

Greenfield Housing Study

An analysis of housing needs for the Town of Greenfield

November 2014

Franklin Regional Council of Governments



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12 Olive Street, Suite 2
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Executive Summary

The objective of this *Greenfield Housing Study* is to implement a recommendation from the 2013 *Sustainable Greenfield Master Plan* to conduct a more detailed housing assessment for the Town of Greenfield. To implement this recommendation, this Study conducts an assessment of the affordability of the housing in Greenfield and how changing demographics may impact the Town's housing needs. The following is a summary of the findings from this assessment and potential strategies that the Town can use to address those findings.

Summary of Findings

- The Greenfield population is aging and elders from outside the Town are expected to move to Greenfield to be near services further increasing the need for housing suitable to elders.
- Working adults will remain the largest age group, so strategies related to their housing needs should be a priority.
- The arrival of passenger rail and broadband will attract young adults priced out of other regions. They typically favor rental housing located near downtowns.
- Twenty percent of the Town population falls in the Extremely Low Income population (earning 30% or less of median income).
- Forty-six percent of renters and 36% of homeowners are cost-burdened (they are paying too much of their income on housing).
- The Study's Affordability Analysis shows that there is not enough affordable housing for the Extremely Low Income group. This group is not likely to become homeowners due to financial barriers and will need additional rental housing.
- There is technically enough housing that is affordable for the middle income groups in Greenfield; however, changing demographics may strain this supply due to the attraction of young adults and elders/retirees moving to Town.

Implementation Strategies

- 1) Zoning Changes
 - a. Allow Accessory Dwelling Units
 - b. Increase residential density
 - c. Amend ordinances to allow co-housing
 - d. Add inclusionary zoning with density bonuses

2) Provide Housing Type Options

- a. Increase rental housing stock
- b. Promote co-housing
- c. Encourage upper story rental units in downtown
- d. Encourage Open Space/Cluster Development

3) Preserve Affordable Housing Stock

- a. Track expiration dates of affordable deed restrictions
- b. Support the replacement of aging affordable housing stock
- c. Implement Community Preservation Act (CPA)

Introduction

The Town of Greenfield recently completed a Comprehensive Master Plan in 2013. This plan, *Sustainable Greenfield*, examined the Town's needs and future goals within the context of sustainability. The Master Plan's overarching aim was to create a plan that was "rooted in a commitment to preserving the small-town heritage of Greenfield while embracing changes that will allow sustainable renewal of the Town as the economic and cultural hub of the region."

The *Sustainable Greenfield's* Housing Chapter's vision statement is as follows:

Greenfield's many attractive, affordable and sustainable housing options support a high quality of life, equity, and self-sufficiency. Greenfield offers to all who live there multi-modal connections to nature, opportunity, work, education, shopping, entertainment and services. A diverse housing stock with adapted, renovated and newly built units, promotes through both location and design a healthy environment and lifestyle, appealing to people of varied age and income, promoting individual prosperity and the economic vitality of Greenfield as a whole. Greenfield's economic competitiveness and home values grow through investment in the quality of all neighborhoods.

We are a community with tremendous assets: diversity, a position as an urban hub for Franklin County, our beautiful rural landscape of farms, hills, and meadows, woods, and rivers, and a vibrant downtown and residential core. These assets serve as the basis for strength and resilience in the face of demographic, economic, and environmental change. The housing goals point toward actions that promote sustainable use of our assets, reducing energy use to reduce the negative impact of high utility bills, and reducing the negative environmental impacts generated by housing to enhance quality of life today and will contribute to a better tomorrow for all.

The Plan's Housing Chapter developed a baseline assessment of the existing housing stock in the Town and the demographics of Greenfield's population. This assessment helped to identify opportunities in which the Plan's housing vision and goals could be achieved. As a follow-up implementation strategy, the Housing Chapter recommended that the Town undertake a more detailed housing needs assessment. It recommended that this examination should be particularly focused on understanding the Town's affordable housing stock and the housing needs of its population at all stages of life – young adults, families, and elders. This 2014 Greenfield Housing Study is implementing that recommendation and more specifically – examining the type, quantity, cost, and affordability of the Town's housing. This Housing Study

will develop strategies to help ensure Greenfield's current and future residents will have sufficient, affordable housing that meets their various needs as they age. To accomplish this, the Study will conduct an affordability analysis that will quantify the Town's housing affordability by comparing the current cost of the housing supply and how well it meets the demand at various income levels.

Overview of Demographics and Housing

The *Sustainable Greenfield* Master Plan provided a thorough assessment of the Town's current demographics and housing stock. To minimize repetition, the following section will provide a quick synopsis of that assessment to familiarize new readers with existing conditions.

Demographic Profile

The Town of Greenfield is the largest population and employment center in Franklin County, which is located in Western Massachusetts on the border of both New Hampshire and Vermont. The total population for Greenfield is composed of 17,543 people and 7,724 households.¹ This makes up 25% of the Franklin County population.

Greenfield is located at the intersection of the Green, Deerfield, and Connecticut Rivers and has a long history of manufacturing and agriculture. While the traditional, large-scale manufacturing businesses in the tap and die and paper industries have declined over the last several decades, small and medium size manufacturers and those serving niche industries remain strong in Town. Overall, Greenfield and the larger region have been experiencing a decline in its manufacturing employment base. As these manufacturing jobs have left the area, they have generally not been replaced by comparable employment opportunities with good wages and benefits for workers without higher education. This has contributed to incomes in Franklin County being among the lowest in the Commonwealth. Despite this decline in manufacturing, there is a substantial, growing cluster of jobs in the arts, entertainment, recreation, and accommodation sector. In addition, the education and healthcare industries employ the largest number of Greenfield residents and this sector has remained strong with a favorable future.

Since 2000, Greenfield's population has slightly decreased. In 2000, there was a total population of 18,168. By 2012, this had fallen by 3.4% to a total of 17,543. However, this population loss is not expected to continue. Population projections developed by MassDOT show that by the year 2035, the Franklin County region will have grown by 7% to a total

¹ Unless otherwise noted, all socio-economic demographic data is from the U.S. Census Bureau, American Community Survey, 2008-2012 Five-Year Estimates.

population of 77,000.² This growth is also projected to hold true for Greenfield. The Town is projected to grow to a total population of 18,800 people by 2035. This is an additional 1,250 people.

This larger population will be older in the future. Because of the large Baby Boomer generation, Greenfield residents aged 65 and older will make up a quarter of the population by 2035 – up from 15% of the population today. The future age composition of Greenfield in 2035 can be compared to the current age composition in the following Figure 1.

Figure 1. Age Comparison for the Town of Greenfield, 2012-2035

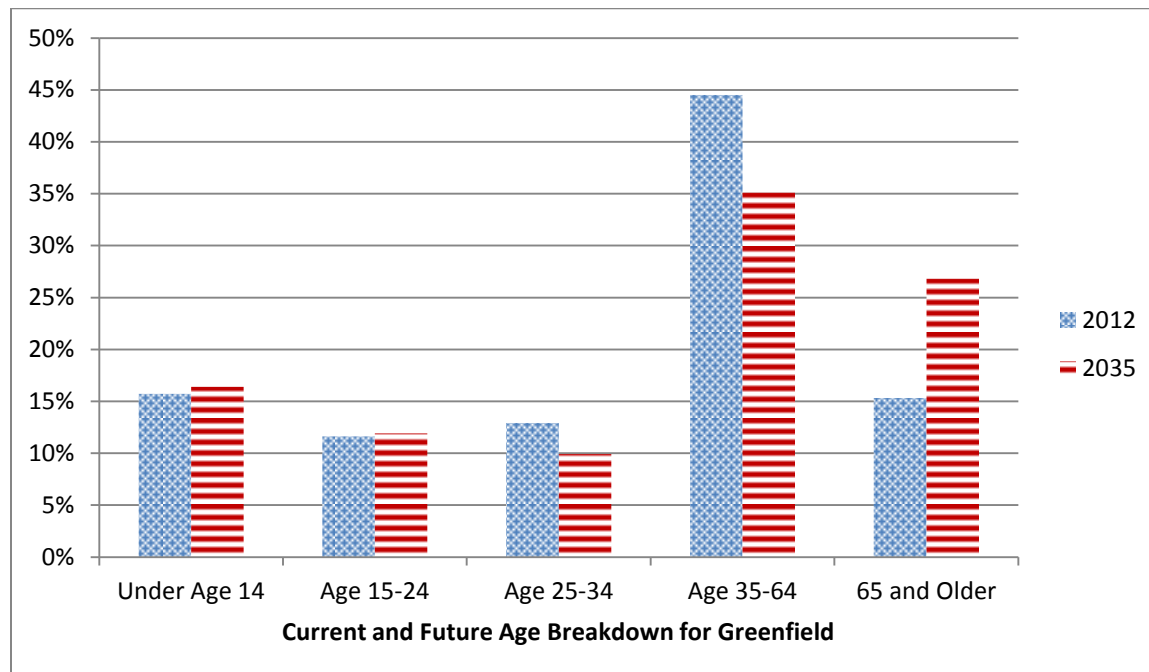


Figure 1 shows how the workforce population, aged 35-64, is expected to decrease in proportion at the same time the elder population will be increasing. This change in population impacts the type of housing that will be needed by the year 2035. The elders will most likely want the ability to age in place in their current homes or have a choice of securing housing that is handicapped accessible, low maintenance, with affordable utilities, and close to services. This contrasts with the younger working adult who typically desires a larger home with a yard to accommodate their families. They also are more likely to be able to afford higher home costs since they presumably are working and have a rising income versus the retired elder living on a fixed income. The typical elder household in Franklin County has an average household income of only \$13,000 per year.³ But despite the growing elder population, the 35-64 year

² Population projections developed by MassDOT, in coordination with FRCOG, 2011.

³ Franklin County Home Care Corporation *Consumer's Home Repair Guide*. January 2012.

olds will continue to make up the largest age group in Town so housing strategies related to their housing needs should be a priority.

In 2012, the median household income of the Town of Greenfield was \$53,298. Based on this median income, Greenfield's population can be sorted into various income categories. These income categories are shown in Table 1. The income categories were chosen collaboratively with other housing and social service experts from the region based on state and federal housing program requirements. Table 1 also includes the estimated monthly affordable housing costs assuming that each income level only uses the recommended 30% of its income on housing costs.

Table 1. Income Breakdown for Town of Greenfield with Affordable Monthly Housing Costs

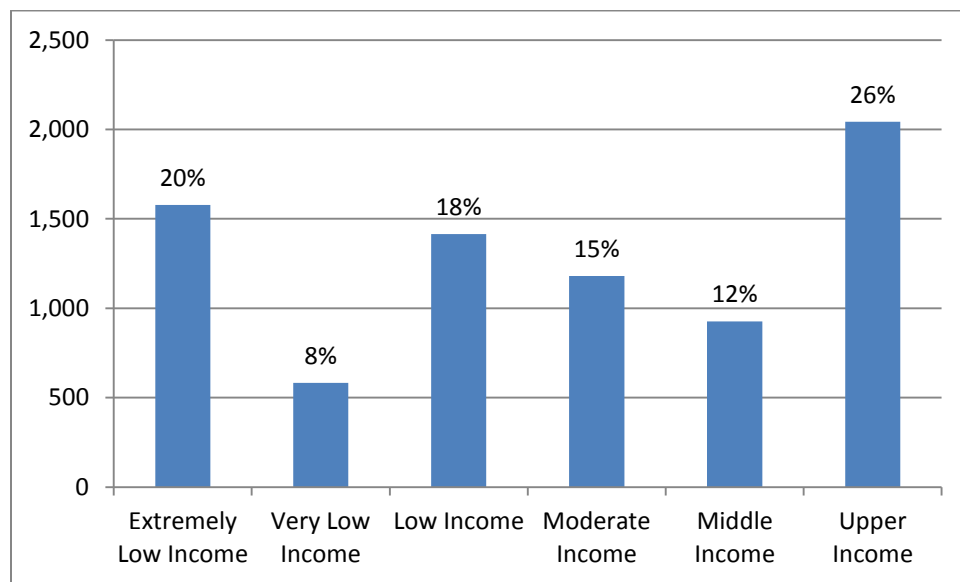
Income Category	% of Household Median Income	Income Range	Estimated Affordable Monthly Housing Costs
Middle Income	120%	\$60,000 - \$74,999	\$1,875
Moderate Income	100%	\$45,000 - \$59,999	\$1,500
Low Income	80%	\$30,000 - \$44,999	\$1,125
Very Low Income	50%	\$20,000 - \$29,999	\$750
Extremely Low Income	30%	Below \$19,999	\$500

The Fair Market Rent for Greenfield in fiscal year 2015 was \$732/month for a 1-bedroom and \$1,199/month for a 3-bedroom unit.⁴ These costs place this housing out of reach for most of the lowest income levels, particularly those with families in need of multiple bedrooms.

Figure 2 below depicts the breakdown of household incomes for the Greenfield population. It shows that almost a quarter of Greenfield's households fall into the Upper Income category making more than \$75,000 per household a year. However, almost as many households (20%) are at the other end of the income spectrum in the Extremely Low Income category. Almost all state and federal housing subsidy programs are focused on households earning 80% of the median income or less. Based on these program income requirements, 46% of Greenfield households fall into income groups that could be eligible for funding assistance for their housing. In 2012, 16% of Greenfield's population was living in poverty. This includes 21% of related children under the age of 18 that were also below the poverty level.

⁴ Fair Market Rent (FMR) is set by the U.S. Department of Housing and Urban Development (HUD) at 40% of an area's median rent, adjusted according to the number of bedrooms.

Figure 2. Number of Households by Income Category in Greenfield



Housing Profile

There are a total of 8,197 housing units in the Town of Greenfield. Greenfield's housing stock is largely composed of older homes with half being constructed prior to 1939. Just over half (54%) of the housing units are single family houses (attached and detached), while the remaining 46% are composed of multifamily units (2 units or more). The percentage of multifamily units is much larger than the surrounding region's – Franklin County's share of multifamily units is only 28%. Similarly, there is a large proportion of housing units in Greenfield that are rental – 44%. This large amount of rental multifamily housing makes sense in the context of Greenfield as the County's employment and population center.

Overall vacancy rates are low – particularly for homeowners. A healthy housing market is generally considered to have vacancy rates between 2%-3% for owner-occupied homes and 4%-5% for rental units. Greenfield has vacancy rates of 1.3% for homeowners and 4% for rentals. This indicates a tight housing market, especially for owner-occupied units, which could drive up home costs.

The median housing value in 2012 for Greenfield was \$182,700 and the median gross rent was \$788/month. These values have increased since 2000 with the housing values increasing the most (by 23%). A likely cause of this increase is the insufficient supply of housing indicated by the low vacancy rates. Since 2000, there has been very little new housing created in Town – only 226 units or 2% of the total housing stock.

What is Affordability?

Housing is generally considered to be affordable when households spend no more than 30% of their gross income on housing costs. For renters, housing costs include rent and utilities. For homeowners, housing costs include mortgage principal, mortgage interest, mortgage insurance, property taxes, property insurance, and utilities. Households that spend more than 30% of their income on housing are considered to be “cost-burdened.”

According to the U.S. Census, in 2012, nearly 46% of renters and 36% of homeowners in Greenfield were cost-burdened. Interestingly, the most cost-burdened age group in Town was the workforce adults aged between 35-64 years old; as opposed to the elders who are presumably living on lower fixed incomes. Twenty-three percent of those aged 35-64 years old were paying more than a third of their income on housing costs. Only 9% of those aged 65 and older were paying unaffordable housing costs. Looking at income levels, as expected, the most cost-burdened group in Greenfield were those at the bottom of the income spectrum making less than \$20,000 a year. In particular, the lowest income earners who rented had the highest cost-burden of all income levels – 12% of this group was cost burdened in 2012.

Affordable housing comes in many forms – market rate or affordable, with or without subsidies, and privately or publically owned. Typically, the private market rate housing that is affordable to low income families has problems that keep the rent low, such as poor condition, limited maintenance and management, expensive utilities that are not paid for by the landlords, lead paint, or located in an undesirable area. There is also private affordable housing that is reserved for low income families. The owner of the property normally receives public or private funding for development and/or operation of affordable housing in exchange for long-term deed restrictions limiting tenant eligibility by income and providing affordable rent. The type and extent of this funding determines the affordability of the property. Private housing that receives funding for development costs only is generally not affordable to households earning below 50% of household median income, unless the household has a portable voucher. Private

What are Housing Vouchers?

There are 2 types of housing vouchers:

1. Federally-funded Section 8 Housing Choice Vouchers
2. State-funded Massachusetts Rental Voucher Program (MRVP)

Both types assist low-income households to afford housing in the private market. A voucher holder is able to choose any housing that meets the requirements of the program and is not limited to units in subsidized housing projects. A voucher holder pays 30-40% of the rent and then a subsidy for the remaining rent amount is paid directly to the landlord on behalf of the voucher holder.

The Franklin County Regional Housing & Redevelopment Authority and the Greenfield Housing Authority administer the local voucher programs.

housing may have project-based subsidies – either federal Section 8 or Massachusetts Rental Vouchers – that are attached to the property by contract with a housing authority for a period of years. These project-based vouchers subsidize the rent so that income-eligible tenants pay no more than an affordable percentage of their income. Public housing receives subsidies from the federal or state government and rent is set at 30% of household income for income-eligible tenants earning up to 80% of the household median income.

Subsidized Housing Supply

According to the Massachusetts Department of Housing and Community Development (DHCD), 13.8% of Greenfield’s housing stock is affordable. The DHCD maintains an inventory of the number of subsidized units in a community based on the state’s Chapter 40B program definitions. Based on these Ch. 40B guidelines, the units that the DHCD deems “affordable” must be: affordable to households earning no more than 80% of the household median income; must have some form of subsidy for development and/or operations; and the housing must have deed restrictions to ensure long-term affordability. Units that meet these criteria are eligible for listing on the “Subsidized Housing Inventory” (SHI). As of January 2014, there were 1,151 units in the Town of Greenfield on the SHI.

A large portion of the affordable units on the SHI are available through the Greenfield Housing Authority. The Greenfield Housing Authority (GHA) provides various housing subsidy programs, including public housing and mobile tenant-based vouchers, to assist residents in securing affordable housing. All of these housing programs are exclusively targeted to households earning no more than 80% of the household median income. Through its various programs, the GHA is able to provide affordable housing for 902 housing units. See Table 2 below for a breakdown of the type of subsidized affordable housing that is available through the GHA.

Table 2. Subsidized Housing provided by the Greenfield Housing Authority

Housing Program		Units
Project Based Programs	Veterans Family Housing (Ch. 200)	72
	Family Housing (Ch. 705)	40
	Elderly / Handicapped Housing (Ch. 667)	128
	Special Needs Housing (Ch. 167/189)	8
	Mass. Rental Voucher Program (MRVP) (project-based)	98
Mobile Programs	Mass. Rental Voucher Program (MRVP) (mobile)	106
	Federal Section 8 Housing Choice Voucher (mobile)	450
Total Units		902

There may be additional units that are subsidized in Greenfield than what is included in the list of GHA units or on DHCD's SHI due to the use of mobile vouchers from other housing authorities, such as the Franklin County Regional Housing and Redevelopment Authority (HRA). Recipients of mobile vouchers are able to use those vouchers anywhere they can secure housing that falls within the required payment standards and are lead paint compliant.

The lead paint compliant issue is an important one for affordable housing. Families with housing vouchers have reported difficulty in locating available units that are compliant with lead paint laws. The majority of the Town's housing (85%), was constructed prior to the federal government ban in 1978 of lead-based paint. The presence of lead paint in homes can be especially dangerous to the healthy development of young children. Because of the age of Greenfield's housing stock, it must be assumed that most of the housing constructed before the ban contains lead paint.

Homelessness in Greenfield

The issue of homelessness has been escalating in the Town of Greenfield. The recent economic downturn has greatly stressed households that were already financially strapped. The combination of high housing costs, rising unemployment, and cuts in federal housing subsidies has resulted in a dramatic increase in homelessness in Massachusetts and Franklin County. There are six family shelter spaces in Franklin County. These units have been consistently full for many years. The Commonwealth has also contracted with several motels in Greenfield to provide emergency shelter. In the calendar year 2013, 218 families – including a total of 756 adults and children – received emergency shelter in these Greenfield motels. Local housing authority staff estimates that approximately half of these families were from Franklin County or Athol.⁵ The number of families in the motels changes throughout the year with periodic spikes. At times the number of families from outside the Western Massachusetts region has been a large percentage of the housed population.

To be eligible for the Emergency Assistance programs, families must earn no more than 115% of the Federal Poverty level, and have no more than \$2,500 in assets, including vehicles. The Federal Poverty Level for a 1-person household is only \$11,670 and \$19,790 for a 3-person household in 2014. These criteria mean that by the time families are eligible for shelter, they are destitute, which makes finding new housing that they can afford very challenging. As a result, families have spent long periods of time in shelter – typically eight months, but

⁵ Franklin County Regional Housing and Redevelopment Authority (FCRHRA), 2014.

sometimes more than year. The lack of adequate regional public transportation and limited job opportunities pose further challenges. Few homeless families have vehicles and without them, looking for housing, jobs, and accessing services is very difficult, if not impossible. Long stays in shelters and motels are extremely disruptive for parents and children, and very expensive for the Commonwealth.

Affordable Housing Analysis

Many residents in Greenfield are paying too much of their income on housing costs – but what is the Town’s exact affordable housing needs? This section seeks to quantify Greenfield’s housing needs by examining the current supply of housing (and its costs) and how well it matches the demand at each of the income levels. This analysis will reveal the estimated potential shortage of housing that residents can reasonably afford at different income levels. To do this analysis, the following steps were taken (more detail on the methodology is available in Appendix A):

- 1) Determine the affordable monthly housing costs for each income level;
- 2) Calculate the number of existing affordable rental units available for each income level from the U.S. Census Bureau’s American Community Survey data;
- 3) Calculate the number of existing affordable owner-occupied units available for each income level from the U.S. Census Bureau’s American Community Survey data; and
- 4) Determine the total supply or deficit of affordable units for the Town.

The income levels used in this analysis are listed again in Table 3 below along with their calculated monthly housing costs that are based on the 30% affordability guideline. It should be noted that the owner-occupied housing units for households with no mortgages were excluded from this analysis on the basis that these homes with technically very low monthly costs (no mortgages) would skew the data to make it seem that there were more units available for the lower income levels than actually exist.⁶ More than half of the houses with no mortgages are owned by householders over the age of 65 years and were most likely purchased decades ago when housing prices were lower. When they return to the market, their housing values would most likely place them at prices unaffordable to the lower income groups.

This analysis provides a rough approximation of the potential shortage of affordable housing in Greenfield. Because of data limitations, it is difficult to obtain an exact number of units needed and therefore the results are only general estimates. This analysis should be used as starting

⁶ There are a total of 1,330 households with no mortgages in Greenfield.

place to understand where the greatest affordable housing needs are and where resources and programs should be targeted.

Table 3. Summary of Income Levels and Monthly Housing Costs

Income Category	% of Household Median Income	Income Range	Estimated Affordable Monthly Housing Costs
Middle Income	120%	\$60,000 - \$74,999	\$1,875
Moderate Income	100%	\$45,000 - \$59,999	\$1,500
Low Income	80%	\$30,000 - \$44,999	\$1,125
Very Low Income	50%	\$20,000 - \$29,999	\$750
Extremely Low Income	30%	Below \$19,999	\$500

The results from the affordable housing analysis shown in Table 4 below indicates that the ***Town of Greenfield does not have enough affordable housing for its residents at the lowest income levels***, specifically – the Extremely Low Income who make 30% or less than the household median income. The housing subsidy programs in Town are geared towards households at the Low Income level and below. The 902 subsidized units available in Greenfield have helped with the affordable housing needs of this population. But despite this focus, the analysis shows that the existing supply of subsidized housing for the lowest income level is still not sufficient for the demand and more could be done for this especially needy group. These residents live near the Federal Poverty level and have very few housing options.⁷ Their options may include substandard housing that is not code compliant, is very energy inefficient, or may contain lead paint which is dangerous to young children. Units affordable for the Extremely Low Income level require operating subsidies and are difficult to financially sustain over the long term. In addition to the need for more housing, other critical components such as job training, education, and childcare services are also needed for this group.

⁷ The Federal Poverty Level in 2014 for a 2-person household in Greenfield is \$15,730 a year.

Table 4. Estimated Affordable Housing Needs for Town of Greenfield

Town of Greenfield						
Income Category	Affordable Monthly Housing Costs	Affordable Rental Units Available*	Affordable Home-ownership Units Available**	Total Affordable Units Available	Total Number of Households	Estimated Affordable Supply+
Middle Income	\$1,875	140	670	810	680	130
Moderate Income	\$1,500	420	870	1,290	980	310
Low Income	\$1,125	1,160	480	1,640	1,190	450
Very Low Income	\$750	820	120	940	430	510
Extremely Low Income	\$500	700	25	725	1,370	(645)

* Based on Gross Rent (includes monthly owner costs)

** Based on Mortgage Status & Selected Monthly Owner Costs

+ Numbers in parentheses are deficits.

Table 4 shows that the Middle, Moderate, and Low Income levels currently have sufficient affordable housing for the existing population. However, changing demographics in the future indicate that this supply may not be enough for a projected growth in elders and young working adults. By promoting an increase in the supply of “midrange” market housing, Greenfield can: support its seniors as they age; attract vibrant young adults and families; and provide opportunities for low income residents as they transition to homeownership.

At the lowest income levels, the competition for rental housing is significant. This is because while some households may have the income to afford the monthly housing costs of owning; they may not have the required resources for down payments or credit history that enable them to become homeowners.

The pressure on the lowest income levels is already significant with an estimated deficit of 645 units and will only increase over the next several years due to the renovations of several existing subsidized housing developments in Town. A low income development called Leyden Woods, which currently has 204 units, will be renovated in phases by its owner beginning in 2015. The existing 56 buildings will be replaced by 47 new ones – however 23 apartments will be lost in the renovation process. Nine of the buildings will not be replaced due to wetland issues. In addition, Oak Courts, another low-income development owned by the Greenfield

Housing Authority, is also currently undergoing phased renovations. The first phase, which was recently completed, involves 16 units. Not only does the results of the Affordable Housing Analysis above show that there is not enough affordable housing for the lowest income levels, this total deficit of approximately 645 units may soon be growing by an estimated 39 units. The natural aging of the existing housing stock, which is mostly composed of units built more than 70 years ago, also places further pressure on the supply of affordable housing. Some units will be lost as a result of deterioration.

Distressed Properties and Vacancies

Currently, the Franklin County Regional Housing and Redevelopment Authority (HRA) is assisting the Town of Greenfield with identifying and addressing distressed properties. To do this, the HRA has been working with the Town to develop an inventory of troubled properties; as defined as a property that may have one or more of the following characteristics: they are in foreclosure, have been foreclosed upon and are being sold by the original lender, or homes being sold by homeowners who owe more money than the home is worth. Once the properties have been identified, HRA has communicated with the lenders and requested plans for bringing the units up to code and restoring occupancy. HRA also directly contacts the owners to make them aware of the Foreclosure Prevention Program. To date, 97 distressed properties have been identified in Greenfield since the Fall of 2013 and 24 of these cases have been resolved.

The 2002 Greenfield Downtown Master Plan identified the many vacant upper floors of downtown buildings as both a major issue and an opportunity for improving the economic health and vitality of the community. In 2008, downtown building owners, local officials, and business and community leaders joined together to specifically address this issue. They brought in a team of partners and expert consultants to guide them in pursuing state and federal tax credit programs that could help fund the redevelopment of this vacant space. Through this process of building owners and the community working together, nine downtown properties have been awarded over \$14 million in tax credits to date and multiple buildings have been successfully redeveloped and returned to active use. In the Fall of 2014, the FRCOG conducted a detailed vacancy study of Greenfield's downtown area to determine the extent of the upper story vacancy that still remains. This study revealed that approximately 12% of the total square footage in the Central Commercial district is vacant. Roughly two-thirds of this space is concentrated on the upper floors of downtown mixed use buildings, such as the Greenfield Garden Theater. There are also several whole buildings that greatly contribute to the vacant square footage. These include the First National Bank & Trust and 56 Bank Row.

The currently available square footage in the downtown area provides an opportunity for Greenfield to provide additional housing located close to services, retail, and transportation.

Some of this space would need significant investment to bring it up to code, particularly regarding elevators, and the joint effort in 2008 showed an effective model of pursuing the resources needed.

Future Greenfield Population

As discussed previously, projections show that Greenfield's population will increase over the next twenty years. With the recent arrival of broadband internet and passenger rail to Greenfield, this growth is expected to occur. The Town needs to be ready to meet this increased demand for housing for a variety of population groups. The availability of fast internet access and the ability to commute by passenger rail will most likely attract young working adults who have been priced out of other regions. This population – the Millennials – has been shown to prefer housing located in downtowns near services and public transportation. They have also been shown to rent at higher rates than other population groups – not necessarily because of preferences, but also because of a financial inability to get into the homeownership market due to the recession's impact on their current finances and future financial prospects.⁸ In addition to the young adults, Greenfield's elder population is also expected to increase – not only because of the natural aging of its current population, but because other seniors in Franklin County may move to Greenfield to be closer to services. This demographic group will need more accessible units and may look to condo associations, rentals, or even co-housing rather than owning or the traditional senior assisted living. For each end of the age spectrum, from young adults to retirees, they will likely be looking for affordable housing options in or within easy access to downtown Greenfield that will match their specific needs.

Implementation Strategies

As the Town's *Sustainable Greenfield* Master Plan notes, "housing forms an essential part of healthy living and quality of life." Not only is the provision of safe, accessible, and healthy housing important so that Town residents can live in decent, affordable conditions; but it also enables residents to access jobs, schools, services, and allows them to engage as fully equal members of the Greenfield community. This, in turn, strengthens many aspects of the community including economic development. This *Greenfield Housing Study* has shown that the Town of Greenfield does not have sufficient housing that is affordable to its residents – particularly those at the lowest income levels. This study has also pointed out how the

⁸ "Investing in Place for Economic Growth and Competitiveness," American Planning Association, May 2014. www.planning.org.

changing demographics of the Town’s population may lead to a greater need for housing options.

The following section provides potential strategies that the Town can pursue to improve the affordability of housing and provide housing choices so that the short and long term sustainability of the community is enhanced. Some of these strategies were mentioned in *Sustainable Greenfield* and in other Town plans. This Study seeks to compile all applicable strategies that can begin to address the affordable housing needs of Greenfield for its different population groups.

1) Zoning Changes

There are several ways in which the Town’s zoning regulations can be amended in order to improve housing affordability and provide expanded housing choices.

➤ **Allow Accessory Dwelling Units**

An accessory dwelling unit (ADU) is defined as a “self-contained apartment in an owner-occupied single-family home/lot that is either attached to the principal dwelling or in a separate structure on the same property.”⁹ ADUs provide homeowners with the opportunity to receive additional income, provide social and personal support to a family member, or obtain greater security. They can be particularly helpful to elders as they “age in place,” by receiving supplemental income and possible maintenance assistance from tenants. ADUs also provide affordable housing choices for others, such as young adults just starting out on their own.

Currently, accessory dwelling units are not specifically mentioned in Greenfield’s zoning ordinance. By adopting an Accessory Dwelling Unit ordinance, Greenfield can provide additional, affordable housing for both homeowners and renters within the context of established neighborhoods and allow residents to adapt their homes to changing needs.

➤ **Increase Residential Density**

Greenfield’s zoning ordinance currently allows multifamily housing by right in only the Central Commercial zoning district. This limits the ability for the Town to increase its housing stock – particularly rental housing stock. The Town should consider additional by-right designations for multifamily housing, particularly in areas of public transportation and pedestrian/bicycling options.

The *Sustainable Greenfield* Master Plan recommends that the Town create a Neighborhood Pedestrian Zone (NPZ) to allow for more housing units on smaller lot sizes. A typical NPZ is

⁹ “Accessory Dwelling Units” Smart Growth / Smart Energy Toolkit, Massachusetts Executive Office of Energy and Environmental Affairs.

intended for existing established areas where a community wants to promote increased pedestrian activity. They can range in size from just several houses to larger developments. The NPZs would help increase the Town's housing stock, while doing so in sustainable locations near jobs, services, schools. Providing housing near services would minimize transportation costs, which would benefit lower income households keeping their living costs more affordable.

➤ **Amend Ordinances to Allow Co-Housing**

Co-housing is a relatively recent concept in the housing world. It has been gaining in popularity across the country and there are a few co-housing developments present in Western Massachusetts, including Northampton and Amherst. Co-housing is described as a “type of intentional, collaborative housing in which residents actively participate in the design and operation of their neighborhoods. Co-housing residents consciously commit to living as a community. The neighborhood’s physical design encourages both individual space and social contact. Private homes contain all the features of conventional homes, but residents also have access to extensive common facilities such as open space, courtyards, a playground, and a common house.”¹⁰ The Greenfield zoning ordinance can be amended so that language is added that explicitly allows co-housing, while ensuring that it fits within the town’s character. The ordinance can be written so that affordability standards for co-housing developments are required or incentivized.

➤ **Add Inclusionary Zoning with Density Bonuses**

Another tool the Town could utilize to increase its affordability is Inclusionary Zoning with Density Bonuses. Inclusionary Zoning is a system that requires a minimum percentage of lower and moderate income priced housing to be provided in new subdivisions. In this system, the developer provides the affordable units in exchange for a Density Bonus in which they can they can build more units than would normally be allowed. The additional profit from the “bonus” units is used to cover the costs of providing the below market priced affordable units. Other incentives, besides Density Bonuses can also be used. These include providing the developer with expedited permitting, parking space reductions, and/or fee breaks in exchange for providing affordable units. The Massachusetts Housing Partnership (MHP) is an excellent resource for learning more about Inclusionary Zoning in the Commonwealth, including examples and lessons learned from other communities. There are several nearby communities that already have Inclusionary Zoning in some form in their bylaws. They include: Northampton, Amherst, and South Hadley.

¹⁰ “What is Cohousing?” The Cohousing Association of the United States.
http://www.cohousing.org/what_is_cohousing.

2) Provide Housing Type Options

Providing a range of housing options is critical for a community's sustainability. As people age their housing needs change as well. By having various housing types available, residents can seek new choices that match their needs and remain members of the community. Housing options can include: rental vs. homeowner; single family vs. multifamily; condominium vs. co-housing; smaller unit vs. larger unit; and many more.

➤ **Increase Rental Housing Stock**

The *Sustainable Greenfield* Master Plan recommends that the Town increase the number of available rental housing properties to accommodate the shifts in housing demand based on the changing populations and their preferences. *Sustainable Greenfield* goes on to specify that the Town could benefit from adding new units and upgrading existing underutilized buildings to reduce the pressure on the rental supply. The affordable analysis in this study has shown that additional rental housing may be needed for the Extremely Low Income level. There are many available tools that Greenfield could employ to promote the creation of additional rental housing. Some examples include:

- Streamline the permitting and site plan review process to provide efficient development services to encourage development of multifamily residential units. The Massachusetts Association of Regional Planning Agencies (MARPA) has produced a guide, *A Best Practices Model for Streamlined Local Permitting*, which is a good resource for ways in which the Town could facilitate the permitting of multifamily rental units.
- When creating the ADU ordinance, craft an expedited process for the creation of ADUs. For example, requiring the creation of ADUs within existing structures to be by-right rather than special permit, and/or minimizing the site plan review required for new structures.
- Tax abatements, which reduce taxes on a temporary basis to induce property owners to rehabilitate properties. This could apply to the downtown property owners with vacant upper stories.
- Streamline the financing process to create incentives to rehabilitate and maintain affordable units.

➤ **Promote Co-Housing**

Co-housing provides additional housing choice for town residents, particularly for seniors who are interested in a more communal lifestyle as they age. Co-housing living is not for everyone. But for those that are interested, it can: promote sustainability with its shared resources and sustainable approach; and also enhance daily lives by sharing challenges, such as preparing food and performing household chores. For these reasons, senior co-

housing is rapidly gaining in popularity and would be a good choice for seniors as they age and may not be able to stay in their current homes, but would like more independent lives, while being part of a caring community.

➤ **Encourage Upper Story Rental Units in Downtown**

The Vacancy Study conducted by the FRCOG in the Fall of 2014 showed that there is a large supply of vacant or underutilized upper story space in downtown Greenfield. There are several funding programs that private property owners can use to bring their properties, particularly upper stories, up to code and/or convert them to residential rental space. Two of the most widely used federally funded programs include the Community Development Block Grant (CDBG) and the Low Income Housing Tax Credit programs. Greenfield already has a CDBG-funded Housing Rehabilitation Program, which perhaps could be used to focus on this issue with its available resources.

➤ **Encourage Open Space/Cluster Development**

The Town of Greenfield's zoning bylaws currently allows for the creation of Open Space/Cluster Developments (Section 200-7.1). However, since its inclusion into the zoning bylaws in 2007, this type of development has been rarely utilized. The Town should review the language for this section with the goal of possibly revising it in order to provide incentives for its use over the standard subdivision. Potential revisions could include: providing density bonuses for exercising the cluster option; expediting the permitting procedure for this type of development; examining the amount required for common space and how it is defined; and/or consider making cluster development mandatory in areas of Town with especially critical natural resources.

3) Preserve Affordable Housing Stock

Almost 14% of Greenfield's housing stock is currently considered affordable according to the DHCD. Just as important as adding new affordable housing, is the preservation of what already is affordable. The following recommendations can help maintain the Town's existing affordable housing.

➤ **Track the expiration dates of affordable deed restrictions**

According to DHCD's Subsidized Housing Inventory, 117 of the 1,151 units will have expiring affordability deed restrictions by 2016. These deed restrictions can be extended, but mechanisms need to be created either by law or other Ch. 40B statute-defined ways to have this happen. To ensure that these affordable units are not lost, the Town should track these expiration dates and have potential plans in place should the owners not be interested extending their affordability. Potential preservation strategies could include the creation of

a special tax assessment status to provide property tax incentives for owners of subsidized housing to maintain extended affordability of their units. Resources, such as Community Preservation Act funds (if available) and CDBG funds, could help also assist with the extension of the affordability. The Town of Amherst recently used both to help preserve affordability at a large development that contained 41 subsidized units.

➤ **Support replacement of aging affordable housing stock**

Greenfield's housing stock is mostly composed of housing built prior to 1939. To prevent the loss of affordable housing due to deterioration, the Town should continue to emphasize maintenance and rehabilitation of existing housing.

➤ **Implement CPA**

The Community Preservation Act (CPA) is a tool that allows communities to create a local Community Preservation Fund for open space protection, historic preservation, affordable housing, and outdoor recreation. The funds are raised locally through the imposition of a surcharge not more than 3% of the tax levy against real property. Once a community is a CPA community, the Commonwealth can then augment the local fund with monies from the statewide CPA Trust Fund. The CPA fund can assist communities such as Greenfield with preserving affordable housing stock or even creating additional units. Municipalities must adopt the CPA by ballot referendum. There are seven Franklin County towns that have already adopted the CPA. They include: Conway, Deerfield, Leverett, Northfield, Shutesbury, Sunderland, and Whately. The surcharges in these Franklin County communities range from 0.5% of the tax levy up to the maximum of 3%.

Appendix A – Greenfield Housing Affordability Chart

Greenfield Housing Prices with Estimated Monthly Costs*	Estimated Household Income Needed	SCALE	Annual Average Income with Occupation	HUD Income Guidelines** (HMI = Household Median Income)
Single family home price of \$223,200 or about \$1,730/mo.	<u>\$69,213</u>	\$65,000	<u>\$65,345</u> – Average Greenfield Police Lieutenant Salary (2013 estimate)	<u>\$63,957</u> 120% HMI
Single family home price of \$200,000 or about \$1,561/mo. 3-bedroom rental cost of \$1,450/mo.	<u>\$62,422</u> <u>\$58,000</u>	\$60,000	<u>\$59,090</u> – Average Greenfield Teacher Salary (2012)	
		\$53,000	<u>\$53,520</u> – Average Greenfield Machinery Manufacturer (2014)	<u>\$53,298</u> 100% HMI
Median single family home price \$169,000 or about \$1,245/mo. Median condo sales price of \$166,000 or about \$1,225/mo.	<u>\$49,799</u> <u>\$48,984</u>	\$50,000		
		\$45,000	<u>\$46,080</u> – Average Greenfield Insurance Broker Salary (2013)	
2-bedroom rental cost of \$925/mo.	<u>\$37,000</u>	\$40,000	<u>\$38,482</u> – Average Town Highway Mechanic Salary (2013)	<u>\$42,638</u> 80% HMI
		\$35,000	<u>\$35,975</u> – Average Franklin County Wage (2011)	
1-bedroom or studio rental cost of \$700/mo.	<u>\$28,000</u>	\$30,000	<u>\$31,056</u> – Average Greenfield Nursing Care Facility Employee Salary (2014)	
		\$25,000		<u>\$26,649</u> 50% HMI
		\$20,000	<u>\$16,686</u> – Full-time Minimum Wage Salary (2013)	
		\$15,000	<u>\$12,672</u> – Average Greenfield Food Service Employee Wage (2014)	<u>\$15,989</u> 30% HMI

** Single family home and condo prices are based on actual sales in Franklin County from March 21, 2012 through August 1, 2013 according to MLS listings. Monthly single family home and condo costs are based on the following:*

- 30 year mortgage
- 10% down payment
- 5% interest
- Property tax at the 2013 Greenfield rate of \$21.21 per \$1,000; and
- Homeowners insurance and PMI as calculated using the Greenfield Savings Bank mortgage qualifier tool: https://www.greenfieldsavings.com/s_tools.htm. Income needed was based off of this tool, which uses a 28% debt-to-income ratio that banks normally use to qualify mortgage applicants

Monthly rental costs are estimates based on rental listings on <http://westernmass.craigslist.org/> on March 21, 2013, and August 1, 2013. Some rentals did include utilities, others did not. Incomes needed for rental units were based on a household spending no more than 30% of their monthly income on housing costs (including utilities).

***HUD Income Guidelines are not adjusted for household size.*

Sources: MLS Property Listings from March 21, 2012 to August 1, 2013, <http://www.mlspropertyfinder.com/search>; rental listings in Greenfield as listed on <http://westernmass.craigslist.org/> on March 21 and August 1, 2013; 2013 FRCOG Municipal Employment Wage and Salary Survey, <http://www.frcoq.org/pubs/general/misc/WSSurvey2013.pdf>; 2011-2012 MA Department of Education Teacher Salaries Report by District, http://profiles.doe.mass.edu/state_report/teachersalaries.aspx; MA Executive Office of Labor and Workforce Development 2014 ES-202 Employment and Wages data, http://lmi2.detma.org/lmi/lmi_es_a.asp.

Appendix B – Affordability Analysis Methodology

The following steps explain how the supply of affordable units available to each of the income groups in Greenfield was determined and the assumptions that went into the analysis.

1) *Determine affordable monthly housing costs for the target population.*

The first step in determining supply was to figure out what the maximum affordable monthly housing costs would be for each income cohort. This was done using each cohort's top income limit. As an example, consider the maximum income limit for the Moderate Income cohort, which is \$59,999. First, this annual household income value had to be translated into monthly household income:

$$\text{\$59,999 per year} / 12 \text{ months} = \text{\$4,999 per month}$$

Next, 30% of this value was taken to find the maximum affordable monthly housing costs:

$$\text{\$4,999 per month} * 0.30 = \text{\$1,500 per month}$$

This was done for all of the income limits and resulted in a translation of the cohort boundaries from annual household incomes to monthly housing costs. A comparison of these values with monthly housing costs and rental costs can now be made.

2) *Calculate the number of affordable rental units in each cost range.*

The 2008-2012 American Community Survey (ACS) conducted by the Census Bureau provides the number of rental units within predetermined ranges of gross rents (contract rent plus estimated utility costs) (Source ACS Table: B25063). This data includes housing that is subsidized. The goal of this step was to reconcile the ACS' ranges with the five housing cost ranges that were determined in the above step. Units for ACS ranges that fit within the cost ranges were tallied and assigned to the appropriate number of units in the cost range. For example, the ACS range of \$800 - \$899 fits completely within the cost range \$750 - \$1,125, the cost range associated with the Low Income cohort. All of the units in that range were assigned to that cohort. When the ACS range overlapped a boundary of the cost range, proportional interpolation based on the assumption of a uniform distribution was used to allocate the units. For example, the ACS range of \$1,000 - \$1,249 overlaps the boundary of \$1,125. To determine how many of the units in this ACS range are distributed between the Low Income and Moderate Income cohorts, the following steps were taken:

The percentage overlap of the ACS range with the Low Income cohort was calculated:

$\$1,000 - \$1,249 = \$249$ ACS Range

$\$1,125 - \$1,249 = \$124$ overlap with the Moderate Income cohort

$\$124/\$249 = .49$ (49%) overlap with the Moderate Income cohort

This proportion of overlap with the ACS range was used to assign that proportion of units from the ACS range to the Low Income Cohort. The remaining units in the cohort (51%) were assigned to the Moderate Income cohort.

3) Calculate the number of affordable owner-occupied units in each cost range.

Calculating the number of owner-occupied units in each cohort was done by using the ACS data on Mortgage Status & Selected Monthly Owner Costs (Source ACS Table: B25087). This data includes housing that is subsidized. The calculation used to allocate the proportional overlap for rental units in Step 2 was repeated here for owner-occupied units. Note: the ACS data used for owner-occupied units does not include households that do not have mortgages. These households tend to be older and have fixed incomes. As a result, they may be underrepresented in this analysis. The total number of owner-occupied households that do not have mortgages is 1,330.

4) Determine the gross total supply of affordable units.

The next step was to simply add up the total number of affordable rental units and owner-occupied units for each income cohort to obtain the gross total number of affordable units for each cohort.

5) Determine the net total supply of units.

Subtract the number of affordable units from the total number of households per income level to obtain the net total supply of affordable units. Note: the number of households with no mortgages was extracted from the number of households for each income level to make the households and housing units comparable.