

Article #39

Planned Residential Development

Concord's Need for Affordable and Diverse Housing

The price of Concord housing has skyrocketed; mainly driven by extremely high lot prices. Many people who we would like to live in town cannot afford the current prices of large homes.

The current median price of a single-family dwelling is over \$500,000. Since lots are so expensive most new homes are very large. The average price of a newly constructed home is over \$800,000.

Even worse, the supply of medium-to-small homes is shrinking as older houses are 'mansionized' by either being torn down and replaced with larger homes, or through extensive additions.

There is also a need for small market-rate units for people who simply don't need a large house.

Who benefits from housing diversity?

Elder residents who want to 'downsize', retirees, widows, divorcees, children and parents of Concord residents, Town employees, teachers, etc. All are people we would like to have in Concord.

Facts about PRD's

The PRD Bylaw (Planned Residential Development) was created to promote low-cost housing and encourage the creative use of property. Concord has had a PRD bylaw since 1977. From 1977 until 1987 the bylaw permitted 16 projects containing 221 dwellings of which 33 were affordable. The PRD bylaw was changed in 1987 to encourage more affordable housing, but it was made so strict that only one project of 16 dwellings with 4 affordable units was constructed since 1987. The Article #39 PRD changes are closer to the 1977 PRD, but additional incentives have been added to compensate for the extreme land-price increases since 1977.

Goals of the PRD changes

The goal of the PRD changes is to facilitate builder-financed projects that contain modest-size, modestly priced units. Yet a PRD project must yield enough profit to encourage a builder to consider the PRD instead of the conventional 5-bedroom, 3-car garage dwellings on large lots.

Five Concord builders were consulted to find out what was wrong with the existing PRD and to determine a new set of rules that would be economically viable. In order to achieve this goal the proposed PRD grants the minimum practical increases in project density consistent with a reasonable profit for the builder. To test this, a builder was asked to propose a hypothetical diverse PRD project in place of an existing conventional project with 4 relatively large homes. He found that it would have been economically practical to build 6 buildings containing 14 smaller dwellings instead.

Diversity Concept

In order to facilitate economically viable projects the concept of '*Diversity*' was introduced. A diverse project may include a mix of large homes at market rates, small market-rate units with minimal property, and 'affordable' (below-market-rate) units. There is a good market for small market-rate units, and they help to subsidize the 'affordable' units. Density bonuses (extra permitted dwellings) are granted after considering overall diversity, not simply the 'affordable' category. Town boards will review a PRD project and decide the bonus credits (within capped limits) that reward a diverse project.

Summary of important changes

Changes were made in density requirements, bonuses for diverse housing, minimum tract size, mandatory 'affordable' units, etc. These changes are the minimum consistent with Concord land costs. The effects of the increased number of dwellings on the Town's infrastructure were considered and found to be minimal. Regarding schools, it is estimated that the PRD's density bonus will add less than a grand total of 50 students to the Concord school population over a 20-year period.

Conclusions

The proposed PRD changes can yield builder-financed projects that facilitate Concord residences for many people who cannot afford to purchase current new housing. The concessions that were made will yield projects that are attractive to Concord without unduly burdening its infrastructure.

PRD Comparison Chart

	1977 PRD (1977-1987)	1987 PRD (1987 - 2001)	Proposed 2001 PRD (2001 -)
HISTORY (through '2000)			
Number of Projects built	16	1	
Dwellings built	221	16	
Affordables built	33	4	
DIMENSIONS			
Minimum Tract Size	5 times 1 house lot	5 times 1 house lot	4 times 1 house lot
Maximum Permissible Lots using Sub Div Layout Rule	no rule	limited by standard subdivision layout rules	no rule
Wetland/Floodplain Land Credit	10%	10%	25%
Minimum Residential Space	not exceed 30%	not exceed 30%	not exceed 50%
Common Open Space	at least 40%	at least 40%	at least 25%
DENSITY			
Density: Transfer Right Credit	Transfer development rights	Transfer development rights	Delete - never used
Bonus dwelling units	15% for affordable + land transfer rights Max = 2 times basic density; never less than 5000 sq ft per dwelling	2-3 units per affordable unit + land transfer rights Max = 2 times basic density; never less than 5000 sq ft per dwelling	Depends on number of affordable and 'diverse' units. At least 1 req. Max = 2 times basic in Residence C and 3 times basic in other residential districts; never less than 5000 sq ft of lot per dwelling
Max. dwellings per structure	4	4	8
MANDATORY			
Mandatory Inclusionary (affordable) dwelling units	none	10% available to CHA 25% affordable	At least one to qualify for an increase in density
Units available to Concord Housing Authority	none	at least 10%	None
OTHER			
Special provisions for Town and CHA projects.	CHA only 100% affordable units	CHA and Town 100% affordable units	CHA, Town, and Non-Profit Org. at least 75% affordable units

The Affordable Housing Problem

Almost no small dwellings are being constructed in Concord, and existing small dwellings are disappearing.

- Skyrocketing housing and land prices in Concord encourage builders to construct large homes.
- Mansionization - small homes are being torn down or significantly expanded.
- Shrinking land availability will continue to drive up prices.

The Effect: The diversity of Town residents is shrinking.

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'2000 Housing Sales Data

- Few homes cost less than \$300,000.
- Average Home Resale Price is over \$500,000.
- Average New Home Price is at least \$800,000.

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Who Benefits from Housing Diversity?

- Elder Concord residents who want to *Downsize*
- Parents and In-laws who want to live near their families
- Children of residents
- People with reduced income (divorce, widowed, retired, etc)
- Town employees, teachers, etc.
- People who work in Concord
- Concord!

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What is a PRD?

The **Planned Residential Development (PRD)** bylaw promotes the construction of modestly-priced housing by allowing:

- An increase in density.
- Relaxed dimensional requirements to facilitate clustering.
- Increased flexibility in laying out of awkward tracts.

Some facts about PRD's

- Must be reviewed by the Planning Board and Natural Resources Commission. Requires Site Plan Approval.
- A Special Permit is required from the Zoning Board of Appeals.
- The Town has had some form of PRD bylaw since 1977.

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PRD History

	<u>Projects</u>	<u>Dwellings</u>	<u>Affordables</u>
1977 - 1987	16	221	33
1987 - 2001	1	16	4
Westvale Meadow			
Plus: Elm Brook (Town-subsidized PRD, not yet built)			
	1	12	12

The PRD was revised by Town Meeting in 1987 by changing the density calculation and by mandating Affordable Housing.

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Diversity Concept

*Diversity includes the **full range** of housing types, but shifts the emphasis to more modest dwelling units. These units are then diversely mixed in with the higher-priced units.*

A Diverse Project may contain a mixture of:

- High-end market-rate units ... Detached, 4+ bedrooms, usually on large lots
- **Small (1 to 3 bedroom) market-rate units in multi-dwelling buildings and/or detached units on smaller lots.**
- “Affordable Housing” below-market-rate units

The market-rate units help to subsidize the affordable units.

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The Goal: More Builder-Financed Projects which enhance Housing Diversity

The Solutions:

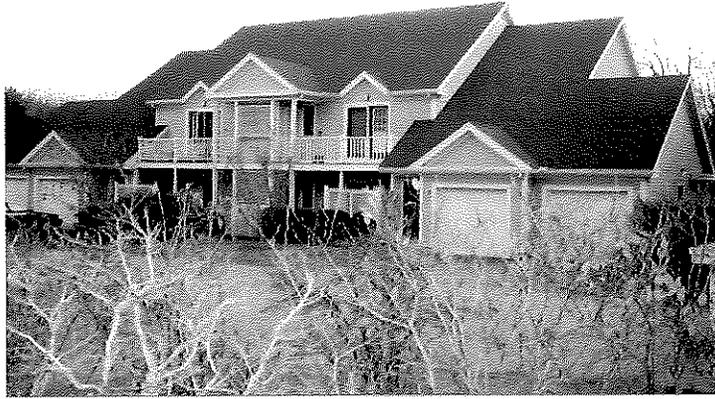
- 1) **Modify the current PRD for Residential Districts.**
 - Replace requirement for mandatory inclusionary units with incentives for Diverse Units.**
 - **Allow a limited increase in density.**
- 2) **Allow Non-Profit Organizations the same flexibility that is already granted to CHA and Town Projects.**

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PRD Modification Highlights

- Minimum Tract Size: 5 Lots ==> 4 Lots**
- Credit for Unbuildable Area: 10% ==> 25%**
- Dwelling Density Cap (1/4 acre lot) : 2X (unchanged)**
(1/2 to 2 or more acres) : 2X ==> 3X
- Multi-Unit Dwelling Limit: 4 units ==> 8 units**
- Mandatory Affordable Units: 25% ==> at least 1**
- Small market-rate units: Not considered ==> Allow increased density**
- Standard Subdivision Layout: Required ==> Not required**

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Westvale Meadow ... 4 Dwelling-Unit Building

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Center Village ... 3 Dwelling-Unit Building

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Impact on Town Resources

Magnitude: When all the Town's lots have been used the number of additional PRD dwellings is unlikely to exceed 200.

Schools: School load not expected to exceed 1/4 child per dwelling. This is below Concord's existing school-child load.

Wastewater: Projects would pay to use Town sewage facilities or would conform to Title V septic systems.

Groundwater Level: Depends on the site. Considered during Special Permit approval process.

Roads, Police, Fire, Utilities, etc: Additional tax revenue and fees should cover costs.

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Conclusions

- Concord housing is fast becoming available only to the wealthy, and small dwellings are disappearing.
- Builder-financed projects are only practical if higher densities are allowed.
- Diversity in dwelling sizes and prices is rewarded with increased density. Incentives provided for building small market-rate units.
- PRD projects should not burden the Town's infrastructure.
- Projects require approval by Planning Board., NRC, & Zoning Board.

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