. Federal law requires that a housing provider make reasonable modifications to the design of a structure, such as installation of a ramp into a building or grab bars in a bathroom. Terms that are related to accessible housing include the following:

- Adaptable housing is housing that can be modified to the changing needs of the people living inside it without the need for significant reconstruction. It provides people with a larger opportunity to stay in their own home as their mobility changes due to age or illness.
- Barrier-free Housing is housing that has been designed to accommodate people with mobility restrictions and allow them to navigate through their home. Barrier free characteristics include not requiring the use of stairs and ensuring entryways are wide enough for access by a wheelchair.
- Universal design is the utilization of principles that allow the use of a housing unit or items within a housing unit by as many people as possible. Facilities that incorporate universal design can be used by both people with and without disabilities.
- Visitability, as defined by HUD, is “a very basic level of accessibility that enables persons with disabilities to visit friends, relatives, and neighbors in their homes within a community.” HUD has two design standards for visitability: 1) providing a 32-inch clear opening in all interior and bathroom doorways; and (2) providing at least one accessible means of egress/ingress for each unit. HUD “strongly encourages” incorporation of these standards, in addition to required accessibility design.

Affordable Housing

Housing is considered to be “affordable” if the household pays no more than 30% of its gross annual income on housing. Households who pay more than 30% of their income for housing are considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. This is the generally accepted definition of housing affordability in the planning field and is the definition used by the U.S. Department of Housing and Urban Development's and the Massachusetts Department of Housing and Community Development in the calculation of the Area Median Income and promotion of income-restricted housing (see definitions below).

Area Median Income

The Area Median Income (AMI) is the median family income for the Metropolitan Statistical Area (MSA), which includes all communities in Hampshire and Hampden County. The U.S. Department of Housing and Urban Development (HUD) calculates the AMI annually, based on the American Community Survey's estimated median family income for the MSA. The Springfield AMI in 2011 was \$69,300 and in 2012 was \$70,200.

From the AMI, "income limits" are derived based on family size (e.g. Income limits for a family of one are significantly lower than those for a family of four) and used as the most common benchmark to determine eligibility for federal and state housing programs. The three most commonly used affordable housing benchmarks are:

- Low Income (LI) means no more than 80% of Area Median Income (AMI).
- Very Low Income (VLI) means no more than 50% of AMI
- Extremely Low Income (ELI) is no more than 30% of AMI

Chapter 40B-Comprehensive Permit Law

Massachusetts General Law Chapter 40B, alternatively called "the Comprehensive Permit Law" or the "Anti-Snob Zoning Law", was promulgated in 1969 specifically to address exclusionary zoning practices as well as racial and economic segregation, shortage of decent housing, and inner city decline. The Comprehensive Permit Law allows a limited override of local zoning and other land use regulations in communities where such regulations impede the development of affordable housing and rental housing. The Law sets an affordable housing goal of 10%, or fair share quota or threshold, for all communities. Communities below 10% must allow a streamlined zoning review process for proposed housing developments under the condition that 25% or more of the proposed units are reserved for low or moderate income households.

Entitlement Community

A principal city of a Metropolitan Statistical Area that receives Community Development Block Grant funds directly from the federal Department of Housing and Urban Development (HUD) and not the state. There are five entitlement communities in the Pioneer Valley: Chicopee, Holyoke, Northampton, Springfield, and Westfield.

Fair Housing

Fair housing means having equal and free access to housing regardless of race; color; religion; national origin; sex; age; ancestry; military or veteran status; sexual orientation; gender identity and expression; marital status; familial status; the use of public assistance, housing subsidies or rental assistance; genetic information; victims of domestic abuse; and disability, blindness, deafness, or the need of a service dog. These categories are protected by state and federal law. Examples of policies or programs that restrict equal and free access include zoning and discrimination in the real estate market. People should not face discriminatory housing practices, such as zoning that creates segregation and unfair mortgage lending standards. The Fair Housing Act of 1968 as well as subsequent legislation and related court decisions firmly plants fair housing as a civil right

High Opportunity Areas

Areas that provide high quality or highly desirable employment, educational, recreational, and service opportunities and that tend to be accessible via public transportation systems.

Household

The U.S. Census Bureau defines a "household" as all of the people who occupy a housing unit. There are two types of households: family households and non-family households. People not living in households

are classified as living in group quarters (includes dormitories, prisons, nursing homes, etc.).

A family household consists of a household where a householder and one or more other people living in the same household are related to the householder by birth, marriage, or adoption. A family household may also contain people not related to the householder. In the 2010 Census, same-sex spousal households are included in the category, "same-sex unmarried partner households" but may be either a family or nonfamily household depending on the presence of another person who is related to the householder.

A non-family household consists of a householder living alone or with nonrelatives only, for example, with roommates or an unmarried partner.

Income Restricted Housing

Income- restricted housing is housing that is restricted to individuals and families with low to moderate incomes. These are the people who traditionally have various social and economic obstacles that make it more challenging to find clean, safe and affordable housing. Income-restricted housing typically receives some manner of financial assistance to bring down the cost of owning or renting the unit, usually in the form of a government subsidy. There are two forms of income-restricted housing: public and private. Public housing is managed by a public housing authority, which was established by state law to provide affordable housing for low-income people. Private housing is owned and operated by private owners who receive subsidies or zoning relief in exchange for renting to low- and moderate-income people. Most providers of housing assistance use HUD's Area Median Income (AMI) limit thresholds to determine eligibility for their programs.

Low Opportunity Areas

Areas with limited job opportunities or desirable employment as well as limited educational, recreational, and service opportunities and amenities. Low opportunity areas may have limited access to public transportation systems.

Market rate housing

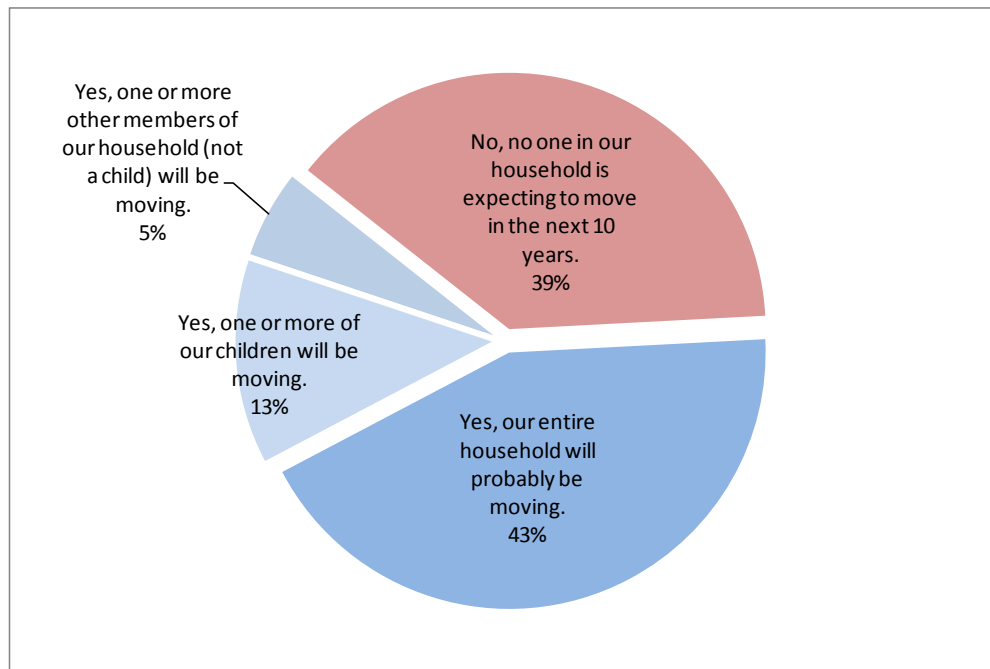
Housing that has rent levels or sale prices that are consistent with the housing market of the surrounding area. Market rate housing includes all housing that is not income-restricted. It includes lower valued housing to higher valued housing. Weak housing markets have market-rate rents or sales prices that are lower than stronger market areas. Market-rate housing may have tenants who pay a portion of their rent with a voucher, such as a Section 8 (this is a housing subsidy in the form of rental assistance that tenants can use to find rental housing in the private market and is paid to a private landlord).

Non-Entitlement Community	A city or town that does not receive Community Development Block Grant funds directly from the federal Department of Housing and Urban Development (HUD). In Massachusetts, the non-entitlement communities apply directly to the Massachusetts Department of Housing and Community Development for CDBG funding. Non-entitlement communities in Massachusetts fall into one of three groups: Mini-Entitlement Community (receive the highest level of state-distributed CDBG funds due to their high statistical indication of need, poverty rate and size), CDF I Community (communities with high statistical indication of need), and CDF II Community (communities that are not eligible for CDF I due to lower statistical need). A full list of the CDBG funding eligibility categories can be found in the Appendix.
Non-family (household)	A non-family household consists of a householder living alone or with nonrelatives only, for example, with roommates or an unmarried partner.
Springfield Metropolitan Statistical Area	The Springfield Metropolitan Statistical Area includes all communities in Hampshire and Hampden County. A "metropolitan statistical area" is a federally designated geographic region with a relatively high population density at its core and close economic ties throughout the region. The United States Office of Management and Budget designates metropolitan statistical areas. The federal government uses this geographic designation for statistical purposes, such as setting the Area Median Income limits for the greater Springfield region.

A.2. 2015 South Hadley Community Housing Survey Results

A total 108 surveys (91 online + 17 paper) were returned and tabulated. Results for each question are reported as percentages of the total number of responses received for each question.

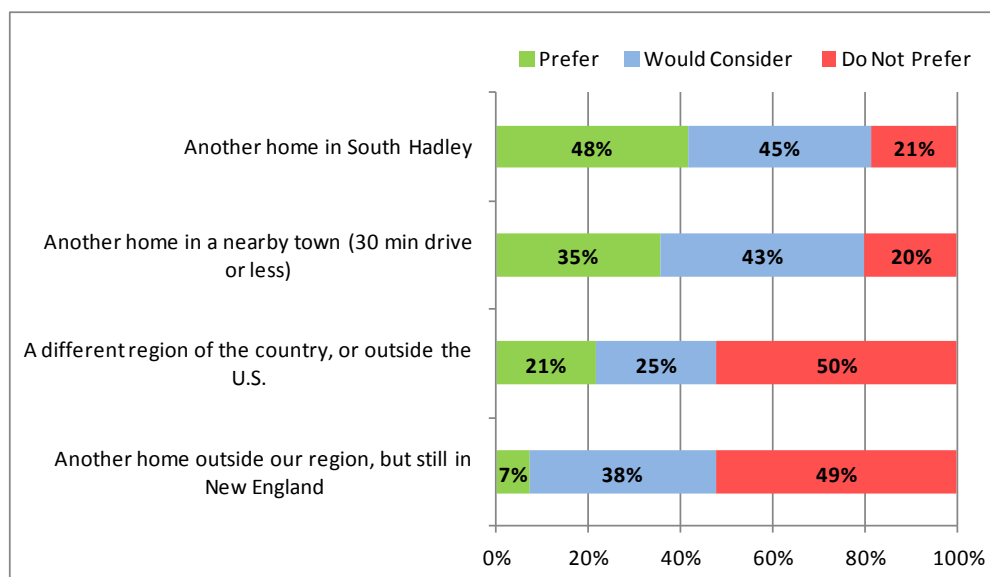
1. Are you or someone in your household likely to move in the next 10 years?



61% of respondents are likely to move, or have a family member move, in the next 10 years.

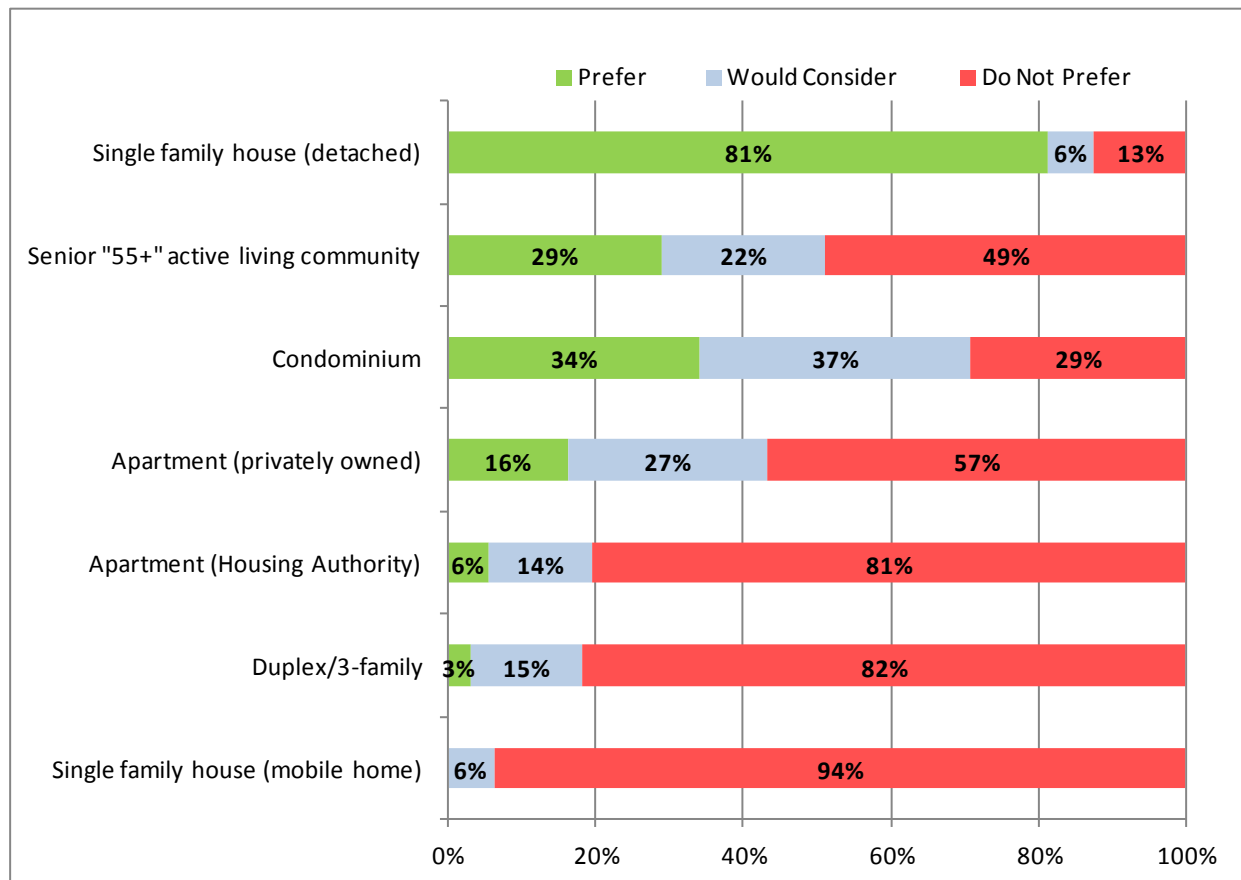
39% of respondents don't expect to move within 10 years.

2. Where will the person (or people) who are going to move probably prefer to live next?



A combined 93% of respondents who said they or a family member will move within 10 years prefer or would consider another home in South Hadley for their next home.

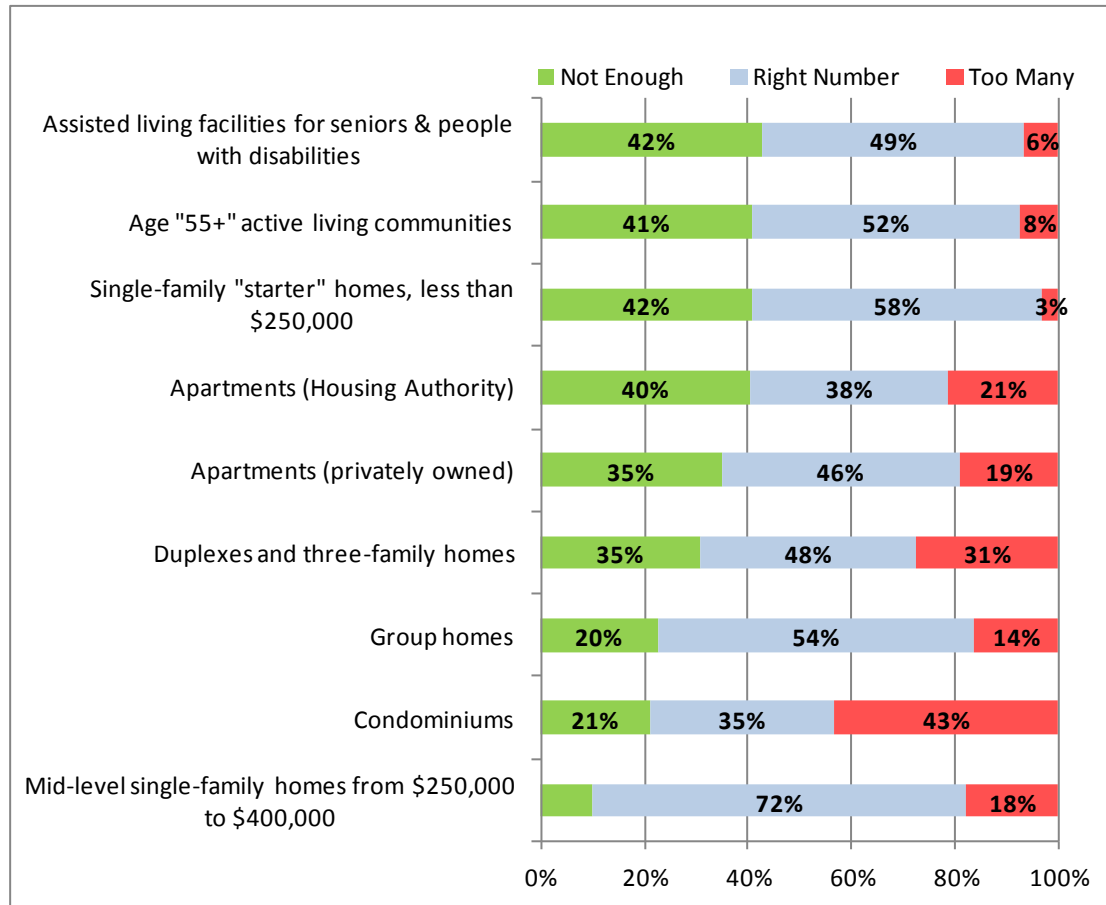
3. What type(s) of home(s) would you or the people who a likely to move prefer for your next home?



A combined 87% of people who are likely to move within the next 10 years prefer or would consider a single family home for themselves or the family member(s) who is/are moving.

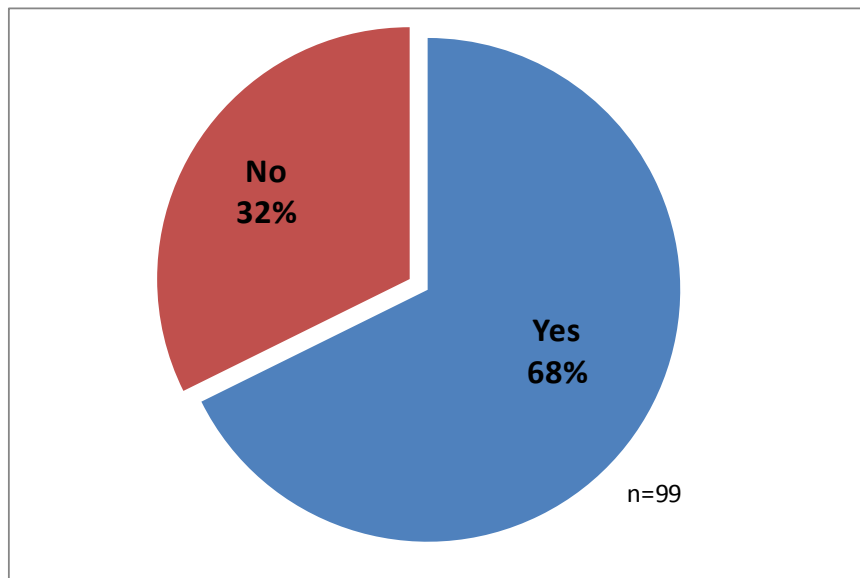
Large majorities of people said (for themselves or their family members) they do not prefer private apartments, Housing Authority properties, duplexes or 3-families, or mobile homes) for their next home.

4. Do you think there are enough of the following types of homes in South Hadley?



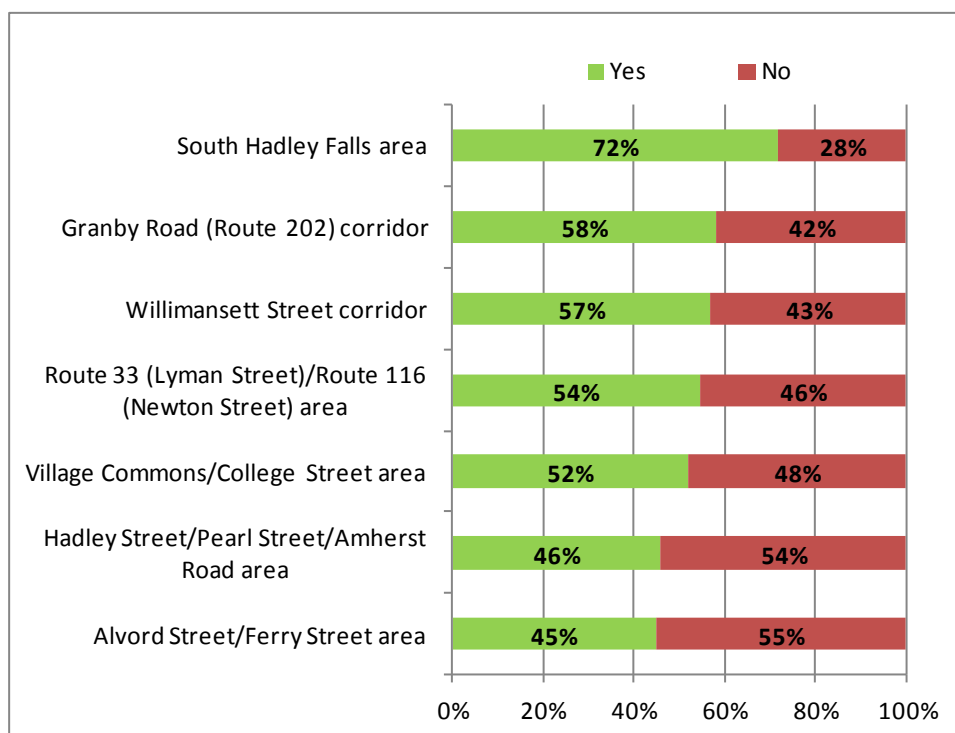
For the town in general, respondents said most frequently that South Hadley has the right number of home types in most categories. The types of homes receiving the most “not enough” ratings were Assisted Living for Seniors and people with Disabilities; “55+ Active Living” communities, Single-family “Starter” homes, and Apartments owned by the Housing Authority. The only types of homes in which “Not Enough” opinions exceeded “Right Number” were Assisted Living for Seniors and people with disabilities and Housing Authority apartments.

5. Hypothetically – If you wanted to buy or rent a home in South Hadley today, could you afford the home that you’re now living in, at its current market price?



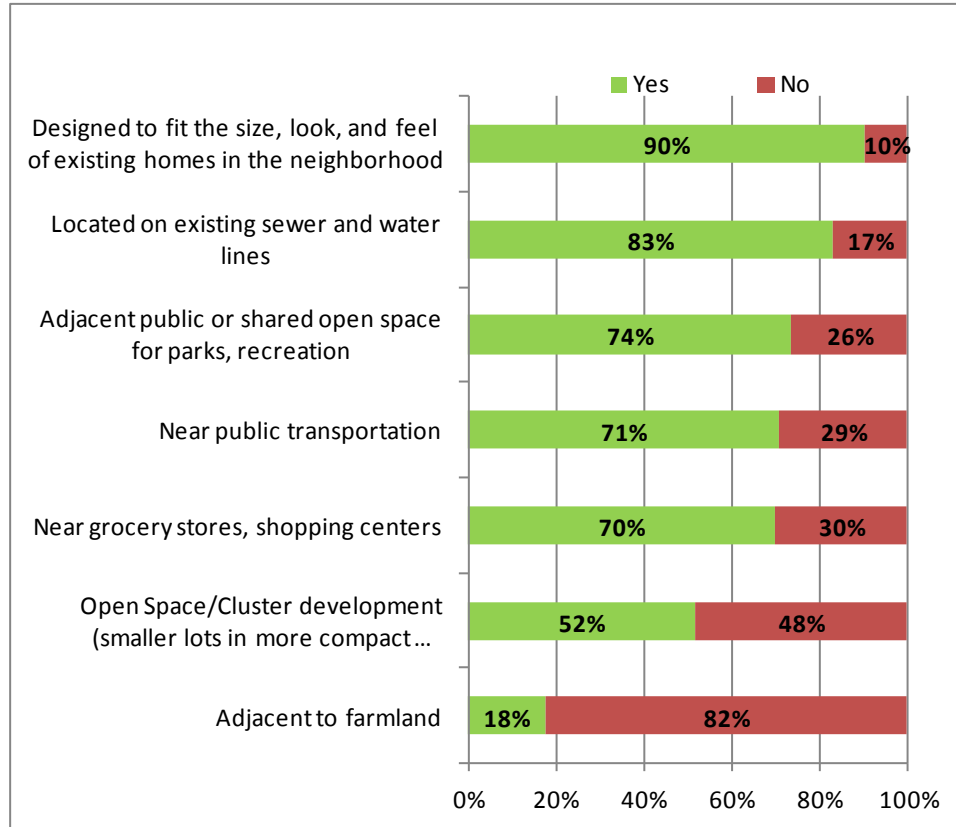
Nearly one-third of respondents said they probably could not afford to buy or rent the home they now live in.

6. Where do you think most new homes, condos and apartments in South Hadley should be located?



South Hadley Falls was the most frequently mentioned location for new residential development. But only two areas-- the Hadley/Pearl St/ Amherst Rd and Alvord/Ferry St – received a majority of “no” votes as preferred areas for new home development.

7. What qualities do you think are necessary for new homes that will be built in South Hadley?



Home design and quality are the most critical quality for new homes in South Hadley.

Proximity to amenities, such as parks, grocery stores and public transportation, were also rated as relatively important.

A large majority do not want new homes adjacent to farmland.

8. What should our priorities be for helping to keep homes affordable and in good condition for people who live in South Hadley or may want to move here?



Helping residents rehabilitate their homes was the top priority for a large majority (68%) of respondents. Information about financing home purchases or rental assistance for households earning up to 80% of AMI were also high priorities.

Strategies receiving the largest "Low Priority" ratings were: Allowing conversion of single-family homes to multi-families, encouraging more condos, small-lot neighborhoods, and construction of more apartments.

9. What is the most important thing that you think South Hadley should do to improve the quality and affordability of homes in our town?

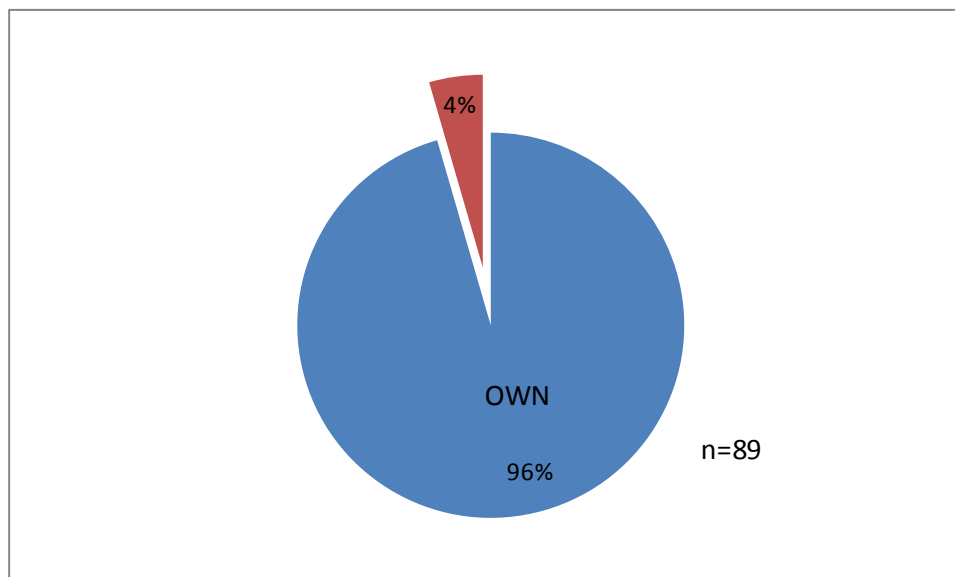


Categories above were developed by reviewing all responses to identify common themes.

“Unassigned” means the response was not relevant to this question (i.e. “No opinion,” “Don’t Know,” or similar).

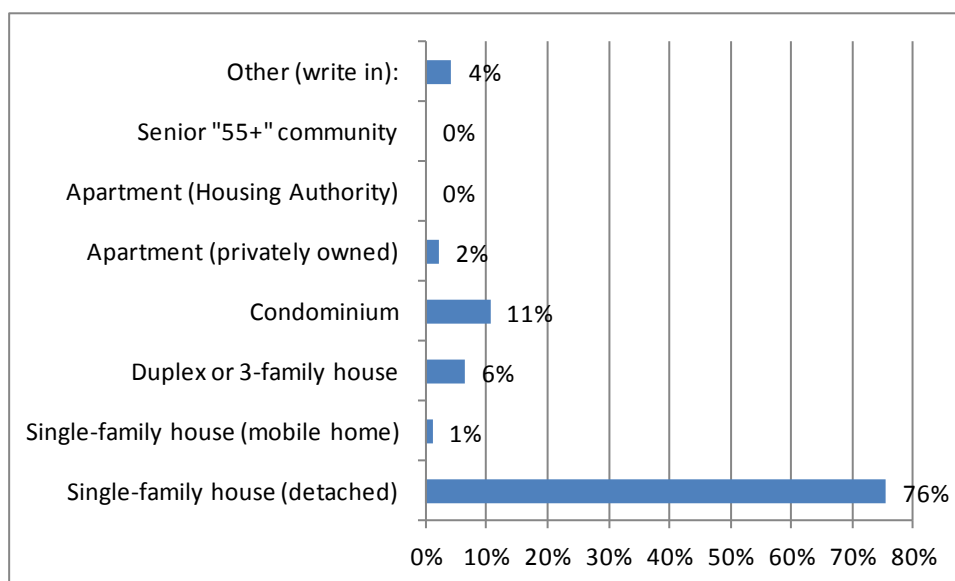
The most frequently mentioned “one thing” that South Hadley should do to improve the quality and affordability of homes is reduce municipal property taxes and municipal fees.

10. Do you live in a home that owned or rented by you and your family?



96% of respondents own their home.

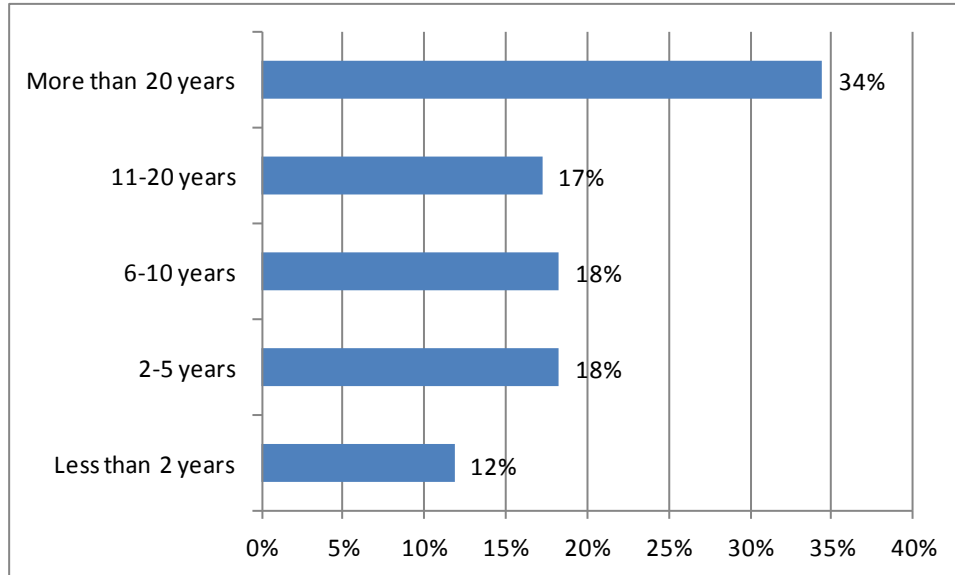
11. What best describes your type of home?



More than three-fourths of respondents live in a single-family detached home.

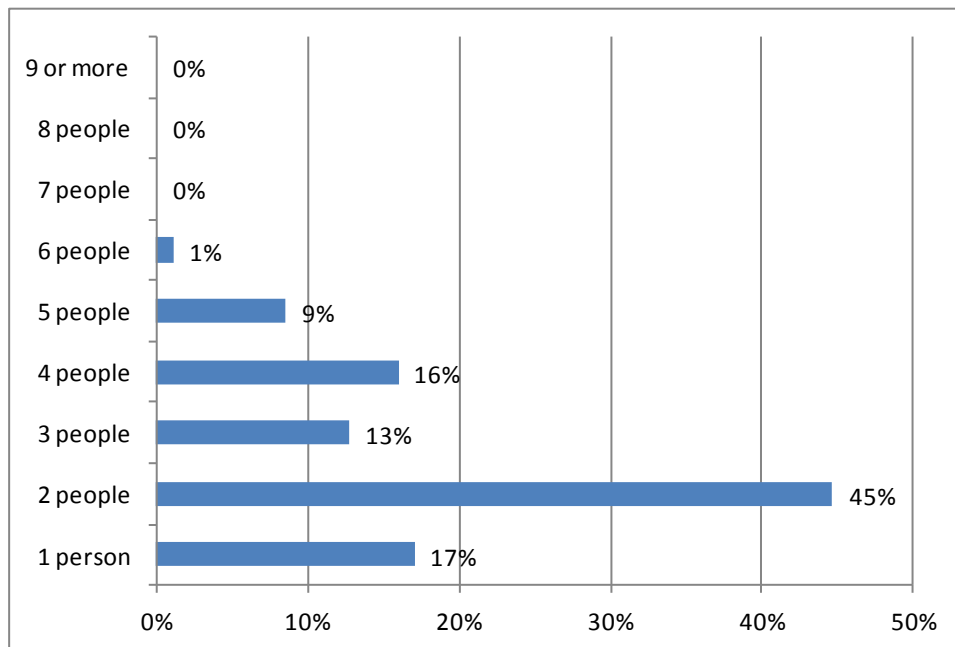
This means the survey is lacking in proportionally representative input from those who live in multi-family homes, such as apartments, senior assisted living facilities, and duplexes/3-families.

12. How long have you lived in your current home?

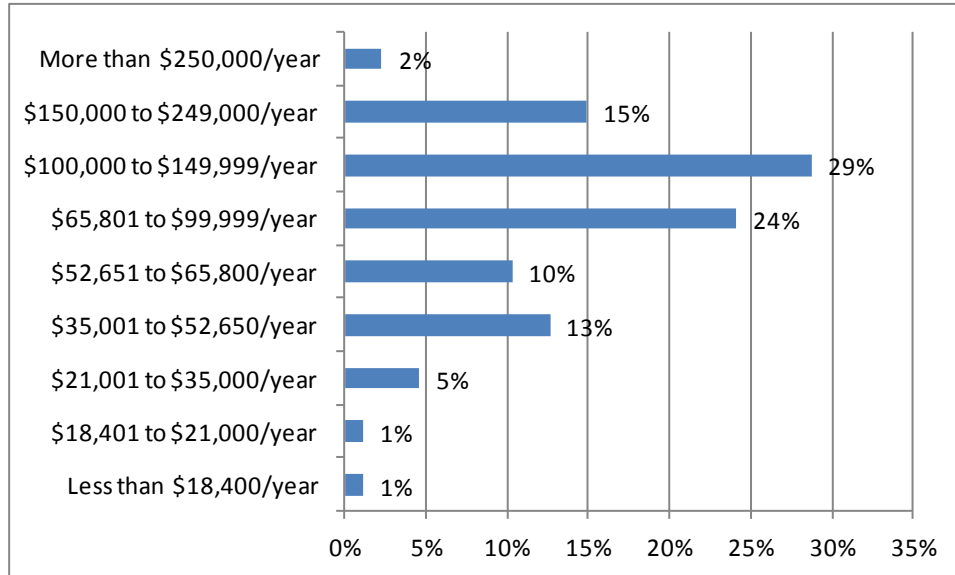


A majority of respondents (51%) have lived in their current home for 11 years or more.

13. How many people live in your household (including you)?



14. Please check the range for your households' annual income for last year.



15. What best describes what you do?

