

ROWLEY AFFORDABLE HOUSING PLAN



Rowley Housing Committee

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The Plan includes updated sections of the Rowley Master Plan, completed in June 2003
by Daylor Consulting Group

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I. EXECUTIVE SUMMARY

1.0 Introduction

The town of Rowley is located in Northeastern Massachusetts and bordered by Boxford and Georgetown to the west, Newbury to the north, Ipswich to the south, and the Plum Island River to the east. Boston is 28 miles to the south, accessible by Interstate Route 95. The town is approximately 20 square miles in area with a population in 2000 of 5,500 residents.

Rowley has been making the transition from a predominantly farming community to a residential town, increasingly becoming a suburb of Boston. Residents are justifiably proud of Rowley's rich history. Founded in 1639, Rowley is the home of the nation's first woolen mill and still resembles the quintessential New England village. The town has a varied terrain and is located between the Muddy Creek, to the north, and the Rowley River, to the south. The main land area of town fronts Plum Island and after an extensive salt marsh area eventually gives way to rolling uplands. Population growth and increased interest in new development, however, have raised concerns among residents about the town's future and how the Rowley can best accommodate growth while maintaining its environmental health and historic small town character.

Rowley is growing substantially, which has put significant pressures on local services and the housing market. Between 1970 and 2000 the population increased by more than 80% or almost 2,500 residents. As Rowley continues to grow, it will face the challenge of increased housing needs, including affordable housing, which is a major regional concern as housing costs have risen by more than 60% during the last five years alone. The limited development of subsidized housing in the recent past has exacerbated the problem. Due to the rising costs of homeownership, including escalating energy costs and taxes, some residents are finding it increasingly difficult to afford to remain in Rowley. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased real estate taxes but unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to "buy up," purchasing larger homes as their families grow. Town employees and employees of local businesses, although relatively small in number, are increasingly hard pressed to find housing that is affordable in Rowley. More housing options are required to meet these local needs and produce Rowley's fair share of regional needs.

Increasing housing prices are also attracting greater attention from private developers interested in Chapter 40B development of affordable housing and prompting Town leaders and residents to recognize that different strategies are required to better plan for housing development and insure that it is more directed to serving local needs and objectives. According to Chapter 40B regulations, if a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing.

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.¹

Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Rowley has 1,985 year-round housing units, of which the state currently counts 93 units as affordable, representing 4.69% of the year-round housing stock. Rowley therefore is vulnerable to losing control over housing development through Chapter 40B comprehensive permit applications and would need at least 120 more affordable units to meet the 10% standard based on the existing housing stock. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

Undertaking a more proactive housing agenda to promote affordable housing will be a significant challenge in Rowley. First, the town's resources for absorbing growth are extremely limited as it has significant physical constraints regarding existing infrastructure, which make denser development more costly and difficult. For example, Rowley has no sewer services and some areas of town still rely on wells. This may raise concern among residents about water supply and quality impacts of any new development. Additionally, reductions in State aid are putting greater pressure on the Town's finances in covering a wide range of local services.

Second, the Town of Rowley should be recognized for the considerable progress it has made in reforming land use policies to better promote smart growth development and affordable housing, however, local zoning continues to provide some road blocks to the creation of more affordable housing and some current regulations would have to be reformed or in many cases overridden through "friendly" comprehensive permits to overcome these obstacles. Zoning for accelerated growth raises local questions concerning capacity and changing the very nature of the community with its small town distinctions. Third, the town needs to establish the means of building its capacity to promote new affordable units by aggressively reaching out for necessary technical and financial resources and building the political support needed to get the job done. Town officials realize that they have a responsibility to take a leadership role to address affordable housing and have taken several important steps including the approval of the Community Preservation Act in 2001 that created an important local funding source to support affordable housing. Building on the work done to prepare the town's Master Plan in 2003, local officials are now taking further action to better understand and address the range of local housing needs through this Affordable Housing Plan. It will also meet the requirements under Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i), Planned Production, that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year, or 1.5% over two-years, of its year-round housing stock eligible for inclusion in the

¹ 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.

Subsidized Housing Inventory.² If Rowley produces at least 15 affordable units annually to meet these production goals through 2010³, and DHCD certifies that it has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.⁴ Production goals will also help guide actual new housing development and support the Town's progress towards meeting the state's 10% housing affordability goal.

This Affordable Housing Plan suggests a range of options to meet pressing local housing needs and to bring Rowley closer to the state 10% threshold and its vision for the future, presenting a proactive housing agenda of Town-sponsored initiatives. Based on the surge of interest from developers in proposing Chapter 40B developments, town residents no longer have the luxury of maintaining the status quo. New housing will be built, and residents must consider what steps should be taken and what compromises can be accepted to have some control over Rowley's future development. This Affordable Housing Plan represents a critical step forward and an opportunity for the town to chart its own course on affordable housing development.

2.0 Housing Goals

The Town of Rowley has adopted the following housing goals that provide the framework for Town-sponsored affordable housing initiatives. Most of the goals were identified in the Town's 2003 Master Plan.

- Given rising housing prices, increase affordable housing opportunities for low- and moderate-income households.
- Encourage a diverse mix of residential housing opportunities that meet the needs of Rowley's demographic and socio-economic mix.
- Direct housing to environmentally appropriate locations.
- Promote appropriate design and site development standards for new residential development so as to preserve the Town's character and protect its natural resources.
- Promote development that meets smart growth principles.

3.0 Summary of Housing Needs Assessment

The following table summarizes demographic and housing characteristics in Rowley and compares this information to that for Essex County and the state.

² Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

³ When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 20 units.

⁴ 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.

**Summary of Demographic and Housing Characteristics for
Rowley, Essex County and the State
2000**

Characteristics	Rowley	Essex County	Massachusetts
Household Characteristics			
Total Population	5,500	723,419	6,349,097
% less than 18 years	28.0%	25.2%	23.6%
% 20 to 34 years	15.2%	18.2%	21.0%
% 45 to 54 years	16.7%	14.4%	13.8%
% 65 years or more	9.4%	13.9%	13.5%
Median age	37.7 years	37.5 years	36.5 years
% non-family households	20.1%	32.8%	36%
Average household size	2.77 persons	2.57 persons	2.51 persons
Median income	\$62,130	\$51,576	\$50,502
Individuals in poverty	4.1%	8.9%	9%
% earning less than \$25,000	15.7%	24.1%	24.6%
% earning more than \$100,000	24.7%	19.0%	17.7%
Housing Characteristics			
% occupied housing	97.7%	95.9%	93.2%
% owner-occupied	77.0%	63.5%	61.7%
% renter-occupied	23.0%	36.5%	38.3%
% seasonal or occasional use	0.9%	1.5%	3.6%
% in single-family, detached structures	76.3%	52.1%	52.4%
Median sales price	\$282,400	\$220,000	\$185,700

Source: U.S. Census Bureau, 2000

This information highlights some sizable differences and similarities from other communities in the region and the state, such as:

- *Population and Housing Growth*
From 1990 to 2000, Rowley's population increased from 4,452 residents to 5,500, an increase of 23.5% and more than 1,000 individuals. This rate of growth is among the highest in the region and significantly higher than the 8% growth for Essex County. During this same period, the number of housing units increased from 1,573 to 2,004 units or 27.4%, a bit higher rate than the population as a whole.
- *Age of Population*
In comparison to Essex County and state in general, Rowley's population tends to be on average fairly comparable if only a bit older, with a median age of 37.7

years as opposed to 37.5 and 36.5 years for the county and state, respectively. Rowley had a somewhat higher percentage of those 45 to 54 years of age who are entering the prime of their earning potential and better able to afford the higher cost of housing, 16.7% as opposed to 14.4% for the county and similarly 13.8% for the state.

- *Fewer Seniors*

The county and state have a comparable percentage of residents 65 years of age or older, 13.0% and 13.5% respectively, while Rowley had fewer seniors who comprised only 9.4% of the town's residents.

- *More Children*

Nevertheless, the town has a greater proportion of school-age children with 28.0% of the population less than 18 years of age versus 25.6% and 23.6% for the county and state.

- *Fewer Young Adults*

However, the town has a dwindling number of those aged 20 to 34 who are forming new families and entering the labor market, 15.2% of all households in Rowley but 18.2% for the county and 21% for the state. Increasing homeownership costs as well as more limited local employment opportunities are creating barriers for this age group and making it increasingly more likely that those who grew up in Rowley will be less able to raise their own families locally.

- *More Families*

Rowley also has a significantly lower proportion of non-family households, 20.1% versus 32.8% for the county and 36% for the state. This correlates to the relatively higher number of children in Rowley and the higher median household size of 2.77 persons as opposed to 2.57 persons in Essex County and 2.51 persons in the state.

- *Higher Incomes*

Median income levels per the 2000 census were higher in Rowley, \$62,130 as opposed to \$51,576 and \$50,500 for the county and state, respectively. Additionally, the percentage of those earning less than \$25,000 annually was substantially lower in Rowley, 15.7%, while it was 24.1% for the county and 24.6% for the state. Also, Rowley had a lower proportion of residents living in poverty, 4.1%, while the percentage for the county and state were about 9.0%. There were also a greater proportion of residents in Rowley earning more than \$100,000, 24.7% as opposed to 19.0% for the county and 17.7% for the state.

- *Housing Market Conditions*

The 2000 median housing prices provide a comparison of the Rowley housing market to that of Essex County and the state, with higher market values -- \$282,400 for Rowley, \$220,000 for the county and \$185,700 for the state. Since that time housing prices have increased 70% as Rowley's median single-family

house value in 2005 was about \$484,000. To afford this price a household would have to earn more than \$135,000. Escalating housing prices are also reflected in increased property taxes, which in combination with rising energy bills and insurance costs, are likely placing serious financial strains on long-term residents, particularly those with fixed incomes.

- *Supply of Workforce Housing*

The supply of housing for working families is dwindling somewhat as there were less than 30 single-family homes or condominiums on the market priced at less than \$200,000 from January 2005 through September 2006. Homes that were priced affordably in the past have more than doubled in value given market pressures brought on by a buoyant regional economy and a limited supply. While prices have softened during the last few months, there is little evidence as of yet for any significant declines in market prices in Rowley.

Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Rowley had 1,985 year-round housing units, of which 93 are eligible to be counted as affordable, representing 4.69% of the year-round housing stock. To meet the state's 10% affordable housing goal under Chapter 40B of the Massachusetts General Laws, at least 198 of the existing units would have to be "affordable".⁵ This means that right now Rowley is short of the 10% standard by 105 affordable housing units. Assuming future housing growth, this 10% figure is a moving target as ultimately the required minimum number of year-round units will increase over time.

Based on this information and other issues detailed in the Housing Needs Assessment, the greatest housing needs in Rowley are for additional affordable family housing, more housing for senior citizens and "empty nesters," and smaller units suitable for smaller households and suggest the following:

- *A wider range of housing types is required to produce housing that will meet a range of local needs, not just large homes on large lots for affluent families. Consequently, the Zoning Bylaw needs to be amended to better promote smart growth development and affordable housing or "friendly" 40B comprehensive permit projects should be negotiated and encouraged.*
- *The supply of rental units is limited but there remains numbers of lower income individuals and families, as well as smaller nonfamily households, which could benefit from new rental opportunities.*

⁵ 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.

- *Current market prices are now outside the means of low- and moderate-income households earning at or below 80% of area median income and increasingly beyond the means of the average household. Subsidies in the form of higher densities and financial assistance are required to produce housing that will reach these households, including mixed-income developments and first-time homebuyer opportunities.*
- *Younger adults between the ages of 20 and 34 years are declining in numbers and proportionately, most likely related to limited job opportunities and the high costs of housing. These young adults should be given a greater opportunity to raise their families in Rowley, particularly those who grew up in town. Housing that is affordable to first-time homebuyers should be produced to meet the needs of this group. The substantial wait lists for assisted family housing, however, also suggest a serious need for affordable rental units directed to families who are yet unable to afford to purchase a home, even a subsidized one.*
- *Affordable housing development should integrate, where feasible, smaller units to accommodate the growing population of smaller households.*
- *An increasing population of seniors and residents with special needs should have greater housing choices in Rowley, including condos and rental units, so that they can live independently while remaining in the community.*

4.0 Summary of Planned Production Goals

The State administers the Planned Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory. Rowley would have to produce approximately 15 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 20 units. If the State certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.

Using the strategies summarized under the Housing Action Plan described in Section VII, the Town of Rowley has developed a Planned Production Program to project affordable housing production activity over the next decade. 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:

- To the greatest extent possible, at least 50% of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income and at least another 10% affordable to those earning up to 120% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 50% or 60% of area median income depending upon subsidy program requirements.

- Projections are typically based on a minimum of four units per acre. However, given specific site conditions and financial feasibility it may be appropriate to increase or decrease density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or “friendly” comprehensive permit process. The Town plans to promote increased affordability in these projects, working with developers to incorporate at least 30% of the units as affordable.
- The projections involve a mix of rental and ownership opportunities. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

Planned production goals over the next ten years include the creation of 187 affordable units and 29 middle-income units, with 484 total projected number of housing units created.

5.0 Summary of Housing Action Plan

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, and the experience of other comparable localities in the region and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Planning and Regulatory Reforms, Building Local Capacity, Housing Production, and Housing Preservation – and categorized by Two-Year and Five-Year Action Plans.

5.1 Planning and Regulatory Reforms

The Town of Rowley should consider the following planning and zoning-related strategies to promote the creation of additional affordable units.

- Adopt inclusionary zoning bylaw
- Amend accessory apartment bylaw
- Amend Open Space Residential Development Bylaw
- Pursue tax title properties
- Allow multi-family housing and mixed-uses in commercial districts
- Adopt Housing Guidelines
- Allow affordable housing on noncomplying lots

5.2 Build Local Capacity

In order to be able to carry out the strategies included in this Affordable Housing Plan and meet the Planned Production goals, it will be important for the Town of Rowley to build its capacity to promote affordable housing activities. This capacity includes gaining access to greater resources – financial and technical – as well as building local political support, developing partnerships with public and private developers and lenders, and creating and augmenting local organizations and systems that will support new

housing production.

- Create Municipal Affordable Housing Trust
- Hire Town Planner
- Conduct ongoing educational campaign
- Access housing resources
- Create an inventory of properties potentially suitable for affordable housing
- Establish Annual Housing Summits
- Encourage training for board and committee members

5.3 Housing Production

To accomplish the actions included in this Affordable Housing Plan and meet production goals, it will be essential for the Town of Rowley to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources to create actual affordable units. While some of the units produced will rely on the participation of existing homeowners, most of the production will require joint ventures with developers – for profit and non-profit – to create affordable housing. In addition to the active participation of the development community, it will be important for Rowley to actively seek support from state and federal agencies.

- Make publicly-owned land available for affordable housing
- Convert existing housing units to affordability
- Support adaptive re-use
- Promote mixed-use and transit-oriented development
- Support scattered-site housing

5.4 Housing Preservation

Housing production is critical, but the Town also needs to be concerned that it does not lose units already counted as part of its Subsidized Housing Inventory and provides resources to support the deferred home maintenance needs of lower income residents, including seniors.

- Insure long-term affordability
- Help qualifying homeowners access housing assistance

6.0 Summary of Use Restrictions

Rowley is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Affordable units must serve households with incomes no greater than 80% of the area median income for which the unit is located. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- For minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.

- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program does not require such an agreement. The units have been, or will be marketed in a fair and open process consistent with state and federal fair housing laws.