

**Article #PB 01 –INCLUSIONARY HOUSING**

*Article PB-01:* To see if the Town will vote to amend in the Zoning By-Law **Section 7 SUPPLEMENTAL DISTRICT REGULATIONS**, by inserting a new Subpart (AA) **Inclusionary Housing**, as detailed in the Planning Board’s Report to Town Meeting or take any other action relative thereto.

The proposed changes are as follows:

**(AA) Inclusionary Housing**

1. *Purpose.* The purpose of this Section 7(AA) is to ensure an economically integrated and diverse community, by maintaining and increasing the supply of affordable housing in the Town of South Hadley. This purpose includes:
  - a. Ensuring that new residential development generates affordable housing as defined in Section 3.
  - b. Maintaining the Town’s progress toward the Commonwealth’s affordable housing goal.
  - c. Ensuring that affordable housing created under this section remains affordable over the long term. Such housing shall remain affordable in perpetuity, except as may be otherwise required under state or federal funding or incentive programs.
  - d. Maintaining a full mix of housing types and unrestricted geographic distribution of affordable housing opportunities throughout South Hadley.
  - e. To the extent permitted by law, ensuring that preference for new affordable housing is given to eligible persons who live or work in South Hadley.
  
2. *Regulations.* To ensure that the purposes of this section are fulfilled, the following regulations shall apply to residential development in South Hadley:
  - a. Optional bonuses for affordable housing contained in Section 7J, Flexible Development, shall require compliance with the provisions in subsections c through f below.
  - b. All new residential development, except residential development occurring within a Flexible Development shall provide affordable housing units at the following minimum rates:

Total Development Unit Count	Required Affordable Unit Provision
1-9 units	None
10-14 units	Minimum one (1) dwelling unit
15-20 units	Minimum two (2) dwelling units
21 or more units	Minimum 12% of total unit count

- c. All affordable units shall be eligible and countable for the purpose of the Commonwealth's Chapter 40B Subsidized Housing Inventory (SHI) or its successor. Calculation of the number of total affordable units or the number of SHI-eligible units shall, if the required percent of the total results in a fraction, be rounded up to the next whole number where the fractional portion is equal to 0.5 or greater, and shall be rounded down to the next whole number where the fractional portion is less than 0.5. It shall be the responsibility of the applicant to obtain certification from the Massachusetts Department of Housing and Community Development (or any successor agency) that the units qualify for the SHI.
  - d. The applicant shall establish such housing restrictions, conditions, and/or limitations as are necessary to ensure that the affordable housing units provided under this section will be permanently available for purchase or rent by eligible low-and moderate-income persons. Such assurance shall be established using qualified affordable housing restrictions granted in perpetuity pursuant to M.G.L. Chapter 184, Sections 31-33, administered through the Town or another qualified public or non-profit housing entity.
  - e. Housing constructed by a public agency or non-profit corporation using a federal, state, or local housing assistance program may adhere to different requirements set forth by the funding agency, provided that the overall purpose of these regulations is fulfilled.
  - f. In any residential development, affordable housing units provided shall be dispersed throughout the development, and shall be comparable to market rate units in the quality of their design, materials, and general appearance of their architecture and landscape.
  - g. An applicant may pay a fee-in-lieu of constructing affordable housing units, in an amount determined by the Planning Board sufficient to cover the total costs of constructing such a unit off-site, including land, construction, financing, and soft costs. Such fee shall be deposited into a dedicated affordable housing trust fund for use by the Town in constructing affordable housing.
3. Formula for Fee-in-lieu of Constructing Affordable Housing Units. If an applicant chooses to exercise their right to make a payment of a fee-in-lieu of constructing the affordable housing as provided for in Section 7(AA)2g above, the fee shall be calculated as three times Area Median Income (AMI) for a four person household for the Springfield MSA. The Town shall use the AMI figures provided by the Massachusetts Department of Housing and Community Development (DHCD).
- a. If the development would require 2 or more affordable units to be constructed in accordance with this Section 7(AA), the developer/applicant may choose to construct one or more of the required affordable units and make a payment of the fee-in-lieu of constructing the balance of the required affordable units.
4. Anti-segmentation. Developments shall not be segmented or phased to avoid compliance with the provision of this Section 7(AA) either by filing a plan for the subdivision or land or the filing of a so-called approval not required plan (ANR) or by any other means. ANR

filed under the same ownership within five years will be considered as under the provision of this bylaw. A development that occurs on adjacent parcels under common ownership shall be considered one development. This paragraph shall not be construed as prohibiting a property owner from filing an ANR Plan and their right to have the plan endorsed but merely provides that housing constructed on the resulting lots must conform to this Section 7(AA).

PUBLIC HEARING DRAFT