



TOWN OF NORWELL COMMUNITY HOUSING TRUST

Lois Barbour, Chair

Norwell Zoning Board of Appeals

345 Main Street

Norwell, MA 02061

Re: Support for a Local Reference Condition

Proposed 15 High Street Development

Dear Lois:

The Community Housing Trust (CHT) previously provided comments to the Zoning Board of Appeals (ZBA) on the Comprehensive Permit Application for the proposed 15 High Street development (letter dated September 16, 2021). One of the Conditions suggested by the CHT was the requirement to give Norwell residents preference to rent 70% of the affordable units. We suggested that the ZBA require the local preference be for 30 days when affordable units become available and that the local preference requirement survive in perpetuity. We understand that the developer, Northland Residential Corporation, requested additional information to support the request for a local preference condition.

The need for a greater diversity of housing in Norwell is well documented. The primary source demonstrating this need is outlined in detail in Norwell's Housing Production Plan, dated December 4, 2019, and approved by the State in early 2020. The Town's experience at the Herring Brook Hill 40 River Street development by MetroWest Collaborative Development, Inc. was also the same. As part of the Town's due diligence prior to issuing the RFP for the 40 River Street development, the CHT commissioned a market analysis. The report by Bonz and Company, dated August 25, 2015, showed the need for rental housing both within the Town and in the region. The ZBA later incorporated the condition for local preference for Norwell senior residents and veterans as part of its approval of that

development. The applications which MetroWest received during the initial rental also showed a strong interest by Norwell seniors and veterans.

Recently, to gather additional information for this letter the CHT made inquiries to MetroWest and Norwell Housing Authority regarding the on-going demand for affordable rental housing by Norwell residents. Those organizations control most of the rental opportunities in Norwell. Ms. Jennifer Van Campen, the Director of MetroWest, provided the attached summary of applications the developer received during the initial rental of the units. According to Ms. Van Campen, there has been very little turnover in the last 2 years so there is no active list of current applications. We note that MetroWest is listed as a member of Northland's development team to provide an Affirmative Marketing Plan and Lottery Administration, so that MetroWest's experience is readily available to Northland.

The Norwell Housing Authority experience is less helpful. According to Ms. Nancy Dooley, one of the Directors of the Housing Authority, Norwell residents used to make up a larger portion of the applicants, but the applications are now organized in a regional pool which covers most of eastern Massachusetts. As a result, there is less useful information on Norwell-specific applications or demand.

The need for rental housing in Norwell, affordable and market, is not limited to seniors, as the HPP shows. The paragraphs below are excerpted from the HPP and describe the trends in housing stock in the Town. The lack of housing diversity in Norwell and the need for affordable rentals is clear.

Trends in Norwell Housing Stock

- **Housing Growth Higher than Population Growth** - Housing growth outpaced total population growth significantly between 1980 and 2010 as the population increased by 16.5% while the number of housing units grew by 29.9%, from 2,830 to 3,675 units. This growth was largely reflective of a growing number of smaller households. The 2017 census estimates suggest continued housing growth to 3,799 units with 124 units added since 2010 at a 3.4% level. Building permit data indicates a higher growth of 192 units or 5.2% during this period although some of the new units likely involved teardown activity. This growth is higher than estimated population growth of 3.7% during this period.
- **High Level of Homeownership** - Out of 3,675 total housing units in 2010, Norwell had 3,553 occupied units of which 3,240, or 91.2%, were owner-occupied. The 2017 census estimates suggest even further growth in owner-occupancy to 94.2% with a gain of 182 such units. These figures represent a much higher level of owner-occupancy than Plymouth County as a whole, with 76.2% and for the state at 62.4%.
- **Loss of Rental Units** - The number of rental units has fluctuated over time from 282 units in 1980 and then to 256 and 257 units in 1990 and 2000, respectively. The 2010 decennial census suggested an increase to 313 rental units, but the 2017 figures indicate another decline to only 210 units or 8.8% of the housing stock, which may be questionable.

- Substantial Portion of Rentals are Subsidized - About half of Norwell's rental units are subsidized including 80 units for seniors and disabled adults of less than 60 years at the Norwell Housing Authority's Norwell Gardens as well as 33 units of special needs rental housing.
- Decrease in Persons per Unit - The average number of persons per unit declined between 1980 and 2010 for owner-occupied units, from 3.43 to 3.00 persons, and from 1.81 to 1.75 persons for rentals. These decreases reflect regional, state, and national trends towards smaller households and relate to the change in the average household size in Norwell from 3.30 persons in 1980 to 2.89 by 2010. The 2017 census estimates suggest no change in the average household size of owners but some increase in the average for renter households, to 1.98 persons, also reflective of the upturn in overall average household size from 2.89 to 2.94 persons from 2010 and 2017 according to these estimates.
- Extremely Low Vacancy Rates - The homeowner vacancy rate was 1.3% in 2010 while the rental vacancy rate was 5.1%, declining still further to 0.2% and 0.0%, respectively, in 2017. These rates are not only well below county and state levels but are also so low as not to acknowledge much if any normal housing turnover. It is important to note that any vacancy rate below 5% is considered to represent very tight market conditions.
- Limited Housing Diversity with Notable Growth in Multi-family Housing Units - Single-family detached homes are predominant at about 92% of all housing units since 1980. Additionally, small multi-family dwellings of two to four units remain limited at only about 2% of Norwell's housing stock, and there are also very few five to nine-unit structures, representing no more than 1.2% of all units and perhaps as few as 16 units. On the other hand, there have been notable increases in larger multi-family units with units in properties of ten or more units increasing from 34 in 1980, doubling to 69 in 2000 and 2010, and then growing to 101 units according to 2017 census estimates with more multi-family development underway from the 40 River Street project for example.
- Rising Housing Costs are Increasing Affordability Gaps - There are very few housing units valued in the more affordable ranges including only 35 properties assessed for less than \$200,000, down from 50 in 2011. Most of these units were condominiums. Another 33 properties were assessed between \$200,000 and \$300,000, down considerably from 260 in 2011. To afford the median sales price of a single-family home of \$620,000, based on The Warren's Group's compilation of Multiple Listing Service data as of the end of 2018, a household would have to earn an estimated \$152,375 assuming 80% financing, good credit, and the ability to come up with down payment and closing costs of about \$134,000.⁵ Such upfront costs would be a huge challenge for many homebuyers; first-time purchasers, in particular. The average household with a median household income of \$128,563 could likely afford a home costing about \$523,000 based on 80% financing and \$447,000 with 95% financing. There is therefore an affordability gap of \$97,000 with 80% financing and \$173,000 based on 95% financing computed by the difference between the median-priced home and what a median-income earning household can afford. It should also be noted that the upfront cash involved in obtaining 80% financing of approximately \$115,000, effectively increases the affordability gap, particularly for first-time

homebuyers who do not have equity in a current home. While the escalation of property values has increased the wealth of those who bought their homes years ago, many Norwell residents would not be able to purchase their homes today. Some long-time residents, particularly seniors living on fixed incomes, may even find themselves “cash-poor” as they struggle to pay the taxes on greatly appreciated property. Entry-level Norwell Town employees would have a difficult time entering the local housing market even with two household incomes. Market rentals, while very limited, are also expensive. To afford the median rent of \$2,771 that was identified by the Trulia website, a realistic market rent, a household would have to earn approximately \$117,840, based on spending no more than 30% of household income on housing costs with average monthly utility bills of \$175. This income is lower than Norwell’s median household income of \$128,563 but 5.7 times the median renter household income and more comparable to the \$116,424 income level for a household of three earning at the 120% AMI limit.

- **Increasing Cost Burdens** - A HUD report estimated that of the 3,625 total households living in Norwell, 34% or 1,239 were spending too much on their housing including 15% or 535 households spending more than half their income on housing costs. The report further identified 985 total households earning at or below 80% of area median income that included 639 or 65% were spending more than 30% of their income on housing with 365 or 37% spending more than half on housing costs. A total of 600 households or 17% of all households earning more than the 80% median level were spending too much on their housing as well.

Priority Housing Needs Require a Greater Diversity of the Housing Stock

Based on input from a wide variety of sources including updated census data, market information, interviews with local and regional stakeholders, community meetings, as well as prior planning efforts, the following housing needs have been identified:

- **Households with Limited Incomes Need More Affordable Rentals** - Despite increasing household wealth, there is a population living in Norwell with very limited financial means. Affordable rentals can reach lower income groups and almost all state and federal subsidies are directed to rental development. Moreover, all rental units in a Chapter 40B project count towards the SHI or annual housing production goals as opposed to only the affordable units for homeownership. Given the high costs of rental housing, including sizable up-front costs (first and last month’s rent, a security deposit, and/or moving expenses), and relative lack of such housing in Norwell, more affordable rental housing is necessary, particularly for younger families, lower wage earners, as well as seniors on limited fixed incomes. Norwell is making progress on such development, but more units will still be needed.
- **Gaps in Affordability and Access to Affordable Housing** - A wider range of affordable housing options, including first-time homeownership opportunities, is needed, especially for younger households entering the job market and forming their own families, municipal employees, as well as empty nesters and seniors. Starter housing is no longer being provided by the private sector and must be subsidized to become effectively affordable.

As we have stated previously, the 15 High Street proposal is a positive start to rental housing in Norwell. The proposed 40B development at 15 High Street is in a transitional zoning district containing a mixed-

use environment including retail outlets, residential, and professional businesses. This location is as close to the concept described in the Smart Growth Zoning Overlay District Act, Chapter 149 of the Acts of 2004, as Norwell has experienced to date. Unlike most of the previous and proposed 40B developments proposed in Norwell, 15 High is on the outside perimeter of the residential area containing several homes rather than situated in the middle of a neighborhood. It also abuts Norwell's Route 53 which is largely comprised of non-residential uses. CHT Members desire to maximize the development's further benefits to the Town and urge the ZBA to adopt a local preference condition to the Comprehensive Permit.

Thank you to the members of the Zoning Board of Appeals for their commitment to the Town of Norwell and on-going efforts to promote the interests of its residents.

Very Truly Yours,

A handwritten signature in blue ink that reads "Gregg McBride". The signature is written in a cursive, flowing style.

Gregg McBride, on behalf of the Community Housing Trust

Attachment: MetroWest 2020 Lease up Summary

To: Norwell Community Housing Trust
From: Jennifer Van Campen
Date: July 2, 2020
Re: Herring Brook Hill, Norwell final invoice/ lease-up report

Metro West Collaborative Development conducted the marketing, lottery and lease up of 18 units of senior housing at Herring Brook Hill in Norwell during the summer and fall of 2019. The project included: twelve (12) 1-bedroom units and six (6) 2-bedroom units. Ten units were available to households at or below 80% of area median income (AMI) and of those four were further subsidized by project-based vouchers and therefore eligible to households at or below 30% of AMI. Eight units were available to households up to 100% of AMI. Twelve units were available first to local preference candidates. I would like to share the below final information regarding the lease up:

50 Households applied and self-identified as:

5 Black
31 White
1 Latino/a
0 Asian
1 Middle Eastern
1 Other
11 Declined to state a race/ethnicity
17 Local Preference applicants
8 CBH unit applicants

Applicants came from 23 local municipalities.

Household size of applicants:

40 1-person households
10 2-person households
0 3-person households
0 4-person households
0 5-person households

1/50 households had mobile Section 8 housing vouchers.

10 of the 12 Local Preference units were filled by local preference candidates including one veteran.

The unit was leased by (month) (year) to:

- 1) Family of 1, resident of Norwell, not a voucher holder, annual income approx. \$37k
- 2) Family of 1, resident of Watertown, not a voucher holder, annual income approx. \$18k
- 3) Family of 1, resident of Norwell, not a voucher holder, annual income approx. \$8k
- 4) Family of 1, resident of Abington, not a voucher holder, annual income approx. \$53k
- 5) Family of 1, resident of Norwell, not a voucher holder, annual income approx. \$56k
- 6) Family of 3, residents of Norwell, not a voucher holder, annual income approx. \$97k
- 7) Family of 1, resident of Pembroke, not a voucher holder, annual income approx. \$48k
- 8) Family of 2, residents of Hingham, not a voucher holder, annual income approx. \$74k
- 9) Family of 1, resident of South Weymouth, not a voucher holder, annual income approx. \$35k

- 10) Family of 2, residents of South Weymouth, not a voucher holder, annual income approx. \$61k
- 11) Family of 1, resident of Norwell, not a voucher holder, annual income approx. \$31k
- 12) Family of 1, resident of Norwell, not a voucher holder, annual income approx. \$23k
- 13) Family of 1, resident of Scituate, not a voucher holder, annual income approx. \$45k
- 14) Family of 1, resident of Jamaica Plain, not a voucher holder, annual income approx. \$23k
- 15) Family of 2, residents of Norwell, not a voucher holder, annual income approx. 57K
- 16) Family of 1, resident of Groton, not a voucher holder, annual income approx. 74k
- 17) Family of 1, resident of Norwell, not a voucher holder, annual income approx. 64K
- 18) Family of 1, resident of Hanover, not a voucher holder, annual income approx. 19K