
Housing Forward 40 R Implementation

Training Event

Tuesday, March 9, 2021

Concord Square Development Co., Inc.

40 R: Smart Growth Zoning

- Implications of Barry's analysis
 - Loss of population, not enough workers, slowing job growth...
 - Housing Choice Bill changed the landscape
 - 50% + 1 needed for approval
 - Makes approval more achievable
 - Bonds may be required to appeal
 - Developers and communities more likely to pursue 40R
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40 R: Smart Growth Zoning

- Results to date
 - 56 Districts
 - 45 Communities
 - Total zoned units – 23,700
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40 R: Smart Growth Zoning

- Types of situations where 40R makes sense:
 - Downtowns of Gateway Cities, Brockton, Fitchburg, etc.
 - Downtowns of almost any community...
 - Defunct Shopping Centers; faded office parks
 - Old Industrial Buildings
 - All locations must “Smart Growth Locations” as defined by DHCD
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40 R: Smart Growth Zoning

- **Beverly Example** – a template for Homelessness
 - Specifically for Families and those Homeless
 - Modest 5 acre site – zoned for up to 100 units
 - All 2 and 3 Bedrooms
 - 75 Apartments can result in 75 or 80 school aged children
 - 40S provides substantial additional funding for school costs.
 - Zoning passed City Council in December, 2017
 - Construction start - summer 2021 on phase 1.
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40R: Smart Growth Zoning

In June 2004, Governor Romney signed into law Chapter 40R

It provides financial incentives to communities that pass high-density zoning in Smart Growth Locations

40R: Smart Growth Zoning

- 40R provides for the adoption of an **Overlay District**
 - Underlying Zoning remains in place
 - Smart Growth Overlay creates **as-of-right** option for developing housing
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40R: Smart Growth Zoning Requirements

■ Use

- Residential or Mixed-use

■ Minimum Density Levels

- Single Family = 8/Acre,
- 2 or 3 Family = 12/Acre,
- Multi-Family = 20/Acre

■ Affordable Housing

- 20% minimum
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Smart Growth Zoning Provides Financial Incentives

- Incentive payment
 - Density bonus
 - Preference for state discretionary funds
(grants etc)
 - 40S school cost insurance – Education funds
based on actual cost
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Outline of Draft Ordinance

- District boundary
 - Allowed uses
 - Allowed densities
 - Affordable housing
 - Site Plan Review process
 - Design Standards
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Allowed Uses

- Residential
 - Multi-family
 - Mixed-Use
 - Non-Residential
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Affordable housing

- 20% affordable for residents at/below 80% AMI
 - 25% affordable units for rental projects –
 - In which case, all units in the development count towards the community's 10% affordable housing goal
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Site Plan Review Process

- Identify the permit-granting authority – typically the Planning Board
 - Public hearing to review the Ordinance and Design Standards
 - Application approved upon finding that it complies with Ordinance and Design Standards
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Controls built into Ordinance

- Max residential building permits
 - Cap on percentage of non-residential use within a mixed-use building
 - Infrastructure adequacy
 - Design standards
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Benefits of the District

- Addresses needs highlighted in the Community's Housing Plan
 - Allows for much needed affordable – family oriented – housing
 - May be coordinated with regional needs, such as to address homelessness (as done in Beverly, Salem, Peabody, and Danvers)
 - Financial benefits to the community
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Estimate of Incentives Value

- Zoning Incentive Payments Formula for Ch. 40R
 - Up to 20 units: \$10,000
 - 21-100 \$75,000
 - 101-200 \$200,000
 - 201 – 500 \$ 350,000
 - Over 500 \$600,000
 - Density Bonus Payments - \$3,000 per completed unit
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Estimate of Incentives Value

■ 40S School Reimbursement – Beverly Example

Estimated average annual cost of educating a student in Beverly is **\$11,671**
\$11,671 x 79 students = \$922,009. These costs will be paid as follows:

a. The annual payment from the State under Chapter 40S to the could be as much as approximately **\$743,465**.

a. The City will pay, from the property tax and the excise tax revenues, a total of **\$49,751**.

a. And additional Chapter 70 payments resulting from the new students will be **\$128,793**.

Steps

- Submit 40R application to state for review
 - Draft design standards with design team and public participation;
 - Public hearings to follow receipt of State Letter of Eligibility
 - Vote by Governing Body — 50% + 1 needed to pass
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Questions and Discussion
