

# **TOWN OF STOCKBRIDGE HOUSING PRODUCTION PLAN (HPP)**



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### Key Acronyms

Terms and acronyms that were used regularly in this Plan are listed below.

- *Area Median Income (AMI)* - The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.
- *Chapter 40B* - The state’s comprehensive permit law that allows for the override of local zoning and other restrictions which hamper construction of affordable housing if a project meets specified requirements.
- *Executive Office of Housing and Livable Communities (EOHLC)* - EOHLC is the state’s lead agency for housing and community development programs and policy.
- *Local Initiative Program (LIP)* - Also referred to as the “friendly 40B Program, LIP requires municipalities and developers to jointly apply to the state for the go-ahead to submit a comprehensive permit application to the state when the parties agree on the basic terms and conditions of the development. It also allows units to qualify for inclusion on the Subsidized Housing Inventory when they are based on a local action such as zoning or local financing for example. These are referred to as Local Action Units (LAUs).
- *Request for Proposals (RFP)* - A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.
- *Subsidized Housing Inventory (SHI)* - This is the official list of units, by municipality, that count toward a community’s 10% goal or annual housing production goals as prescribed by Chapter 40B comprehensive permit law.
- *U.S. Department of Housing and Urban Development (HUD)* - The primary federal agency for regulating housing, including fair housing and housing finance.

See Appendix 2 for a more complete list of housing terms.

## **TOWN OF STOCKBRIDGE HOUSING PRODUCTION PLAN (HPP)**

### **I. EXECUTIVE SUMMARY**

This Housing Production Plan (HPP) is intended to help the Town of Stockbridge better understand the current housing dynamic, identify priority housing needs, and develop a roadmap for addressing these needs over the short and longer term. This work builds on prior planning efforts including the recent Municipal Vulnerability Preparedness (MVP) planning initiative, specifically the Resilient Housing Initiative (RHI). This Housing Production Plan is also expected to achieve the following local affordable housing and community planning objectives:

- Obtain approval from the state under Housing Production regulations that offer communities greater local control over housing development as well as other benefits.<sup>1</sup>
- Provide updated documentation on important demographic and economic trends that have a bearing on future local and regional housing needs.
- Provide a detailed analysis of local and regional housing conditions, analyzing how market prices affect residents' ability to pay based on various income levels and target populations.
- Reflect on what local housing strategies have worked to promote affordable and mixed-income housing, what actions should be taken to expand and/or modify these approaches, and what new actions should be introduced.
- Analyze potential development opportunities to help diversify local housing to address the range of identified local housing needs.
- Identify what resources are available to support affordable housing development and how the Town can most strategically leverage local investment.
- Present important data that can be used in applying for public and private sources of financial and technical support for affordable housing development and preservation or other community needs.
- Offer a useful educational tool to help dispel misinformation and negative stereotypes regarding affordable housing, ultimately to galvanize local public support for new housing initiatives.
- Demonstrate the community's intent to proactively address local housing issues.
- Review what other comparable communities have done with respect to affordable housing policies, regulation, programs, and projects that Stockbridge might consider adapting. The Town is in a very competitive position to access a wide range of resources given its designation as a Justice40 community.<sup>2</sup>
- Help establish better communication and coordination among Town boards and committees with updated information and guidance from this document.

**It is the intention of the Stockbridge Affordable Housing Trust that this Housing Production Plan be a means for balancing the importance of maintaining Stockbridge's small town character while making some reasonable progress in providing a wider range of housing opportunities for residents who have**

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<sup>1</sup> Massachusetts General Law, Chapter 40B, 760 CMR 56.03 (4).

<sup>2</sup> The Justice40 Initiative is part of the Biden-Harris Administration's agenda to advance environmental justice by delivering 40% of the overall benefits of climate, clean energy, affordable and sustainable housing, clean water, and other investments to disadvantaged communities that are marginalized, underserved, and overburdened by pollution. While it may be surprising that Stockbridge has been thus categorized, this Initiative will offer the town a competitive advantage in accessing important forms of federal assistance, including housing subsidies.

been shut out of the town's increasingly expensive private housing market. It will also be important to ensure that any development is harmonious within the context of existing neighborhoods and that both local leaders and citizens have opportunities to weigh-in on important decisions related to the issue of housing.

## **Affordability Challenges**

### ***Demographic Changes***

Demographic shifts are occurring which have a bearing on housing needs. Data indicates that gains in the proportion of older residents and declines in younger people will likely continue. For example, those under age 20 declined by 36% between 2010 and 2021 while older adults 65 years of age and older increased by 46% during a time when the overall population declined by 6.2%. The aging of the population is also reflected in the increase in median age, from 40.8 to 60.1 years during this period. Moreover, the population of those age 35 to 54 declined by 42% between 2010 and 2021 with a net loss of 215 such residents. These trends suggest that the Town continue to foster a community that protects the elderly and attracts young families, thus promoting the creation of starter homes as well as options for downsizing. While housing is a critical element to enabling both younger and middle-aged residents to live in Stockbridge, other community issues were also referenced during the planning process including the local availability of jobs and entertainment for example.

Because of their increasing numbers, reliance on fixed incomes, and unique needs, a substantial segment of seniors will require smaller more affordable and accessible dwellings, as well as assisted living arrangements. Concerns have also been raised about the ability of seniors to keep up with necessary home repair needs, compromising their health and safety.

**This Housing Production Plan offers an analysis of demographic, economic and housing trends that describe a community where older residents, together with second home owners, predominate. The question arises as to what interventions the Town can undertake to support some greater social and economic diversity, sustainability, and vitality?**

Despite the growing population of seniors, buoyed by the baby boom generation, housing for younger people is a pressing need given the ongoing declines of younger age groups, the expected continued prevalence of seniors remaining in their homes, and the lack of inventory for workers.

A complicating factor over the years has been the high housing demand from second home owners and retirees that, while boosting the community's economy, have typically had the means to afford the community's increasingly high housing costs. With the median income of Stockbridge residents at \$46,458 based on 2021 census estimates, \$25,461 for renter households, current opportunities for first-time homeownership are more a dream than a reality.

Given a number of considerations, including that almost all government financing programs are targeted to rental development, the Town will direct some of its housing production and preservation efforts towards rental options for younger households and the increasing numbers of older, long-term residents with fixed incomes looking to downsize. The Town recognizes that homeownership opportunities for first-time purchasers and low- to moderate-income empty nesters are also a part of its housing agenda. Moreover, because Stockbridge has a very high level of residents who claim a disability (21% of all residents) as well as an aging population, another housing need is the promotion of handicapped

accessibility and support services in new housing development. This Housing Plan also recognizes the significant need for resources that will enable owners to make important property improvements, especially for health and safety purposes.

**Housing prices have risen faster than incomes, making housing much less affordable. For example, median household income decreased by 4.4% between 2010 and 2021 while the median single-family house price widened considerably, by 204%. Rising housing costs are part of a national trend, but Stockbridge's costs are particularly high in comparison to most other Berkshire County communities.**

#### ***Rising Affordability Gaps and Cost Burdens***

**As prices rise, so do affordability gaps and cost burdens.** The affordability gap was estimated at \$386,500 as of the end of 2022 for single-family homes, the difference between \$188,500, based on what a median income household could afford (at 80% financing with 20% down payment

requirement) and the median house price of \$575,000. However, it is unlikely that a household with income at the median household level of \$46,458 could qualify for a mortgage without a substantial amount of subsidy. The upfront cash requirements for the down payment and closing costs would also create challenges, effectively widening the affordability gap.

When looking at the affordability gap for those with incomes at the HUD 80% of area median income limit, the gap is estimated at \$289,500, the difference between the median priced single-family home and what a four-person household earning at this income level (\$81,850) can afford or \$285,500 based on 95% financing. The gap decreases to \$247,000 with 80% financing.

Special tabulations of HUD data suggest that about 31% of all Stockbridge households were experiencing cost burdens as they were spending more than 30% of their income on housing costs, including about 12% or 103 households spending at least half of their income on housing. Of the 435 households with incomes at or below 80% of area median income, 202 or 46% were experiencing cost burdens with 99 or 23% spending more than half of their income on housing costs.

**There are no affordability gaps for households with incomes at the 80% AMI level in reference to two-family homes. This suggests that the best option for first-time homeownership in Stockbridge is the two-family model with both owner-occupied and rental units.**

First-time home purchasers are particularly challenged by increasing interest rates as well as stringent lending criteria in response to the recession that occurred more than a decade ago and precipitated high down payment requirements and rigorous credit standards. Other homeowners have found that rising energy, insurance, and other housing-related costs are much more difficult to afford. Moreover, of the 213 owner households earning at or below the 80% median income level for the area, 74 or 35% were spending too much of their income on housing including 44 or 21% spending more than half of their income on housing.

**The situation is difficult for renters as well.** While listings for market rate rentals were nonexistent in May

2023, listings from nearby communities suggest rents for a two-bedroom apartment of about \$1,600.<sup>3</sup> This rent would require an income of \$72,000, much higher than the median income for renters of \$25,461 and even higher than Stockbridge's median household income of \$46,458 based on 2021 census estimates. A recent Berkshire Eagle article indicated that an hourly income of \$27.69 was needed to afford a two-bedroom unit in Stockbridge, translating into an annual income of approximately \$57,600. Moreover, about 138 renter households or 48% of renter households were experiencing cost burdens (defined as spending more than 30% of household income on housing), including 55 or 19% with severe cost burdens as they were spending more than half of their income on housing. This is proportionately higher than the 21% and 9% levels of cost burdens and severe cost burdens, respectively, for owner households.

Rentals also exact high up-front cash requirements, often including first and last month's rent plus a security deposit. Credit checks and other references also place barriers to securing housing for some. Information from the Stockbridge Housing Authority further suggests that there are long waits for their subsidized units and rental housing vouchers.

### **Summary of Housing Production Goals**

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of 0.50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (SHI). Stockbridge would have to produce at least five SHI units annually based on these goals.

Housing Production requirements enable communities to deny comprehensive permit applications for 12 months, without the developer's ability to appeal the decision, if the annual housing production goal is met, a two-year period in the case of 1% of year-round unit production. However, given that Stockbridge has surpassed the state 10% affordability goal under Chapter 40B, it is no longer vulnerable to overrides of local zoning. Nevertheless, many communities that have exceeded the 10% goal are using the state Local Initiative Program (LIP), also known as the "friendly 40B" Program, as an effective permitting tool for projects that appropriately address local housing needs and priorities.<sup>4</sup>

Production goals over the next five years include the creation of an estimated 25 SHI units. While this HPP focuses on the production of SHI units for households with incomes at or below 80% of area median income, it is the Town's intention to address a wider range of housing needs, including other housing options for those priced out of Stockbridge's housing market.

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<sup>3</sup> Assumes that the tenant pays 30% of income on housing costs that includes average monthly utility costs of \$200.

<sup>4</sup> If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to EOHLC, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to EOHLC, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. EOHLC shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the EOHLC to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.



It is worth noting that the state's subsidizing agencies have entered into an Interagency Agreement that provides guidance to localities concerning housing opportunities for families with children. As such, they require that at least 10% of the units in affordable production developments that are funded, assisted, or approved by a state housing agency have three or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's, etc.).

### **Summary of Housing Strategies**

The following strategies are included in this Housing Production Plan and summarized in Table 1-1. They are based on previous plans and studies, the Housing Needs Assessment, community meetings, interviews, a housing survey, prior housing efforts, and the experience of other comparable localities in the region and throughout the Commonwealth.

*Capacity Building Strategies* that further build the Town's ability to implement the components of this Housing Production Plan through resources to advocate, subsidize and guide implementation include:

- Conduct ongoing community outreach and education to better inform residents on local housing-related initiatives and obtain important community input.
- Capitalize the Affordable Housing Trust Fund as a dedicated fund to support housing efforts and serve as the local municipal entity to oversee housing issues.
- Secure financial resources for affordable housing to leverage local investments and make new development with affordable units feasible.

*Zoning Strategies* to provide incentives for the inclusion of affordable housing and smart growth development principles as part of zoning regulations include:

- Review the upcoming State's guidelines regarding ADUs, and add Stockbridge-specific requirements, as needed.
- Identify modest opportunities to provide a wider range of housing choices in specific areas.
- Promote multi-family and mixed-use development in and near the downtown to further increase the vibrancy and economic health of the area, especially in ways that can better serve the needs of businesses and residents.

*Development and Preservation Strategies* to create new housing opportunities as well as improvements to the existing housing stock include:

- Partner with developers on privately-owned properties to address priority housing needs included in this Housing Production Plan, further diversifying the housing stock.
- Make suitable public property available for affordable housing by developing or redeveloping surplus municipal property or Town acquired or donated property in line with identified housing priorities. **Based on specific site conditions, resources, and environmental/infrastructure constraints, the Town will provide guidance on project terms and conditions with ample opportunities for local input.**
- Establish Housing Preservation Initiatives to bring properties into compliance with health and safety standards while creating new resources or promoting existing ones to serve resident needs.

The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable. *It is also important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.*



**Table 1-1: Summary of Housing Strategies**

<b>Strategies</b>	<b>Timeframe for Implementation</b>	<b># SHI Units</b>	<b>Responsible Entity</b>
<b>1. Capacity Building Strategies</b>			
1. Conduct ongoing community outreach and education	Years 1-2 and ongoing	*	Housing Trust and sponsors of affordable housing related initiatives
2. Capitalize the Affordable Housing Trust Fund	Years 1-2 and ongoing	*	Select Board, CPC, Housing Trust, Town Meeting
3. Secure financial resources for affordable housing	Years 1-2	*	Select Board, Community Preservation Com, and Housing Trust
<b>2. Zoning Strategies</b>			
1. Adopt zoning for ADUs	Years 1-2	*	Select Board, Planning Board, Town Meeting
2. Identify modest opportunities for a wider range of housing choices in specific areas	Years 3-5	*	Planning Board, Town Meeting
3. Promote multi-family and mixed-use development in and near the downtown	Years 3-5	*	Planning Board, Town Meeting
<b>3. Development and Preservation Strategies</b>			
1. Partner with developers on privately-owned properties, including donated property	Years 1-2	13	Select Board with Planning Board and Zoning Board of Appeals with Housing Trust support
2. Make suitable public property available for affordable housing	Years 1-2	12	Select Board with Housing Trust support and Town Meeting approval
3. Establish Housing Preservation Initiatives	Years 1-5	12 (not eligible for SHI)	Select Board with Housing Trust support

*\* Indicates actions that are unlikely to directly produce new SHI units by themselves but are key to creating the resources or regulations that will contribute to actual unit creation.*

## 2. HOUSING NEEDS ASSESSMENT<sup>5</sup>

This Housing Needs Assessment provides an overview of current demographic, economic, and housing conditions in the town of Stockbridge, providing a summary of the local housing market dynamic within which a responsive set of strategies can be developed to address housing needs.

### 2.1 Demographic Profile

It is important to closely examine demographic characteristics and trends to understand the composition of the population and how it relates to current and future housing needs. Key questions to be addressed, with corresponding findings, include:

- *What have been the historical growth trends in the community?* The population has fluctuated considerably over the decades but has remained between 1,815 and 2,408 residents since 1940. The 2020 decennial census counted 2,018 residents with population losses to 1,827 residents based on 2021 census estimates.
- *What are the ramifications of increases and decreases of various age groups in regard to housing needs?* There have been overall declines in younger residents and significant gains in older ones with those under 20 declining by 36% while those 65 years of age and older increasing by 46% between 2010 and 2021. This occurred during a time when the overall population declined by 6.2% and suggests the need to create more starter home opportunities to attract young families as well as options for downsizing.
- *What are the variations in household size and types of households that suggest specific housing needs?* There have been general trends towards smaller households. Almost 90% of households involve three or fewer members, and of the 313 single-person households in 2021, 176 or 56% were 65 years of age or older. These trends suggest a need for smaller units with some larger units to attract younger families to boost socio-economic diversity and vitality.

### Population Growth – The population has remained small with West fluctuations over the decades

As noted in Table 2-1, the size of Stockbridge's population has fluctuated over the decades ranging from 1,762 residents in 1930 to a high of 2,408 in 1990. Fluctuations have continued with the 2020 decennial census count of 2,018 residents which decreased to 1,827 based on census estimates for 2021 from the American Community Survey. Some of these population shifts may be due to the ebbs and flows of second home owners including retirees and investor-owners.

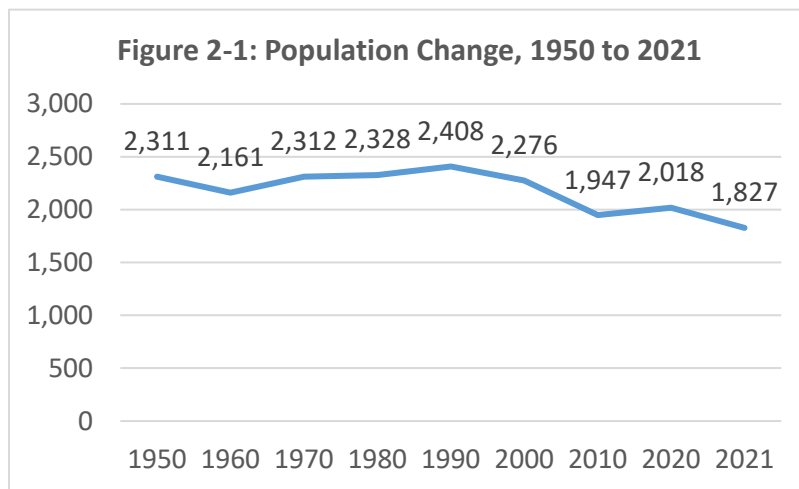
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<sup>5</sup> It should be noted that this Housing Needs Assessment includes the most up-to-date data available. The decennial census data is typically provided as this data reflects actual counts. The most recent issue of the Census Bureau's American Community Survey (ACS) is also shown for the most census data not covered by the decennial counts and for more up-to-date information. Because the ACS is based on a sample, it is subject to sampling error and variation. It is also important to note that Stockbridge's relatively small population is more likely to be susceptible to sample error in American Community Survey (ACS) 5-Year census estimates.

**Table 2-1: Population Change, 1930 to 2021**

Year	Total Population	Change in Number	Percentage Change
1930	1,762	-	-
1940	1,815	53	3.0%
1950	2,311	496	27.3%
1960	2,161	-150	-6.5%
1970	2,312	151	7.0
1980	2,328	16	0.7%
1990	2,408	80	3.4%
2000	2,276	-132	-5.5%
2010	1,947	-329	-14.5%
2020	2,018	71	3.6%
2021	1,827	-191	-9.5%

Source: U.S. Census Bureau and University of Massachusetts Donahue Institute State Data Center for decennial counts. The 2021 estimate is from the U.S. Census Bureau's American Community Survey, 5-Year Estimates, 2017-2021.



Population projections from the State Data Center at the University of Massachusetts Donahue Institute<sup>6</sup> suggest significant population losses into the future to about 1,300 residents by 2030 and as low as 960 by 2040. However, their 2020 population projection of 1,588 residents fell well short of the 2,018 decennial census count and points to unreliable forecasts into the future. In fact, the State Data Center indicated that populations

projections are often unreliable for small communities.

### **Age Distribution – Considerable declines in young residents and major gains in older ones**

Table 2-2 and Figure 2-2 present census data on changes in the distribution of ages for 2010 and 2021 that demonstrate the following trends:

- *Decreasing numbers of children*

While the Town's population decreased by 6.2% between 2010 and 2021, there was a loss of 101 children under age 20 or a decline of 36%. Based on 2021 census estimates, these young residents dropped from 14.5% to 10% of the population during this period. School enrollments have also been declining in the Berkshire Hills Regional School District, including a drop in Stockbridge students from 150 students in 2010 to 114 students in the 2022-2023 school year or by 24%.

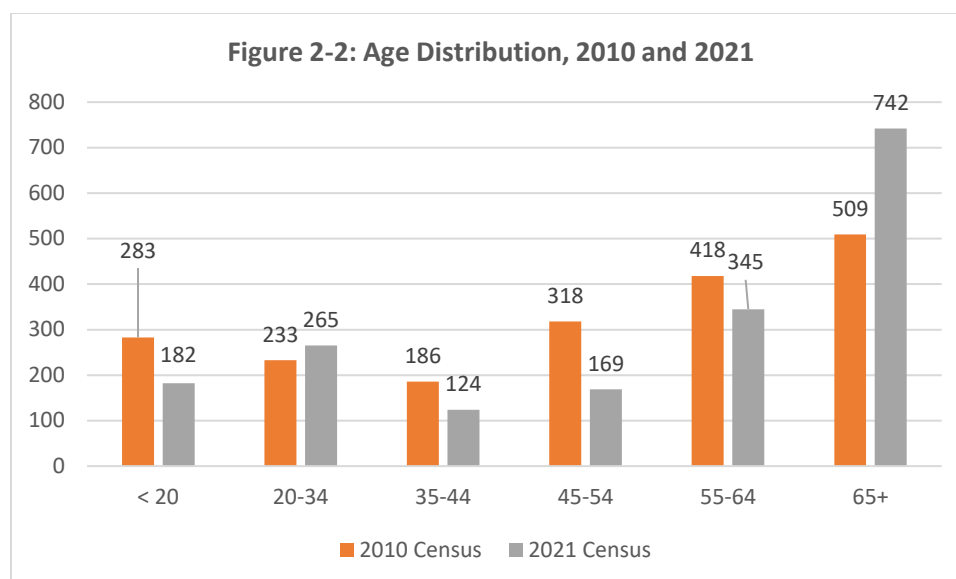
<sup>6</sup> The State Data Center at the University of Massachusetts Donahue Institute receives state funding and provides population projections and other types of demographic and housing data and reports for all communities in the state. For more information, go to [www.donahue.umass.edu](http://www.donahue.umass.edu) or [www.massbenchmarks.org](http://www.massbenchmarks.org).

- Increases in college-age residents***  
 According to census data, the number of young residents more than doubled in the 20 to 24-aged range from 71 residents in 2010 to 151 by 2021, also as a percentage of all residents from 3.6% to 8.3%. This somewhat surprising and, according to local leaders, questionable.
- Somewhat older young adults decreased significantly***  
 Somewhat older residents in the 25 to 34 aged range, in the early family formation stage of their lives, declined by 48 residents or 30% during this period.
- Some fall-off of younger middle-age residents***  
 Residents in the 35 to 44 aged range declined by 32%, from 186 residents in 2010 to 124 by 2021. The decrease of this population is likely somewhat correlated to the decline in children.
- Decline in older middle-age residents as well***  
 Those ages 45 to 54 decreased by 47%, from 318 to 169 residents. Additionally, those in the aged-55 to 64 range decreased from 418 residents in 2010 to 345 by 2021. These income ranges combined declined from 38% of the population to 28% during this period.
- Substantial growth in the population 65 years or older***  
 The number of those 65 years of age and older grew by 46%, from 26% of the population in 2010 to almost 41% by 2021, or from 509 to 742 residents. This growth was buoyed by the aging of the baby boomers and Stockbridge's attraction as a retirement destination. **The aging of the population is also reflected in the increase in median age, from 40.8 to 60.1 years.**

**Table 2-2: Age Distribution, 2010 and 2021**

Age Range	2010		2021	
	#	%	#	%
Under 5 Years	56	2.9	32	1.8
5 – 19 Years	227	11.7	150	8.2
20– 24 Years	71	3.6	151	8.3
25 – 34 Years	162	8.3	114	6.2
35 – 44 Years	186	9.6	124	6.8
45 – 54 Years	318	16.3	169	9.2
55 – 64 Years	418	21.5	345	18.9
65 – 74 Years	284	14.6	482	26.4
75 – 84 Years	156	22.6	176	9.6
85+ Years	69	3.5	84	4.6
Total	1,947	100.0	1,827	100.0
Under 20	283	14.5	182	10.0
Age 65+	509	26.1	742	40.6
Median Age	40.8 years		60.1 years	

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2006-2010 and 2017-2021.



### Racial Composition – Small but growing racial diversity

Table 2-3 presents data on the racial distribution of the population in Stockbridge. The town has had limited but increasing racial diversity as 93.2% of the population identified as White in 2010, decreasing to 87.6% by 2021 and doubling the size of the minority population from 113 to 226 residents. The data shows a modest decrease in Black or African American residents between 2010 and 2021, a doubling of Asian residents, and increases in the other race categories as well with those claiming to belong to two or more races. Additionally, 4.4% of all residents identified as having Latino or Hispanic heritage, up modestly from 4.2% in 2010.

**Table 2-3: Racial Information, 2010 and 2021**

Population Characteristics	2010		2021	
	#	%	#	%
White Population*	1,558	93.2	1,601	87.6
Minority Population	113	6.8	226	12.4
Asian Population*	32	1.9	68	3.7
Black Population*	58	3.5	53	2.9
American Indian*	0	0.0	8	0.4
Some other race*	23	1.4	46	2.5
Those of 2+ Races	0	0.0	51	2.8
Latino/Hispanic of any race	70	4.2	80	4.4

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010 and 2017-2021.

\* Includes only those of that race

### Household Composition – Increases in households despite population loss

As shown in Table 2-4, the number of households increased by 12% or by 87 households between 2010 and 2021, to 811 households. This is surprising given the estimated 6.2% population loss during this period which would suggest that households were getting smaller. This is reflected in declines in average household and family size during this period. The total number of families increased while those with children under 18 decreased. The number and percentage of nonfamilies, mostly single individuals,

increased modestly while census data suggests a decline in those who were living alone and age 65 or older, which was surprising given other trends.

**Table 2-4: Household Characteristics, 2010 and 2021**

Type of Household	2010		2021	
	#	%	#	%
Households	724	100.0	811	100.0
Families*	391	54.0	453	55.9
Husband-wife Family with children < 18*	136	18.8	81	10.0
Female Headed Families with Children < 18 *	40	5.5	24	3.0
Nonfamilies*	333	46.0	358	44.1
Living alone age 65+	206	28.5	176	21.7
Average Household Size	2.08 persons		2.02 persons	
Average Family Size	2.82 persons		2.62 persons	

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2006-2010 and 2017-2021. \*Percent of all households

Table 2-5 examines the types of households by household size. **A total of 710 households or 88% of all households involved three or fewer members.** Single-persons comprised 38.6% of all households in 2021, lower than the 43.4% level in 2010, and with a loss of only one such household during this period. Of the 313 single-person households in 2021, 176 or 56% were 65 years of age or older. There were also 316 two-person households in 2021, up significantly from 181 such households in 2010. The 2021 estimates also suggest a slight trend towards fewer small families of three and four persons, from 222 to 158 families between 2010 and 2021 and to about 20% of all households. There were only ten large families of five or more persons in 2021, zero in 2010.

**Table 2-5: Types of Households by Size, 2010 and 2021**

Households by Type/Size	2010		2021	
	#	%	#	%
<b>Nonfamilies</b>	<b>333</b>	<b>46.0</b>	<b>358</b>	<b>44.1</b>
1-person	314	43.4	313	38.6
2-persons	12	1.7	31	3.8
3-persons	7	1.0	0	0.0
4-persons	0	0.0	14	1.7
5-persons	0	0.0	0	0.0
6-persons	0	0.0	0	0.0
7+ persons	0	0.0	0	0.0
<b>Families</b>	<b>391</b>	<b>54.0</b>	<b>453</b>	<b>55.9</b>
2-persons	169	23.3	285	35.1
3-persons	128	17.7	81	10.0
4-persons	94	13.0	77	9.5
5-persons	0	0.0	10	1.2
6-persons	0	0.0	0	0.0
7+ persons	0	0.0	0	0.0
<b>Total</b>	<b>724</b>	<b>100.0</b>	<b>811</b>	<b>100.0</b>

Sources: U.S. Census Bureau, American Community Survey 5-Year Estimates 2006-2010 and 2017-2021.

### 3.1 Economic Profile

This section examines income and other issues related to economic status to address the following questions with corresponding major findings:

- *What changes in income levels have occurred and how does this relate to housing affordability?* Stockbridge's median household income decreased by 15.7% between 2010 and 2021, from \$55,096 to \$46,458. This decrease further limits the purchase prices and rents that are affordable to residents, especially in the context of rising housing prices.
- *Are there growing income disparities among residents?* The number and proportion of those in all income ranges below \$35,000 increased between 2010 and 2021, involving about 46% of all households. On the other end of the income range, almost 30% of households had incomes of more than \$100,000. About the same level of households, 24%, had incomes of less than \$25,000 and more than \$150,000 (22.7%), representing significant populations at both ends of the range. Moreover, the proportion of residents living in poverty increased from 8.7% in 2010 to 14.2% in 2021, higher than county and state levels of 9.8% and 10.4%, respectively, and representing a very vulnerable segment of the local population.<sup>7</sup>

The disparity of incomes is also reflected in median income levels of \$25,461 for renters and \$73,800 for homeowners, decreasing from the 2010 level of \$43,636 for renters and increasing from \$58,542 for homeowners.

- *What are the relative incomes of Stockbridge residents and those with local jobs?* The average weekly wage of those working in Stockbridge was \$1,028, which translates into an annual income of about \$53,500, assuming housing costs are at the traditional threshold of affordability of no more than 30% of income. This is higher than Stockbridge's median household income of \$46,458.
- *What proportion of the population is disabled or has other special needs that limit their employment options and income?* Stockbridge has a relatively large population of those with disabilities, including 372 residents or about 21% of the town's 1,792 residents in the civilian, noninstitutionalized population. This is significantly higher than the county and state levels of 15% and almost 12%, respectively. Those with disabilities, often relying on Social Security income, can find it challenging to not only find housing that is affordable but accessible as well.

#### Income – Relatively lower income levels and notable income disparities

Table 2-6 and Figure 2-3 show changes in income levels for 2010 and 2021. Stockbridge's median household income decreased by 15.7% during this period, from \$55,096 to \$46,458. On the other hand, the median incomes for Berkshire County were higher and increased by 7.5% from \$56,517 to \$60,749. Stockbridge's median household income was also almost half the statewide level of \$89,645.

The number and proportion of all households in the income ranges below \$25,000 increased between 2010 and 2021, increasing as well for those in the \$25,000 to \$34,999 income range. In 2021, about 46% of households had incomes of less than \$35,000 while almost 30% had incomes of more than \$100,000.

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<sup>7</sup> The 2022 federal poverty level from the U.S. Department of Health and Human Services was \$13,590 for an individual and \$23,030 for a three-person household for example.



About the same level of households, 24%, had incomes of less than \$25,000 and more than \$150,000 (22.7%), representing significant populations at both ends of the range.

Lower income levels translate into more limited ability to afford rising housing prices including costs related to taxes, insurance, and utility bills for example. Consequently, many Stockbridge households are paying too much for their housing which puts a substantial strain on residents. Moreover, better access to well-paying jobs can also contribute to boosts in income levels.

**Table 2-6: Income Distribution by Household, 2010 and 2021**

Income Range	2010		2021	
	#	%	#	%
Under \$25,000	135	18.6	195	24.0
\$25,000-34,999	84	11.6	176	21.7
\$35,000-49,999	93	12.8	37	4.6
\$50,000-74,999	175	24.2	121	14.9
\$75,000-99,999	109	15.1	59	7.3
\$100,000-149,999	81	11.2	39	4.8
\$150,000 +	47	6.5	184	22.7
Total	724	100.0	811	100.0
Median Income	\$55,096		\$46,458	

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010 and 2017-2021.

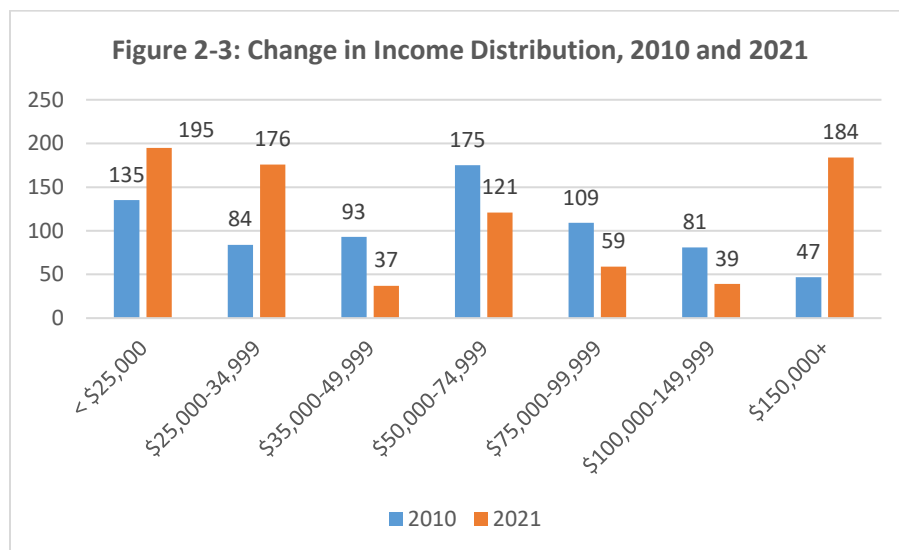


Table 2-7 provides median income levels for various types of households based on 2021 census estimates. The median income of families was almost four times that of nonfamilies, \$93,542 versus \$25,333, a finding highly correlated with the greater prevalence of two worker households in families and the high number of seniors living alone which are counted as nonfamilies. Nevertheless, the very high family income was surprising in the context of the much lower household income and the lower median family income for Berkshire County of \$82,500. It may be a product of sampling error. It is not surprising, however, that besides those living in families, median income levels were highest among homeowners, those in the prime of their earning potential, and men.

**Table 2-7: Median Income by Household Type, 2021**

Type of Household/Householder	Median Income
Individual/Per capita	\$44,851
Households	\$46,458
Families	\$93,542
Nonfamilies*	\$25,333
Renters	\$25,461
Homeowners	\$73,800
Householder less than age 25	**
Householder age 25 to 44	**
Householder age 45 to 64	\$73,750
Householder age 65 or more	\$34,274
Full-time, year-round male workers	\$54,464
Full-time, year-round female workers	\$40,742

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2017-2021.

\*Includes persons living alone and unrelated household members. \*\* Sample size too small.

While median renter household income decreased by 42% between 2010 and 2021, owner income increased by 26%, clearly demonstrating growing income disparities in Stockbridge. Some of the increase in homeowner income may relate to the increasing costs of housing, drawing higher income earning households into the community.

A comparison of 2010 and 2021 income levels for owners and renters is provided in Table 2-8. Almost half of renters earned less than \$25,000 in 2021, compared to 11% of homeowners. On the other hand, about 40% of homeowners had incomes of more than \$100,000 compared to 2.7% of renters. The disparity of incomes by tenure is also reflected in median income levels of

\$25,461 for renters and \$73,800 for homeowners, decreasing from the 2010 level of \$43,636 for renters and increasing from \$58,542 for homeowners.

**Table 2-8: Income Distribution by Owner and Renter Households, 2010 and 2021**

Income Range	Renters				Homeowners			
	2010		2021		2010		2021	
	#	%	#	%	#	%	#	%
Under \$10,000	19	8.6	40	14.4	36	7.2	12	2.2
\$10,000-24,999	43	19.4	95	34.3	37	7.4	48	9.0
\$25,000-34,999	33	14.9	83	30.0	51	10.2	93	17.4
\$35,000-49,999	28	12.6	6	2.2	65	13.0	31	5.8
\$50,000-74,999	51	23.0	26	9.4	124	24.7	95	17.8
\$75,000-99,999	42	18.9	15	5.4	67	13.4	44	8.2
\$100,000-149,999	6	2.7	7	2.5	75	14.9	32	6.0
\$150,000 +	0	0.0	5	1.8	47	9.4	179	33.5
Total	222	100.0	277	100.0	502	100.0	534	100.0
Median Income	\$43,636		\$25,461		\$58,542		\$73,800	

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2006-2010 and 2017-2021.

The 2021 median income for renter households in Stockbridge was lower than those of the county and state at \$33,603 and \$51,250, respectively. The median income of Stockbridge homeowners is also lower than those of \$76,891 and \$117,790 for the county and state, respectively.

It should be recognized that 113 units of the Town's rental units were state-defined as affordable and thus likely occupied by those with incomes of less than \$35,000.

### **Poverty – Largely increasing and higher than state and county levels**

Table 2-9 indicates that the proportion of residents living in poverty, at 14.2% is higher than county and state levels of 9.8% and 10.4%, respectively.<sup>8</sup> The 2021 census estimates indicate that those living below the poverty level grew from 8.7% in 2010 or from 169 to 259 individuals.

Poverty among families decreased somewhat, from 3.3% of all families in 2010 to 1.5% in 2021. Poverty among those 65 years of age or older increased, from 9.1% to 11% between 2010 and 2021 or from 46 to 82 such residents, a concerning trend.

**Table 2-9: Poverty Status, 2010 and 2021**

Type of Resident	2010		2021	
	#	%	#	%
Individuals *	169	8.7	259	14.2
Families **	13	3.3	7	1.5
Related Children Under 18 Years ***	7	4.0	0	0.0
Individuals 65+ ****	46	9.1	82	11.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010 and 2017-2021.

\* Percentage of total population \*\* Percentage of all families \*\*\* Percentage of all related children under 18 years \*\*\*\* Percentage of all individuals age 65+

### **Employment – Relatively low average wages for local jobs**

Of the 1,653 Stockbridge residents over the age of 16, 765 or about 46% were in the labor force and 729 or about 44% were employed according to the Census Bureau's American Community Survey estimates for 2021. This data suggests a low unemployment rate at that time for town residents of 2.2%.

The census estimates also provide information on commuting patterns with 60% of workers driving alone to work, none carpooling, 20% walking to work, 19% working from home, and less than 1% or six persons using public transportation. The high level of those who walked to work or worked at home demonstrates less reliance on cars and perhaps the results of the pandemic in the case of working at home. The average commuting time was about 14.5 minutes, suggesting that many employment opportunities were in reasonable reach.

<sup>8</sup> The 2022 federal poverty level from the U.S. Department of Health and Human Services was \$13,590 for an individual and \$23,030 for a three-person household for example.

The 2021 Census Bureau's American Community Survey data also provides information on the concentration of Stockbridge workers by industry, identifying significant concentrations of employment in management positions and more service or retail-oriented jobs that one would expect in a tourist destination. Specifically, this data indicates that 48% of Stockbridge's residents in the labor force were involved in management or professional occupations, another 13% in sales and office occupations, 24% in service occupations, 11% in production and transportation, and 4% in construction, natural resources or maintenance occupations. An estimated 74% of Stockbridge's workers involved private wage and salaried workers, almost 11% were government workers, and about 16% were self-employed.

Detailed labor and workforce data from the state on employment patterns for those who work in Stockbridge is presented in Table 2-10. This information shows an average employment in the community of 1,293 workers in 2021. The data also indicates a concentration of jobs in educational services, health care or social assistance, and not surprisingly, accommodation and food services. The average weekly wage was \$1,028, which is almost half of Boston's average weekly wage at \$2,385, a bit lower than Pittsfield at \$1,158, but higher than Lenox at \$911. The \$1,028 average weekly wage translates into an annual income of about \$53,500, higher than Stockbridge's median household income of \$46,458.

The state workforce data also shows an unemployment rate of 4.1% as of the end of 2022, down from 7.2% and 5.8% rates in 2020 and 2021, respectively, due to the pandemic. The unemployment level is still higher than the 2.7% rate in 2019.

**Table 2-10: Average Employment and Wages by Industry, 2021**

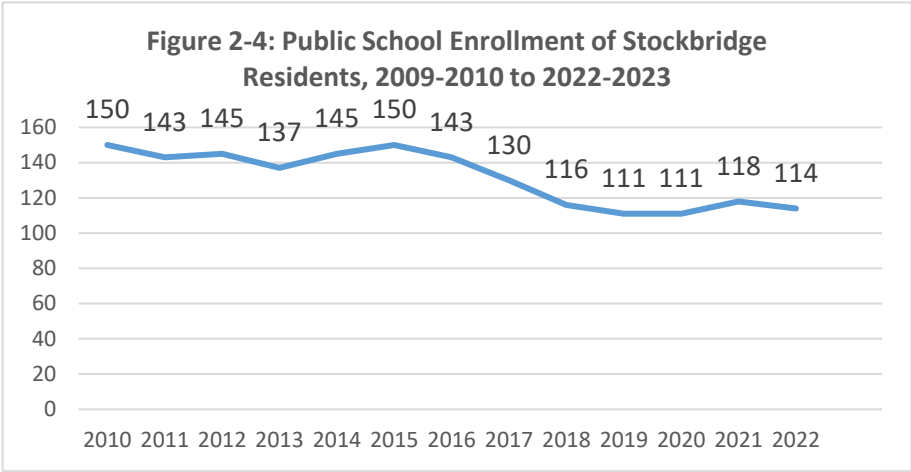
<b>Industry</b>	<b># Establishments</b>	<b>Total Wages</b>	<b>Average Employment</b>	<b>Average Weekly Wage</b>
Construction	10	\$2,298,279	46	\$961
Retail Trade	10	\$1,601,213	47	\$655
Finance and Insurance	4	\$1,112,491	16	\$1,337
Professional/Technical Services	6	\$2,646,959	24	\$2,121
Administrative and Waste Services	12	\$1,624,708	39	\$801
Educational Services	5	\$23,876,414	413	\$1,112
Health Care/Social Assistance	9	\$15,220,294	208	\$1,407
Arts, Entertainment, Recreation	9	\$6,537,086	153	\$822
Accommodation and Food Services	8	\$6,287,546	189	\$640
Other Services	16	\$4,313,528	96	\$864
<b>Total</b>	<b>99</b>	<b>\$69,147,213</b>	<b>1,293</b>	<b>\$1,028</b>

Source: Massachusetts Executive Office of Labor and Workforce Development, May 12, 2023.

### **Education – Relatively high educational attainment and declining public school enrollment**

The percentage of those ages 25 or older and having a high school diploma is 96.5% in Stockbridge, which is high in comparison to county and state levels of 92% and 91%, respectively. Additionally, 42.1% of Stockbridge residents 25 years of age or older have completed a bachelor's degree, which is in between the 38.4% and 48.6% levels for the county and state, respectively. Educational attainment is up considerably from 93.1% with at least a high school degree in 2010 and down modestly from 42.8% with a college degree or higher at that time.

The 2021 census estimates also indicate that those enrolled in school (nursery through graduate school) totaled 238 residents or 13% of the population, and those enrolled in kindergarten through high school totaled 142 students, representing 7.8% of all residents.



The Berkshire Hills Regional School District includes three regional schools from pre-kindergarten through high school for students from the towns of Great Barrington, Stockbridge, and West Stockbridge. Student enrollment has declined over the years from 1,377 students in 2009-2010, down to 1,307 in 2014-2015, and

then to 1,169 students in the 2022-2023 school year.

Figure 2-4 presents the decline in enrollment, focusing only on students from Stockbridge. While there were 150 Stockbridge students in 2010, enrollment decreased to 114 students in the 2022-2023 school year or by 24%.

**Disability Status<sup>9</sup> – High proportion of residents with special needs and anticipated future increases**

Of all Stockbridge’s 1,792 residents in the civilian, noninstitutionalized population, 372 or 20.8% claimed a disability, significantly higher than the proportions for the county and state at 15.0% and 11.7%, respectively. **Stockbridge had higher proportions of disabilities among all age ranges in comparison to the county and state except for those younger than age 34 and 75 years of age or older as shown in Table 2-11.**

**Table 2-11: Civilian Noninstitutionalized Population with a Physical Disability, 2021**

Age Range	Stockbridge		County	MA
	#	%	%	%
Under 5 years	0	0.0	0.0	0.8
5 to 17 years	0	0.0	8.7	6.0
18 to 34 years	21	5.6	10.4	6.7
35 to 64 years	107	28.8	11.5	10.2
65 to 74 years	121	32.5	18.7	20.4
75+ years	123	33.1	47.9	46.0
Total	372	20.8	15.0	11.7

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2017-2021.

The 2021 census estimates also identify numbers of residents with particular disabilities, as summarized in Table 2-12. It should be noted that some residents will have multiple challenges but more than half of

<sup>9</sup> Disabled households contain at least one or more persons with a mobility or self-care limitation. It should also be noted that the term “disabled” is being replaced by some within the housing community with “people first” terminology as those with special needs are interpreted to be the people who first need affordable, available and/or accessible housing.

the 372 residents who claimed a disability experienced an ambulatory difficulty and 44.1% and 37.6% had an independent living problem or a cognitive difficulty, respectively.

**Table 2-12: Types and Distribution of Disabilities, 2021**

Type of Disability	# Residents	% Disabled Residents	% All Civilian Noninstitutionalized Residents
Hearing Difficulty	100	26.9	5.6
Vision Difficulty	40	10.8	2.2
Cognitive Difficulty	140	37.6	8.0
Ambulatory Difficulty	203	54.6	11.5
Self-care Difficulty	39	10.5	2.2
Independent Living Difficulty	164	44.1	10.1

Source: U.S. Census Bureau, Census American Community Survey 5-Year Estimates for 2017-2021.

## 2.3 Housing Profile

This section examines housing growth, occupancy, and costs to address the following questions with corresponding major findings:

- *What housing has recently been produced?* The U.S. census data suggests only limited housing production of 40 units between 2010 and 2021 to a total count of 1,638 units. Particularly noteworthy is the high number and percentage of units for seasonal or occasional use, including second homes. While decreasing modestly between 2010 and 2021, these units comprised 43.4% of all units according to 2021 census estimates.
- *What housing is available to what residents can afford?* Housing prices have risen faster than incomes since 2010, making housing much less affordable. Between 2010 and 2021, median household income decreased by 4.4% while the median single-family house price widened considerably, by 204%.

As prices rise, so do affordability gaps and the share of income that is committed to housing costs. The affordability gap is estimated to be \$386,500 as of the end of 2022 for single-family homes, the difference between \$188,500, based on what a median income earning household could afford (at 80% financing with 20% down payment requirement), and the median house price of \$575,000 as of the end of 2022. This gap would decrease to \$399,400 based on 95% financing.

When looking at the affordability gap for those with incomes at the HUD 80% of the Pittsfield area median income limit (determined annually by HUD), the gap is an estimated \$289,500, the difference between the median priced single-family home and what a four-person household earning at this income level (\$81,850) can afford of \$285,500 based on 95% financing. The gap decreases to \$247,000 with 80% financing.

Special tabulations of HUD data suggest that about 31% of all Stockbridge households were experiencing cost burdens as they were spending more than 30% of their income on housing costs, including about 12% or 103 households spending at least half of their income on housing. Of the 435 households with incomes at or below 80% of area median income, 202 or 46% were experiencing cost burdens with 99 or 23% spending more than half their income on housing costs.

While listings for market rate rentals were nonexistent in May 2023, listings from nearby communities suggest rents for a two-bedroom apartment of about \$1,600.<sup>10</sup> This rent would require an income of \$72,000, much higher than the median income for renters of \$25,461 and even higher than Stockbridge's median household income of \$46,458 based on 2021 census estimates.

- *What units are defined as affordable by the state?* The state provided updated 2020 census figures for year-round units in June 2023 that listed 1,079 such units for Stockbridge with 113 units identified as meeting Chapter 40B requirements and thus considered affordable by the Commonwealth of Massachusetts as part of what is called a Subsidized Housing Inventory (SHI). This represents 10.47% of the year-round housing stock, down from 10.75% based on 2010 census figures. While 2021 census estimates show a major decline in year-round units to 761 units, the

1,079 figure will be the basis for the SHI percentage and the annual housing production goal until the 2030 decennial figures are issued.

**Because almost ¾ of Stockbridge's housing stock predates 1980, it is not surprising that some units might contain lead-based paint that can be hazardous to young children as well as deferred maintenance problems. A reliance on septic systems and an aging population with home modification needs makes approaches to upgrading properties a significant health and safety issue.**

- *What are Stockbridge's priority housing needs?* This Housing Production Plan recommends a focus on both rental unit development and workforce/homeownership at about equal weight. Additionally, because 80% of Stockbridge's housing stock

was built before 1980 with more than half built before 1950, providing solutions to maintain the existing housing stock is a high priority. Integrating support for those with disabilities is also a local priority as about 20% of all residents claimed a disability.

### **Housing Growth – Substantial slowdown in housing growth**

The U.S. Census Bureau's 2020 decennial count identified 1,633 total housing units, 761 or almost 48% of which were occupied as year-round units. The 2021 census estimates show only a gain of five units to 1,638 total units, almost half of which were occupied year-round.

Table 2-13 presents data on Stockbridge's historical housing growth indicating that about 45% of the Town's housing predates World War II, which is not surprising given the town's long history. Development activity was the highest between 1960 and 1980 and then declined over the following decades with some upturn between 2000 and 2009, seemingly almost stalling after that. This data suggests no new unit creation since 2010, which deviates from the summary of building permit activity since 2020 that is presented in Table 2-14 with 22 units permitted between 2020 and May 2023, all single-family homes. It is the slowdown in housing production in tandem with increasing housing demand that causes an economic imbalance leading to higher housing costs.

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<sup>10</sup> Assumes that the tenant pays 30% of income on housing costs that includes average monthly utility costs of \$200.



**Table 2-13: Housing Units by Years Structure Was Built, 2021**

Time Period	#	%
2020 and later	0	0.0
2010 to 2019	18	1.1
2000 to 2009	104	6.3
1990 to 1999	66	4.0
1980 to 1989	142	8.7
1970 to 1979	183	11.2
1960 to 1969	198	12.2
1950 to 1959	106	6.5
1940 to 1949	78	4.8
1939 or earlier	743	45.4
Total	1,638	100.0

Source: US Census Bureau, American Community Survey, 5-Year Estimates, 2017-2021.

**Table 2-14: New Residential Building Permit Activity, 2020 to May 25, 2023**

Year	Single-family Homes	Two- to Four-family Units	Units in Multi-family Structures with 5+ Units	Total
2020	6	0	0	6
2021	6	0	0	6
2022	7	0	0	7
As of May 25, 2023	3	0	0	3
Total	22	0	0	22

Source: Donahue Institute of the University of Massachusetts, State Data Center, and Stockbridge Building Department, May 25, 2023.

### **Housing Occupancy – Decreasing vacancies after the recession with increases in seasonal and second-home units as well as rentals**

Besides total housing figures, Table 2-15 includes a summary of housing characteristics for 2010 and 2021 that indicates the following major trends:

- *Small gain in the total number of units*  
Of the 1,633 total housing units in 2020, Stockbridge had 1,079 year-round units<sup>11</sup>. The 2021 census estimates suggest a small gain of five units since 2020, 40 units since 2010 as noted earlier. Permitting data identifies a small increase of 12 units in 2020 and 2021 with another ten units in 2022 through May 2023 as shown in Table 2-14.
- *Some declines in vacant units*  
The number of vacant units decreased by 87 units between 2010 and 2021, or from 54.7% to 50.5% of all units.

<sup>11</sup> The year-round figure (1,079 units) is the one used under Chapter 40B for determining the 10% affordability goal and annual housing production goals. It is calculated by subtracting the seasonal or occasional units (554) from the total number of units (1,633) per the 2020 decennial census. The annual housing production goal, based on 0.5% of the year-round housing stock would therefore be 5 units.

- *Some decrease in seasonal units and second homes*

In addition to a decrease in vacant units between 2010 and 2021, the number and percentage of units for seasonal or occasional use, including second homes, decreased from 761 to 711 units or from 47.6% to 43.4% of all units. The pandemic might have precipitated some conversion of second home use to year-round occupancy based on more people being able to work remotely and having an interest in finding a safer place to ride out COVID-19. Additionally, some second home owners might have chosen to retire and live full-time in Stockbridge.

- *Somewhat lower level of owner-occupancy compared to the county*

Of the 811 occupied units in 2021, 534 or 65.8% were owner-occupied, down from 69.3% in 2010. The level of owner-occupancy is a bit lower than 70.1% for Berkshire County but higher than 63% statewide. The 2021 census estimates also suggest a net increase of 32 owner-occupied units and a gain of 55 rental units since 2010. Local leaders suggest that the increase in renter units is most likely overestimated in census data.

**Table 2-15: Housing Occupancy, 2010 and 2021**

Housing Characteristics	2010		2021	
	#	%	#	%
Total Housing Units	1,598	100.0	1,638	100.0
Occupied Year-round Units*	724	45.3	811	49.5
Total Vacant Units/Seasonal or occasional units*	874/761	54.7/47.6	827/711	50.5/43.4
Occupied Owner Units**	502	69.3	534	65.8
Occupied Rental Units**	222	30.7	277	34.2
Average Household Size/Owner Occupancy	2.10 persons		2.26 persons	
Average Household Size/Renter Occupancy	2.05 persons		1.55 persons	

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010 and 2017-2021.

\* Percentage of all housing units \*\* Percentage of occupied housing units

- *Decrease in persons per unit for rentals, increases for owner-occupancy*

The average number of persons per unit dropped significantly between 2010 and 2021 for renter-occupied units, from 2.05 persons to 1.55 persons, however, increased for owner-occupied units, from 2.10 to 2.26 persons. The small household sizes correlate to the average household size of only 2.02 persons and 2.62 persons for families.

- *Relatively low vacancy rates*

As shown in Table 2-16, census data identifies very low vacancy rates of 1.8% for ownership and 3.1% for rentals in 2021, somewhat higher than county levels. As any rate below 5% reflects very tight housing market conditions, these vacancy levels indicate a very strong housing market without much available inventory.

**Table 2-16: Vacancy Rates, 2010 and 2021**

<b>Tenure</b>	<b>Stockbridge 2010</b>	<b>Stockbridge 2021</b>	<b>County 2021</b>	<b>MA 2021</b>
Rental	8.3%	3.1%	2.2%	4.0%
Homeowner	9.5%	1.8%	1.0%	0.6%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010 and 2017-2021.

### **Types of Structures and Units – Some limited diversity of housing types with increases in multi-family dwellings**

Census data indicates that there is some diversity of housing types in Stockbridge, as summarized in Table 2-17 and Figure 2-5, with the following notable changes:

- Increase in single-family detached dwellings*

Most new development focused on single-family homes with a gain of 52 such units between 2010 and 2021, from 72.2% to 75.5% of all units. This is more than the 40-unit net increase in units during this period.
- Declines in two-family properties*

Units in two-family properties decreased from 182 units in 2010 to 125 by 2021 according to census estimates. The loss of these units has ramifications on housing affordability as these small multi-family properties are typically among the more affordable units in the private housing stock as landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain below market rents to keep them. Moreover, the rental income from these properties can be included in mortgage underwriting and thus helps somewhat lower income households qualify for financing.
- Modest increases in three- to four-unit properties*

The 2021 census estimates identify a gain of 32 units in three- to four-unit properties which helps diversify the town's housing stock. This increase is likely related to the increase in renter occupancy. Local leaders, who are well acquainted with the housing stock, question the validity of this data.
- Increases in multi-family units*

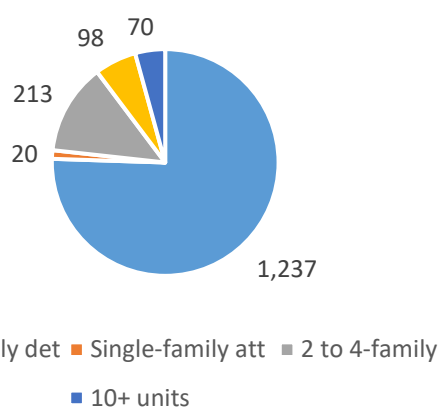
Units in five- to nine-unit structures increased by 68 units, however, decreased by 16 units in those with ten units or more. Overall, this has helped further diversify the housing stock, offering more housing choices and contributing to the increase in rental housing.
- No mobile homes*

The 2021 census estimates identify that there were 19 mobile homes in 2010, which local leaders indicate never existed. The census also shows no such units in 2021, confirmed by Assessor data.

**Table 2-17: Units in Structure, 2010 and 2021**

Type of Structure	2010		2021	
	#	%	#	%
1 unit detached	1,185	74.2	1,237	75.5
1 unit attached	40	2.5	20	1.2
2 units	182	11.4	125	7.6
3-4 units	56	3.5	88	5.4
5-9 units	30	1.9	98	6.0
10+ units	86	5.4	70	4.3
Mobile Homes	19	1.2	0	0.0
Total	1,598	100.0	1,638	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2006-2010 and 2017-2021.

**Figure 2-5: Distribution of Units in Structure, 2021**

- *Almost all owner-occupants live in single-family dwellings with most renters in small multi-family structures*

Table 2-18 provides a comparison of the 2010 and 2021 distribution of units per structure according to whether the units were occupied by renters or homeowners. While 94.4% of owners resided in single-family homes, up from 84.9% in 2010, 63.6% of renters lived in multi-family dwellings of two to nine units. It is interesting to note that none of the two to four-unit properties were owner-occupied in 2021, down from 8.6% in 2010.

**Table 2-18: Units in Structure by Tenure, 2010 and 2021**

Type of Structure	Homeowner Units/ Number of Residents				Renter Units/ Number of Residents			
	2010		2021		2010		2021	
	#	%	#	%	#	%	#	%
Single-unit detached	426	84.9	504	94.4	29	13.1	63	22.7
Single-unit attached	6	1.2	6	1.1	13	5.9	0	0.0
2 to 4 units	43	8.6	0	0.0	94	1.8	121	43.7
5 to 9 units	0	0.0	13	2.4	30	13.5	55	19.9
10+ units	0	0.0	11	2.1	56	25.2	38	13.7
Mobile Homes	19	3.8	0	0.0	0	0.0	0	0.0
Total	502	100.0	534	100.0	222	100.0	277	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2006-2010 and 2017-2021.

- *Moderately-sized housing units with increasing numbers of larger homes*

Table 2-19 provides information on the distribution of unit sizes and indicates that the median-sized unit had 5.9 rooms. This is only somewhat higher than the medians of 5.8 and 5.5 rooms for Berkshire County and the state, respectively. Nine percent of housing units were very small, with three rooms or less, up from 7.6% in 2010. On the other hand, 16.4% of all units were large with nine rooms or more, up from 12.2% in 2010. Not surprisingly, more of the smaller units were occupied by renters with the median number of rooms in rental units having 3.8 rooms as compared to a median of 7.6 rooms in the owner-occupied stock.

**Table 2-19: Number of Rooms per Unit, 2010 and 2021**

Number of Rooms per Unit	2010		2021	
	#	%	#	%
1 Room	9	0.6	25	1.5
2 Rooms	6	0.4	19	1.2
3 Rooms	105	6.6	103	6.3
4 Rooms	295	18.5	243	14.8
5 Rooms	304	19.0	307	18.7
6 Rooms	264	16.5	344	21.0
7 Rooms	326	20.4	113	6.9
8 Rooms	94	5.9	215	13.1
9 or More Rooms	195	12.2	269	16.4
Total	1,598	100.0	1,638	100.0
Median (Rooms) for All Units	5.8 rooms		5.9 rooms	

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2006-2010 and 2017-2021.

### **Housing Costs – Rising housing costs beyond the means of even median income earning households**

The following analysis of the housing market examines past and present values of homeownership and rental housing from a number of data sources including:

- The U.S. Census Bureau's American Community Survey 5-year Estimates, 2006-2010 and 2017-2021
- The Warren Group's median income statistics and sales volume by year, from 2010 through 2022
- Multiple Listing Service data
- Town Assessor data
- Internet listings
- Realtor interviews

### **Homeownership – Eroding of relatively affordable homes in the community**

Census data also provides information on housing values for owner-occupied units, as summarized in Table 2-20. The American Community Survey estimates indicate that the median-priced, owner-occupied unit was \$496,100 in 2021, up from \$392,500 in 2010. In comparison, the countywide median was much lower at \$260,000. Only six Stockbridge units were valued below \$200,000 and another 76 or about 14% were valued in the \$200,000 to \$299,999 range. On the other hand, half of the units were valued above \$500,000, 14% above \$1 million.

**Table 2-20: Housing Values of Owner-occupied Units, 2010 and 2021**

Price Range	2010		2021	
	#	%	#	%
Less than \$100,000	19	3.8	0	0.0
\$100,000-199,999	50	10.0	6	1.1
\$200,000-299,999	59	11.8	76	14.2
\$300,000-499,999	234	46.6	187	35.0
\$500,000-999,999	113	22.5	191	35.8
\$1,000,000 or more	27	5.4	74	13.9
Total	502	100.0	534	100.0
Median (dollars)	\$392,500		\$496,100	

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010 and 2017-2021.

Table 2-21 provides The Warren Group data from Banker & Tradesman on median sales prices and volume

**An analysis of sales between January 1, 2021 and July 1, 2023 indicates that there were 85 total sales of which 34 involved full-time Stockbridge residents with the remaining 51 being second homes or investment properties. The median prices were \$634,000 and \$700,000, respectively, but the sales price ranges were much greater for the second home owners, from \$117,200 to \$4,025,000 (assessed value range of \$162,600 to \$3,305,900), compared to \$250,000 to \$1,780,000 (assessed value range of \$231,600 to \$1,335,300) for resident purchases.**

of sales from 2010 through 2022. This data is tracked from Multiple Listing Service (MLS) information based on actual sales. As of the end of 2022, the median sales price of a single-family home was \$575,000, up from its lowest point of \$285,000 in 2010 due to the financial recession and up from the peak of the market before the recession of \$525,000 in 2007. These median prices demonstrate that the housing market fluctuated between 2010 and 2017 and then rebounded steadily after that with an unprecedented median of \$715,000 in 2021, which likely was affected by high

demand during the pandemic.

There has also been substantial variability in the number of single-family home sales as shown in Figure 2-6, which clearly shows the significant effects of the recession with the dip in values between 2005 and 2011. The sales volume ranged from a low of 15 sales in 2009 to a high of 48 sales in 2021 and once again in line with the high demand for housing during the pandemic. In 2022, the number of sales decreased to 31, more in line with normal sales volume and likely also due to the decreased inventory of listings.

**A local realtor indicated that the introduction of short-term rentals brought about significant changes in the housing market as more owners, particularly second home owners, were attracted to the rental income without the typical wear and tear and lack of access to their homes involved with longer-term rentals. This further drove up prices. The State Department of Revenue Registry counted 129 STRs in April 2024.**

The condo market, while small in Stockbridge with 151 units according to Assessor records, has also experienced substantial ups and downs in terms of both values and number of sales. The highest median sales price was just recently at \$545,000 in 2022, but based on a very low volume of only seven sales. The lowest median was in 2018 at \$225,000, also based on only seven sales. The number of condo sales has also fluctuated substantially, albeit still at a low volume of typically less than a handful and up to ten a year, ranging from four units in 2016 to a high of 13 units in 2021.

**Table 2-21: Median Sales Prices and Number of Sales, 2010 through 2022**

Year	Months	Single-family		Condominiums		All Sales*	
		Median	# Sales	Median	# Sales	Median	# Sales
2022	Jan – Dec	\$575,000	31	\$545,000	7	\$575,000	55
2021	Jan – Dec	\$715,000	48	\$450,000	13	\$500,000	81
2020	Jan – Dec	\$467,500	42	\$438,000	9	\$445,000	66
2019	Jan – Dec	\$357,500	37	\$393,750	8	\$362,500	56
2018	Jan – Dec	\$357,500	32	\$225,000	7	\$352,000	50
2017	Jan – Dec	\$300,000	21	\$255,000	7	\$327,500	34
2016	Jan – Dec	\$351,000	25	\$372,500	4	\$351,000	33
2015	Jan – Dec	\$405,000	28	\$412,500	8	\$375,000	44
2014	Jan – Dec	\$316,000	33	\$500,000	5	\$320,000	51
2013	Jan – Dec	\$310,000	41	\$480,000	5	\$400,000	58
2012	Jan – Dec	\$378,750	28	\$265,000	9	\$320,800	47
2011	Jan – Dec	\$440,000	17	\$325,000	6	\$425,000	35
2010	Jan – Dec	\$285,000	27	NA	2	\$380,000	41

Source: The Warren Group/Banker & Tradesman, May 14, 2023.

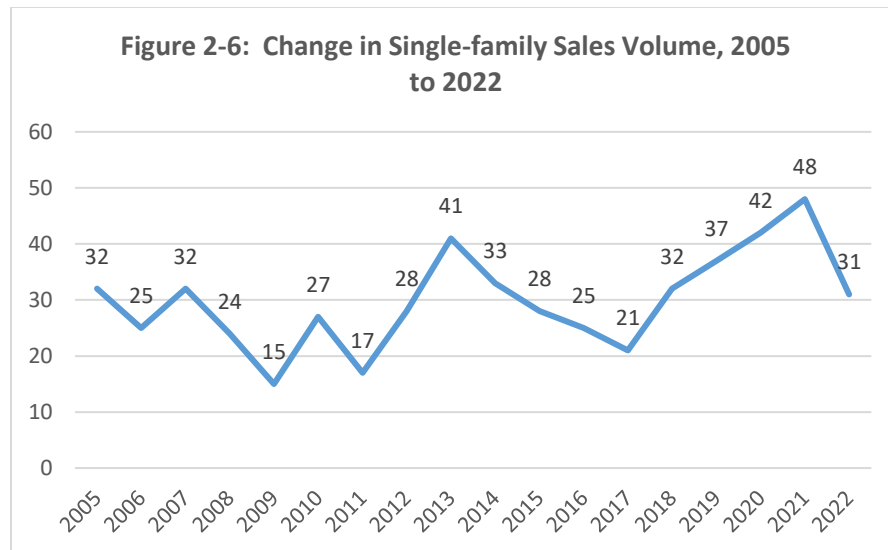
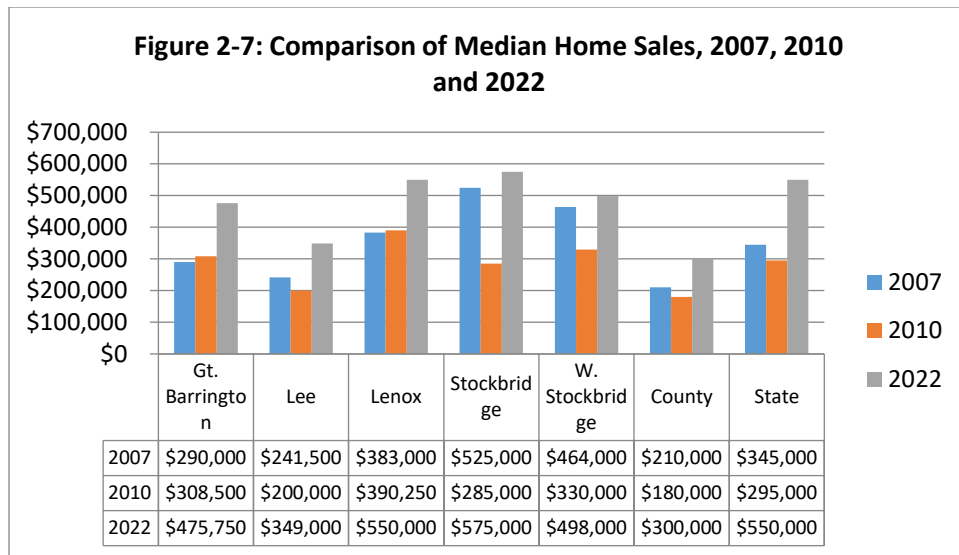


Figure 2-7 examines the median single-family home values for Stockbridge in comparison to neighboring communities as well as the county and state for 2007, when housing values were often highest before the recession in most communities, in 2010 when the effects of the recession were clearly being experienced, and 2022 with values at unprecedented levels. Stockbridge had the highest values in comparison to neighboring communities with Lee at the lowest end of the range. All these communities were experiencing home values higher than the countywide levels.





Town Assessor data on the distribution of assessed values by various types of properties is presented in Tables 2-22 and Figure 2-8. This information provides additional insights into not only the diversity of the existing housing stock but also the range of values for each dwelling type. This data shows that Stockbridge had 989 single-family properties in Fiscal Year 2023 (FY23) with only 24 homes assessed below \$200,000 and another 136 assessed between \$200,000 and \$299,999, representing 16.2% of such dwellings. More than a third of the single-family homes, or 36.1%, were assessed between \$300,000 and \$499,999, what still might be considered relatively affordable. Another 11% were assessed between \$500,000 and \$599,999 and almost 23% between \$600,000 and \$999,999. The median was \$484,700.

This data shows a significant high-end housing market with 142 homes or 14.4% of the homes valued at more than \$1 million, clearly shown in Figure 2-8. It is important to also note that Assessor data lags current market levels and thus typically underestimates housing values, particularly in rising housing markets.

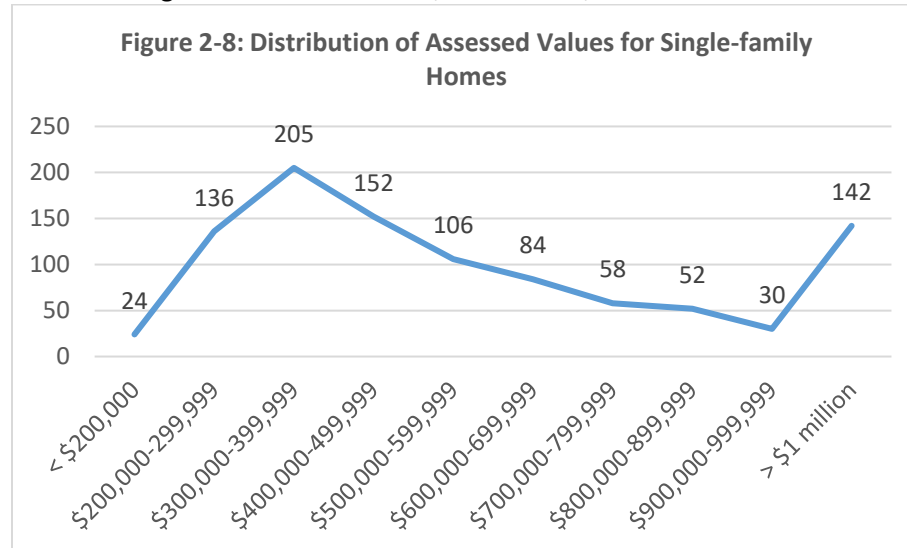
**Table 2-22: Assessed Values by Type of Property**

Assessment	Single-family Dwellings		Condominiums		Two-family/ Three-family		Multiple Houses on One Lot	
	#	%	#	%	#	%	#	%
Less than \$100,000	1	0.1	1	0.7	0/0	0.0/0.0	0	0.0
\$100,000-199,999	23	2.3	10	6.6	0/0	0.0/0.0	0	0.0
\$200,000-299,999	136	13.8	24	15.9	8/0	25.8/0.0	1	1.0
\$300,000-399,999	205	20.7	16	10.6	6/1	54.6/20.0	3	3.1
\$400,000-499,999	152	15.4	35	23.2	8/2	25.8/40.0	5	5.1
\$500,000-599,999	106	10.7	28	18.5	3/1	9.7/20.0	6	6.1
\$600,000-699,999	84	8.5	20	13.2	4/0	12.9/0.0	6	6.1
\$700,000-799,999	58	5.9	14	9.3	0/0	0.0/0.0	12	12.2
\$800,000-899,999	52	5.3	2	1.3	0/0	0.0/0.0	14	14.3
\$900,000-999,999	30	3.0	0	0.0	0/0	0.0/0.0	6	6.1
More than \$1 million	142	14.4	1	0.7	2/1	6.4/20.0	45	45.9
Total	989	100.0	151	100.0	31/5	100.0/100.0	98	100.0

Source: Stockbridge Assessor, Fiscal Year 2023.

There were 151 condominium units counted in the FY23 assessments, representing 9.2% of the housing stock, and ranging in values considerably and with a median of \$492,700. This median is higher than the \$484,700 figure for the single-family homes.

Stockbridge also has only 31 two-family dwellings (62 units) and 5 three-family properties (15 units). Assessor data shows that there were 98 properties that had multiple houses on the same parcel with almost half valued at more than \$1 million. Moreover, Assessor data included only five properties with four to eight units that ranged in value from \$307,100 to \$580,000 and none with nine units or more.



### ***Rentals – Limited inventory***

Table 2-23 presents information on the distribution of costs for renter-occupied properties for 2010 and 2021 based on the Census Bureau's American Community Survey figures. The median rent decreased by about 8% during this period, from \$936 to \$857, while inflation increased by 24%. The 2021 median rent was also significantly lower than those for the county and state at \$948 and \$1,487, respectively.

About 57% of Stockbridge's rentals were renting for less than \$1,000 in both 2010 and 2021, however rents of less than \$500 increased from 2.7% of the rental housing stock to 14.4%, representing a gain of 34 such units. On the other end of price range, only 7 units or 3.2% of rentals had rents of more than \$1,500 in 2010 compared to 50 units and 18% in 2021, demonstrating some uptick in the higher-priced rental market.

**Table 2-23: Rental Costs, 2010 and 2021**

Gross Rent	2010		2021	
	#	%	#	%
Less than \$500	6	2.7	40	14.4
\$500-999	121	54.5	118	42.6
\$1,000-1,499	88	39.6	37	13.4
\$1,500-1,999	7	3.2	26	9.4
\$2,000 or more			24	8.7
No Cash Rent	0	0.0	32	11.6
Total	222	100.0	277	100.0
Median Rent	\$936		\$857	

Source: U.S. Census Bureau, Census American Community Survey 5-Year Estimates 2006-2010 and 2017-2021.

**The census counts include 113 rental units as part of the Subsidized Housing Inventory, representing about 41% of all rentals, thus making rental costs, as summarized in Table 2-23, appear more affordable than they really are. Most of the rents below \$1,000 likely involved subsidized units.**

There were no rental listings in internet sites in May 2023 for Stockbridge. Listings for nearby communities included two one-bedroom, one-bath apartments in Lee for \$1,275 and \$1,350 as well as a two-bedroom, one-bath apartment for \$1,575, about twice the median gross rent in the 2021 census estimate for Stockbridge. A listing for a studio as

part of the Lenox Schoolhouse project was \$1,015. One resident, who was paying \$1,300 in rent for a small apartment on Main Street, was informed that the actual market rent was closer to \$2,400.

The lack of listings indicates that if units were not subsidized, transactions were likely accomplished by word of mouth. This confirms the tight market conditions suggested by the very low 3.1% housing vacancy rate.

Another perspective on market rents involves the ability of Section 8 voucher holders to access qualifying apartments that are within HUD Fair Market Rents (FMRs).<sup>12</sup> This has been a challenge for many, and the state has granted the Stockbridge Housing Authority the ability to apply rents based on 110% of the current limits.<sup>13</sup> Only five of SHA's 57 Section 8 vouchers are being used in Stockbridge, two in privately-owned homes and three at the Pine Woods development. This is largely due to the relatively higher housing costs in Stockbridge compared to other towns in the county

## **Affordability Analysis – Widening affordability gaps and cost burdens**

### ***Affordability Gaps***

While it is useful to have a better understanding of housing cost trends, it is also important to analyze the implications of these costs on residents' ability to afford them.

**Housing prices have largely risen faster than incomes since 2010**, making housing much less affordable as demonstrated in Figure 2-9. As time went by, the gap between median household income and the median single-family house price widened considerably. According to US census estimates, there was a net decrease in median household income levels between 2000 and 2021, decreasing by 4.4%. while the median single-family home price increased by 204%.

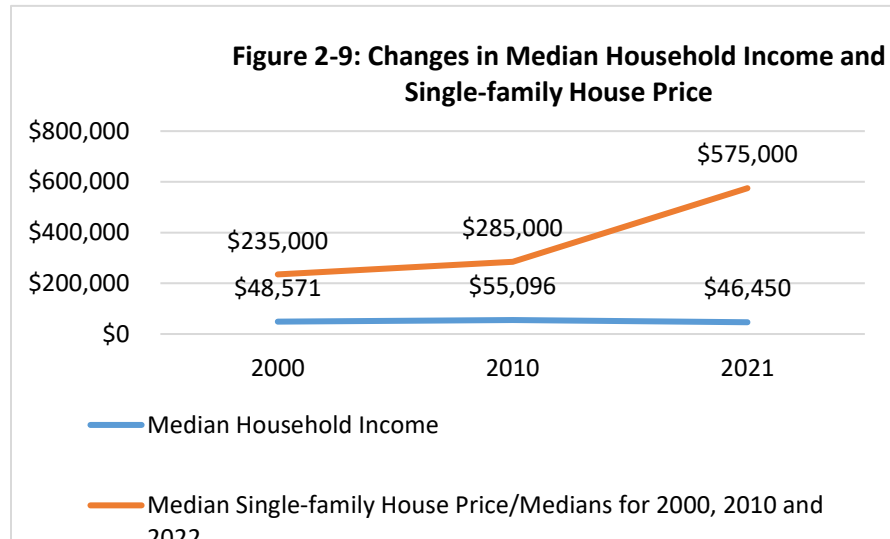
In 2000 the median income was about 21% of the median house price, decreasing to 19% by 2010, and then declining dramatically to 6.5% in 2021. Moreover, the gap between income and house value was \$186,429 in 2000, increased to \$229,904 by 2010, and then widened substantially to \$528,550 using the

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<sup>12</sup> The Section 8 Housing Choice Program pays a rental subsidy based on the difference between the HUD Fair Market Rent (FMR) and 30% of the voucher holder's income. The subsidy is paid directly to the landlord, and FMRs are adjusted annually. The Stockbridge Housing Authority has been given the ability to apply 110% of FMR rents given high housing costs, however, many voucher holders still encounter challenges in finding rentals in Stockbridge within these limits.

<sup>13</sup> The 2023 FMR limits are as follows: studio apartment at \$928 (110% = \$1,021), one-bedroom at \$1,095 (\$1,204), two-bedroom at \$1,388 (\$1,527), three-bedroom at \$1,773 (1,950), and four-bedroom at \$1,876 (\$2,064).

2022 median single-family home price. It should be noted that the 2022 median single-family house price decreased from \$715,000 in 2021, narrowing the gap somewhat.



Tables 2-24 and 2-25 review affordability from two different perspectives. Table 2-24 calculates what households earning at various income levels can afford with respect to types of housing. On the other hand, Table 2-25 estimates what households must likely earn to afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold

of affordability.

In addition to showing how different types of housing are more or less affordable to households earning at the median household income level for Stockbridge and the 80% of area median income level for the Pittsfield area, Table 2-24 also indicates that the amount of down payment has a substantial bearing on what households can afford. Prior to the recession, it had been fairly easy for purchasers to limit their down payments to 5% or even less as long as they paid Private Mortgage Insurance (PMI) or qualified for a subsidized mortgage program such as the state's ONE Mortgage Program, MassHousing mortgage assistance programs, or other government mortgage insurance programs. Since then, lenders have typically applied more rigid lending criteria, including high down payments and stricter credit standards. These requirements make homeownership, particularly first-time homeownership, much more challenging, and the proportion of first-time homebuyers entering the market has plummeted. As Table 2-24 demonstrates, a household earning the same level of income can acquire a much higher-priced home if the household is able to pay more cash down, as they are borrowing less.

Table 2-24 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, condo units can be relatively more expensive. Therefore, a four-person household earning at the 80% of area median income limit, for example, can afford a single-family home of \$285,500 with a 5% down payment, but a condo unit for only \$248,500, assuming a condo fee of \$300 per month.

**It should be noted that the same household with income at the 80% AMI limit is estimated to potentially be able to buy a two-family house for \$437,000. This assumes that it can charge \$1,500 per month in rent to a second household. This income is also considered in mortgage underwriting, usually at about 75% of the rent level or \$1,125. A three-family house is even more affordable with two paying tenants, and it is therefore not surprising that the two-family and triple-decker have been so successful as starter housing for those looking to enter homeownership.**

While this analysis includes estimated purchase prices for households earning at Stockbridge's median household income of \$46,458, it is questionable whether this income level can support homeownership

as it is closer to HUD's very low income level of \$40,950 at 50% AMI and would require very substantial subsidy amounts to fill the gap between total development costs and this income.

It is also important to note that the figures included in Table 2-24 are for those earning at the 80% AMI limit and are not the same as the purchase prices that are calculated under the state Local Initiative Program (LIP) formula. The state-approved purchase prices for initial occupancy are established at the 70% AMI level with some other slightly different assumptions.

**Table 2-24: Affordability Analysis I**  
**Maximum Affordable Prices Based on Various Income Levels and Housing Types**

Type of Property	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down***	Estimated Max. Affordable Price 20% Down***
Single-family	Stockbridge Median Income = \$46,450*	\$1,161.25	\$164,000.00	\$188,500.00
	80% AMI = \$81,850**	\$2,046.25	\$285,500.00	\$328,000.00
Condominium	Stockbridge Median Income = \$46,450*	\$1,161.25	\$126,000.00	\$145,000.00
	80% AMI = \$81,850**	\$2,046.25	\$248,500.00	\$286,500.00
Two-family	Stockbridge Median Income = \$46,450*	\$1,161.25	\$318,500.00	\$366,000.00
	80% AMI = \$81,850**	\$2,046.25	\$437,000.00	\$502,500.00
		30% of Monthly Income	Estimated Utility Cost	Affordable Monthly Rental
Rental	Stockbridge Median Income = \$46,450*	\$1,161.25	\$200.00	\$961.25
	80% AMI = \$65,500**	\$1,637.50	\$200.00	\$1,437.50
	50% AMI = \$40,950**	\$1,023.75	\$200.00	\$823.75
	30% AMI = \$24,600**	\$615.00	\$200.00	\$415.00

\* Based on the U.S. Census Bureau's American Community Survey (ACS) 5-Year Estimates, 2017-2021.

\*\* HUD 2023 Income Limits for the Pittsfield area for a household of four for homeowners and average of two (2) for renters.

\*\*\* Figures based on interest rate of 6.5%, 30-year term, annual property tax rate of \$9.38 per thousand, insurance costs of \$6 per thousand for single and two-family homes and \$4 per thousand for condo units, and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, and estimated monthly condo fees of \$300. Figures do not include underwriting for PMI in calculations with a 20% down payment and for the 80% AMI level at 95% financing that would assume that the purchaser qualified for the ONE Mortgage Program, MassHousing, or other government mortgage offerings for example. Assumptions also include the purchaser spending 30% of income on housing costs.

Table 2-24 also looks at what renters can afford at different income levels. For example, a two-person household earning at the 50% of area median income limit, or \$40,950 annually, could afford an estimated monthly rental of about \$823.75, assuming they were paying no more than 30% of their income on housing including utility bills that average \$200 per month. An unsubsidized rental this low is virtually impossible to find in Stockbridge.

Rentals also involve relatively high upfront cash requirements, often including first and last months' rent plus a security deposit. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has an impact on affordability.

Table 2-25 examines affordability from another angle, going from specific housing costs to income. Taking median price levels for single-family homes, condominium units and two-family dwellings into account, the incomes that would be required to afford these prices are calculated, also showing the differences between 95% and 80% financing. For example, using the median single-family home price of \$575,000 in 2022, a household would have to earn approximately \$175,600, if they were able to access 95% financing, and \$148,000 with 80% financing, more than triple the median household income of \$46,450.

The median condominium unit price was \$545,000 in 2022, which required an estimated income of \$174,900 with 5% down and \$148,700 with the 20% down payment, relatively comparable to the single-family home price. This table also demonstrates the greater affordability of two-family dwellings given the inclusion of a portion of the rental as part of underwriting calculations with estimated required incomes of \$81,900 and \$62,000 for 95% and 80% financing, respectively.

**Table 2-25: Affordability Analysis II**  
**Income Required to Afford Median Prices and Minimum Market Rents**

Type of Property	Median Price *	Estimated Mortgage		Income Required **	
		5% Down	20% Down	5% Down	20% Down
<b>Homeownership</b>					
Single-family	\$575,000.00	\$546,250.00	\$460,000.00	\$175,600.00	\$148,000.00
Condominium	\$545,000.00	\$517,750.00	\$436,000.00	\$174,900.00	\$148,700.00
Two-family Dwelling	\$414,300.00****	\$393,585.00	\$331,440.00	\$81,900.00	\$62,000.00
	<b>Estimated Market Monthly Rental ***</b>	<b>Estimated Monthly Utility Costs</b>	<b>Income Required</b>		
<b>Rental</b>					
One-bedroom	\$1,300.00	\$175.00	\$59,000.00		
Two-bedroom	\$1,500.00	\$200.00	\$68,000.00		
Three-bedroom	\$1,800.00	\$225.00	\$81,000.00		

\* From The Warren Group Town Stats data 2022 for median prices.

\*\* Figures based on interest rate of 6.5%, 30-year term, annual property tax rate of \$9.38 per thousand, insurance costs of \$6 per thousand for single and two-family homes and \$4 per thousand for condo units, and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, and estimated monthly condo fees of \$300. The rental income for the two-family dwellings is based on 75% of a projected rent of \$1,500 or \$1,125. Figures do not include underwriting for PMI in calculations with a 20% down payment. Assumptions also include the purchaser spending 30% of income on housing costs.

\*\*\* Since there were no rental listings, these rents are based on modest increases from the 110% Fair Market Rent (FMR) standards for 2023 used by the SHA.

\*\*\*\* This figure represents the median assessed value for two-family homes in Stockbridge for FY23. As assessed values typically underestimate market values, particularly in a market with rising prices, this median price is likely somewhat lower than market level.

Regarding rentals, the gross median rent of \$847, reported by the 2021 census estimates, requires an income of about \$41,880 with a monthly average utility allowance of \$200 and the occupants spending 30% of their income on housing, more than the \$25,461 median renter income. However, the census figure includes subsidized rents that comprise about 41% of all rentals, and consequently this median seriously under estimates market values.

Using estimated low market rents based on modest increases above the 110% Fair Market Rent (FMR) standards for 2023 used by the SHA, a two-bedroom unit renting for \$1,500 would require an income of \$68,000,

**A recent article in the Berkshire Eagle cited a new study by the National Low Income Housing Coalition indicating that for many renters, housing in the region remains out of reach. It suggests that an hourly income of \$27.69 is needed to afford a two-bedroom apartment in Lenox and parts of Stockbridge, translating into a year-round income of approximately \$57,600.**

with two persons earning the minimum wage would still likely fall far short of the income needed to afford these minimum estimated rents.

assuming \$200 per month in utility bills and housing expenses of no more than 30% of the household's income. This is considerable higher than the median renter household income of \$25,461 in Stockbridge.

In comparison, someone earning the 2023 minimum wage of \$15.00 per hour for 40 hours per week every week during the year would still only earn a gross income of \$31,200. Households

Through the combination of information in Tables 2-24 and 2-25, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap would then be \$386,500 as of the end of 2022 for single-family homes, the difference between \$188,500, based on what a median income household could afford (at 80% financing) and the median house price of \$575,000. This gap is estimated to increase to \$411,000 based on 95% financing. As noted earlier, it is unlikely that a household at this income level could qualify for a mortgage without an enormous amount of subsidy. The upfront cash requirements for the down payment and closing costs would also create challenges and effectively widen the affordability gap.

When calculating the affordability gap for those with incomes at the HUD 80% of area median income limit, the gap is an estimated \$289,500, the difference between the median priced single-family home and what a four-person household earning at this income level can afford or \$285,500 based on 95% financing. The gap decreases to \$247,000 with 80% financing.

**Regarding two-family homes, there are no affordability gaps for households with incomes at the 80% AMI level. This suggests that the best option for first-time homeownership in Stockbridge is the two-family model with both owner-occupied and rental units.**

Affordability gaps for condominiums are at \$296,500 and \$258,500 based on 95% and 80% financing, respectively, for households earning at the 80% AMI limit. On the other hand, gaps are much lower for two-family homes at \$95,800 and \$48,300 for 95% and 80% financing, respectively, for median income earning households.

Once again, purchasers must have substantial cash on hand for the 20% down payment plus additional closing and moving costs, which can effectively widen the affordability gap considerably. While financing with 5% down payments or even less was common before the financial crisis, it is now more the exception than the norm, although some state mortgage programs, such as the ONE Mortgage Program or several MassHousing programs, offer such lower down payment options. Moreover, the state offers programs to help subsidize these costs for qualifying first-time homeowners.



### **Cost Burdens**

Affordability is based on household income in relation to housing costs, and therefore it is also useful to identify numbers of residents living beyond their means. The U.S. census provides data on how much households spend on housing whether for ownership or rental. Such information is helpful in determining how many households are encountering housing affordability problems, defined as spending more than 30% of one's income on housing. Spending more than this threshold suggests that the household is "cost burdened" and may find it challenging to afford basics such as food, transportation, and medical care for example. When households pay more than half of their income on housing they are considered "severely cost burdened."

Based on 2021 estimates from the Census Bureau's American Community Survey, there were 201 homeowners, or 38% of all homeowners in Stockbridge, spending more than 30% of their income on housing with another 30% spending 35% or more. Additionally, 164 or 59% of renter households were overspending, 39% spending more than 35% of income on housing costs. Consequently, *a total of 365 households or 45% of all Stockbridge households were living in housing that is by common definition beyond their means and unaffordable according to this data. The percentage was lower, at 35%, for the county.*

**Special tabulations of HUD data suggest that 30% of all year-round Stockbridge households were spending too much on their housing including about 12.5% or 103 households spending at least half of their income on housing. Of the 435 households with incomes at or below 80% of median family income, 202 or 46% were experiencing cost burdens with 99 or 23% spending more than half of their income on housing costs.**

The U.S. Department of Housing and Urban Development (HUD) provides more detailed data on cost burdened households through its State of the Cities Data System's Comprehensive Housing Affordability Strategy (CHAS) report, which is summarized in Table 2-26. The table shows how many households were included in a particular category (by tenure, income, and household type), how many were spending between 31% and 50% of their income on housing

as well as how many were spending more than half of their income on housing. For example, the first cell indicates that there were 60 elderly renter households (age 62+) earning at or below 30% of median income, with 4 spending between 30% to 50% of their income on housing and 25 with severe cost burdens.

Key findings from this data include the following:

#### *Renters*

- Only ten of the renter households with incomes above 80% MFI<sup>14</sup> were experiencing cost burdens.
- About 138 renter households or 48% of renter households were experiencing cost burdens, including 55 or 19% with severe cost burdens. This is proportionately higher than the 21% and 9% levels of cost burdens and severe cost burdens, respectively, for owner households.
- **Cost burdens were most acute for those low-income households with incomes at or below 50% MFI that included 178 households, 118 or 66% with cost burdens of which 55 or 31% had severe cost burdens.** Almost all small families (two to four members) in this income range had cost burdens as did 89% of other, nonelderly households, mostly single individuals, and 59% of seniors age 62 or older. The data also indicates that of the 136 senior households, 68 or half were

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<sup>14</sup> Median Family Income (MFI) is the equivalent of Area Median Income (AMI) in this analysis.



experiencing cost burdens.

- Of the 53 small families, 30 or 57% were overspending.
- There were only 10 large families counted as renting in Stockbridge, all earning more than 100% MFI and none with cost burdens.
- Of the 90 nonfamily, nonelderly renters, predominantly single individuals, 40 or 44% were experiencing cost burdens, 20 or 22% with severe cost burdens.

**Table 2-26: Type of Households by Income Category and Cost Burdens, 2019**

Type of Household	Households earning < 30% MFI/# with cost burdens **	Households earning > 30% to < 50% MFI/ # with cost burdens	Households earning > 50% to < 80% MFI/# with cost burdens	Households earning > 80% to < 100% MFI/# with cost burdens	Households Earning > 100% MFI/# with cost burdens	Total/ # with cost burdens
<b>Elderly Renters</b>	60/4-25	39/29-0	19/0-0	4/0-0	14/10-0	136/43-25
<b>Small Family Renters</b>	4/0-0	20/10-10	10/10-0	4/0-0	15/0-0	53/20-10
<b>Large Family Renters</b>	0/0-0	0/0-0	0/0-0	0/0-0	10/0-0	10/0-0
<b>Other Renters</b>	10/0-10	45/20-10	15/0-0	0/0-0	20/0-0	90/20-20
<b>Total Renters</b>	74/4-35	104/59-20	44/10-0	8/0-0	59/10-0	289/83-55
<b>Elderly Owners</b>	40/0-20	84/0-4	65/20-10	29/4-4	185/20-0	403/44-38
<b>Small Family Owners</b>	4/0-0	10/10-0	0/0-0	0/0-0	100/0-0	114/10-0
<b>Large Family Owners</b>	0/0-0	0/0-0	0/0-0	0/0-0	0/0-0	0/0-0
<b>Other Owners</b>	0/0-0	0/0-0	10/0-10	8/0-0	10/10-0	20/10-10
<b>Total Owners</b>	44/0-20	94/10-4	75/20-20	29/4-4	295/30-0	537/64-48
<b>Total</b>	118/4-55	198/69-24	119/30-20	37/4-4	354/40-0	826/147-103

Source: U. S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, and American Community Survey, 2015-2019 (latest data available). Median family income (MFI) is the equivalent of area median income (AMI) in this report.

\*\* First number is total number of households in each category/second is the number of households paying between 30% and up to 50% of their income on housing (with cost burdens) – and third number includes those who are paying more than half of their income on housing expenses (with severe cost burdens). Small families have four (4) or fewer family members while larger families include five (5) or more members. Elderly are 62 years of age or older. “Other” renters or owners are nonelderly (under age 62) and nonfamily households.

#### *Owners*

- Of the 537 total year-round homeowners in Stockbridge, 112 or 21% were overspending on their housing that included 48 or 9% who were spending more than half of their income on housing costs.
- About 62% of all owner households were earning more than 80% MFI, 55% above 100% MFI. Of these 324 households, 38 had cost burdens, including 4 with severe cost burdens.
- Of the 213 owner households earning at or below the 80% MFI, 74 or 35% were spending too much of their income on housing including 44 or 21% who were spending more than half of their income on housing.

**Cost burden data suggests the need for smaller units to accommodate low-income seniors and single individuals as well as small families.**

- A total of 54 or 29% of the 189 seniors with incomes at or below 80% MFI were spending too much including 34 or 18% with severe cost burdens.
- There were only 14 small families with incomes at or below 80% MFI based on this data, ten with cost burdens and none with severe cost burdens.
- This data suggests that there were no year-round owners with households of five or more members.
- There were only 20 non-family, nonelderly homeowners, half with incomes at or below 80% MFI and all with severe cost burdens.

**Seniors 62 years of age or older not only comprised the greatest number of year-round homeowners, but also the greatest number of lower income owners and those with cost burdens. This is not surprising given the aging of the population, with many on fixed incomes.**

#### ***Calculation of Unmet Housing Needs – Analyzing Cost Burdens<sup>15</sup>***

Tables 2-27 and 2-28 illustrate one way to determine housing production targets for Stockbridge – by cost burdens. They provide summaries of unmet housing needs according to income level and rental versus ownership. The data is derived from special tabulations of 2015-2019 American Community Survey data commissioned by HUD, focusing on households that are paying too much of their income on housing costs (see Table 2-26).

As mentioned above, while there are many more owner-occupied units than rentals in Stockbridge, the number of unmet housing needs is proportionately considerably higher for rentals. For example, 48% of renters had cost burdens which is markedly higher than the percentage of 21% for owners. In regard to severe cost burdens, 19% of renters were experiencing such affordability challenges compared to 9% of owners. This is particularly significant given that 41% of rentals are subsidized.

Nevertheless, the level of cost burdens among owners is sizable, especially for those with incomes at or below 80% MFI. For example, 45% of extremely low-income owners were spending more than half their income on housing costs.

This data also suggests very little need for housing that would be targeted to those with incomes above 80% MFI for both owners and renters. It should also be noted that there are greater challenges in developing owner-occupied housing as opposed to rentals, given a number of considerations including very limited availability of government financing that would enable the Town to leverage its limited resources for example.

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<sup>15</sup> It should be noted that the distribution of cost burdens will change over time as data is updated.

**Table 2-27: Unmet Housing Needs – Stockbridge Households by Income Level and Tenure (Rental vs. Ownership)**

Household Income Levels	# Existing Households in Stockbridge	# Households Without Cost Burdens	Cost Burdened Spending = >30% to <50% of Income	SEVERELY Cost Burdened Spending = >50% of Income*	% Households Cost Burdened + SEVERELY Cost Burdened
<b>Rental Units</b>					
Extremely Low Income (Within 30% MFI)	74	35	4	35	53%
Very Low Income (30% to 50% MFI)	104	25	59	20	76%
Low to Moderate Income (50% to 80% MFI)	44	34	10	0	23%
<b>Subtotal &lt;80% MFI</b>	<b>222</b>	<b>94</b>	<b>73</b>	<b>55</b>	<b>58%</b>
80% to 100% MFI	8	8	0	0	0%
Above 100% MFI	59	49	10	0	17%
<b>Total – Rental</b>	<b>289</b>	<b>151</b>	<b>83</b>	<b>55</b>	<b>48%</b>
<b>Owner Units</b>					
Extremely Low Income (Within 30% MFI)	44	24	0	20	45%
Very Low Income (30% to 50% MFI)	94	80	10	4	15%
Low to Moderate Income (50% to 80% MFI)	75	35	20	20	53%
<b>Subtotal &lt;80% MFI</b>	<b>213</b>	<b>139</b>	<b>30</b>	<b>44</b>	<b>35%</b>
80% to 100% MFI	29	21	4	4	28%
Above 100% MFI	295	265	30	0	10%
<b>Total – Ownership</b>	<b>537</b>	<b>425</b>	<b>64</b>	<b>48</b>	<b>21%</b>
<b>TOTAL - Rental &amp; Ownership</b>	<b>826</b>	<b>576</b>	<b>147</b>	<b>103</b>	<b>30%</b>

Source: U.S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2019. (See Table 2-26) \*Includes all those spending more than 30% of income on housing per Table 2-26. Severe cost burdens income those households spending 50% or more of their income on housing costs.

Table 2-28 presents the same 2015-2019 HUD survey data, broken down by the unmet housing needs of various types of households including seniors (age 62+), families, and single individuals under age 62 with incomes at or below 80% MFI based on cost burdens. In regards to older adults, there were more such households which involved owners rather than renters, at 189 and 118, respectively. This is not surprising given the relative predominance of owner-occupied housing in the community. On the other hand, 29% of owners with incomes at or below 80% MFI had cost burdens compared to 49% of renters. Given asset limits, however, it is typically harder to qualify older residents for affordable housing.

Older adults comprised the greatest number of households with incomes at or below 80% MFI at 307 such households, including renters and homeowners, compared to 48 families and 80 single individuals under age 62. This is related to the number of older residents who are retired and living on fixed incomes, also reflected in lower median household income. Regarding families, there were also more renters with incomes at or below 80% MFI, at 34 renters compared to only 14 owner households. Renter households were also experiencing a higher proportion of unmet housing needs at 88% compared to 71% for owners.

**Table 2-28: Unmet Housing Needs – Stockbridge Households by Income Level and Type of Household**

Target Population in Need	All Units Occupied By Those Earning ≤ 80% MFI	Housing Available That is Affordable to Those Earning ≤ 80% MFI	All Those with Cost Burdens/Unmet Needs Occupied by Those Earning ≤ 80% MFI
Older Residents (age 62 and over)	118 Renters 189 Owners	60 Renters 135 Owners	58 Renters (49%) 54 Owners (29%)
Families	34 Renters 14 Owners	4 Renters 4 Owners	30 Renters (88%) 10 Owners (71%)
Individuals (under age 62)	70 Renters 10 Owners	30 Renters 0 Owners	40 Renters (57%) 10 Owners (100%)

Source: U.S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2019. (See Table 2-26)

There were many more nonfamily households involving members under age 62, mainly single individuals, who had incomes at or below 80% MFI and were renting as opposed to owning their home, at 70 to 10 households, respectively. In this case, owners had a higher level of unmet housing need as all these owner households were experiencing cost burdens compared to 57% of renters.

*What is compelling about this documentation is the very high level of unmet housing need based on cost burdens for those with incomes at or below the 80% MFI level. For this group of older adults, families and individuals, the data at the bottom of Table 2-27 documents that Stockbridge has a shortfall of 250 affordable units, 128 rentals and 74 ownership units. Within this income range, many residents are paying far too much for their housing and thus struggling to remain in the community, some likely having to decide whether to pay their rent or mortgage versus utility bills, medical prescriptions, or food.*

### **Foreclosures**

Another indicator of housing affordability involves the ability to keep up with the ongoing costs of housing, which some residents across the country have found challenging since the recession more than a decade ago. Data provided by The Warren Group as of May 24, 2023 indicates that foreclosures have been relatively rare in Stockbridge, typically involving no more than one or two foreclosure auctions per year. The highest level occurred in 2018 with three auctions, the lowest between 2006 to 2009 at zero except for one in 2007.

### **Subsidized Housing Inventory (SHI) – Stockbridge is one of the first and only communities in Berkshire County to surpass the state 10% affordability threshold**

#### ***What is affordable housing?***

Affordable housing is generally defined by the income of the household in comparison to housing costs. The federal and state governments define the threshold of affordability as paying no more than 30% of income on housing costs whether for ownership or rental. Housing costs for homeownership include

principal and interest, property taxes and insurance as well as any condo fees. For rentals, housing costs include utility costs on top of the rent.

Affordable housing is also defined according to its availability to households at percentages of median income for the area,<sup>16</sup> and most housing subsidy programs are targeted to particular income ranges. Extremely low-income housing is directed to those with incomes at or below 30% of area median income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD), and very low-income is defined as households earning between 31% and 50% of area median income. Low-income generally refers to the range between 51% and 80% of area median income.

In general, programs that subsidize rental units are targeted to households earning under 50% or 60% AMI with some lower income requirements within the 30% AMI level. First-time homebuyer projects and the state's Chapter 40B Comprehensive Permit Program typically apply income limits of up to 80% AMI. Income limits under the Community Preservation Act (CPA), which many Massachusetts communities like Stockbridge have adopted, are up to 100% AMI. These income limits are presented in Table 2-29.

**Table 2-29: HUD Income Limits for the Pittsfield Metro Area, 2022/2023**

# Household	30% AMI	50% AMI	80% AMI	100% AMI
1	\$20,300/\$21,500	\$33,850/\$38,850	\$54,150/\$57,300	\$61,110/\$62,160
2	\$23,200/\$24,600	\$38,650/\$40,950	\$61,850/\$65,500	\$69,840/\$71,040
3	\$26,100/\$27,650	\$43,500/\$46,050	\$69,600/\$73,700	\$78,570/\$79,920
4	\$29,000/\$30,700	\$48,300/\$51,150	\$77,300/\$81,850	\$87,300/\$88,800
5	\$32,470/\$35,140	\$52,200/\$55,250	\$83,500/\$88,400	\$94,284/\$95,904
6	\$37,190/\$40,280	\$56,050/\$59,350	\$89,700/\$94,950	\$101,268/\$103,008

A common definition of affordable housing relates to the Chapter 40B comprehensive permit program.<sup>17</sup> This legislation allows developers to override local zoning if the project meets certain requirements, the municipality has less than 10% of its year-round housing stock defined as affordable in its Subsidized Housing Inventory (SHI), or housing production goals and other statutory requirements are not met. It should be noted that all units are eligible for inclusion in the SHI in Chapter 40B rental developments while only the actual affordable units are counted in ownership projects. Stockbridge has surpassed the 10% affordability threshold.

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for "comprehensive permits" submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of municipal departments as part of the normal regulatory process. Here the ZBA takes the lead and consults

<sup>16</sup> Stockbridge is part of the Pittsfield MA HUD Metro area.

<sup>17</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

with the other relevant departments (e.g., Building Department, Planning, Fire Department, Board of Health, etc.) on a single application. The Conservation Commission retains jurisdiction under the

**With respect to the Subsidized Housing Inventory (SHI), Stockbridge has a substantial cushion with a 13% level of affordability, but substantial unmet community housing needs remain.**

Wetlands Protection Act with the Department of Environmental Protection, the Building Inspector applies the State Building Code, and the Board of Health enforces Title 5.

For a development to qualify under Chapter 40B, it must meet all the

following requirements:

- Must be part of a “subsidized” development or approved through a Subsidizing Agency built or approved by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income (or 20% of the units targeted to those earning at or below 50% AMI) with rents or sales prices restricted to income levels defined each year by the U.S. Department of Housing and Urban Development (HUD).
- Affordability restrictions must be in effect in perpetuity unless there is a justification for a shorter term that must be approved by EOHLC.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

### **Current Inventory**

The current list of Stockbridge’s SHI units is summarized in Table 2-30. Stockbridge has 1,079 year-round housing units based on a total unit count of 1,633 units as identified in the 2020 decennial U.S. census minus 554 seasonal or occasional units.

The state has identified 113 Stockbridge units as meeting the Chapter 40B requirements and thus are part of what is called a Subsidized Housing Inventory (SHI). This represents 10.47% of the year-round housing stock, down from 10.75% based on 2010 census figures with the year-round housing total increasing from 1,051 units to 1,079. This figure will change again when the 2030 decennial census counts are released.

**Table 2-30: Stockbridge’s Subsidized Housing Inventory (SHI)**

<b>Project Name</b>	<b># SHI Units</b>	<b>Project Type/ Subsidizing Agency</b>	<b>Use of a Comp Permit</b>	<b>Affordability Expiration Date</b>
Heaton Court	53	Rental /EOHLC	No	Perpetuity
Stockbridge House	8	Rental/EOHLC	No	Perpetuity
Pine Woods Apartments	30	Rental/EOHLC	Yes	2055
DDS Group Homes	22	Rental for those with disabilities/DDS	No	NA
<b>Total</b>	<b>113</b>	All rentals	26.6% of SHI units	

Source: Massachusetts Executive Office of Housing and Livable Communities, March 13, 2023

Shaded projects are owned and managed by the Stockbridge Housing Authority (SHA).

Because Stockbridge has surpassed the 10% affordability goal under Chapter 40B, it is no longer susceptible to 40B comprehensive permit applications that it considers do not address local needs and are inappropriate based on health and safety issues. Chapter 40B is a good permitting tool, however, and many communities with SHIs that have exceeded the 10% affordability level have continued to use it for projects that meet housing needs but require waivers of zoning. In such a case, the Local Initiative Program (LIP), also referred to as the “friendly 40B Program,” has been used which requires Town officials and the developer to agree on the basic terms and conditions of the development and apply jointly to EOHLC for the go-ahead to submit the comprehensive permit application to the Zoning Board of Appeals. It should be noted that even communities with SHI levels of less than 10% can use LIP for projects they wish to support.

Stockbridge’s SHI includes the following major components:

- A total of 61 units or 54% of SHI units are owned and managed by the Stockbridge Housing Authority (SHA). These units are targeted to seniors age 60 or over, 13.5% reserved for single individuals with disabilities and under age 60. All the units have one bedroom except for one two-bedroom apartment. The Housing Authority also owns and manages eight units for those with disabilities as part of Stockbridge House. SHA indicates that turnover is very rare and there are long waitlists of more than 1,700 applicants.

SHA has largely been able to keep up with needed property improvements over the years, receiving about \$86,000 from the state annually for capital improvements. It has also received CPA funding for specific property preservation needs including a new roof and the replacement of wood siding with cement board, a project which received an award from EOHLC.

- The Pine Woods Apartments includes 30 rental units and was developed by Construct. Financing included Low Income Housing Tax Credits. This is the only project that has been permitted through Chapter 40B.
- There are 22 units for developmentally disabled women at Riverbrook, sponsored by the MA Department of Developmental Services (DDS).
- The SHI units were developed with affordability restrictions in effect in perpetuity except the Pine Woods development with affordability expiring in 2055. At some point in the future, the Town will have to monitor this development and potentially work with the owner and EOHLC to extend affordability.

In addition to the 61 units that are owned and managed by the Stockbridge Housing Authority, SHA administers 57 Section 8 Housing Choice Vouchers. The Section 8 vouchers are mobile, allowing voucher holders to rent any qualifying unit in the South County area. Only five of the voucher holders are renting units in Stockbridge, three at Pine Woods. Given such high housing costs, EOHLC allows SHA to apply HUD Fair Market Rents (FMRs) at 110% of the limits, at 120% for those with disabilities. Thirteen of the vouchers are directed to youth aging out of foster care with referrals provided by the MA Department of Children and Families.

### ***Potential Projects***

The following properties have been discussed as possibilities for potential future development:



- *Further SHA Property Development*

The SHA has some land that might be suitable for development. One triangular piece was deeded to the Town with restrictions that the trees remain undisturbed, although most of the trees are no longer present. Development of some of the property's frontage has also been discussed, but the SHA board has indicated a preference to preserve the frontage as open space. EOHLC is assessing this property to better determine its future development potential.

- *Town-owned Land on Pine Street*

There is a parcel of land behind SHA's Stockbridge House that is owned by the Town and has some potential for residential development.

### **Priority Housing Needs**

This Housing Production Plan recommends a focus on both rental unit development and workforce/homeownership at about equal weight. Additionally, because 80% of Stockbridge's housing stock was built before 1980 with more than half built before 1950, providing solutions to maintain the existing housing stock is a high priority. Because almost 21% of Stockbridge residents claimed a disability, there should also be some focusing on integrating handicapped accessibility and support services into new housing development.

The following issues should be considered in relationship to the inclusion of rental unit development as a priority housing need:

- Create housing for entry level workers who are currently challenged to find housing in the community that is in decent condition and affordable.
- Target the needs of the community's most vulnerable residents with limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Leverage other funds as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular. Given Stockbridge's designation as a Justice40 community, the Town will be more competitive for a wide range of government financing programs.
- Enable all units in Chapter 40B rental developments to be counted as part of the SHI while only the actual affordable units can be counted in homeownership projects, continuing to maintain a cushion over the 10% state affordability goal.

**To maintain Stockbridge's social and economic vitality, including its workforce, it will be important to provide affordable living options for young families and individuals.**

Promote greater housing diversity as a substantial majority of the community's housing involves single-family detached homes.

- Invest subsidy funds in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Provide more appropriately sized units for increasing numbers of small households.
- Provide opportunities for some seniors who are "overhoused" and spending too much on their housing to relocate to more affordable and less isolated settings, opening their homes to families requiring more space.



- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for subsidized housing given asset limits.

### Indicators of Need for Rental Housing

- The 2021 census estimates identified a 3.1% percent vacancy rate for rental units in Stockbridge, signaling an extremely tight rental market.
- The current supply of rental housing is limited with 277 units, representing 34% of the Town's housing stock. Local leaders suggest that this figure overestimates the actual number of rentals in the community.
- Subsidized rental housing in Stockbridge is difficult to access given long wait lists and relatively low turnover.
- Almost half of renters earned less than \$25,000 in 2021, compared to 11% of homeowners.
- The disparity of incomes by tenure is also reflected in median income levels of \$25,461 for renters and \$73,800 for homeowners, decreasing from the 2010 level of \$43,636 for renters and increasing from \$58,542 for homeowners.
- Poverty has been increasing. The proportion of residents living in poverty, at 14.2%, is higher than county and state levels of 9.8% and 10.4%, respectively.<sup>18</sup> The 2021 census estimates indicate that those living below the poverty level grew from 8.7% in 2010 or from 169 to 259 individuals.
- About 138 renter households or 48% of renter households were experiencing cost burdens (spending more than 30% of income on housing), including 55 or 19% with severe cost burdens (spending more than 50% of income on housing). This is proportionately higher than the 21% and 9% levels of cost burdens and severe cost burdens, respectively, for owner households.
- Cost burdens were most acute for those households with incomes at or below 50% MFI that included 178 households, including 118 or 66% with cost burdens of which 55 or 31% had severe cost burdens.
- In mid-May 2023, there were no internet listings of rental opportunities in Stockbridge. The relative lack of listings indicates that rental transactions were largely accomplished by word of mouth and confirms the tight market conditions suggested by very low vacancy rates in the housing stock.
- Listings for nearby communities included two one-bedroom, one-bath apartments in Lee for \$1,275 and \$1,350 as well as a two-bedroom, one-bath apartment for \$1,575. Housing costs are generally higher in Stockbridge, so these rents likely underestimate rental costs.
- Renting an apartment in the private housing market also requires a substantial amount of upfront cash. Most apartments require first and last month's rent plus a security deposit. For a \$1,600 apartment, that totals as much as \$4,800, an amount that many prospective lower income tenants do not have available.
- Calculations on unmet housing needs based on cost burdens indicates a shortage of 138 affordable rental units in Stockbridge, 128 units for those with incomes at or below 805 MFI.

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<sup>18</sup> The 2022 federal poverty level from the U.S. Department of Health and Human Services was \$13,590 for an individual and \$23,030 for a three-person household for example.

### Indicators of Need for Ownership Housing

While this Housing Production Plan recommends a continued need for affordable rental unit development, it also suggests an equivalent need for homeownership development as starter homes for families or smaller units for empty nesters looking to downsize and minimize home maintenance demands.

Indicators of unmet local housing needs for affordable homeownership opportunities include:

- Housing for first-time homeowners is difficult to find given such high real estate prices in Stockbridge.
- HUD data indicated that many Stockbridge homeowners are spending too much of their income on housing. As housing costs and values continue to increase, this situation is likely to worsen. For example, of the 537 year-round homeowners in Stockbridge, 112 or 21% were overspending on their housing that included 48 or 9% who were spending more than half of their income on housing costs.
- Of the 213 owner households earning at or below the 80% MFI, 94 or 44% were spending too much of their income on housing including 44 or 21% with severe cost burdens.
- A total of 54 or 29% of the 189 senior homeowners with incomes at or below 80% MFI were spending too much including 34 or 18% with severe cost burdens.
- There were only 14 small families who were homeowners and earning at or below 80% MFI and 10 or 71% were spending too much, none with severe cost burdens.

The creation of starter housing for families will likely be best accommodated through mixed-income, pocket neighborhoods with a cluster of bungalow-style units, co-housing options, or even the conversion of existing dwellings to multiple units with long-term affordability.

Another important development model is the owner-occupied, two-family home that has historically provided starter housing in many communities when zoning allowed them. These units not only provide rental income to owners, enabling somewhat lower income households to access ownership,<sup>19</sup> but offer rental opportunities as well. Such housing can be easily built on small infill sites. New development of this type of housing could also help make up for some historic losses of two-family properties.

It should also be noted that some homeowners who have significant equity in their home may qualify for affordable housing based on their income but be determined ineligible because of their financial assets or age. For example, those under 55 years of age cannot have owned a home within the last three (3) years of applying for affordable housing with some minor exceptions. Moreover, the asset limit for these households is \$75,000. For age-restricted housing targeted to those 55 years or older, up to \$200,000 in net equity from a previous house is allowed plus another \$75,000 in financial assets. Earned income from financial assets is also added to household income in determining eligibility. This means that it becomes more challenging for many homeowners to qualify for affordable housing based on state requirements.

Besides new affordable homeownership development, there may be other housing initiatives that can support local homeowners with more limited income and high cost burdens including:

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<sup>19</sup> Lenders generally include about 75% of the projected rental income in underwriting calculations.

- Increasing tax exemptions for homeowners based on certain qualifications that go beyond current programs. Stockbridge has made some recent changes to extend benefits but might explore other options in the future.
- Making it easier to create accessory dwelling units (ADUs), also known as accessory apartments or in-law units, that can provide small rentals while also offering more income to existing cost-burdened owners.
- Providing low-cost housing rehab loans or grants to help qualifying homeowners make necessary repairs. The Town was part of such a program that was funded with Community Development Block Grant (CDBG) funding and administered by the Berkshire Regional Planning Commission in cooperation with the Towns of Dalton and Lee. No loans were issued in Stockbridge, however, the Town is pursuing additional CDBG funding for such a program.
- Promoting existing local, state, and federal programs and services that can help reduce the costs of qualifying homeowners.
- Providing new programs, such as emergency repair programs or small repair grant programs, to keep homeowners with limited incomes in place while improving their health and safety.
- Creating new rental opportunities to enable older homeowners to downsize to housing that is more appropriate to their current lifestyles and needs.

### **Indicators of Need for Resources to Assist Qualified Homeowners in Making Home Improvements**

Stockbridge's older housing stock suggests the need for resources to help property owners make necessary home improvements, particularly for units occupied by low- and moderate-income individuals and families. While information is not available on the level of home renovations that have occurred over the years, the Town should find ways to support further improvements based on the following indicators of need:

- Because 45% of Stockbridge's housing units predate World War II and 80% were built prior to 1980, it is likely that some units have deferred maintenance problems while others might contain lead-based paint that can be hazardous to young children. Other units might be experiencing failing septic systems.
- Many homeowners find it very challenging to keep up with the maintenance needs of their older homes. The Town's Resilient Housing Initiative (RHI) heard from residents that simply opening and closing windows was a problem, which is critical in the summer months but an expensive undertaking. The Initiative learned that seniors are being increasingly priced out of home maintenance and contractor services.
- About two-thirds of the respondents to the Town's Resilient Housing Initiative (RHI) survey indicated they wanted to remain in their homes, many pointing to the need to access services to help them maintain their homes.
- As town residents continue to age, the need for health and safety improvements will become more pressing.
- Deteriorating conditions as part of the units included on the SHI represent additional pressing needs for property improvements.

**It should be noted that special tabulations of HUD data suggest very little need for housing targeted to those with incomes above 80% MFI for both owners and renters. Of particular concern are those households with incomes at or below 50% MFI.**

### Indicators of Need for Special Needs Housing

- Of all Stockbridge's 1,792 residents in the civilian, noninstitutionalized population, 372 or 20.8% claimed a disability. *This is significantly higher than the proportions for the county and state at 15.0% and 11.7%, respectively.* **Stockbridge had higher proportions of those with disabilities among all age ranges in comparison to the county and state except for those younger than age 34 and 75 years of age or older.**
- As the population continues to age, the level of special needs in the community will grow. This suggests a greater need for handicapped accessibility and supportive services to be integrated into housing.
- The Stockbridge Housing Authority indicates that few of their units are handicapped accessible, which has been a problem for some existing tenants as well as those looking to move into public housing.

### 3. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

The Town has made considerable progress in producing affordable housing, surpassing the state's 10% affordability threshold under Chapter 40B. However, as documented in Section 2 of this Housing Production Plan, the Housing Needs Assessment, there are still significant unmet housing needs in the community. Creating greater housing affordability and diversity is an important local priority, but will require additional incentives and resources in the years ahead to address the following challenges to housing production:

#### Zoning

As is the case in most American communities, a Zoning Bylaw is enacted to control the use of land including the patterns of development. Stockbridge's Zoning Bylaw includes six zoning districts, four of which are residential.<sup>20</sup> There are also Business and Manufacturing districts, as well as three overlay districts for environmental protection purposes.

The Town has adopted some zoning provisions that help facilitate housing production, while also preserving the widely cherished character of Stockbridge. It is not anticipated that any widespread changes in zoning provisions will be required to meet these housing production plans. That said, there are some provisions that might be reviewed with the housing production plan in mind. These include:

- The R-4, R-2, and R-1 districts require large minimum lot sizes of 4, 2, and 1 acre, respectively, which are largely inconducive to affordable housing development.
- The upper story or stories of a building that is used principally for commercial use cannot include residential units in all zoning districts, except the business district.
- It is difficult to repurpose accessory structures.

However, as noted above, the Town has adopted several provisions in its Zoning By-law that are relevant to the issue of boosting affordable housing and smart growth development<sup>21</sup> including: (Note: The definition of Affordable Housing in Section 2.2 of the Zoning Bylaw should be updated to reflect current conditions.)

- *Residential Inclusionary Development*<sup>22</sup>  
The Zoning Bylaw added recent provisions to increase the supply of affordable and accessible housing to ensure that new development that includes ten or more units incorporates units that qualify for inclusion in the Subsidized Housing Inventory (SHI). The bylaw also requires that SHI units remain affordable in perpetuity, to the greatest extent possible, and developments maintain a mix of housing types and allow some preference for occupancy of eligible persons who live or work in town. Permitting is by Special Permit of the Select Board under minimum rates for the creation of on-site affordable units, as summarized in Table 3-1.

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<sup>20</sup> The Zoning Districts include R-4 Four-acre Residence, R-2 Two-Acre Residence, R-1 One-Acre Residence, and R-C Central Residence. Zoning also includes a Business District as well as a Manufacturing District.

<sup>21</sup> The term of smart growth refers to a widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development or sprawl, smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

<sup>22</sup> Stockbridge Zoning Bylaws, Section 6.3.1.

**Table 3-1: Minimum Number of Required Affordable Units**

<b>Total Development Unit Counts</b>	<b>Required Affordable Unit Provisions</b>
10 to 19 units	Minimum one (1) dwelling unit
20 to 29 units	Minimum two (2) dwelling units
30 units and up	Minimum 10% of total unit count

The bylaw requires that all affordable units be dispersed throughout the project and be indistinguishable from the market units. Any development of off-site units must also be indistinguishable from the market units and be equal to or exceed the average construction costs of the development's housing units. Moreover, the bylaw includes another alternative for the developer to pay a cash fee equivalent to five times the 80% of area median income limit for every ten new market rate units.

- *Cluster Subdivisions*<sup>23</sup>

The Zoning Bylaw also encourages some flexibility of design to allow the clustering of housing units “to promote energy conservation, harmonize architectural design, better use of existing topography and natural features, conservation of open spaces, recreational development, solar access and design, and to provide for economies inherent with cluster development.”<sup>24</sup> Permitting is by Special Permit of the Planning Board. The use of this bylaw is limited to single-family development in the R-2 and R-4 districts. Density cannot be greater than what is allowed in the district where the subdivision is located. A minimum of ten contiguous acres is also required, as well as dedicated open space based on the percentage of the entire tract by which the lots have on average been reduced.

- *Two-Family Dwellings*<sup>25</sup>

Two-family dwellings (new or conversion to two-family) are allowed by Special Permit of the Planning Board in all zoning districts provided they meet minimum lot area requirements which include an additional acre in the R-4, R-3, and R-2 districts as well as an additional 0.75 acre in the R-C district or 20,000 square feet with a sewer connection. Lot area requirements are reduced in the case of the inclusion of an affordable unit to 1.5 acres in the R-1 district and 0.75 acres in the R-C district.

- *Conversion of a One or Two-Family Dwelling*<sup>26</sup>

The Zoning Bylaw allows the conversion of One or Two-Family Dwellings to a multi-family or other use by Special Permit of the Planning Board in the R-C, Business or Manufacturing districts. The property must have been in existence prior to January 1, 1976 and contain 2,000 square feet or more of livable floor area. If the property has 4,000 square feet or more of livable floor area, a Special Permit of the Planning Board might also be provided in the R-4, R-2, and R-1 districts. If the dwelling meets the criteria for affordable housing and existed on January 1, 1990, plus has at least 800 square feet of average livable area per unit, a Special Permit of the Planning Board may potentially be approved in all zoning districts.

<sup>23</sup> Stockbridge Zoning Bylaws, Section 6.2.4.

<sup>24</sup> Stockbridge Zoning Bylaw, Section 6.2.4.1.

<sup>25</sup> Stockbridge Zoning Bylaw, Section 4.11.

<sup>26</sup> Stockbridge Zoning Bylaw, Section 6.10.

- *Accessory Uses*<sup>27</sup>

The Zoning Bylaw defines an accessory use as “a use or structure on the same lot with, and of a nature customarily incidental and subordinate to, the principal use or structure.”<sup>28</sup> It also defines it as a “structure accessory to a one-family or two-family dwelling that has been occupied without significant interruption as a dwelling since January 1, 1978, and has not been the subject of enforcement.”<sup>29</sup> The Zoning Bylaw also allows the conversion of an accessory structure existing before January 1, 1990 into one or more dwelling units provided the minimum livable area is 300 square feet for one unit and averages a minimum of 500 square feet for two or more units.<sup>30</sup> Given time constraints and occupancy requirements, the use of this bylaw is very limited.

- *Short-term Rentals (STR)*<sup>31</sup>

A recent addition to the Town Bylaws involves Short Term Rentals (STR) of a residential property “to balance private, neighborhood, and municipal interests by ensuring compliance with applicable Massachusetts General Laws....and ensure observance of residential health and safety regulations.”<sup>32</sup> The Bylaw defines Short Term Rental as “an owner-occupied, tenant-occupied or non-owner occupied property including, but not limited to, an apartment, house, cottage, condominium or a furnished accommodation that is not a hotel, motel, lodging house or bed and breakfast establishment, where: (i) at least 1 room or unit is rented to an occupant or sub-occupant; and (ii) all accommodations are reserved in advance; provided, however, that a private owner-occupied property shall be considered a single unit if leased or rented as such. Short-term rental are rentals of 31 consecutive days or less duration.”<sup>33</sup>

Because STRs can erode the supply of year-round units, drive up housing demand and prices, and exert a potential destabilizing effect on neighborhoods, Stockbridge’s provisions attempt to regulate them through the following requirements:

- Annual registration with the Stockbridge Town Clerk with a fee as determined by the Select Board. This includes some oversight regarding health and safety requirements and whether the unit is served by municipal water and sewer services. STRs are prohibited if the property is owned by a corporation (other than a Limited Liability Corporation/LLC), is designated as affordable or income restricted, meets the definition of “professionally managed units” under MGL Chapter 64G Section 1, or has outstanding code violations.
- Must have a local manager or responsible party that can respond within two hours of any problem or complaint.
- Adequate off-street parking.
- Occupancy limited to legal requirements per dwelling.
- Trash removal is limited to at least weekly removal services or trips to the transfer station.
- The potential loss of the right to renew registration if there are three or more violations within a twelve-month period.

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<sup>27</sup> Stockbridge Zoning Bylaw, Section 4.4.

<sup>28</sup> Stockbridge Zoning Bylaw, Section 2.2.

<sup>29</sup> Stockbridge Zoning Bylaw, Section 4.11.

<sup>30</sup> Stockbridge Zoning Bylaw, Section 4.4.

<sup>31</sup> Stockbridge General Bylaw, Article XXXI.

<sup>32</sup> Stockbridge General Bylaw, Article XXXI.1.

<sup>33</sup> Stockbridge General Bylaw, Article XXXI.2.



- Civil penalties connected with any violation of the bylaw including \$100 for the first offense, \$200 for the second offense, and \$300 for the third offense and each subsequent offense. Each day the violation exists constitutes a separate offense.

*Mitigation Measures:*

This Housing Production Plan includes some strategies that are intended to make modest changes to local zoning regulations to make them “friendlier” to the production of affordable housing and smart growth development. These strategies include adopting zoning for ADUs, identifying modest opportunities for creating a wider range of housing choices in specific areas, and promoting multi-family and mixed-use development in and near the downtown.

## **Environmental Concerns/Infrastructure**

### **Wastewater**

The Town has 26 miles of sewers that cover about 70% of residences (see Appendix 4 for a map of the Town’s service area). The areas that currently lack sewer services are largely in the less dense, outer parts of the community. The most recent extension of services was completed in 2005 when nine miles of sewer pipes were extended to the Glendale, Goodrich Street, and Mahkeenac areas, covering about 280 additional homes. Funding support came from the State Revolving Fund that provides 20-year loans to communities at 2% interest.

*Mitigation Measures:*

The Town is working with a consultant on a Sewer Needs Analysis **that is expected for Town review towards the end of April 2024**. This report will help the Town prioritize next steps in potentially extending additional services, also learning the extent of current septic system problems. The Town also focuses on maintaining the existing system, repairing, and replacing it as problems arise. It is also the Town’s strong preference to target new development to areas that are served by sewer services to the greatest extent possible.

### **Water Services**

The Town’s Water Department serves approximately 725 customers, covering about 60% to 65% of the community. Further expansion of services is constrained by topographical challenges that require pumping stations that are not cost effective given the projected numbers served. Another challenge is the need to maintain a system that was developed in the 1890s, repairing and replacing piping as needed, another expensive proposition. (See Appendix 5 for extent of water services.)

*Mitigation Measures:*

The Town will continue to upgrade its water system, as needed, and ensure that any new development has adequate service, targeting such development to areas that are served by existing services to the greatest extent possible.

### **Hazardous Waste/Brownfield Sites**

The state Executive Office of Energy and Environmental Affairs lists 54 sites with potential environmental issues, each with significant information on the status of compliance.

*Mitigation Measures:*

The Town will ensure that any new development identifies any site contamination problems, and if present, provide the necessary remediation. It is important to note that the development of affordable



**Increasing costs of land, construction costs, and interest rates widen affordability gaps and thus require higher amounts of subsidies to make the inclusion of affordable housing financially feasible. Higher densities and economies of scale become even more important to integrate into new development.**

housing makes applications for grants and other types of financing to conduct the necessary remediation work more competitive.

#### **Endangered Species**

The state maintains a list of those species that are threatened, endangered or of special concern that include many plants and animals in

Stockbridge. Those following species were specifically listed as endangered:

- Lyre-leaved Rock-cress (plant)
- Mossy Valvata (snail)
- Northern Wild Comfrey (plant)
- Ogden's Palmweed (plant)
- Pied-billed Grebe (bird)
- Pink Pyrola (plant)
- Purple Giant Hyssop (plant)
- Purple Milkweed (plant)
- Sedge Wren (bird)
- Sessile Water Speedwell (plant)
- Small Bur-weed (plant)
- Small Dropseed (plant)
- Swamp Birch (plant)
- Tiny Cow-lily (plant)
- Tuckerman's Sedge (plant)
- White Adder's-mouth (plant)
- Whorled Water-milfoil (plant)

#### *Mitigation Measures:*

The Town will ensure that any new development includes an assessment of the existence of any threatened or endangered species and identify the extent that any problems will have on project feasibility.

#### **Age of the Housing Stock**

About 45% of the Town's housing predates World War II, and almost ¾ of Stockbridge's housing stock predates 1980. Consequently, it is not surprising that some units might contain lead-based paint that can be hazardous to young children, as well as deferred maintenance problems. A substantial reliance on septic systems and an aging population with home modification needs makes approaches to upgrading properties a significant health and safety issue.

#### *Mitigations Measures:*

The Town plans to work cooperatively with developers of affordable housing, providing support in permitting and financing. This Housing Production Plan also recommends that the Town reapply for CDBG funding to launch another round of a Housing Rehabilitation Program that would provide deferred, zero interest loans to qualifying homeowners, supporting important health and safety improvements. The

Town might also pursue additional resources for preserving the existing housing stock by making important improvements. other strategy recommends that

### **Availability of Financing**

Financial resources to subsidize affordable housing preservation and production as well as rental assistance remain limited and extremely competitive. However, Stockbridge is in a very competitive position to access a wide range of potential resources, given its designation as a Justice40 community. The Justice40 Initiative is part of the federal agenda to advance environmental justice by delivering 40% of the overall benefits of climate, clean energy, affordable and sustainable housing, clean water, and other investments to disadvantaged communities that are marginalized, underserved, and overburdened by pollution. While it may be surprising that Stockbridge has been thus categorized, this Initiative will likely offer the town a competitive advantage in accessing important forms of federal assistance, including some housing subsidies.

Regarding state funds, several sponsors of developments in Stockbridge (e.g., Construct, Stockbridge Housing Authority, sponsors of group homes) have received financing from state programs for affordable housing and special needs development. These awards have been essential to ensuring the financial feasibility of the units, but remain extremely competitive sources of financing. Moreover, the Town has access to rental assistance vouchers, but these are in very short supply with only 57 Section 8 Housing Choice Vouchers available through the Stockbridge Housing Authority. Nevertheless, only five vouchers are being used in Stockbridge due largely to the challenges that voucher holders face in finding a rental unit in town within HUD Fair Market Rent (FMR) limits.

### *Mitigations Measures:*

This Housing Production Plan includes a recommendation to explore new housing preservation initiatives. While the Town was part of an effort to use Community Development Block Grant (CDBG) funding to support a Housing Rehab Program in concert with the towns of Dalton and Lee, no funding was spent in Stockbridge. This Plan recommends that the Town revisit this funding opportunity and apply in another CDBG funding round, potentially with neighboring communities. This Plan also includes strategies for continuing to work with developers to obtain other regional, state, and federal funding to support housing development and preservation efforts, also identifying potential resources.

### **Transportation**

Stockbridge has limited transportation services through the Berkshire Regional Transportation Authority (BRTA) with a stop in the downtown. Few residents use public transportation however. The 2021 census estimates provide information on commuting patterns, identifying 60% of workers driving alone to work, none carpooling, 20% walking to work, 19% working from home, and less than 1% or six persons using public transportation. The high level of those who walked to work or worked at home demonstrates somewhat less reliance on cars and perhaps reflects the results of the pandemic in the case of more people working remotely.

Additionally, since May 1, 2023, the TriTown Connector, has been operating in and between Great Barrington, Egremont, and Stockbridge, providing another transit resource for residents. The vans run from 7 a.m. to 8 p.m. weekdays and 8 a.m. to 8 p.m. on weekends and charge residents \$2.00 to travel within a town and \$3.50 to travel between them. Seniors (over 60) have reduced fares.

*Mitigations Measures:*

This HPP includes strategies that will promote development in areas that are conducive to mixed uses and walkability to goods and services to reduce the reliance on cars.

**Community Perceptions**

Residents in most communities are concerned about the impacts that new development may have on local services and the quality of life. Residents have a strong appreciation for the preservation of Stockbridge's natural and cultural amenities as well as its small town, historic character. Some residents may also have negative impressions of affordable housing and question whether there is a real need for such development in their town. Therefore, local opposition to new affordable units is often more the norm than the exception. On the other hand, given high and rising real estate prices, more people are recognizing that the new kindergarten teacher, their grown children, or even their elderly neighbor may not be able to afford to live or remain in the community without some financial or technical assistance.

*Mitigations Measures:*

A premise of this HPP is that housing needs can be addressed in the context of keeping what is best about Stockbridge intact. Ongoing community outreach and education (see strategy 5.3.1) will be necessary to continue to acquaint the community with unmet housing needs and garner local support for new and ongoing housing initiatives. This Housing Production Plan also offers an excellent opportunity to showcase the issue of affordable housing, providing information to the community on local needs and proactive measures to address them. It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have genuine opportunities for input.

## 4. ANNUAL HOUSING PRODUCTION GOALS

The Massachusetts Executive Office of Housing and Livable Communities (EOHLC) is administering the Housing Production Program in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of 0.50% over one year, or 1.0% over two-years, of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>34</sup> Stockbridge currently must produce at least 5 SHI units and 11 SHI units for a 1-year or 2-year safe harbor based on the 2020 census count of 1,079 year-round units. This means that Stockbridge will be able to deny Chapter 40B comprehensive permit applications that override local zoning if it determines the proposed projects do not address local needs, without the developer's ability to appeal the decision. This goal will likely increase when the 2030 census figures are released given continued housing growth. (Note that Stockbridge is already over the 10% threshold and thus, can deny Chapter 40B comprehensive permit applications).

Using the strategies described in Section 5, the Town of Stockbridge has developed a Housing Production Program that estimates affordable housing production activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- As the Town has surpassed the 10% state affordability threshold, production will involve projects sponsored by private developers through the standard regulatory process or the “friendly” comprehensive permit process under the state Local Initiative Program (LIP). The Town will continue to work with these developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability when feasible.
- The projections involve a mix of rental and ownership opportunities. The Town will work with developers to promote a diversity of housing types directed to different populations including families, seniors, and other individuals with special needs to offer a wide range of housing options for residents, promoting greater housing choices in the community.
- The goals include a focus on housing development that is accessible to available infrastructure to the greatest extent possible.
- Units that are developed on Town-owned property should include units that are affordable to households earning at or below 80% of area median income, depending on project feasibility. The rental projects may also target households earning at or below 60% of area median income and lower (at 50% and 30% AMI) depending upon subsidy program requirements.
- Please note: The Town of Stockbridge recognize that the EOHLC had not finalized the 2020 Housing Production Plan goals when this was written and will comply with the finalized goals when they are issued. (Note: I was recently required to add this to an HPP by EOHLC.)

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<sup>34</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03(4).

**Table 4-1: Stockbridge Housing Production Program/Five-Year Program\***

<b>Strategy</b>	<b>Strategies by Year Name/Housing Type</b>	<b>Affordable Units &lt; 80% AMI</b>	<b>SHI Units</b>	<b>Market Units or Ineligible for SHI</b>	<b>Total # Units</b>
	<b>Year 1 – 2024</b>				
5.3.2	Development of publicly-owned property (expansion of Heaton Ct./ “friendly 40B”) *	5	5	0	5
	<i>Subtotal</i>	5	5	0	5
	<b>Year 2 – 2025</b>				
5.3.2	Development of Town-acquired/“friendly 40B”	5	5		5
5.2.1	Adopt zoning for ADUs	0	0	2	2
5.3.3	Establish Housing Preservation Initiatives/Housing Rehab Program	0	0	3	3
	<i>Subtotal</i>	5	5	5	10
	<b>Year 3 – 2026</b>				
5.3.1	Development of privately-owned property/group home	5	5	0	5
5.2.1	Adopt zoning for ADUs	0	0	2	2
5.3.3	Establish Housing Preservation Initiatives/Housing Rehab or Small Repair Program	0	0	3	3
	<i>Subtotal</i>	5	5	5	10
	<b>Year 4 – 2027</b>				
5.3.1	Development of privately-owned property/mixed-use property	2	2	2	4
5.3.2	Development of Town-acquired property—conversion to multiple units	3	3	0	3
5.2.1	Adopt zoning for ADUs/rental	0	0	1	1
5.3.3	Establish Housing Preservation Initiatives/Housing Rehab or Small Repair Program	0	0	3	3
	<i>Subtotal</i>	5	5	6	11
	<b>Year 5 – 2028</b>				
5.3.1	Development of privately-owned property	5	5		5
5.2.1	Adopt zoning for ADUs/rental	0	0	1	1
5.3.3	Establish Housing Preservation Initiatives/Housing Rehab or Small Repair Program	0	0	3	3
	<i>Subtotal</i>	5	5	4	9
	<b>Total</b>	<b>25</b>	<b>25</b>	<b>20</b>	<b>45</b>

\*All units count as part of the SHI in 40B rental projects.

## 5. HOUSING STRATEGIES

The strategies outlined below are based on the following sources:

- Previous studies and reports such as the Zoning Bylaw Diagnostic Report and the Resilient Housing Initiative (RHI) project.
- The Housing Needs Assessment included in Section 3.
- Interviews with local and regional leaders and housing stakeholders.
- The Community Housing Workshop held on July 17, 2023 that included breakout group brainstorming on priority actions for the Town to pursue as part of this Plan. A summary of Forum results is included as Appendix 6.
- The Community Housing Survey issued during the summer of 2023. A summary of the results of this Survey are attached as Appendix 7.
- Affordable housing activities to date.
- The community meeting held on **March 28, 2024** to present the HPP for further local input.
- The experience of other comparable localities in the area and throughout the Commonwealth.

The strategies are categorized according to those that 1) will build the community's capacity to better promote or preserve affordable housing, 2) relate to amending local regulations to provide greater incentives and mandates for boosting housing diversity and affordability while preserving the important character of Stockbridge, and 3) will directly produce or preserve housing. Moreover, the strategies are prioritized, including those that will require immediate attention and implementation during the first two years of this Plan and those for Years 3 to 5. A summary of these actions is included in Table 1-1.

### 5.1 Capacity Building Strategies

The following strategies are proposed to further build local capacity to implement the components of this Housing Production Plan through resources to advocate, subsidize and guide implementation. While these strategies do not directly produce affordable units, they will bolster the Town's efforts to promote them.

#### 5.1.1 *Continue to Conduct Community Outreach and Education*

*Timeframe:* Years 1 to 2 and ongoing  
*Responsible Parties:* Housing Trust as well as sponsors of Affordable Housing Related Initiatives

*Background:* Because most of the housing strategies included in this HPP rely on local approvals, including those of the Town Meeting, community support for new initiatives is essential. Strategic efforts to inform residents and local leaders on the issue of housing and specific new initiatives will build support by generating a greater understanding of the benefits of affordable and mixed-income housing, while reducing misinformation and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

The preparation of this Housing Plan offers an important opportunity to bring attention to community housing issues, providing information on housing needs and proposed strategies that can help garner community support for new housing initiatives. Interviews have been conducted with key housing stakeholders and community meetings have been held with local leaders and residents to get input into this Housing Plan including the Community Housing Workshop on July 17, 2023 (see Appendix 6 for a

summary) and another community forum on March 28, 2024 to present the draft Plan for further comment. As it was the intention of the Town and Housing Trust to bring as many diverse perspectives into the planning process, understanding that not everyone is able or willing to attend meetings, the Housing Trust issued a Community Housing Survey to get further perspectives from residents on a wide range of housing issues (see Appendix 7 for a summary of the results) and sent postcards to all residents notifying them of the planning process and scheduled events.

*Recommendations:* Other educational opportunities should be pursued including:

- Conducting special forums on all new housing initiatives.
- Tapping into social media to attract attention and disseminate important information to residents, particularly younger residents.
- Expanding the Town website for housing, providing a wide range of information on housing opportunities, resources, issues, regulations, meetings, etc.
- Organizing housing summits, potentially with other communities, to discuss important housing issues and opportunities to work cooperatively. Note that such a community housing event was recently held in Lenox, Mass.
- Disseminating information on existing programs and services including those that are administered locally, regionally, or by the state or federal governments.
- Making enhanced use of public access television.
- Providing educational opportunities for board and committee members, as well as professional staff.

### **5.1.2 Capitalize the Stockbridge Affordable Housing Trust**

*Timeframe:* Year 1-2 and Ongoing

*Responsible Parties:* Select Board, Community Preservation Committee, and Housing Trust with Town Meeting approval

*Background:* On June 7, 2005, the Municipal Affordable Housing Trust Fund Act was enacted as MGL Chapter 44, Section 55C which simplified the process of establishing housing funds that are dedicated to supporting affordable housing. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds.

The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed by the Select Board and confirmed by Town Meeting. Per statute, the chief elected official must be one of the members of the Trust. While the trusts must follow Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, most trusts opt to dispose of property through a sale or long-term lease to a developer to clearly differentiate any affordable housing development project from a public construction one.

The Stockbridge Affordable Housing Trust (SAHT) was established under a Declaration of Trust by vote of the Select Board on July 28, 2022, in accordance with the Town Meeting vote on June 12, 2021. The Trust's mission is to support the creation and preservation of affordable housing for the benefit of Stockbridge residents. In the past two years the Stockbridge Community Preservation Committee (CPC), by vote of the

Town Meeting, has allocated \$200,000 to the Trust to support this mission. The Housing Trust is the Town entity coordinating the preparation of this Housing Production Plan. There are seven (7) Trustees appointed by the Select Board.

*Recommendations:* The Town should find ways to not only increase local funding for affordable housing initiatives, but to also leverage other resources and expand the types of funding that can be dedicated to such efforts. Having funding on hand can enable the Housing Trust to respond quickly to housing opportunities as they arise.

The following options might be explored for tapping into additional funding streams, some of which could potentially be adopted in concert with neighboring communities:

- Commit a *larger share of CPA funding for affordable housing*. The Town has thus far provided \$200,000 in CPA funding to the Housing Trust which represents a good start. As the Housing Trust implements this HPP, it will require more funding to support its efforts.

Some communities have committed CPA funding on an annual basis to Housing Trusts without targeting the funding to any specific initiative. The Trusts are also encouraged to apply for additional CPA funds for specific projects. Scituate's Town Meeting funded its Housing Trust with \$700,000 of Community Preservation funding from its community housing reserves. The Town of Harwich has committed lease payments from its cell tower as well as sale proceeds of a Town-owned property (fetching more than a million dollars) to its Housing Trust Fund. Towns with inclusionary zoning bylaws that allow cash in-lieu of actual affordable units, such as Stockbridge's, have also used these funds to capitalize their Housing Trusts. Still other communities have obtained funding from developers through negotiations related to proposed developments.

- The Town recently added a *Residential Inclusionary Development bylaw* to increase the supply of affordable and accessible housing to ensure that new development that includes ten or more units incorporates units that qualify for inclusion in the Subsidized Housing Inventory (SHI) or funding in lieu of providing actual affordable units. Any funding that results from these provisions would support the Affordable Housing Trust Fund. For example, the development plans as part of the redevelopment of Elm Court could provide a substantial infusion of new funding for the Housing Trust.
- Support state legislation or a Home Rule petition for *transfer tax or impact fees* on high-value home sales to help capitalize the Affordable Housing Trust Fund. The recently-proposed Affordable Homes Act as part of the state Housing Bond Bill would enable Massachusetts cities and towns to potentially impose a fee on certain real estate transfers for use in supporting affordable housing. This bill suggested a transfer fee of no less than 0.5% and up to 2.0% on the portion of the sales proceeds over \$1 million or the county median sales price, whichever is greater. The fee would be paid by the seller to be invested in local affordable housing production.
- Obtain *funding contributions from area institutions and major employers* that have a vested interest in supporting the community's housing situation. Partnerships through these institutions and other local businesses might not only result in new funding contributions, but also help produce new housing units for their employees. Because some area institutions, such as Tanglewood and the Berkshire Shakespeare Company, for example, find it challenging to locate



seasonal housing opportunities for their employees or guest performers, they have a vested interest in expanding housing opportunities in the area.

**The state recently announced a \$97 million housing grant program, referred to as “HousingWorks” that combines several existing grant programs like Housing Choice and payments under Chapter 40R. It also adds new funding to provide direct subsidies for affordable housing production, incentive payments to municipalities that meet zoning best practices, and funds for infrastructure and planning work to support housing development. Moreover, it is proposing a \$4 billion Housing Bond Bill to invest in a wide range of housing-related initiatives.**

donating property or selling property at a discounted price for charitable purposes.

- Hold *special fundraising events or an annual appeal* as a means of raising additional funds. “Affordable” or “attainable” housing may have a special appeal given the reliance that residents have on local services provided by a workforce that confronts increasing challenges affording to live in Stockbridge.

- Use *regional appropriations of CPA funding* based on the premise that housing that is developed in one community is likely to benefit residents of other nearby communities. Examples of this approach is the development of the Cape Cod Village project in Orleans that created housing for autistic adults. Other Cape communities also provided funding support for the Forward project in Dennis for special needs housing.

- Provide information to owners on the *potential tax advantages* of

### **5.1.3 Secure Financial Resources for Affordable Housing**

*Timeframe:* Years 1 to 2

*Responsible Party:* Select Board, Community Preservation Committee, and Housing Trust

*Background:* The affordability of most housing development projects typically relies on multiple sources of financing involving both private and public loans and grants. Even Chapter 40B comprehensive permit projects rely on “internal” subsidies where the market rate units support the costs of the affordable ones in tandem with increased density.

The state and federal government fund housing financing programs directed to particular types of projects. Almost all these subsidies are for rental housing development through the Low Income Housing Tax Credit, HOME Investment Program, Housing Stabilization Fund, Affordable Housing Trust Fund, among many others. Some of these financing programs have been used to support affordable development in the past, including Pine Woods. (See Appendix 3 for a summary of these resources as well as relevant state regulations.)

Additionally, Stockbridge had some limited access to Community Development Block Grant (CDBG) funds in the past. This funding was awarded by the state in support of a Housing Rehab Program that was to provide technical and financial assistance to qualifying property owners to help them make necessary home improvements in Dalton, Lee, and Stockbridge. The Program was managed through the Berkshire Regional Planning Commission (BRPC).

**The Housing Choice Initiative (HCI), which the state adopted several years ago, requires only simple majority approvals for the adoption of new zoning that involves housing production. Nevertheless, zoning changes are often controversial and can be complicated to understand, making such changes typically challenging in any community.**

*Recommendations:* This Housing Plan recommends that the Town encourage the establishment of partnerships with other interested parties including developers, service providers, lenders, and public agencies to secure the necessary financial and technical resources to create affordable units. Given the costs of development, it is likely that multiple layers of financing will be required to make projects financially feasible. It is important for

the Town to partner with entities that have proven track records in undertaking affordable housing development, including the ability to obtain state financing.

Moreover, as mentioned in strategy 5.3.3, the Town is applying for CDBG funds once again to reintroduce a Housing Rehabilitation Program as well as potentially other resources to help preserve the existing housing stock.

## 5.2 Zoning Strategies

Zoning is a powerful tool for guiding development to appropriate locations and mandating or incentivizing the inclusion of public benefits, including affordable housing. It should also be noted that participants in the July 17, 2023 Community Housing Workshop overwhelmingly supported changes to the Zoning Bylaw

**A Select Board meeting on the HPP included an observation on local zoning stating, “Building affordable housing under current zoning with 2 and 4-acre zoning just doesn’t work.”**

to promote greater housing choices in Stockbridge. Zoning was identified as the major barrier to producing affordable housing in the community.

The following zoning-related actions are proposed for consideration. The projected number of affordable housing units that might result from these zoning approaches are estimated under specific production strategies in Section 6.3.

Also, the Planning Board will coordinate these efforts with

other appropriate local officials, drafting zoning amendments and coordinating the necessary approvals towards implementation. Strategies might also require potential input from a consultant which could be covered by CPA or Housing Trust funding or other state resources such as the state’s Community One Stop for Growth Community Planning Grant and Rural and Small Town Development Fund for example. The regional planning agency, the Berkshire Regional Planning Commission (BRPC), could also be an important resource for exploring model bylaws that have been effective in the region. Town Meeting approval will be required for all new zoning proposals.

### 5.2.1 Adopt Zoning for Accessory Dwelling Units (ADUs)

*Priority:* Years 1 to 2

*Responsible Party:* Select Board and Planning Board

*Background:* Stockbridge’s Zoning Bylaw does not specifically define an Accessory Dwelling Unit (ADU) or have a specific bylaw that permits them. However, under the section on accessory units, zoning allows a structure that is accessory to a one- or two-family dwelling that has been occupied without significant

**An ADU is typically an additional living area independent of the primary dwelling that may have been added to, created within, or detached from a primary one-unit dwelling. The ADU must provide for living, sleeping, cooking, and bathroom facilities and be on the same parcel as the primary one-unit dwelling.**

interruption since January 1, 1978 to be used for residential purposes. It also allows the conversion of an accessory structure in existence before January 1, 1990 into one or more dwelling units if the minimum livable area is 300 square feet for one unit or averages a minimum of 500 square feet for two or more units. Also, any alterations to the structure cannot increase the size of the footprint by

more than 20% and half of all rental units must be affordable and eligible for inclusion in the SHI. These units must be approved for occupancy by Special Permit of the Planning Board.<sup>35</sup>

There was considerable support for changing zoning to better promote ADUs as part of the Community Housing Workshop and Survey that were conducted as part of this planning process. While such new zoning is unlikely to result in SHI units, ADUs provide important benefits to the community, diversifying the housing stock and contributing to the need for additional smaller and less expensive housing unit production. They address the following public policy objectives:

- Enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, without the flow of income from an accessory apartment, some young families or moderate-income households might not be able to afford homeownership.
- Enable homeowners to benefit from ADU income by converting a smaller building on their lot, such as a detached garage, barn, or other structure into an ADU.
- Provide appropriately sized units for growing numbers of smaller households.
- Add moderately-priced rental units to make housing units available to moderate-income households which might otherwise have difficulty finding housing.
- Offer ways of increasing the year-round rental housing stock less expensively than new construction and without significant impacts on the surrounding neighborhood. Additionally, the creation of ADUs typically does not require additional public services such as streets or utilities or the loss of open space.
- Tenants in ADUs can provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single mom.
- Offer good opportunities for keeping extended families in closer contact, often referred to as “in-law” apartments.
- Generate tax revenue in a locality because accessory units typically add value to existing homes.
- Offer more stabilizing tenancy as owners must reside in the property and provide emergency egress freely through the main unit from the ADU.

It is important to understand what ADUs are not:

- ADUs are not to be used for short-term rentals (i.e., Airbnbs) ADUs will require leases for a specified period, typically at least 12 months.

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<sup>35</sup> Stockbridge Zoning Bylaw, Section 4.4.

- ADUs will not likely be built in large numbers throughout the town because the data from other communities shows small numbers of ADUs even when permitting is by right.
- ADUs will not change the look of single-family neighborhoods because the appearance maintains that of a single-family dwelling.

Given state requirements for including a unit as part of the SHI (e.g., affirmative marketing, deed restrictions, income qualifications and enforcement), bylaws typically do not require ADUs to be affordable based on the Chapter 40B definition. Nevertheless, because of their benefits, as listed above, the state is proposing the Affordable Homes Act as part of its \$4 billion Housing Bond Bill which includes a provision for permitting ADUs of no more than 900 square feet to be built by right in single-family zoning districts in all communities.

In 2023, the Town drafted a proposed ADU bylaw, defining an ADU as “a self-contained housing unit incorporated within a one-family dwelling (not within accessory structures, except with a Special Permit) that is clearly a subordinate part of the one-family dwelling and complies with each of the criteria stated below.” Permitting would be by right if the unit is located within the primary residence, administered by the Building Commissioner, and by Special Permit from the Planning Board if it is part of an attached or detached structure.

*Recommendations:* The Zoning Bylaw should be modified to encourage the creation of ADUs in Stockbridge that can provide more relatively affordable housing opportunities in privately-owned homes for residents as well as potential important income to owners. In recognition of the benefits of ADUs and in an effort to promote them, more communities are moving towards by-right permitting, making it easier for homeowners to create such units. The Town drafted a proposed ADU zoning bylaw that includes by right permitting in all residential districts as well as the inclusion of ADUs in detached structures by Special Permit of the Planning Board. **The Planning Board determined that this bylaw required additional work.**

The proposed bylaw follows the provisions of many effective zoning models. For example, the Cape Cod Commission (CCC) issued model zoning provisions for ADUs in January 2023 that represent a sound approach. Acknowledging that zoning restrictions have discouraged the creation of accessory units, the CCC recommended the adoption of such zoning that limits restrictions to encourage ADUs while including limitations related to site and building design to still protect community character. The state also has a model ADU bylaw with the following link. [State ADU model bylaw](#). Experience has demonstrated that even with by right approval, communities have not been inundated with ADU applications with not more than a handful per year.

Great Barrington’s bylaw is similar to Stockbridge’s initially proposed zoning. It allows ADUs by right with site plan approval of the Planning Board in any district, except requiring a Special Permit for a unit in a pre-existing non-conforming structure. Some of the requirements include a single ADU per lot, a maximum size of 900 square feet, and a parking space beyond any required for the principal structure. An ADU can also be created within a new or previously existing single-family or two-family dwelling and either the principal dwelling or ADU must be owner-occupied.

The Planning Board should revisit the proposed ADU bylaw and move to finalize the new zoning and have it adopted by Town Meeting. Only a simple majority vote will be required for passage. Because the proposed state Affordable Homes Act includes a provision for municipalities to allow ADUs by right, the Town might want to defer the fine-tuning of the ADU bylaw until the Act is approved as part of the Housing Bond Bill with further clarification on any requirements.

## 5.2.2 Identify Modest Opportunities for a Wider Range of Housing Choices in Specific Areas

*Priority:* Years 3 to 5  
*Responsible Party:* Planning Board

**Background:** Without appropriate zoning or the Chapter 40B comprehensive permit process, various housing types that can address local needs are not permitted. Additionally, even smaller-scale housing types are not allowed or substantially limited under current zoning. For example, multi-family housing is limited to no more than six dwelling units or nine units where affordable housing is provided. Multi-family housing also requires large minimum lot sizes. For example, the R-2 district requires a minimum lot of 87,120 square feet plus 43,560 square feet for each unit over one for developments that provide affordable housing. Required front, side and rear yard dimensions are also set at twice the minimum for the district. Such requirements constrain the inclusion of affordable units and development on village lots.

Participants of the July 17, 2023 Community Housing Forum voiced support for allowing more diverse housing types to be built in the community. There was particular interest in integrating housing, including affordable and mixed-income housing, in appropriate commercial areas as well as creating more housing opportunities for young families looking for starter homes and empty nesters who want to downsize. To do this, the Town might consider how additional housing types can be allowed that have proven more affordable and suitable for addressing these needs including:



- *Bungalow or tiny homes in pocket neighborhoods*

This type of housing has been popular in the West Coast of the country where there is an intense focus on smart growth development principles and accommodating increasing numbers of smaller households. The model involves the development of small cottages or bungalows that are clustered around a community green space. This housing type, which typically targets empty nesters, single professionals, and young couples, is a way of developing smaller units on smaller lots. Such development provides opportunities for the

ownership or even rental of small, detached dwellings within or on the fringe of existing neighborhoods, often enhancing affordability while simultaneously encouraging the creation of more usable open space for the residents through flexibility in density. While Stockbridge has a clustered subdivision bylaw, it is limited to the R-2 and R-4 districts, density cannot be greater than what is allowed in the district where the subdivision is located, and a minimum of ten contiguous acres is also required, making it restrictive.

This approach was used in the pocket neighborhoods of Jenney's Way and Eliakim's Way in Edgartown as well as Olde Village Square in Medfield, Cottages on Greene in East Greenwich Rhode Island, Cottages at River Hill in Newbury, Concord Riverwalk, and Emerson Green in Devens among others. Many of these projects have received design awards and some have included multiple income tiers and affordable units.





**Emerson Green in Devens**

- *Co-housing*  
The co-housing concept originated in Denmark with a focus on knowing one's neighbors and providing a safe and nurturing environment for children, harking back to the "intentional communities" concept that was introduced in the mid-19<sup>th</sup> Century. These developments are cooperative neighborhoods, typically with homes clustered around a common building with some facilities shared by all residents (e.g., dining room, kitchen, playrooms, library). There are numbers of models that have been developed in other communities that have combined good design with density and affordability to expand housing choices and meet local needs.
- *Congregate housing*  
Congregate housing can take many forms and other names for such housing have included supported housing, life-care homes, boarding or rooming houses, sober houses, congregate retirement housing, congregate senior communities, residential care, sheltered housing, enriched housing, single room occupancy (SRO) housing, enhanced single room occupancy (ESRO), safe havens, etc. Co-housing and group homes share elements of congregate living as well. These housing types can be especially effective in meeting the needs of an increasingly older population and those with special needs.
- *Townhouses*  
Townhouses involve residential structures that come up to or very nearly approach the edge of the property line to create more usable space. Such units include rowhouses, garden homes, patio homes and townhomes and are sometimes referred to as half homes. These units are typically developed as condominiums but can also be rentals. They are not currently allowed in Stockbridge's Zoning Bylaw.
- *Two-family homes*  
Two-family homes are among the most affordable types of housing as they can potentially offer both a relatively affordable first-time homebuyer opportunity (with rental income from an apartment) and a new rental unit, thus serving several needs simultaneously. Such units were the prototypical starter home in many cities and towns years ago when such zoning allowed their development in most neighborhoods. Such units should be promoted in all residential districts as they offer some diversity of housing choices within the community as starter homes and for downsizing.

Two-family dwellings (new or conversion to two-family) are allowed by Special Permit of the Planning Board in all zoning districts provided they meet large minimum lot area requirements which include an additional acre in the R-4, R-3, and R-2 districts as well as an additional 0.75 acre in the R-C district or 20,000 square feet with a sewer connection. Lot area requirements are reduced in the case of the inclusion of an affordable unit to 1.5 acres in the R-1 district and 0.75 acres in the R-C district but still extremely limiting. They should not require more lot area than single-family homes.

- *Conversion of Large Homes to Multi-family Dwellings*

Opportunities to convert larger homes into multiple units should also be explored as such conversions can continue to resemble single-family homes but contain several units as either total independent units or with some shared facilities. Such housing can be particularly appealing to young professionals as well as empty nesters. For example, with zoning changes a number of large properties in the City of Beverly were able to be carefully redeveloped as multi-family properties. Stockbridge has a considerable number of large properties that could be suitable for conversion to multiple units under certain terms and conditions.



**Conversion of a Large Estate in Beverly**

All these development types can be designed to be harmonious with the existing Stockbridge community. There are potential sites that might accommodate a single housing unit, two-family homes, a small cluster of units or even conversions of existing properties to serve local affordable housing needs.

As reported by the Lincoln Institute of Land Policy, “Urban planners and public officials are focused on developing housing types that restore the “missing middle” – row houses, duplexes, apartment courts, and other small to midsize housing designed at a scale and density compatible with single-family residential neighborhoods.” The “missing middle” concept grew out of the New Urbanism movement “to inject more moderately-priced housing into residential neighborhoods, from shrinking or subdividing lots to adding accessory dwelling units (ADUs), to expanding legal occupancy in homes.”<sup>36</sup> It suggests housing types that “typically have small to medium-size footprints with a body width, depth, and height no larger

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<sup>36</sup> McCormick, Kathleen, “Gentle Infill”, *Land Lines*, Lincoln Institute for Land Policy, July 2016.



than a single-family home. They can blend into a neighborhood as compatible infill, encouraging a mix of socioeconomic households and making more effective use of transit and services.”<sup>37</sup>

*Recommendations:* Many of the housing types listed above can conform to this “missing middle” concept and respond to the community’s need for greater housing choice. These housing types are either not allowed in local zoning or substantially restricted. The Planning Board should consider zoning modifications to allow some of these types of housing in use restrictions and dimensional requirements and guide such units to appropriate locations with feasible densities to allow for some inclusion of affordable units. This new zoning could include design guidelines to ensure that new housing is harmonious within the local architectural context.

Another consideration is to use the state Local Initiative Program (LIP), also known as the “friendly 40B” process, to permit such housing. Because Stockbridge has surpassed the state 10% affordability threshold, any development that proposes 40B permitting must obtain the Town’s support.

Still another option to better encourage more diverse housing types is the Flex Parcel Zoning concept to provide more flexibility in what can be built while reducing the out-sized impact that expensive land prices are having on the Town’s ability to expand the supply of more modest housing. Stockbridge’s R2 and R4 districts require a minimum of two and four acres, respectively. There is no limit to the size of these homes, but they must be single-family. Given such high land prices, developers are prone to build large single-family homes at exceedingly high prices. This is in contrast to more modest workforce housing that the community needs to maintain its socio-economic diversity.

The Flex Parcel Zoning would allow two-family dwellings by right if both units contain no more than 2,200 square or the combined square footage for both units does not exceed 4,400 square feet. Three-family homes would also be allowed by right if all units are 1,500 square feet or smaller or the combined footage for all units is less than 4,500 square feet. Such zoning would provide developers with greater flexibility to create housing that serves a variety of needs including starter units and those for downsizing. While this development would not trigger affordability requirements, there may be opportunities for the Housing Trust to buy down some of the units, converting them to affordable and making them eligible for inclusion in the SHI with subsidies as LIP Local Action Units (LAUs).

### **5.2.3 Promote Multi-family and Mixed-use Development In or Near the Downtown**

*Priority:* Years 3 to 5

*Responsible Party:* Planning Board

*Background:* Zoning restrictions have made it challenging for small businesses to locate and succeed in downtown Stockbridge and to also increase the residential population in the area. It is important to maintain the charm and character of the downtown, but there are opportunities to further increase the vibrancy and economic health of the area, especially in ways that can better serve the needs of residents.<sup>38</sup>

<sup>37</sup> Ibid.

<sup>38</sup> Russell, Joel, Planning Consultant, “Diagnostic Report, Stockbridge Zoning Bylaw,” October 4, 2019.

The Planning Board hired a consultant to review the Zoning Bylaw and identify key problems as well as potential solutions.<sup>39</sup> One of the areas of concerns involved development limitations in the downtown. For example, the upper story or stories of a building that is used principally for commercial use cannot include residential units in all zoning districts except the business district. The report also identified that maximum density limits on multi-family residences and parking requirements limit downtown redevelopment.

*Recommendation:* The Planning Board might revisit the housing-related recommendations involving the downtown area included in the Diagnostic Report including:

- Allow a wider variety of uses in the downtown Business (B) and Residence Center (R-C) districts, including multi-family residences and residential uses on upper floors.
- Allow a greater variety of residential building types at higher densities.
- Modify dimensional requirements to better fit the actual character of the downtown.
- Reduce or eliminate off-street parking requirements.

### 5.3 Development and Preservation Strategies

The following strategies rely on partnerships between the Town and developers towards the production of both private and publicly-owned properties as well as the preservation of existing properties through new or existing programs and services:

#### 5.3.1 Partner with Developers on Privately Owned Sites

*Priority:* Years 1 to 2

*Responsible Parties:* Select Board, Planning Board and Zoning Board of Appeals with support of the Housing Trust

*Background:* Continuing to work cooperatively with private developers, non-profit and for-profit, is fundamental to making progress in the implementation of this Housing Production Plan. With incentives created in the zoning bylaw to promote affordable housing (see Section 6.2) and the availability of the “friendly 40B” option under the state Local Initiative Program (LIP), the Town is in a good position to work with developers to guide new development that incorporates affordable units and smart growth principles including the following potential types of development:

- Mixed-use development in appropriate locations, particularly in or near the downtown
- Smaller infill housing types in existing neighborhoods
- Accessory Dwelling Units (ADUs)
- Cluster development to preserve open space
- Group homes or other congregate living options for older residents or special needs populations
- Multi-generational, multi-family housing
- Green building practices that lead to low maintenance and energy costs
- Universal design principles that promote barrier-free units to address the special needs of some residents including “visitability” provisions
- Availability of water and sewer services

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<sup>39</sup> Ibid.

Recommendations from the Community Housing Survey included the following locations for potential housing development:

- Close to but not in the downtown (57% of respondents)
- Redevelopment of existing properties (78%)
- Individual projects in existing neighborhoods (51%)
- Undeveloped land (38%)
- Comments included land served by Town water and sewer, any property large enough for multi-family housing, walkability to the downtown, and cluster housing.

*Recommendations:* The Town will focus on the following approaches for creating new affordable units on privately-owned parcels in line with “smart growth” principles, also with the potential of addressing the wider housing needs of those who might not be eligible for affordable units but are still priced out of the housing market:

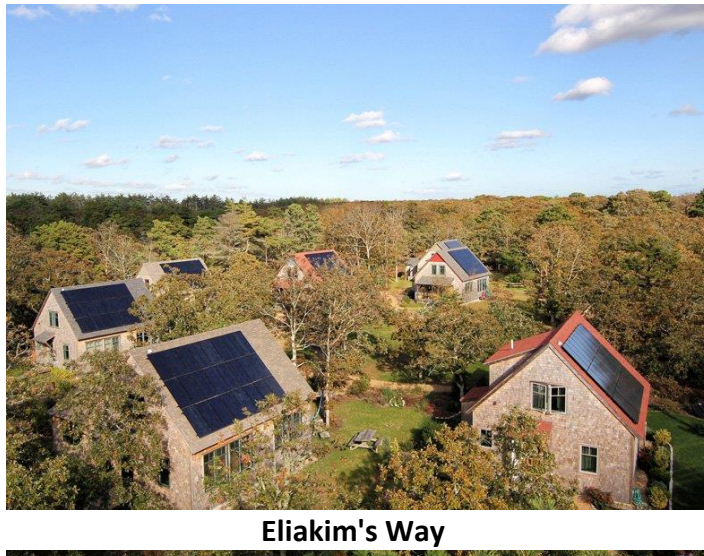
- *Existing Zoning and Proposed Changes* – The zoning strategies included in Section 6.2 in addition to current zoning should provide a reasonable framework for new development that mandate amounts of affordable housing.
- *Chapter 40B* – Comprehensive permits, particularly the “friendly 40B” process through the state’s Local Initiative Program (LIP), have proven to be a useful tool for projects that require significant waivers of local zoning and still meet local needs and priorities. The comprehensive permit process was used for the Pine Woods development. Locations where the “friendly 40B” process make the most sense include those listed above as recommended by participants of the July 17, 2023 Housing Workshop. **This permitting requires that the Select Board and developer agree to the basic terms and conditions of the development and apply jointly to EOHLC for the go-ahead to submit a comprehensive permit application to the ZBA.**
- *Early Development Review* – The Town should consider designating the Housing Trust or a separate ad hoc Development Review Committee to meet with prospective developers before they make specific development proposals. This early review process can help developers better understand project opportunities and constraints and come to some appropriate conceptual agreement with the Town on project terms and conditions, including permitting. The Town **will** also require the developer to meet early in the development process with abutters and others in close proximity to the potential development site, beginning a dialogue on how the project could best work for both the developer and community.
- *Support in Obtaining Financing* – In most cases, subsidies will be required to fill funding gaps to make projects that include affordable units economically feasible and to leverage other sources of public and private financing. The Town can fill a role in supporting financing applications and potentially provide some predevelopment or gap financing.

- *Other Incentives* – Other approaches for incentivizing new development might include expedited permitting, density bonuses, tax incentives (e.g., Tax Increment Financing, District Improvement Financing)<sup>40</sup>, and lower parking requirements for example.

Potential models for consideration include the following (these models are also relevant to developments on publicly-owned properties referenced in strategy 5.3.2):

- *Island Housing Trust (IHT) of Martha's Vineyard*  
The Island Housing Trust (IHT) has created over 60 homeownership opportunities over the past eleven years on Martha's Vineyard. These homes consist of one, two, and three-bedroom single-family homes, townhouses, and condominiums located throughout the Island towns. See [Our Homes](#) for more information. Homes have sold between \$150,000 and \$300,000 to households earning between \$35,000 and \$100,000.

An example of one of their homeownership projects is Eliakim's Way that involved an eight-acre parcel that IHT purchased with the Martha's Vineyard Land Bank as part of a larger 26.5-acre site, most of which was dedicated to conservation and recreational uses. The Trust built a pocket neighborhood of eight single-family homes on 3.5 acres of the eight-acre parcel, preserving the remainder of the site as open space. This project included three income tiers with two units directed to those earning at or below 80% AMI (one of these houses was built by Habitat for Humanity), four units in the 80% to 100% of median income range, and the remaining two units serving those earning between 100% and 120% of median income. The units were subsidized by the Island Affordable Housing Fund (IAHF), the Town of West Tisbury's Community Preservation Fund, and Cape Light Compact's subsidized solar electric PV panels. The Trust's focus on sustainable housing development practices enabled the project to obtain LEED Platinum Certification and net-zero energy usage (using as much energy as they produce).



IHT has also built more than 80 rental units as part of a wide variety of housing development projects. For example, the Scott's Grove project included nine year-round affordable rental apartments in West Tisbury. The nine apartments were designed as two clusters of duplexes facing each other with connecting decks and built in planters that allow for a sense of connection and interaction while still offering residents privacy. The Trust utilized this successful building design for other neighborhoods such as the Kuehn's Way neighborhood of 20 apartments in Tisbury. The Trust has contracted the [Dukes County Regional Housing Authority](#) to provide

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<sup>40</sup> District Improvement Financing (DIF) and Tax Increment Financing (TIF) offer tax breaks for projects that effectively promote economic development that are supported by the Town. Municipalities can grant tax exemptions of up to 100% of the tax increment for a fixed period. See Appendix 3 for details on such programs.

rental and property management services. Both Eliakim's Way and Scott's Grove were permitted under West Tisbury's multi-family housing bylaw.



**Scott's Grove**

- *Community Development Corporation (CDC) of South Berkshire*  
More locally, the Community Development Corporation (CDC) of South Berkshire, a regional non-profit organization, has developed the Windrush Commons project that includes 49 rental units in five separate structures (12 one-bedroom units with a handicapped accessible unit, 25 two-bedroom units with 2 accessible units, and 12 with three bedrooms that include one accessible unit). All units are affordable to households with incomes at or below 60% of area median income. Rents upon occupancy in 2023 were \$1,059 for the one-bedroom units, \$1,270 for the two-bedrooms, and \$1,468 for three-bedrooms. Development costs were about \$17 million.



*Projected # Affordable Units Produced: 13 units*

### **5.3.2 Make Suitable Public Property Available for Affordable Housing**

*Priority: Years 1 to 2*

*Responsible Parties : Select Board with support of the Housing Trust and Town Meeting approval*

*Background:* There is a local precedent for conveying municipally-owned property for the purpose of developing affordable housing including the sites that were developed for Heaton Court and Pine Woods. Like Stockbridge, many communities that have made substantial progress towards reaching the Chapter 40B 10% affordability threshold have done so through development on municipally-owned property. Not only can the conveyance of such property at nominal or substantially discounted costs contribute to a



project's financial feasibility, but the municipality maintains control over the terms and conditions of the development through the Request for Proposals (RFP) process.

*Recommendations:* The contribution or “bargain sale” of property owned by the Town or other public entities, but not essential for government purposes, is a key component of housing production goals. It is important to note that any conveyance of Town-owned property will require Town Meeting approval.

There has been some preliminary discussion of potential opportunities for developing Town-owned properties including:

- *Surplus Municipal Property*  
The Select Board, with support from the Housing Trust, will identify and pursue surplus municipal property for the development of affordable housing. Existing municipal parcels such as the unused dirt road adjacent to Heaton Court would be valuable in contributing to the expansion of the Stockbridge Housing Authority's Heaton Court project. **The reuse of existing fire stations was also recommended for consideration during the planning process.**
- *Donated Property*  
A donor has agreed to donate a 34-acre property to the Trust. This may become an important element of the Housing Production Plan over the coming five years. Hopefully, other donors will step forward and donate additional parcels.
- *Acquired Property*  
Properties that can be acquired by the Town, potentially through the Housing Trust or provided at a discounted purchase price, should also be explored. The properties could potentially incorporate other uses such as protecting open space, preserving historic properties, and/or offering recreational opportunities. For example, the Towns of Carlisle and Falmouth acquired land for affordable housing development, including open space preservation and other public benefits, by bonding CPA funding. The Housing Trusts of Hingham and Scituate, for example, acquired single-family homes, made necessary improvements, and sold the units to first-time homebuyers. The Sandwich Housing Authority similarly acquired such properties and has been managing them as rentals.
- *Tax Foreclosed Property*  
Tax foreclosed properties involving existing buildings or vacant land might also become available for conversion to affordable housing. Even scattered-site properties can be packaged into a single RFP and conveyed to a developer for the renovation or development of affordable housing. Given such high property values, tax foreclosures are rare in Stockbridge. Nevertheless, the Housing Trust should monitor properties that are winding their way through the tax title process to identify potential development opportunities.

For such properties, the Town should focus on providing the following types of development support:

- *Request for Proposals (RFP)*  
Following the necessary approvals for the conveyance of Town-owned properties, the Chief Procurement Officer, with support from the Housing Trust and potentially a consultant, will prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town's specific project requirements. **It will be important for the RFP to provide guidance on the essential**

terms and conditions of any projects, specifying issues regarding the approximate number of units, tenure, income levels, design guidelines, environmental and infrastructure constraints, permitting, financing (including funding that the Town will commit), density, parking, sustainability provisions, and a timeline for development for example. It typically follows the that the more definition that the Town can provide in the RFP, the better the quality of responses it will receive. The Housing Trust will ensure community input into the development of the RFP. **It is important to recognize that Town guidance on project terms and conditions will vary significantly based on a number of factors including specific site conditions, available resources, housing type, and proposed household type and incomes.**

The Town will then select a developer, also based on identified criteria included in the RFP. In the case of affordable housing development, it is important to select a developer with a proven track record in developing affordable housing, including obtaining necessary financing from public agencies, EOHLC in particular.

- *Permitting*  
Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and this will likely be obtained through the “friendly 40B” comprehensive permit process under EOHLC’s Local Initiative Program (LIP) or other proposed zoning.
- *Advocacy*  
The Town will need to be involved in helping the selected developer secure necessary financial, technical, and political support. Evidence of municipal support is critical when seeking financial or technical assistance from regional, state, or federal agencies.
- *Predevelopment and Gap Financing*  
Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units cross-subsidize the affordable ones. Because development on Town-owned properties should include more affordable units than what is required under Chapter 40B to boost the public benefits associated with the conveyance of Town-owned property for affordable housing, additional sources of financing from regional, state and/or federal governments will be required to make development financially feasible (see Appendix 3 for potential resources). To further promote project feasibility, most communities convey properties for only nominal amounts.

There will be more opportunities for Stockbridge to leverage its resources. As noted earlier, the state recently announced a \$97 million housing grant program, referred to as “HousingWorks” that combines several existing grant programs like Housing Choice and payments under Chapter 40R. It also adds new funding to provide direct subsidies for affordable housing production, incentive payments to municipalities that meet zoning best practices, and pays for infrastructure and planning work to support housing development.

The state has also proposed the Affordable Homes Act as part of a \$4 billion Housing Bond Bill to invest in affordable housing. This proposed legislation makes way for communities to adopt a transfer fee of 0.5% to 2.0% on the portion of sale proceeds over \$1 million or the county median home sales price, whichever is greater (adjusted for inflation). The fee is to be paid by the seller, and revenue must be used for affordable housing purposes. As a Justice40 community, a



Stockbridge development will also be more competitive in securing financing from a wide range of federal programs.

- *Monitoring*

It will be important for the Town to ensure that the affordable units that are produced meet all state requirements if they are intended to be eligible for inclusion in the SHI and that all required documentation is submitted to EOHLC. The Town Administrator and Housing Trust should maintain a list of SHI units and provide this necessary documentation to EOHLC when new affordable units are produced. Because it takes so much effort to create affordable units, it is all the more important that such qualifying units are counted in the SHI and preserved as affordable for as long a period of time as possible.

*Projected # Affordable Units Produced: 12 units*

### **5.3.3 Establish Housing Preservation Initiatives**

*Priority: Years 1 to 2*

*Responsible Party : Select Board with support from the Housing Trust*

*Background:* As noted earlier, 45% of Stockbridge's housing units predate World War II and 80% were built prior to 1980. Consequently, it is likely that some units have deferred maintenance problems while others might contain lead-based paint that can be hazardous to young children. Other units might be experiencing failing septic systems. Programs are needed to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly for the elderly living on fixed incomes and investor-owned properties tenanted by qualifying households.

Several years ago, Stockbridge was part of Housing Rehabilitation Loan Program to help qualifying homeowners make necessary repairs. The Program was awarded Community Development Block Grant (CDBG) funding from the state and was administered by the Berkshire Regional Planning Commission (BRPC) in cooperation with the Towns of Dalton and Lee. Unfortunately, no loans were issued in Stockbridge however.

A number of concerns were raised during the planning process regarding the need to update the Town's existing affordable housing developments as they were developed decades ago and comprise an extremely important component of the community's subsidized housing.

*Recommendations:* It will be important to provide support to the Stockbridge Housing Authority and Construct, Inc. in any efforts to make important improvements to their respective projects. While updating these units is pivotal over time in maintaining the structures and systems of these developments, it is also important to ensure that tenants continue to live in safe and decent conditions. It is worth noting that the Town is providing funding and design assistance for substantial upgrades to the playground, garden area and landscaping at Pine Woods,

As identified as part of housing priorities in this Plan's Housing Needs Assessment, housing preservation is particularly important given the age of Stockbridge's housing stock. This HPP also identifies a considerable number of homeowners with lower incomes and high-cost burdens who must struggle to

finance home improvements, including critical health and safety repairs. Such homeowners would likely benefit from programs that would help them make such improvements including the following:

- *Community Development Block Grant (CDBG)*  
The state administers Community Development Block Grant (CDBG) funding on behalf of the federal government to support Housing Rehabilitation Programs and other activities across the state. Such Rehab Programs provide important support in making much needed repairs to homes occupied by low- or moderate-income owner-occupants earning at or below 80% AMI or investor-owners and non-profit organizations that rent to such households. Program assistance is typically offered at a 0% interest rate with loan conditions dependent on income and ownership status. Loans typically involve a 15-year term, after which the deed restriction expires and the loan is forgiven. The Town is working with a consultant, Bailey Boyd Associates, to reapply for CDBG funding in support of such a Housing Rehab Program. It is also exploring funding to help resolve impediments that some owners experience that prohibits them from participating in Housing Rehab Programs.
- *Small Repair Grant Program*  
Many communities have introduced grant programs to help qualifying homeowners make important health and safety improvements to their homes. Most programs provide grants of up to \$5,000 for such repairs. Because the use of CPA funding for home improvements or housing rehab is limited to projects that were acquired and/or built with CPA funding, programs must rely on other sources of funding. For example, Sudbury's program is funded through the marketing/lottery fees of its Housing Trust, Norwell's program involves sale proceeds from an affordable unit as part of a local development, and Needham received funding from the Town's general budget. Such programs are relatively easy to administer.

The Town should also promote the following programs and resources towards improving Stockbridge's housing stock:

- *MassHousing Home Improvement Loan Program (HILP)*  
The MassHousing Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. To apply for a loan, applicants must contact a participating lender.
- *Septic Repair Program*  
MassHousing offers loans through the Septic Repair Program to repair or replace failed or inadequate septic systems for qualifying applicants of up to \$25,000. The interest rates vary according to the borrower's income with 0% loans available to households earning up to \$68,000 and 3% loans for those earning up to \$127,700. To apply for a loan, applicants must contact a participating lender.
- *Home Modification Loan Program*  
This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible.

- *U.S. Department of Agriculture (USDA) Loans*

The USDA's Office of Rural Development manages a Home Repair Program that provides grants and loans to very low-income homeowners with incomes at or below 50% AMI. Participants must be owner-occupants and demonstrate they have not been able to obtain affordable credit elsewhere. Grants are available for up to \$10,000 and are limited to health and safety hazards or home modifications for those who are 62 years of age or older or have a disability. Loans are provided for up to \$40,000 for work to repair or modernize homes as well as for the removal of health and safety problems.

- *Attorney General's Neighborhood Renewal Division Receivership Program*

This Program involves working with court-appointed receivers to remediate vacant, abandoned and/or foreclosed homes. Property receivership was authorized under MGL Chapter 11, Section 1271 to temporarily seize properties that are placed under a judicially supervised receiver, intervening when a property poses a health and safety hazard because it was abandoned or when tenants are at risk. The receiver has the power to collect rents, make repairs, and borrow money when necessary. The termination of a receivership is typically through a court-ordered foreclosure sale.

- *Massachusetts Community Climate Bank*

The Massachusetts Community Climate Bank was recently established as a new state resource for attracting private sector capital and federal funds available under the Inflation Reduction Act. The Bank will finance building retrofits aligned with the state's long-term climate objectives and new construction of decarbonized buildings. The Bank will focus on affordable housing where occupants typically bear a disproportionate burden in paying energy costs. It is anticipated that the Bank will support deep energy retrofits, help non-profit developers access capital that makes net-zero development possible, and support the rehab and retrofit of older affordable housing in need of repairs. MassHousing will administer the Bank.

*Projected # Affordable Units Produced:* 12 units included in Table 4-1 but are not eligible for inclusion in the SHI.

These actions also reflect state requirements that ask communities to address all the following major categories of strategies to the greatest extent applicable:<sup>41</sup>

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*
  - Partner with developers on privately-owned sites (strategy 5.3.1 – includes some locations)
  - Identify modest opportunities for creating a wider range of housing choices in specific areas (strategy 5.2.2)
  - Promote mixed-use and multi-family development in or near the downtown (strategy 5.2.3)

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<sup>41</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
  - Partner with developers on privately owned sites (strategy 5.3.1)
  - Make suitable public property available for affordable housing (strategy 5.3.2)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
  - Promote mixed-use and multi-family housing development in or near the downtown (strategy 5.2.3)
  - Identify modest opportunities for creating a wider range of housing choices in specific areas (strategy 5.2.2)
  - Partner with private developers on privately-owned properties (strategy 5.3.1)

The Town should continue to work with developers to create affordable housing in line with smart growth principles including:

  - Mixed-use development in appropriate locations
  - Smaller infill housing types in existing neighborhoods
  - Accessory Dwelling Units (ADUs)
  - Cluster development
  - Group homes or other congregate living options for older residents or special needs populations
  - Multi-generational, multi-family housing
  - Green building practices that lead to low maintenance and energy costs
  - Universal design principles that promote barrier-free units to address the special needs of some residents including “visitability” provisions
  - Availability of water and sewer services
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
  - Make suitable public property available for affordable housing (strategy 5.3.2)
- *Participation in regional collaborations addressing housing development*
  - Partner with regional entities such as the Berkshire Regional Planning Commission (BRPC) and other regional non-profit developers such as the CDC of South Berkshire, Central Berkshire Habitat for Humanity, etc. The Town is applying for CDBG funding to support a Housing Rehab Program in coordination with several other communities for example.

It will also be important to ensure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state’s Executive Office of Housing and Livable Communities (EOHLC) if another state or federal housing subsidy is not involved.

In addition to being used for “friendly 40B” projects, LIP can be used for counting those affordable units as part of the SHI if they involve some local action including:

- Zoning-based approvals, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated, or administered by the

- municipality; and/or
- Provision of land or buildings that are owned or acquired by the municipality and conveyed at a substantial discount from their fair market value.

A Requesting New Units Form must be submitted to EOHLC with other required materials to ensure that these units get included in the SHI.

**It should be also noted that a major goal of this Plan is not only to continue to surpass the state's 10% goal under Chapter 40B, but to also serve a wider range of local housing needs.** Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the SHI. Examples include the promotion of mixed-income housing that incorporates income tiers above 80% AMI, the promotion of Accessory Dwelling Units (ADUs), and housing rehab programs.

## **APPENDIX 1**

### **Local and Regional Housing Organizations**

Stockbridge has a number of local and regional entities that are available to help support the production of affordable housing or provide housing-related services including:

#### **Local Entities**

##### **Stockbridge Affordable Housing Trust (SAHT)**

The Stockbridge Affordable Housing Trust (SAHT) was formed under a Declaration of Trust by vote of the Select Board on July 28, 2022, in accordance with the Town Meeting vote June 12, 2021. The Trust's mission is to support the creation and preservation of affordable housing for the benefit of Stockbridge residents. In the past two years the Stockbridge Community Preservation Committee (CPC) by vote of the Town Meeting has allocated \$200,000 to the Trust to support this mission. The Housing Trust is the Town entity coordinating the preparation of this Housing Production Plan.

Town Offices, 50 Main Street

##### **Stockbridge Housing Authority (SHA)**

The Stockbridge Housing Authority owns and manages two public housing developments including Heaton Court with 53 units, for those aged 60 or over or those with disabilities who are younger than 60 years old, as well as Stockbridge House with eight units for those with developmental disabilities. All units are state sponsored. The Stockbridge Housing Authority also administers rental assistance including 57 Section 8 Housing Choice Vouchers.

5 Pine Street; 413-298-3222

##### **Stockbridge Council on Aging (COA)**

The Stockbridge Council on Aging supports the quality of life of the community's elders through a wide variety of services including social programs for seniors, an information and referral service on a wide range of issues, community-based services to promote independent living, as well as special events and activities.

The Council receives a great many housing-related inquiries from residents, as well as those who live outside the town, concerning the availability of housing options for seniors. The Council indicates that there is a need for more housing alternatives for elders in Stockbridge, stemming from those looking to downsize, searching for more affordable units, and hoping to relocate to be closer to their grown children and their families.

Town Offices, 50 Main Street; 413-298-4170 ext. 263

#### **Regional Entities**

##### **Berkshire Housing Development Corporation (BHDC)**

BHDC is a private nonprofit organization that serves all of Berkshire County. Since its founding in 1971, it has focused on improving the lives of our residents by creating affordable housing, providing housing services and programs, and helping communities access and administer community development projects.

BHDC has produced more than 2,000 new and rehabilitated housing units and has carried out a wide variety of community development projects including town infrastructure projects such as sewer and water systems, street and sidewalk renovations, construction of four senior centers and the adaptive

reuse of vacant blighted downtown buildings. The organization also manages 565 affordable housing units and administers approximately 570 Section 8 rental vouchers. It annually assists over 170 households maintain or secure housing through its housing stabilization programs that it operates in partnership with the Berkshire County Regional Housing Development Corporation. BHDC also serves as the region's Housing Consumer Education Center (HCEC) providing homebuyer and housing counseling, information and referrals to an average of 1,600 households each year.

P.O. Box 1180; 413-499-1630

#### **Berkshire Regional Planning Commission (BRPC)**

The Berkshire Regional Planning Commission (BRPC) is the designated regional planning agency for the Berkshire County. It provides a wide range of planning services to communities within the region related to comprehensive planning, GIS data analysis and mapping, environmental planning, public health, housing, community and economic development, and transportation planning. It also promotes regional collaboration of communities to increase coordination among all levels of government.

1 Fenn Street, Pittsfield; 413-442-1521

#### **Berkshire Taconic Community Foundation**

The Berkshire Taconic Community Foundation is a public charity that focuses on improving the region by encouraging philanthropy, pooling and investing resources, addressing urgent needs, and supporting individuals and nonprofits through grants and scholarships. The Foundation provides a variety of giving options, investment management and back-office strength to help make giving easy and grantmaking transformative. It serves a broad area including Berkshire County, northwest Litchfield County, Columbia County and northeast Dutchess County. It offers a wide range of grants for residents, nonprofit organizations, and communities.

800 North Main Street, Sheffield; 413-229-0370

#### **Central Berkshire Habitat for Humanity**

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one based in Pittsfield that serves Berkshire County. Affiliates are operated with multi-denominational and multi-racial local leadership and with community volunteers who construct or rehabilitate houses that are sold without profit and interest to selected families in the area. Habitat for Humanity continues to look for properties on which it might be able to build new units. The organization also manages ReStore which sells home improvement items that raises further funding to support the construction of new homes.

314 Columbus Avenue, Pittsfield; 413-442-3181.

#### **Community Development Corporation (CDC) of South Berkshire**

The Community Development Corporation (CDC) of South Berkshire is a nonprofit organization dedicated to creating housing and economic development opportunities for low- and moderate-income households living in the South Berkshire area. The CDC builds affordable housing and creates living-wage jobs by working collaboratively with town governments, open space organizations, and other local nonprofits. The organization identifies sites, secures financing, and carries out development projects that resonate with the natural beauty of the southern Berkshires. Over the last ten years, the CDC has leveraged over \$19 million in public and private investment for southern Berkshire County and created 60 affordable housing units, with an additional 90 units under development.

40 Railroad Street, Great Barrington; 413-528-7728



**Construct, Inc.**

Founded in 1969, Construct is a regional non-profit housing organization that serves over six hundred families annually in southern Berkshire County. The organization owns and manages over ninety permanent housing units (including the 30 units at Pine Woods in Stockbridge), a transitional housing program for individuals coming out of homelessness, and the county's first co-living workforce housing option that shelters local workers in need of temporary housing in a converted, fully furnished inn. In addition to providing these affordable housing options, Construct has established several funds for rental assistance, utility assistance, transportation services for their transitional housing population, and temporary emergency shelter services.

315 State Road, Apt D15, Great Barrington; 413-528-1985

## **ATTACHMENT 2**

### **Glossary of Terms**

#### ***Affordable Housing***

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

#### ***Area Median Income (AMI)***

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

#### ***Chapter 40B***

The state’s comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

#### ***Chapter 44B***

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

#### ***Comprehensive Permit***

Expedited permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers.

#### ***Executive Office of Housing and Livable Communities (EOHLC)***

EOHLC is the state’s lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

#### ***Fair Housing Act***

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

***Inclusionary Zoning***

A zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

***Infill Development***

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

***Local Initiative Program (LIP)***

A state program under which communities may use local resources and EOHLC technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the EOHLC technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income.

***MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)***

A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

***Metropolitan Statistical Area (MSA)***

The term is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents. West Worcester County is Stockbridge's MSA.

***Mixed-Income Housing Development***

Development that includes housing for various income levels.

***Mixed-Use Development***

Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

***Overlay Zoning***

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

***Public Housing Agency (PHA)***

A public entity that operates housing programs: includes state housing agencies (including EOHLC), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

### ***Regional Non-Profit Housing Organizations***

Regional non-profit organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with EOHLC. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. The Berkshire Housing Development Corporation serves as Stockbridge's regional non-profit organization.

### ***Regional Planning Agencies (RPAs)***

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. The Berkshire Regional Planning Commission serves as Stockbridge's regional planning agency.

### ***Request for Proposals (RFP)***

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

### ***Section 8 Housing Choice Program***

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

### ***Smart Growth***

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

### ***Subsidy***

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), EOHLC's technical assistance qualifies as a subsidy and enables locally supported developments that do not require financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

### ***Subsidized Housing Inventory (SHI)***

This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

***U.S. Department of Housing and Urban Development (HUD)***

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

## **ATTACHMENT 3**

### **Summary of Housing Regulations and Resources**

#### **I. Summary of Key Housing Regulations**

##### **A. Local Initiative Program (LIP) Guidelines**

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include ensuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. EOHLC has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called “friendly” 40B’s, and Local Action Units (LAUs), units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

##### **Income and Assets**

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

##### **Allowable Sales Prices and Rents<sup>42</sup>**

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area’s utility allowance. Indicate on the EOHLC application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and

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<sup>42</sup> EOHLC has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/EOHLC](http://www.mass.gov/EOHLC).

interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees<sup>43</sup>, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.

- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

#### **Allowable Financing and Costs**

- Allowable development costs include the “as is” value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to EOHLC). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the “as is” market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the City Council/Select Board where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner’s equity in the project. Owner’s equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, EOHLC requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer’s obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after EOHLC has determined that the developer has appropriately complied with the profit limitations.
- No third-party mortgages are allowed for homeownership units.

#### ***Marketing and Outreach (refer to state Affirmative Fair Housing Marketing Plan guidelines dated June 25, 2008.)***

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008)).

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<sup>43</sup> EOHLC will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. EOHLC must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.



- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

### ***Regulatory Requirements***

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a EOHLC-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to EOHLC.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath  
2 bedrooms – 900 square feet/1 bath  
3 bedrooms – 1,200 square feet/ 1 ½ baths  
4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to EOHLC.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by EOHLC through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by EOHLC.
5. Developer’s profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
  - Developer meets with Town
  - Developer and Town agree to proposal
  - Town chief elected officer submits application to EOHLC with developer’s input
2. EOHLC review involves the consideration of:
  - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
  - Number and type of units,
  - Pricing of units to be affordable to households earning no more than 70% of area median income,
  - Affirmative marketing plan,
  - Financing, and
  - Site visit.
3. EOHLC issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
4. Zoning Board of Appeals holds hearing
  - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
  - Developer forms a limited dividend corporation that limits profits.
  - The developer and Town sign a regulatory agreement.
5. Marketing
  - An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
  - Local preference is limited to a maximum of 70% of the affordable units.
  - Marketing materials must be available/application process open for a period of at least 60 days.
  - Lottery must be held.
6. EOHLC approval must include
  - Marketing plan, lottery application, and lottery explanatory materials
  - Regulatory agreement (EOHLC is a signatory)
  - Deed rider (Use standard LIP document)
  - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser’s closing attorney.

As mentioned above, in addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to EOHLC for the units to be counted as affordable. This application is on EOHLC’s web site.

The contact person at EOHLC is Rieko Hayashi of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: [rieko.hayashi@state.ma.us](mailto:rieko.hayashi@state.ma.us)).

## **B. Chapter 40B Comprehensive Permit Law**

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met<sup>44</sup>:

- The community has met the statutory minimum by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community’s land area.
- The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.
- The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.

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<sup>44</sup> Section 56.03 of the new Chapter 40B regulations.

- A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>45</sup> Recently approved regulations add a new requirement that ZBA’s provide early written notice (within 15 days of the opening of the local hearing) to the application and to EOHLC if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

Applicants wishing to appeal the ZBA decision based on appeal-proof grounds must notify the ZBA and EOHLC in writing within 15 days of receipt of the ZBA notice. If the applicant appeals, EOHLC will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA’s position). Either the ZBA or application can appeal EOHLC’s decision by filing an interlocutory appeal with the Housing appeals Committee (HAC) within 20 days of receiving EOHLC’s decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these “appeal-proof” grounds.

Chapter 40B also addresses when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*  
Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.
- *Certificate of Occupancy*  
Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued within 18 months.
- *Large Phased Projects*  
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

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<sup>45</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

- *Projects with Expired Use Restrictions*  
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- *Biennial Municipal Reporting*  
Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Municipalities may be allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including residents, employees of the Town (including the school district) or employees of businesses located in the town. If the municipality wishes to implement a local selection preference, it must do the following:

- Demonstrate in a required Affirmative Fair Housing Marketing Plan the need for the local preference (waiting lists for subsidized developments who may be likely to apply for the project for example).
- Justify the extent of the local preference (the percentage of units to be set-aside for local preference) through documented local need in the context of the size of the community, the size of the project and regional need. The percentage cannot exceed 70% of the total affordable units.
- Demonstrate that the local preference will not have a disparate impact on protected classes and would not be discriminatory.
- Provide the project developer with this documentation within three (3) months of final issuance of the comprehensive permit. Failure to comply with this requirement will be deemed to demonstrate that there is no need for local preference and such preference will not be approved as part of the Affirmative Fair Housing Marketing Plan or use restriction.
- Obtain approval from the subsidizing agency, such as EOHLC in the case of Local Action Units (LAUs), for the local preference as part of the Affirmative Fair Housing Marketing Plan. This approval must be secured prior to including such language in any zoning mechanism. A comprehensive permit can only contain requirements or conditions relating to local preference to the extent permitted by applicable law and this Affirmative Fair Housing Marketing Plan policy.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local City Council/Select Board for a 30-day comment period. The City Council/Select Board solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the City Council/Select Board for their endorsement of

the project, and they can make a joint application to EOHLC for certification under the Local Initiative Program (for more information see description in Section I.E below).

A subsidizing agency must also consider the following items when determining site eligibility:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with EOHLC guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during EOHLC's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to EOHLC, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

Chapter 40B regulations related to the hearing process include:

- The hearing must be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.

- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from EOHLC that their rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by EOHLC guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by-right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for ensuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with EOHLC guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the EOHLC guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals



Committee (HAC) can overrule the local decision if less than 10% of the locality's year-round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing "standing" in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate "legal error" in the decision of the ZBA or HAC.

### **C. Chapter 40R/40S**

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that "the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income".<sup>46</sup>

The statute defines 40R as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions."<sup>47</sup> The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows "as-of-right" residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

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<sup>46</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, "A Housing Strategy for Smart Growth and Economic Development: Executive Summary", October 30, 2003, p. 3.

<sup>47</sup> Massachusetts General Law, Chapter 40R, Section 11.

### Incentive Payments

<i>Incentive Units</i>	<b>Payments</b>
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”<sup>48</sup>

The principal benefits of 40R include:

- Expands a community’s planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The City/Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The City/Town applies to EOHLC prior to adopting the new zoning;
- EOHLC reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The City/Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by EOHLC;
- The City/Town submits evidence of approval to EOHLC upon the adoption of the new zoning; and
- EOHLC issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval.

<sup>48</sup> “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

**D. MassWorks Infrastructure Program**

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:

- Public Works Economic Development (PWED)
- Community Development Action Grant (CDAG)
- Growth Districts Initiative (GDI) Grant Program
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

## **II. SUMMARY OF HOUSING RESOURCES**

Those programs that may be most appropriate to development activity in Stockbridge are described below. Because Stockbridge has been designated a Justice40 community, it will in a much more competitive position to access many of these programs.

**A. Technical Assistance**

**1. *Community Planning Grant Program***

The state has introduced the Community Planning Grant Program that offers grant funding for a variety of activities related to land use including development. Activities may include the development of a Master Plan, Housing Production Plan, zoning review and updates, Urban Renewal Plans, Downtown Plans, Parking Management Plans, Feasibility Studies, or other Strategic Plans. Grants will likely be in the \$25,000 to \$75,000 range. Communities apply for this funding through the Community One Stop for Growth Application.

**2. *Peer-to-Peer Technical Assistance***

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide EOHLC with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Select Board or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask EOHLC for a referral. If EOHLC approves the request and once the peer is recruited, EOHLC will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the Town must prepare a final report, submit it to EOHLC, and request reimbursement for the peer.

### **3. *MHP Intensive Community Support Team***

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

### **4. *MHP Chapter 40B Technical Assistance Program***

Working with EOHLC, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development "uneconomic".
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

### **5. *Planning for Housing Production***

MassHousing is administering funding that is designated to help designated Housing Choice communities with technical assistance related to local efforts to produce housing. Their first funding round took place several years ago, and another round has been introduced.

## **B. Housing Development**

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial

institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

### **1. HOME Program**

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

### **2. Community Development Block Grant Program (CDBG)**

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts. Stockbridge has received this funding over the years, investing in a Housing Rehabilitation Loan Program for a number of years as well as important infrastructure.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money

is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

### **3. *Housing Stabilization Fund (HSF)***

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

### **4. *Low Income Housing Tax Credit Program***

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

### **5. *Affordable Housing Trust Fund***

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of EOHLC and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates.



The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

#### **6. *Housing Innovations Fund (HIF)***

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

#### **7. *Federal Home Loan Bank Board's Affordable Housing Program (AHP)***

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

#### **8. *MHP Permanent Rental Financing Program***

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this



program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

**9. *OneSource Program***

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

**10. *Section 8 Housing Choice Voucher Program and Massachusetts Rental Voucher Program***

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program (MRVP) as well as three smaller programs directed to those with special needs and veterans. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

**11. *Massachusetts Preservation Projects Fund***

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

**12. District Improvement Financing Program (DIF)**

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

**13. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)**

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Executive Office of Housing and Livable Communities may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to EOHLC for approval.

**14. Community Based Housing Program**

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of \$750,000 per project.

**15. Compact Neighborhoods Program**

EOHLC recently announced "Compact Neighborhoods" that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of "future zoned units" in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;
- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions to age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the older persons, those with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encourage housing that is priced to meet the needs of households across a broad range of incomes and needs.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an “as-of-right” base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from EOHLC; and
- Adopt the Compact Neighborhood Zoning.

**16. EOHLC Project-Based Homeownership Program**

EOHLC funds a Project-Based Homeownership Program with two (2) funding categories:

- *Areas of Opportunity*  
Funds are being awarded for new construction of family housing projects for first-time homebuyers in neighborhoods or communities that provide access to opportunities that include but are not limited to jobs, transportation, education, and public amenities. The minimum project size is ten (10 units) for up to \$500,000 in funding for a single project and no more than \$75,000 per affordable unit. The maximum total development cost for affordable units is \$300,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to the amount of the EOHLC subsidy request.
- *Gateway Cities*  
A limited amount of funding will be made available to Gateway Cities or other smaller communities with well-defined Neighborhood Redevelopment Plans for the acquisition and rehabilitation or new construction of single-family or duplex units or triple-deckers (rehab only). The development of single sites is preferred but scattered-site projects are permissible. The minimum project size is six (6 units) for up to \$500,000 in funding for a single project and no more than \$75,000 per affordable unit. The maximum total development cost for affordable units is \$250,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to one-half the amount of the EOHLC subsidy request.

Sponsors/developers must have hard letters of interest from construction lenders and mortgage loan originators, follow prescribed design/scope guidelines, submit sound market data at the time of pre-application, and have zoning approvals in place. Interested sponsors/developers must submit a pre-application for funding and following its review, EOHLC review will invite certain sponsor/developers to submit full applications.

**17. National Housing Trust Fund (NHTF)**

The state has allocated \$3.4 million in Housing Trust Funds and 100 Massachusetts Rental Vouchers to help create supportive housing for vulnerable populations including homeless families and individuals, unaccompanied homeless youth, frail older residents with service needs, and individuals in recovery from substance abuse. This program is intended to provide supplemental support to the federal National Housing Trust Fund, a newly authorized affordable housing program.

**18. Workforce Housing Fund**

The state is investing in a Workforce Housing Fund to provide rental housing for those households earning 61% to 120% AMI. In his announcement, Governor Baker said, “Making more affordable housing options available to working Massachusetts families deterred by rising rent expenses is essential to economic

growth and development in communities throughout the Commonwealth. These working middle-income families are the foundation of our economy and talented workforce, and the creation of this \$100 million fund by MassHousing will advance opportunities for them to thrive and prosper.”

The Workforce Housing Initiative was created to do the following:

- Target individuals and families with incomes of 61% to 120% of Area Median Income (AMI)
- Provide up to \$100,000 of subsidy per workforce housing unit to create 1,000 new units of workforce housing statewide
- Leverage strategic opportunities to use state-owned land
- Complement, does not replace, traditional MassHousing development financing
- Ensure workforce housing units are deed restricted as affordable for at least 30 years

Eligible projects include:

- Preference is for new units; existing projects where unrestricted units become restricted will be considered
- Workforce housing units are intended for working age household and may not be not be age restricted or occupied by full-time students
- 20% of units at the development must be affordable for households earning at or below 80% of AMI

#### **19. *Housing Choice Initiative***

The state has stated its commitment to producing 135,000 new housing units statewide by 2025 or by about 17,000 units per year, an ambitious task. To help accomplish this, it has created the Housing Choice Initiative that has three basic components that includes Capital Grant Funding. Communities that qualify for designation under this Initiative can receive exclusive admission to new Housing Choice Capital Grants as well as priority access to existing grant and capital funding programs such as MassWorks, Complete Streets, MassDOT projects, and LAND and PARC grants.

To obtain this designation, the community must submit an application that documents the increase in the total year-round housing stock from the 2010 census and the cumulative net increase in year-round units of at least 5% or 500+ units in the last five years or 3% and 300+ units when best practices have been applied to promote housing (e.g., zoning for multi-family housing, Chapter 40R, ADUs, cluster zoning, etc.). Designation lasts for two years.

#### **20. *Rental Assistance Demonstration (RAD)***

The Rental Assistance Demonstration is a federal housing program that is administered by HUD to provide a set of tools to address the unmet capital needs of deeply affordable, federally assisted rental housing properties in order to maintain both the viability of the properties and their long-term affordability. It also simplifies the administrative oversight of the properties by the federal government. Specifically, RAD authorizes the conversion of a property's federal funding from one form to another, where the initial form presents structural impediments to private capital investment and the new form (project-based section 8) is not only familiar to lenders and investors but, since its enactment in 1974, has leveraged billions in private investment for the development and rehabilitation of deeply affordable rental housing.

#### **21. *Section 202 Supportive Housing for the Elderly Program***

HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for older and very low-income persons, also providing rent subsidies for the projects to help make them affordable.

**22. Section 18 Housing Assistance**

Section 18 of the U.S. Housing Act of 1937 (as amended in 1998) removes the 1 for 1 public housing replacement requirement and provides broad authority to Public Housing Agencies (PHAs) to demolish or dispose of public housing. Section 18 is commonly referred to as "demo/dispo" program and helps reposition public housing to a more sustainable financial platform and access private capital.

**C. Homebuyer Financing and Counseling**

**1. ONE Mortgage Program**

The Massachusetts Housing Partnership Fund, in coordination with the state's Executive Office of Housing and Livable Communities, administers the ONE Mortgage Program which replaced the highly successful Soft Second Loan Program that operated between 1991 and 2013 and helped over 17,000 families purchase their first home. The ONE Mortgage Program is a new simplified version of the Soft Second Program providing low, fixed-rate financing and a state-backed reserve that relieves homebuyers from the costs associated with private mortgage insurance. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage.

**2. Homebuyer Counseling**

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organization that offers these workshops in closest proximity to Stockbridge is the Berkshire Housing Development Corporation.

**3. Self-Help Housing**

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

**D. Home Improvement Financing**

**1. MassHousing Home Improvement Loan Program (HLP)**

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

**2. Get the Lead Out Program**

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a

longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

**3. *Septic Repair Program***

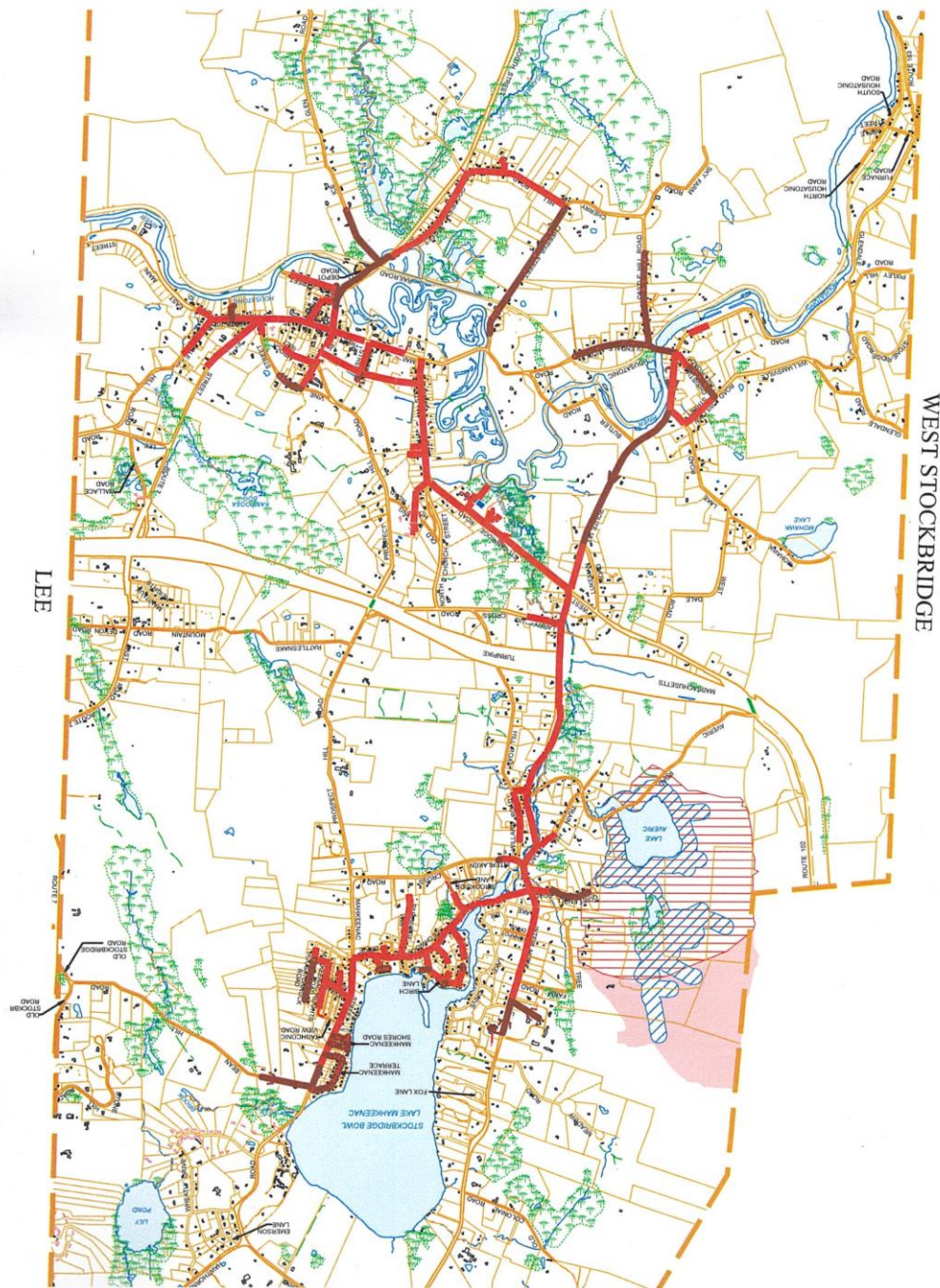
Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

**4. *Home Modification Loan Program***

This state-funded program provides financial and technical assistance to elders and those with disabilities who require modifications to their homes to make them handicapped accessible. Based on household size and income limits, from \$1,000 up to \$50,000 may be borrowed by property owners, which is secured by a promissory note and mortgage lien. Borrowers receive a 0% interest, deferred payment loan with no repayment required until the property is sold or transferred. The Berkshire Regional Planning Commission is the regional provider of these funds on behalf of the state.

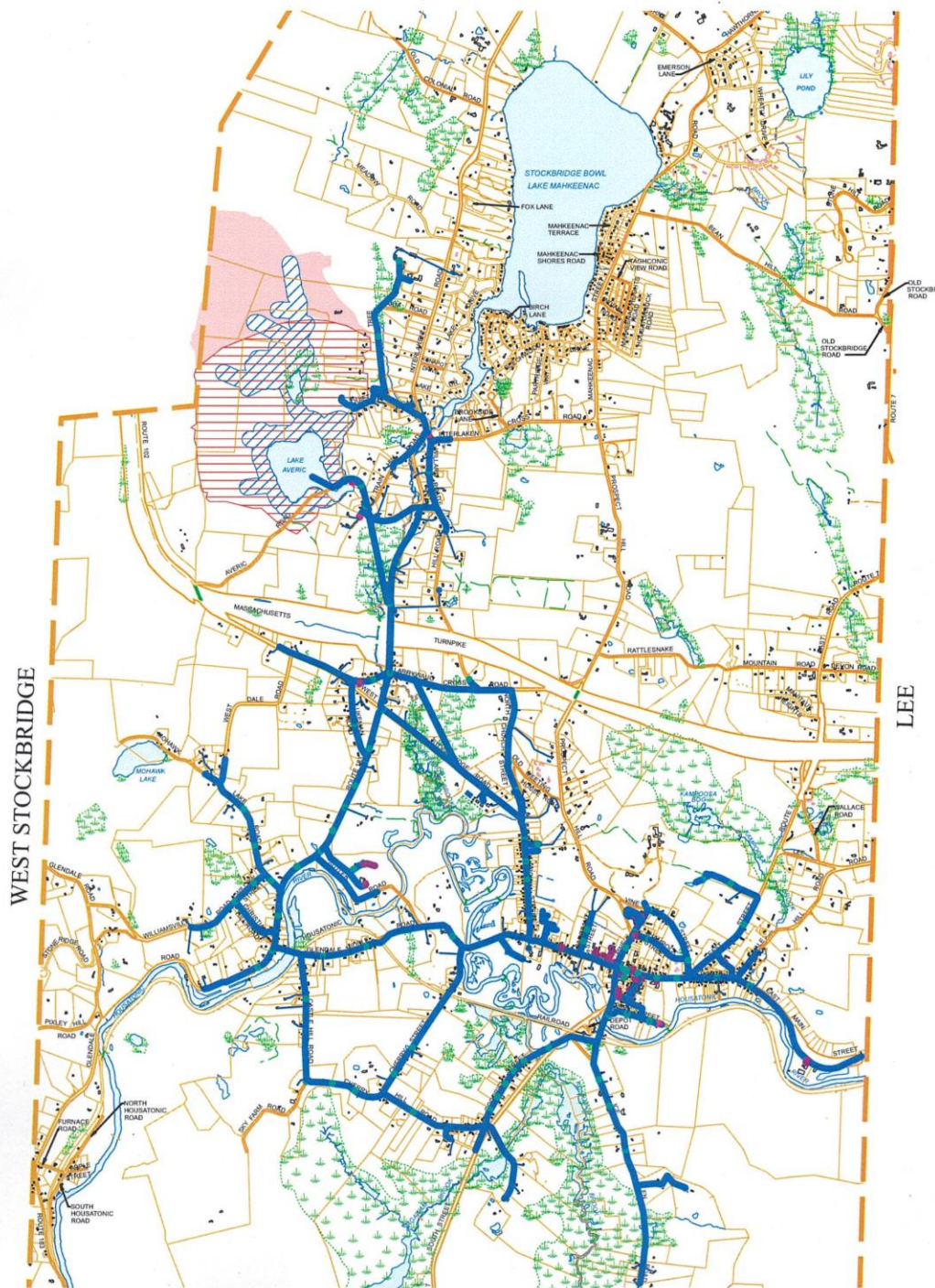


## ATTACHMENT 4 Sewer Services Map





## ATTACHMENT 5 Water Services Map



## **ATTACHMENT 6**

### **Summary of Community Housing Workshop**

#### **July 17, 2023**

The Town of Stockbridge held a Community Housing Workshop on Monday, July 17, 2023 to present the highlights of the first part of the Housing Production Plan, the Housing Needs Assessment, and to obtain input from local leaders and other attendees on priority local needs and best ways for the Town to address them. After a welcome by Ranne Warner, the Chair of the Stockbridge Affordable Housing Trust (SAHT), the Vice Chair of SAHT, Jan Ackerman, offered a PowerPoint presentation on the key takeaways from the Housing Needs Assessment. She was followed by Patrick White, member of the SAHT and Select Board, on questions to be addressed in the next part of the agenda as part of small group discussions. Following a brief question and comment period, meeting participants were divided into small breakout groups to discuss housing needs, their vision for Stockbridge's housing future, and key actions that should be included in the Housing Plan.

Following these discussions, each group presented their priority actions to all assembled attendees which was followed by voting. Participants were given 5 "positive" stickers to place as "votes" wherever they wished in support of the priority actions that were displayed by each group. Depending upon preferences, participants could place all 5 stickers on one item or spread them among strategies denoting the extent of their support.

Key questions and accompanying responses from these small breakout groups are listed below. The number in parentheses (\*) denotes the number of votes that the item attracted.

#### *What are the housing needs for Stockbridge:*

- Housing for age 30- to 50-year olds (6\*)
- Homeownership (5\*)
- Affordable rentals (1\*)
- Tiny homes
- Accessory Dwelling Units (ADUs)
- Senior housing
- Acquisition of property by SAHT
- Housing for missing middle
- Housing for seniors to downsize
- Grants for home improvements
- Shared land with building rights
- Make housing affordable to ordinary people
- Affordable and workforce units
- Pathways to homeownership
- More zoning flexibility
- Housing for single mothers
- First-time homeownership

#### *What are the biggest obstacles related to new housing?*

- Zoning (10\*)
- Availability of financing (2\*)

- Incentives for creating ADUs (2\*)
- Incentives for builders/investors to develop new housing
- Community Preservation Committee (CPC)
- Costs and time to create units

*What are the most important **actions** or strategies for the Town to implement to address priority housing needs?*

*Zoning and Planning Approaches*

- Allow ADUs (included a by right suggestion and tax credits to homeowners) (7\*)
- Integrate more affordability requirements in zoning (6\*)
- Survey existing private and affordable housing stock (5\* and 1 in opposition)
- Allow tiny home development (included a by right suggestion) (3\*)

*Development and Preservation Approaches*

- Explore sweat equity opportunities (11\*)
- Build a new complex with three- and four-bedroom units (8\*)
- Convert single-family homes to two units (8\*)
- Provide funding support for home maintenance projects (4\*)
- Consider mixed-use development in the downtown (4\* and 3 in opposition)
- Promote home donations for tax benefits (3\*)
- Explore the Attorney General's receivership program (3\*)
- Create mixed-income senior housing (2\*)
- Provide down payment assistance (1\*)
- Promote planned development
- Encourage acquisition and demolition of existing properties to create new development by LLCs
- Repurpose existing housing

## **ATTACHMENT 7**

### **Community Housing Survey Summary Results**

The Stockbridge Affordable Housing Trust is preparing a Housing Production Plan (HPP) to document priority housing needs, assess existing housing regulations, and identify new or modified strategies to address unmet housing needs, also recommending how the Town can strategically invest its local resources as part of a defined housing agenda. This work builds upon prior discussions of housing needs such as the Planning Committee's Visioning and Town's Municipal Vulnerability Preparedness Reports. An important component of this planning work has been obtaining substantial input from residents on the Town's future housing priorities.

In addition to community meetings and interviews with local and regional housing stakeholders, the Housing Trust issued a Community Housing Survey as another means for residents to participate in the planning process. While this Survey was not issued in a scientifically random manner, which is very expensive, the results nevertheless reflect a range of perspectives within the Stockbridge community on housing issues and put the Town in a more informed position to finalize the Housing Plan and take action to implement it.

The Survey was issued on ?(insert) and responses were due no later than September 15, 2023. The hard copy version of the Survey was made available at the Town Clerk's Office, 50 Main Street, Stockbridge MA 01262, and an electronic version was included on the Town's website. All residents received a postcard notifying them about the Survey and encouraging them to respond.

There were 190 residents who responded to the Survey. By in large, respondents expressed the following perspectives:

- Focus on housing for young adults, families, and individuals with fixed-incomes
- Pursue cluster homes, multi-family rentals, and ADUs
- Redevelop existing and/or Town-owned properties, preserve open space
- Revise zoning to allow development of Cottage-era properties in keeping with Stockbridge's character

Specific results are summarized below for each question with the percentage of responses listed next to the selected answers.

#### **Please provide your perspectives on the following questions:**

1. How would you rank the importance of housing that is affordable being available to the current and future Stockbridge community from a low of 1 (not important at all) to a high of 10 (of utmost importance)? \_\_\_\_\_  
**Only 9 or 13% of the 67 respondents offered a score of less than 8. Average score of 8.4.**
2. What issues most concern you if (if?) Stockbridge lacks housing that is affordable to a significant part of the population?

- ☐ Lack of volunteers for critical services (e.g., EMT, fire, town offices & committees, etc.) (67%)
  - ☐ Lack of the availability of important trades (e.g., plumbing, electrical, home maintenance) (52%)
  - ☐ No alternative housing options for residents as they age (52%)
  - ☐ Lack of ability to open or maintain locally owned businesses (51%)
  - ☐ Being able to stay in one's house (42%)
  - ☐ Problems in affording and accessing services to make important home improvements (28%)
  - ☐ None (3%)
  - ☐ Other (please specify) (27%) Lack of children, young families and it's the right thing to do. This is a regional problem, not a local one. Lack of local diversity and all of the above.
3. What do you think are the **greatest challenges** in producing and preserving housing affordability in Stockbridge? (Choose your top 3.)
- ☐ High costs of land and construction (67%)
  - ☐ Lack of local support/political will (54%)
  - ☐ Zoning restrictions (42%)
  - ☐ Limited Town-owned property suitable for housing development (32%)
  - ☐ Availability of subsidies to make development financially feasible (29%)
  - ☐ Limited developable property (26%)
  - ☐ Infrastructure capacity issues (4%)
  - ☐ Other (please specify) (13%) High rents, demand by second homeowners, housing is a national problem not a town one, need for RTE and ADU, Planning Board needs to plan for the future.
4. The Town should focus on promoting the following **types of housing units** in the community: (Choose your top 5.):
- ☐ Clustered homes that include the preservation of open space (57%)
  - ☐ Multi-family rental development (44%)
  - ☐ Small cottage-style homes or bungalows (41%)
  - ☐ Accessory Dwelling Units (ADUs)<sup>49</sup> (38%)
  - ☐ Conversion of cottage era estates under revised zoning by-laws (34%)
  - ☐ Mixed-use properties (housing and commercial in the same building) (32%)
  - ☐ Multi-family condominium development (29%)
  - ☐ Conversion of larger single-family homes into multi-family units (29%)
  - ☐ Stockbridge Housing Authority redevelopment and expansion (29%)

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\* The federal and state governments define the threshold of affordability as paying no more than 30% of income on housing costs whether for ownership or rental. Housing costs for homeownership include principal and interest, property taxes, and insurance, as well as any condo fees. The Housing Production Plan also identifies units as affordable if they are available to households with incomes at or below 80% of area median income (see table above) and are spending no more than 30% of their income on housing costs. Removed reference to counting utility costs for homeownership units. Not for ownership but for rentals.

<sup>49</sup> Accessory Dwelling Units (ADUs), also known as accessory apartments or in-law units, are self-contained apartments, cottages, or small residential units, that are located on a property that has a separate main, single-family home or other residential unit. They are typically a subordinate unit within an existing single-family home. In some cases, the ADU is attached to the principal dwelling or is an entirely separate unit, located above a garage or in the backyard on the same property.



- ☐ Independent senior living communities (28%)
  - ☐ Two-family, owner-occupied dwellings with a rental unit (24%)
  - ☐ Units with some shared living space (congregate or co-housing units) (16%)
  - ☐ Assisted living and Memory Care facilities (13%)
  - ☐ Special needs group homes (4%)
  - ☐ None of the above (4%)
  - ☐ Other (please specify) Build “A” affordable housing but stay out of the real estate market, help residents, put a cap on rents, none, all these including tiny homes and start somewhere and keep going.
5. The **best locations** for new housing development include: (Choose your top 3 and all that apply with respect to the building sizes under each location.)
- ☐ Redevelopment of existing properties (78%)
  - ☐ Close to but not in downtown (57%)
  - ☐ Individual projects in existing neighborhoods (51%)
  - ☐ Undeveloped land (38%)
  - ☐ Other (please specify): (12%) Land served by Town water and sewer, any property large enough for multi-family housing, any of the above and walkable to the downtown including cluster housing. Use open space zoning and create small units for seniors. Create housing in all the above but make sure to protect open space.
6. What **target populations** do you believe have the greatest housing needs? (Choose your top 5):
- ☐ Young adults and families (81%)
  - ☐ Work force housing (62%)
  - ☐ First time home buyers (54%)
  - ☐ People on fixed income (e.g., retired, widow(er) who has lost primary income) (54%)
  - ☐ Low-income households with incomes between 50% and 80% of area median income (see table below) (45%)
  - ☐ Very low-income households with incomes at or below 50% of area median income (see table below) (36%)
  - ☐ Seniors (over age 60) (32%)
  - ☐ Municipal workers (26%)
  - ☐ Moderate-income households with incomes above 80% of area median income and up to 100% of area median income (see table below) (26%)
  - ☐ Disabled individuals (9%)
  - ☐ Households with incomes above 100% of area median income and still shut out of the private housing market (see table above) (4%)
  - ☐ Households with incomes to afford market prices? (0%)
  - ☐ Other (please specify) (7%) All town residents who can’t afford to stay here, workforce housing and units for moderate-income households from eastern MA. This is a national problem.
7. What do you think are the most important **development or redevelopment actions or strategies** for the Town to pursue to address priority housing needs? (Choose your top 5) Also, please mark any you do not think should be pursued with an “N”.
- ☐ Inventory Town-owned property and identify those parcels that could be used to build more housing (including those that might need regulatory/zoning changes to make housing possible). (60%)

- ☐ Pursue adaptive reuse of vacant or underutilized nonresidential properties. (58%)
- ☐ Revise zoning and permitting requirements to allow development of Cottage Era properties in a manner that will align with Stockbridge's community character. (52%)
- ☐ Allow two-family dwellings by-right in more areas. (43%)
- ☐ Allow more Accessory Dwelling Units (ADUs). (42%)
- ☐ Develop additional opportunities for seniors who own homes to move into units that better accommodate their existing lifestyles, opening their homes to families. (36%)
- ☐ Encourage rental development by partnering with developers who can access state funding programs such as the Low-Income Housing Tax Credits to provide housing for very low-income households. (34%)
- ☐ Require a minimum percent of affordable units for development projects of six or more units on a Town-wide basis. (34%)
- ☐ Support the Stockbridge Housing Authority's efforts to improve its developments. (32%)
- ☐ Restudy and amend zoning to better facilitate multi-family housing construction and/or mixed-use development. (27%)
- ☐ Revise zoning and permitting requirements to promote greater energy efficiencies and environmentally sustainable housing development. (25%)
- ☐ Introduce efforts to help owners make necessary home renovations and improve energy efficiency. (21%)
- ☐ Expand Heaton Court. (19%)
- ☐ Promote scattered-site, affordable single and two-family home development. (19%)
- ☐ Waive permitting fees for affordable housing where appropriate. (12%)
- ☐ Build a continuing care facility, such as Kimball Farms. (9%)
- ☐ Establish new requirements for better controlling teardown activity. (6%)
- ☐ Other (please specify) (7%) No for ADUs. Charge second home owners a higher property tax. Liked last 2 options on SHA and fees.

8. Provide any additional comments on housing issues in Stockbridge in the space below.

**INCOME LIMITS FOR THE PITTSFIELD MA HUD METRO AREA, 2023**

# Household	30% AMI	50% AMI	80% AMI	100% AMI
1	\$21,500	\$38,850	\$57,300	\$62,160
2	\$24,600	\$40,950	\$65,500	\$71,040
3	\$27,650	\$46,050	\$73,700	\$79,920
4	\$30,700	\$51,150	\$81,850	\$88,800
5	\$35,140	\$55,250	\$88,400	\$95,904
6	\$40,280	\$59,350	\$94,950	\$103,008

## Demographic Information (optional)

The following demographic questions are designed to help us understand what segments of the population we are reaching. The information will be kept confidential.

9. Please check all that apply:

- ☐ I am a full-time Stockbridge resident (77%)
- ☐ I am part-time Stockbridge resident (second home owner) (20%)
- ☐ I work in Stockbridge (20%)
- ☐ I do not live in Stockbridge but would like to do so (6%)



- ☐ Other (please specify) (8%) Residency shouldn't matter. One grew up in town and still has family here and expressed concern that young families and workers can't afford to live in town. Another indicated that they are a part-time resident and still another said that they lived in town in the past but had to move due to the lack of housing.

10. Do you own or rent?

- ☐ Own (82%)  
Condominium unit 5% Single family home 38% 2-family home 1.5% Second home 11%  
Rent (16%)  
Condominium unit 3% Single-family home 9% Unit in 2-family home 0% Multi-family development 0%

11. How long have you lived (or had a second home) in Stockbridge?

- ☐ More than 20 years (48%)
- ☐ 11 to 15 years (18%)
- ☐ 5 to 10 years (13%)
- ☐ 16 to 20 years (11%)
- ☐ Less than 5 years (10%)

12. Do you think that you might move out of Stockbridge at some point in the future?

- ☐ No (61%)
- ☐ Not sure (25%)
- ☐ Yes (14%)

13. Why might you move out of Stockbridge If you answered yes to question #11 above?  
(Only 8 answered)

- ☐ Housing/living costs too high (75%)
- ☐ Prefer to live closer to family and friends (25%)
- ☐ Prefer a smaller house or unit (12%)
- ☐ Prefer to live closer to my job (12%)
- ☐ Prefer a handicapped accessible house or unit (0%)
- ☐ Prefer elevator-accessible unit (one-floor single-family homes are scarce in Stockbridge) (0%)
- ☐ Prefer to live in a more urban community (0%)
- ☐ Prefer to live in a more suburban community (0%)
- ☐ Prefer to live in a warmer climate (0%)
- ☐ Other (please specify) (12%) Trying to buy but can't afford it here.

14. Which category best describes your age?

- ☐ Under 18 (1%)
- ☐ 18 to 24 (0%)
- ☐ 25 to 34 (4%)
- ☐ 35 to 44 (6%)
- ☐ 45 to 54 (4%)
- ☐ 55 to 64 (18%)
- ☐ 65 and older (60%)
- ☐ Prefer not to answer (7%)

15. Which of the following best describes your household?

- ☐ Empty nest couple/single with adult children no longer living at home (44%)
- ☐ Couple with no child(ren) (22%)
- ☐ Family with child(ren) living at home (includes single parent) (10%)
- ☐ Single, living alone, 65+ years (8%)
- ☐ Single, living alone, less than 65 years (7%)
- ☐ Prefer not to answer (7%)
- ☐ Single, living with housemate(s) (1%)

16. Which category best describes your annual household income?

- ☐ \$150,000+ (26%)
- ☐ Prefer not to answer (24%)
- ☐ \$50,000 - \$74,999 (14%)
- ☐ \$75,000 - \$99,999 (12%)
- ☐ \$100,000 - \$149,999 (12%)
- ☐ \$35,000 - \$49,999 (6%)
- ☐ \$10,000 - \$24,999 (4%)
- ☐ \$25,000 - \$34,999 (1%)
- ☐ Under \$10,000 (0%)

17. What is your racial or ethnic identity?

- ☐ White (89%)
- ☐ Prefer not to answer (7%)
- ☐ Hispanic or Latino (1%)
- ☐ Asian (0%)
- ☐ Black or African-American (0%)
- ☐ Two or more races (0%)

