

**Fair Housing Plan
Including Analysis of Impediments**

Town of Natick, Massachusetts
Final: December, 2008

Fair Housing Plan Including Analysis of Impediments Town of Natick, Massachusetts — 2008

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I. Introduction and Executive Summary

A. Statement of Purpose

This Fair Housing Plan was completed for the Town of Natick in the third quarter of 2008. The Plan includes the identification of any obstacles or impediments to housing that violated the spirit or letter of the fair housing law. Laws are in place at both the State and Federal level that prohibit discrimination in the rental and sale of housing. Discrimination occurs in the housing market when people who want to rent or purchase apartments or homes cannot do so, or are put at a disadvantage strictly because of some personal attribute, affiliation, or condition. These actions include discriminatory rental, real estate, and lending practices and exclusionary zoning regulations that limit housing choices for minorities, families with children and other protected classes. Affordable housing issues are related to fair housing choice; however, this document will focus on the impediments to fair housing.

In addition to identifying impediments to housing choice, the Plan recommends appropriate actions to overcome the effect of these impediments. Finally, a method to sustain a consistent fair housing effort and maintain appropriate records is recommended.

The Fair Housing Plan was drafted by Dan Cahill, an independent consultant, with edits and final production completed by Natick Community Development staff. The work, under contract to the Town of Natick, was funded through the HOME program. The Town of Natick is part of the West Metro HOME Consortium, whose primary objective is to stimulate the creation of more affordable housing. The City of Newton has a lead administrative role for the Consortium. The HOME program is funded by the Federal Department of Housing and Urban Development (HUD). HUD is required to implement its programs in a manner that furthers fair housing. The Consortium and its member communities certify to HUD that they “Affirmatively Further Fair Housing”, including an effort for Fair Housing Planning. Member communities must report progress on fair housing goals.

B. Methodology

The methodology for the Fair Housing Plan has four primary elements:

- Public hearing. A public hearing on Fair Housing was held on August 11, 2008 (see attached minutes). The meeting was advertised in the MetroWest Daily News (see attached).
- Review of relevant available data. This included the 2000 Census and real estate sales data, and mortgage origination data collected pursuant to the (Federal) Home Mortgage Disclosure Act (HMDA).
- Research of relevant records. Complainant history of the Massachusetts Commission Against Discrimination was reviewed as well as case history of legal advocates in the housing area.



- Consultations. On behalf of the Town, Mr. Cahill held consultations with government officials, officers and staff of non-profit organizations providing housing for certain client groups, real estate professionals, developers and others.

This analysis was specifically designed to identify impediments in the delivery of housing services through the public and private sector in the Town of Natick. The fundamental goal of fair housing policy is to overcome these impediments and make housing choice a reality through Fair Housing Planning.

C. Conclusions

1. Findings/Impediments

- Currently, there is no formalized or institutional approach to Fair Housing in Natick.
- Anecdotal evidence suggests absence of fair housing requirements in local real estate broker offices in Natick.
- Information on fair housing is not reaching wide distribution in the community.
- Information is not reaching the small investor/owner.
- Lead paint may be a significant impediment to fair housing based on the amount of pre-1979 house construction.
- For the ten year period reviewed, fourteen formal “Fair Housing” complaints relevant to Natick had been registered with MCAD.
- There is a lack of diversity on decision making boards including the Board of Appeals, Planning Board, and the Board of Assessors.

2. Actions to Address Impediments

- The Board of Selectmen should establish the Community Development Advisory Committee or another existing committee to maintain the responsibilities of a Fair Housing Committee.
- The Town should designate a Fair Housing Officer and provide resources to support Fair Housing Committee issues and the Fair Housing Plan

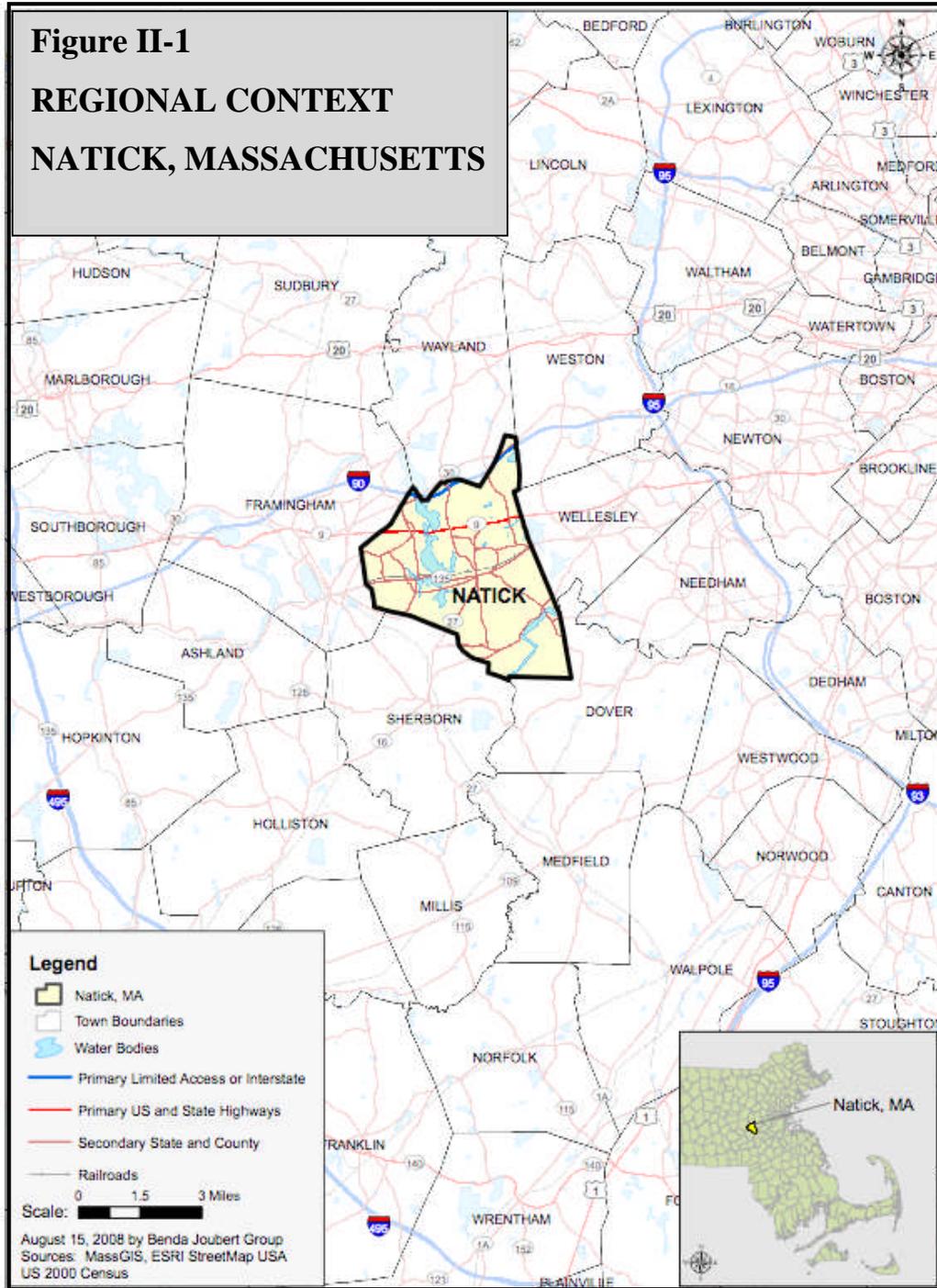


- Natick Community Development Department should provide an outreach program for landlords/ real estate professionals and tenants that insure compliance and an understanding of the penalties for violations.
- The Community Development Department should participate more actively with the West Metro HOME Consortium on activities that promote the education and advancement of Fair Housing
- The Town should implement an on-going Fair Housing Information Program
- The Community Development Department should provide education on other agencies and non-profits efforts for lead paint hazard reduction and home improvement programs as well as housing counseling.
- The Town should implement the means to facilitate complaints to the Massachusetts Commission Against Discrimination
- The Town should improve public outreach to encourage community diversity through appointments to boards

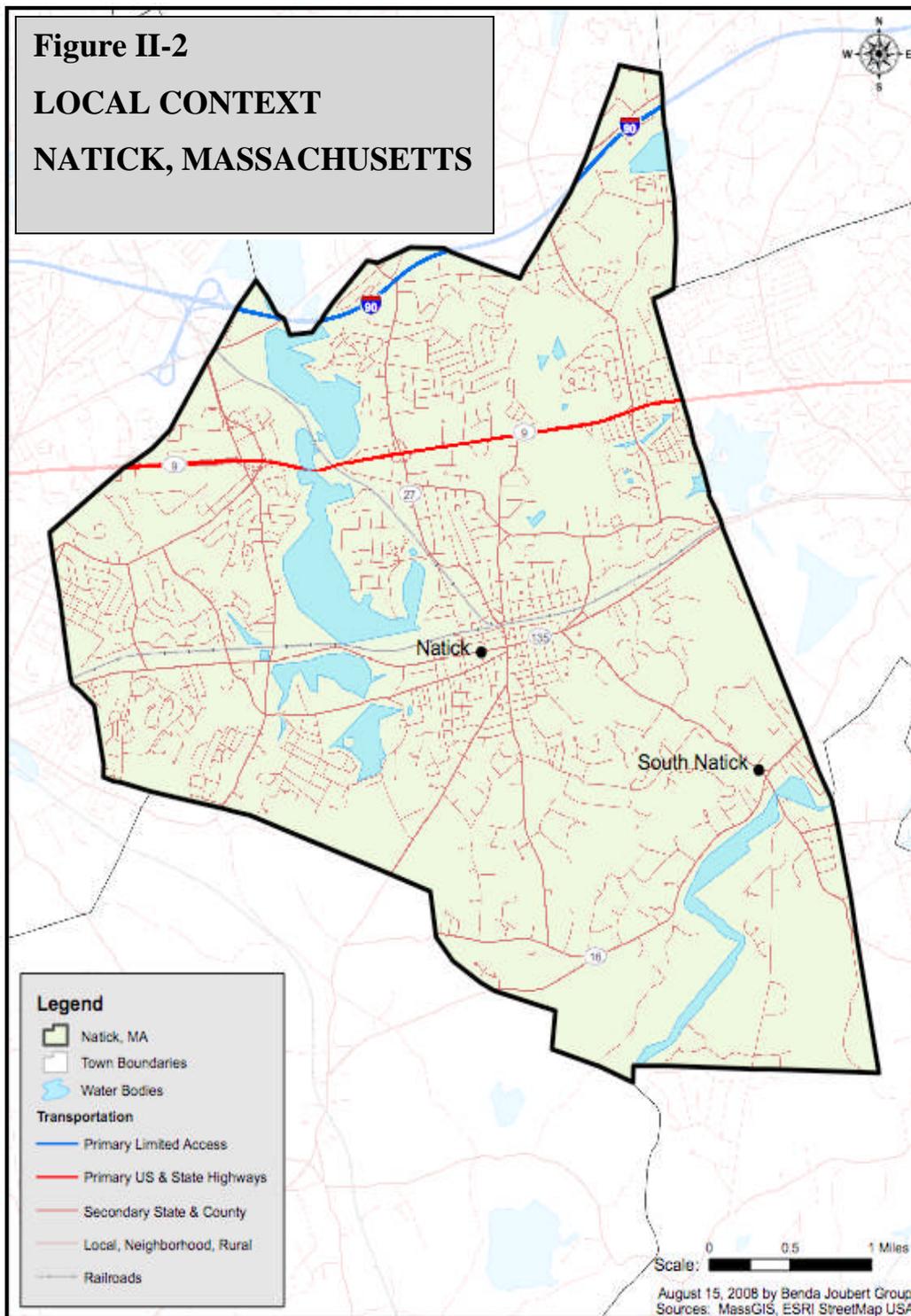


II. Natick Background Data: Demographics, Housing, Income, Employment

Natick is located in western Middlesex County approximately eighteen miles west of Boston along the Massachusetts Turnpike. The Town is bordered on the west by the Town of Framingham, on the south by the Towns of Sherborn and Dover, on the east by Towns of Weston and Wellesley, and on the north by the Town of Wayland (See Figure II-1).



Natick occupies a land area of approximately 16 square miles, with 1 square mile being surface water of Lake Cochituate State Park. There are several areas of economic

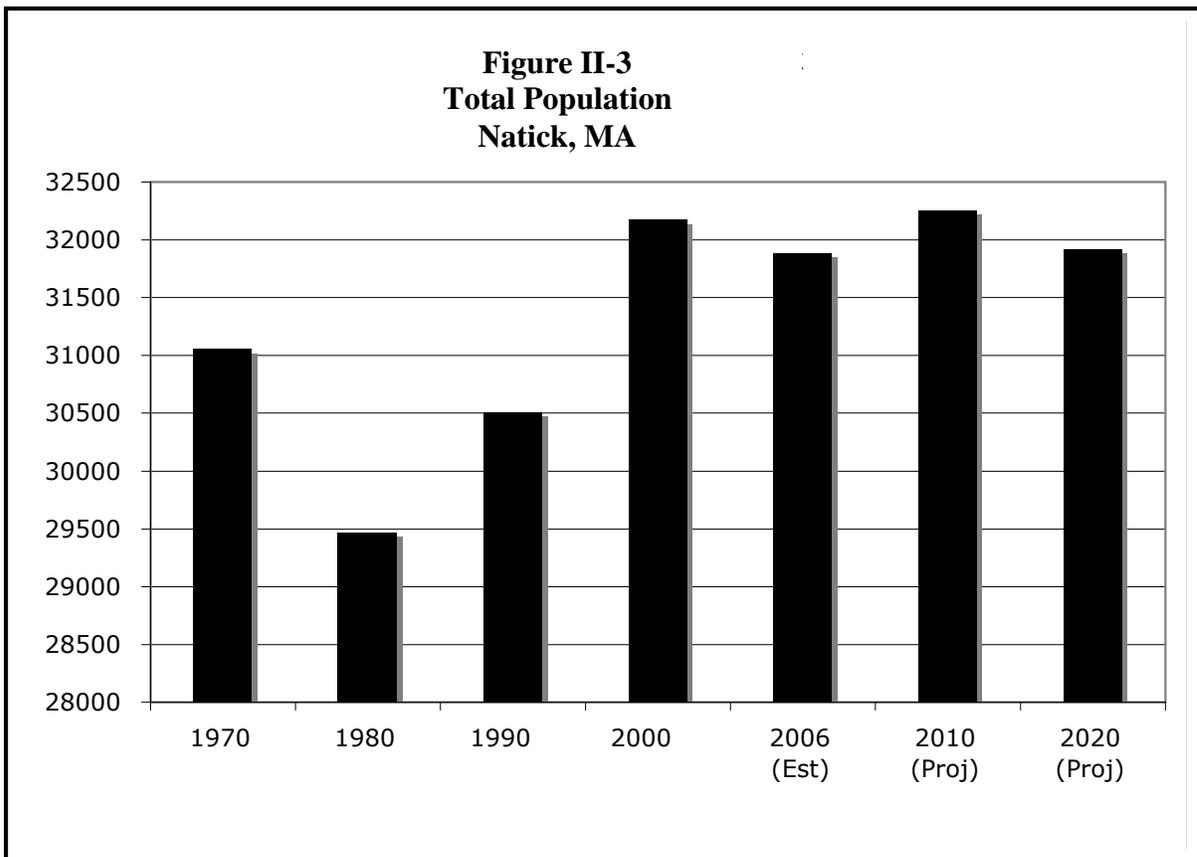




development including Natick Center, South Natick, and the Route 9 commercial district which includes the Natick Collection (Natick Mall) and other retail centers. The rest of Natick is primarily residential, agriculture, and open space (See Figure II-2). Unless otherwise indicated, the source of information for the charts in this section is the U.S. Census.

A. Demographics

In 2000, Natick's population was 32,170 according to U.S. Census data. Natick experienced an increase in population from 1990 to 2000 by 1,660 people, a 5.4% increase (See Figure II-3). Overall, Natick's population has increased since 1930, having grown 45% in both the 40's and 50's and 7% in the 60's. The exception is the period of 1970 to 1980 when the population declined by 5.1%. The Massachusetts Institute for Social and Economic Research (MISER) projects that the population will grow slightly to 32,254 in 2010.

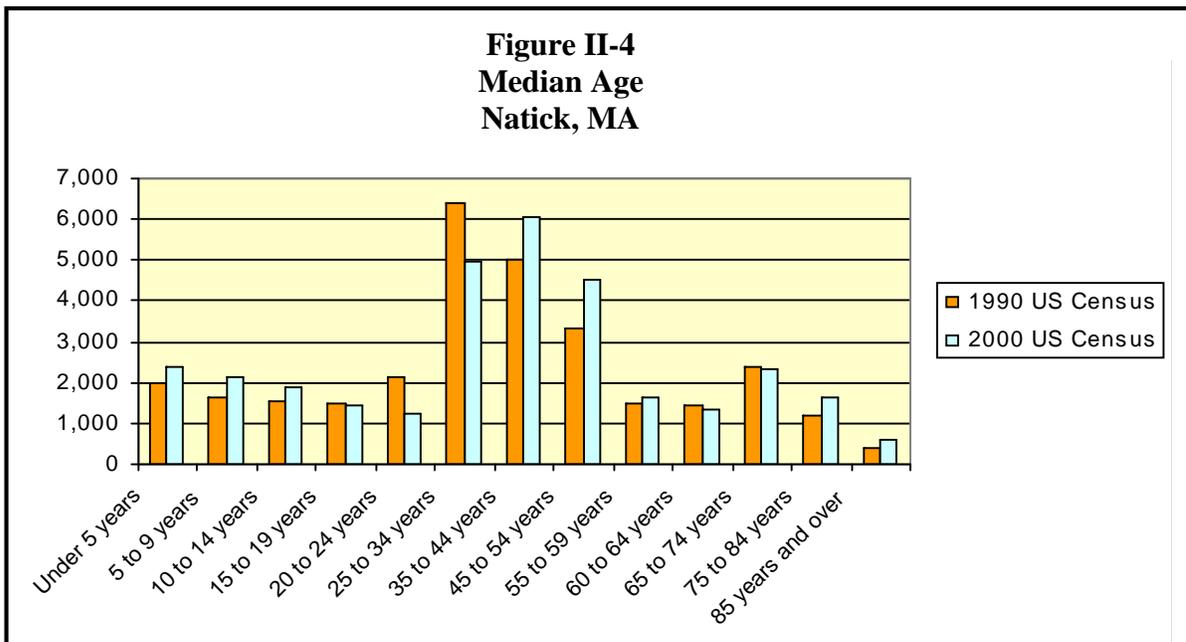


Data compiled by Dan Cahill, Consultant, 2008

1. Age and Education

U.S. Census data indicate that the 20-54 age groups showed the largest numeric changes from 1990 to 2000. Natick's median age increased from 35 years in 1990 to 38.2 years in 2000. This median age was higher than that of the State (36.5 years) in 2000. Persons over 65, a common retirement age, constitute approximately 16% of Natick's population in 2000.

This sector is projected to increase to 18%, nearly 1/5th of Natick’s population by 2020 (See Figure II-4).



Data Compiled by Dan Cahill, Consultant, 2008

Within Natick’s population, 59.7% have education beyond high school, including 3,451 with some college, but no degree, 1,699 with an associate degree, 6,866 with a bachelor’s degree and 5,353 with a graduate or professional degree. This represents a substantial increase (over 45%) in graduate or professional degrees between 1990 and 2000.

2. Race and Ethnicity

The 1990 race/ethnicity data cannot be directly compared with 2000 data due in large part to respondents in 2000 having the option to report more than one race per individual. Comparison of the two census years will result in a larger margin of error than would be typical of census data. However, in general, it appears that while remaining a small portion, the minority population increased in the Town from 1990 to 2000 (See Table II-1). In fact, the growth in these sub-populations is a significant factor in the overall population increase in Natick. Between 1990 and 2000, the overall population increased by 1660 persons of which approximately 65% were minorities.

RACE	1990		2000	
	Population	Percent	Population	Percent
White	29,022	95.1	29,602	92.0



**Table II-1
Race Comparison 1990 to 2000
Natick, MA**

RACE	1990		2000	
	Population	Percent	Population	Percent
Black	612	2.0	525	1.6
American Indian and Alaskan Native	25	0.1	34	0.1
Asian	725	2.4	1259	3.9
Other Race*	126	0.4	750	2.3
TOTAL	30,510	100	32,170	100

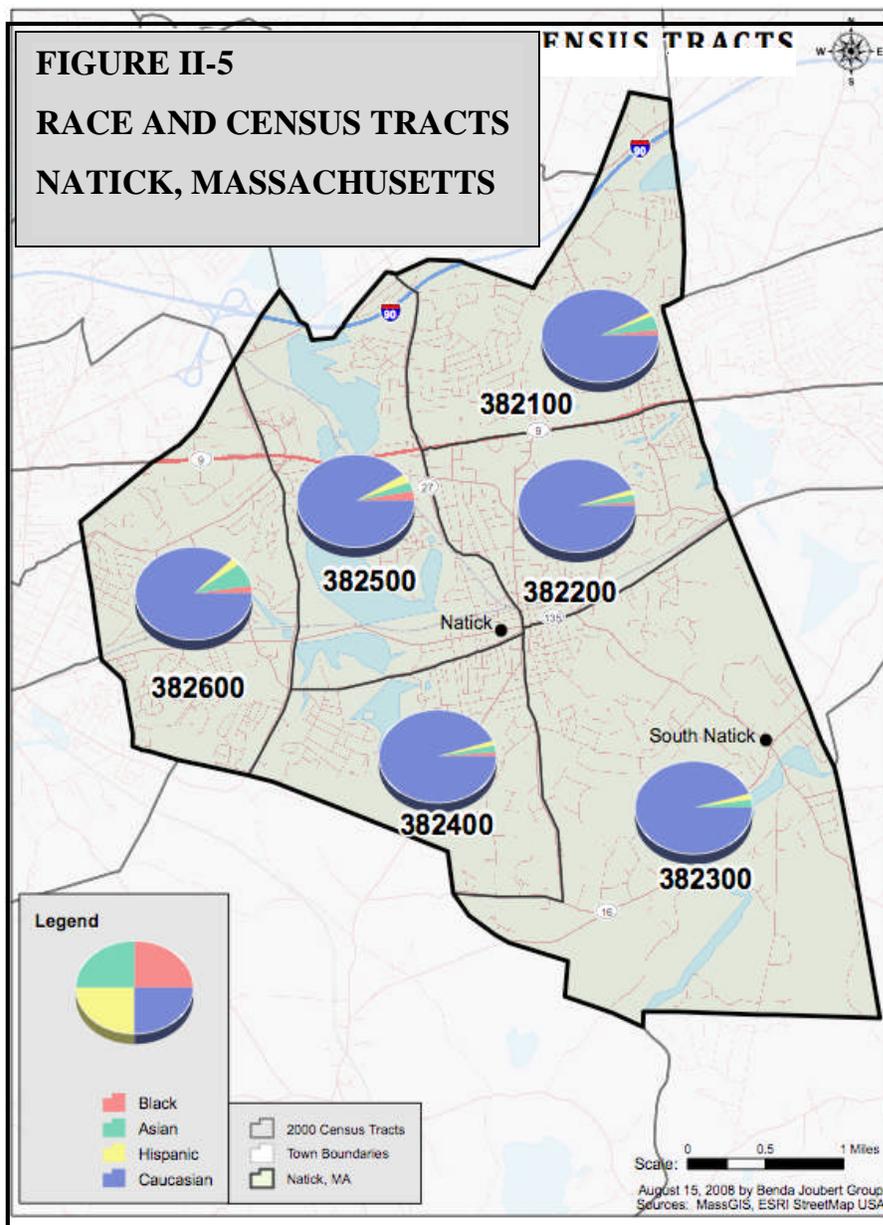
*Other Race also includes 2000 census data which incorporates the reporting of more than one race for each individual.

No census tracts in Natick stand out from the others as significantly different in Minority population, though in general it is lower than the state average (See Table II-2). There is a slightly higher percentage of Blacks in census tracts 3825** and 3826** (i.e., north of Route 135 and west of Route 27; (See Figure II-5). The 2000 census also gathered information on ethnicity, whether Hispanic/ Latino or Not Hispanic/ Latino. Ethnicity is independent from race but also considered a protected class. Census tracts 3825 and 3826 also house a slightly higher population of Hispanic/ Latinos. These two census tracts also represent a lower median income and a higher percentage of renters than the other tracts, though median rent and median house value are comparable to the other tracts. These two census tracts have the most transportation amenities, and provide the highest number of local employment opportunities relative to other census tracts in Natick. These types of amenities attract a greater diversity of population, which approaches state and urban statistics, than might be found in generally more rural areas. Nonetheless, besides this slight disparity, minorities are evenly distributed throughout Natick.

**Table II-2
Race and Census Tracts, 2000
Natick, MA**

	MA	Natick	Tract 3821	Tract 3822	Tract 3823	Tract 3824	Tract 3825**	Tract 3826**
% Black	5.4	1.6	1.6	1.0	0.8	1.2	2.9	2.2
% Asian	3.8	3.9	4.3	2.3	2.3	2.0	2.6	7.2
% Native American and Alaskan Native	0.2	0.1	0.0	0.1	0.2	0.1	0.1	0.1
% Other Race	3.7	.8	.5	.4	.7	.5	1.2	1.1
% Two + Races	2.3	1.6	1.4	1.4	1.4	1.1	1.9	1.9
% White	84.5	92.0	92.2	94.7	94.5	95.2	91.3	87.3
% Total	100	100	100	100	100	100	100	100
% Ethnicity Hispanic/Latino	6.8	2.0	1.4	1.5	1.8	1.4	2.8	2.6

Population	6,349,097	32,170	4654	5012	5475	4546	4206	8277
% Renter Occupied	38.3	28.9	5.5	22.9	20.8	30.2	38.4	41.3
Median Rent	\$684	\$873	\$1167	\$899	\$863	\$426	\$884	\$891
% Owner Occupied	61.7	71.1	94.5	77.1	79.2	69.8	61.6	58.7
Median Value	\$183K	\$243K	237K	255K	352K	243K	\$233K	\$203K
Median Family Income	\$61.6K	\$85.7K	\$92.6K	\$88.0K	\$105.9K	\$83.3K	\$71.1K	\$80.4K



Data compiled by Dan Cahill, Consultant, 2008



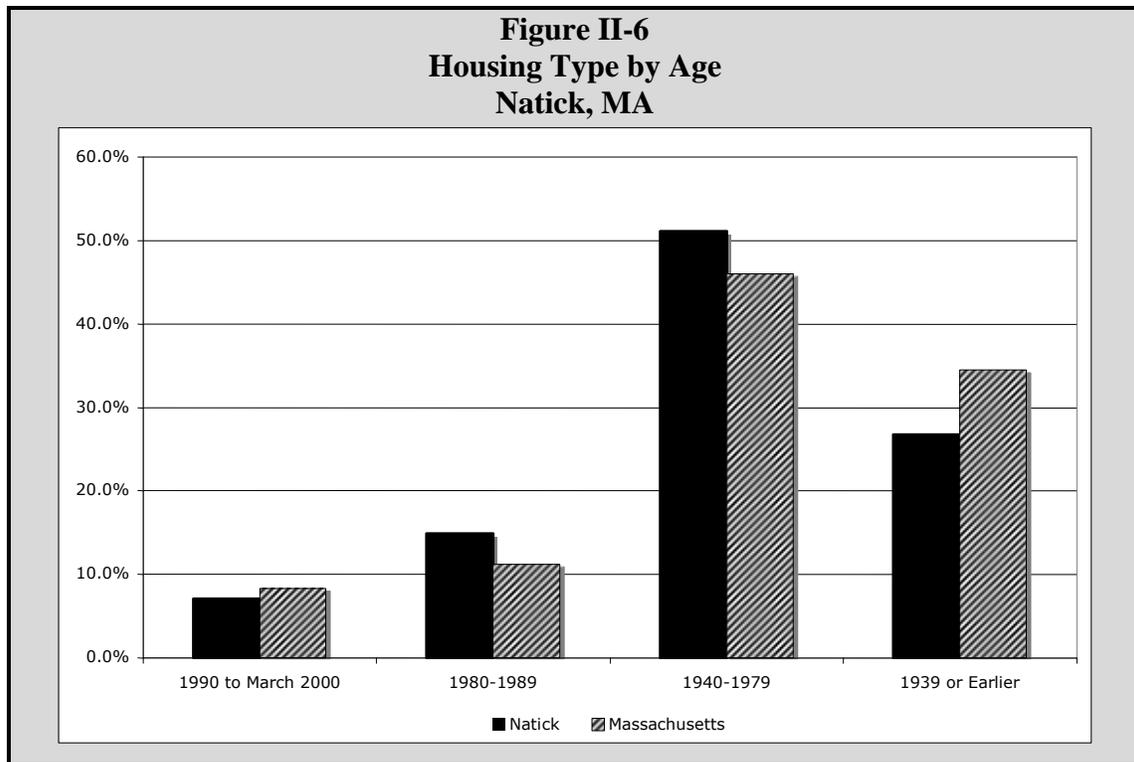
B. Housing

1. Households

In 2000, the Census found that there were 13,080 households in Natick. The Census divides the total number of Natick households into family and non-family categories. Family households (in Natick: 65% of all households or 8,532) include a householder and one or more persons related by birth, marriage or adoption. Non-family households (35% of households) include a single householder living alone or a householder living with non-relatives.

Overall, between 1990 and 2000 the average household size continued to fall in Natick, reflecting statewide and national trends. In 2000, the average number of persons per household was 2.42, compared with 2.50 in 1990. This compares to the state average in 2000 of 2.58 persons per household.

2. Housing Age and Tenure



Data compiled by Dan Cahill, Consultant, 2008

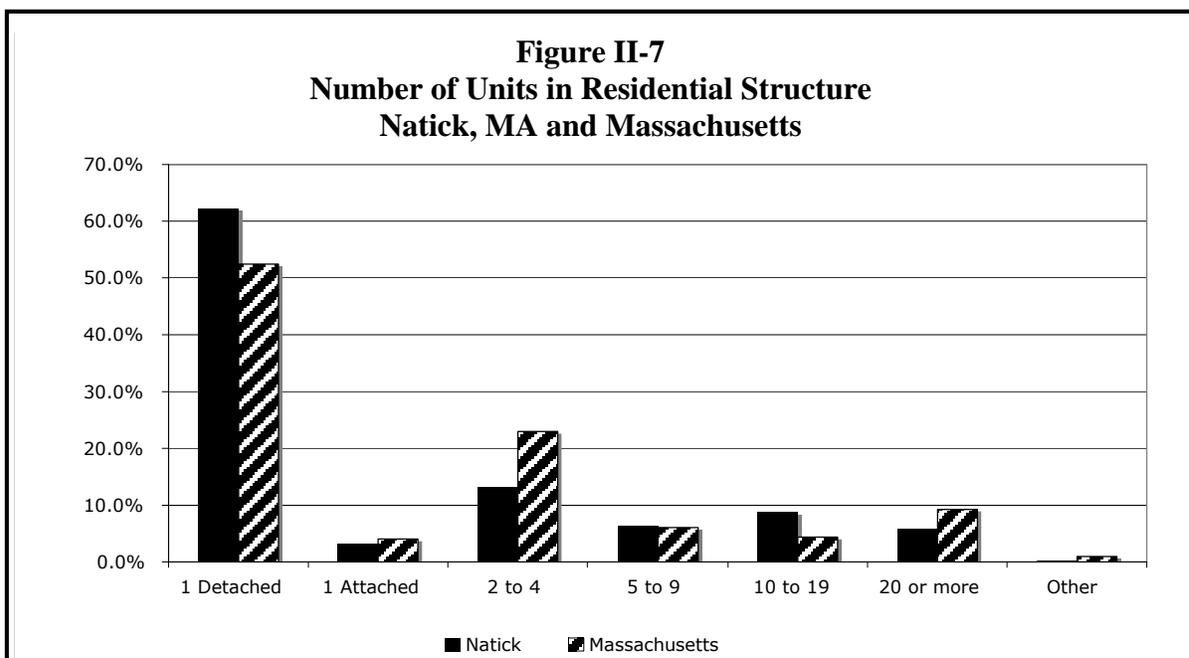
As of 2000, the majority of residential units (77.9%) in Natick were built before 1979, according to the U.S. Census (See Figure II-6). The largest number of these homes are located, as expected, in the vicinity of historic Natick Center (census tract 3825) with 90% of the housing built before 1979; and the lowest being on the periphery of Town boundaries (particularly census tract 3826) with 59% of the housing built before 1979. The year 1979

marks the prohibition of lead paint. This suggests that any units built before 1979 could potentially still have lead paint which could be a hazard to children 6 and under. Parents of children under age 6 potentially face latent discrimination in locating rental housing in older units because landlords are concerned about liabilities that may come with lead exposure. However, despite the age of housing in Natick, there is no direct evidence suggesting this discrimination occurs in Natick. The age of housing in Natick is roughly consistent with Middlesex County and Massachusetts.

Owner occupied units in Natick were 71% of the total housing stock, with 29% renter occupied. These ratios vary considerably town-wide with 94% of the households being owner occupied in the northeast section of Town (census tract 3821) and 58% being owner occupied in the western portion of Town (census tract 3826). Housing structure in Natick is primarily single family detached as the next chart indicates.

3. Housing Supply

In 2000, 62.3% (8,327 homes) of Natick’s housing “structures” were single family detached. This is higher than Massachusetts in which 52.4% of the housing was single family, detached homes, and reflects the more suburban and rural character of Natick compared to other metro Boston communities (See Figure II-7). Residential structures with two to four units comprised the second largest grouping in Natick with 1,773 structures or 13.3% of the total. As a result of the approval of several large 20+ unit residential developments in Natick in 2006 and 2007, and less proposals for smaller 2-4 unit developments, this profile will change for the 2010 census.



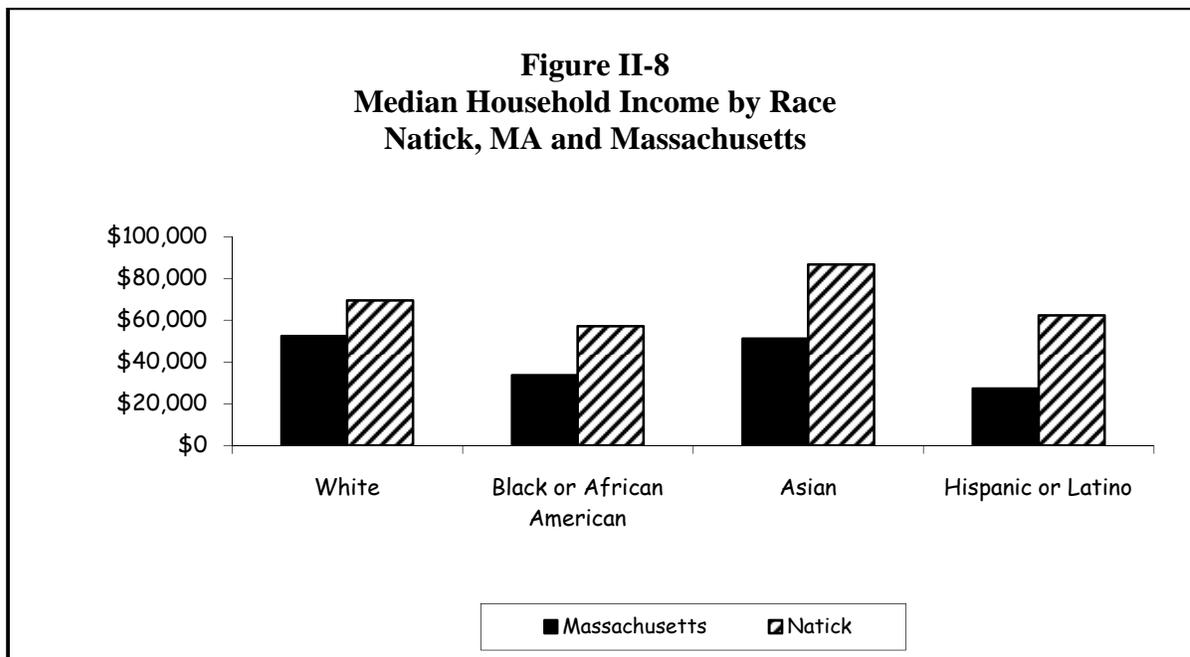
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C. Income and Employment

1. Income

Utilizing the 2000 U.S. Census data to compare Median Household Income (MHI) between Massachusetts and Natick it is noted that in general the MHI is higher in Natick than the state. The MHI of Blacks, Asians, and Hispanics/Latinos in Natick significantly surpass those of these same groups in Massachusetts. In 2000, Blacks in Massachusetts had a MHI of \$33,727 while in Natick the MHI of Blacks was \$57,143, a difference of \$23,416 or 70%. For Hispanics/ Latinos, MHI in Natick was \$62,434, whereas the MHI for Hispanics statewide was \$27,300 a difference of \$35,134 or 130% (more than double) the state MHI. MHI for Asians was \$51,273 in MA and \$86,833 in Natick, a difference of \$35,560 or 70%. In 2000, the MHI for Whites in Natick was \$69,531; in Massachusetts it was \$47,780, a difference of \$21,750 or 45%.



Data Compiled by Dan Cahill, Consultant, 2008

In 2000 the Area Median Income (AMI), which is an indicator used by HUD in setting income limits for affordable housing, was approximately \$59,000 for the Boston Metro area. Comparing AMI to household income provides an indication of the need for affordable housing in a community. In 2000, approximately 9% of the households in Natick and the entire state had moderate income of 100% AMI. In contrast 15% of Natick households had low income (80% AMI) in Natick whereas 20% for the state's households were at 80% AMI. When considering very low income (less than 50% AMI) approximately 18% of the families in Natick were in this income range, compared to 30% of families statewide. These percentages were spread relatively evenly across the Town's census tracts. Though Natick's low income households constitute a small percentage of all households when compared to



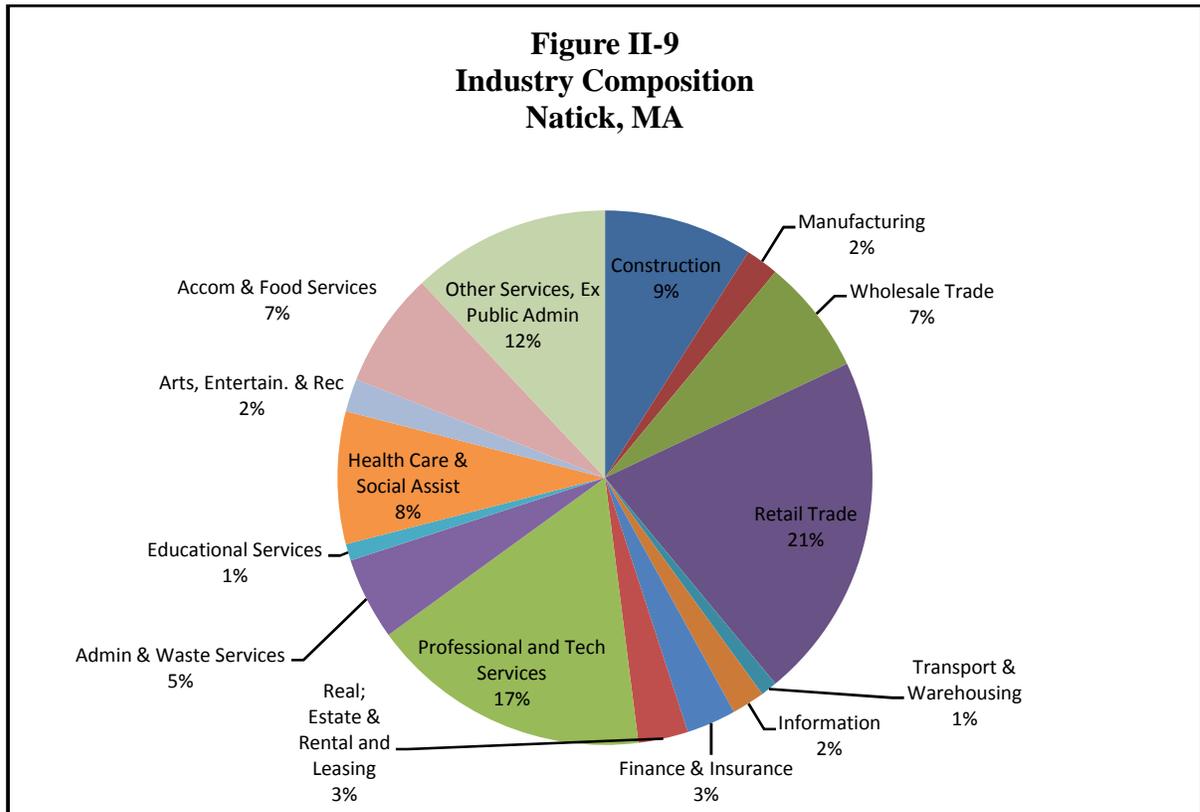
statewide ratio of 50%, approximately 33% or 4365 of the Natick households in 2000 could potentially qualify for affordable housing based on income of less than or equal to 80% AMI.

Table II-3 Comparison of Household Income to Area Median Income (AMI) Natick, MA and Massachusetts									
Income Grades by AMI		Massachusetts	Natick Town	Tract 3821	Tract 3822	Tract 3823	Tract 3824	Tract 3825	Tract 3826
Very Low Income ≤ 50% AMI	#	725,620	2341	200	323	319	449	288	762
	%	30%	18%	12%	17%	16%	25%	17%	20%
Low Income 51% to 80% AMI	#	482,795	2024	205	301	250	244	370	654
	%	20%	15%	12%	16%	12%	13%	21%	17%
Low Median Income 81% to 100% AMI	#	215,885	1173	129	165	136	112	181	450
	%	9%	9%	8%	9%	7%	6%	10%	12%
Moderate Income 101% to 120% AMI	#	764,780	5257	748	808	662	704	713	1622
	%	31%	40%	44%	42%	32%	39%	41%	42%
Other Income ≥ 121% AMI	#	255,508	2304	417	334	675	311	187	380
	%	10%	18%	25%	17%	33%	17%	11%	10%
TOTAL		2,444,588	13099	1699	1931	2042	1820	1739	3868



2. Employment

Natick's unemployment rate in May of 2008 was 3.4%, compared with 4.7% in Massachusetts. In addition to the unemployment rate, the Massachusetts Executive Office of Labor and Workforce Development also reports wages and employment statistics for Natick.



Data compiled by Dan Cahill, Consultant, 2008

The average weekly wage for the Town in 2007 was \$1,099, compared to 2001 average weekly wage of \$910. The State also reported that in 2007 there were 1,493 businesses in Natick employing 23,588 people.

Over the past six decades, Natick's workforce has continued to undergo post-industrial change, similar to all of Massachusetts and particularly the Boston metro area. For instance, manufacturing jobs have continued to decline for Natick residents while professional and technical services continue to grow (17% of the workforce). Positions in retail trade have also increased to 21% of the workforce (See Figure II-9 and Table II-4)



**Table II-4
Principal Employers
Natick, MA**

<u>Company</u>	<u>Nature of Business</u>	<u>Current Employees</u>
MathWorks, Inc.	Software Dev/Sales	1,900
U.S. Army Natick Research, Development & Engineering Ctr.	Government/Food Research	1,300
Natick Mall	Retail	1,200
Metro West Medical Center Leonard Morse Campus	General Medical & Surgical Hospital	600
Boston Scientific	Medical Instrumentation/Administration	500
Waban, Inc. (d/b/a/BJ's)	Retail Administration/Management	300
Klockner-Moeller	Motor Controls & Switchgear Equipment	200
Cognex	Manufacturers of Vision Instrumentation/Administration	180
Snap-on-Tools	Automobile Service Equipment	170
Whitney Place	Assisted Living	170
Crowne Plaza Hotel	Hotel	150
Middlesex Savings Bank	Bank	100
Vision Sciences	Medical Instrumentation	80
Stop & Shop	Supermarket	70

Data compiled by Dan Cahill, Consultant, 2008



III. Natick’s Current Fair Housing Legal Status

A. Federal Fair Housing

1. Fair Housing Act

The Fair Housing Act was originally enacted as Title VIII of the Civil Rights Act of 1968 and was amended by the Fair Housing Amendments Act of 1988. It prohibits discrimination on the basis of race, color, religion, national origin, sex, familial status, and disability in the sale or rental of housing and in other real estate-related transactions, with certain limited exceptions. In essence everyone is part of a protected class, be it sex, race or any other class listed above; but to discriminate *based* on a protected class is illegal in the United States.

The information below was obtained from HUD. The Fair Housing Act makes the following behaviors illegal:

In the Sale and Rental of Housing: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting) or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In Mortgage Lending: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan or
- Set different terms or conditions for purchasing a loan.

In Addition: It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right



- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

The Fair Housing Act of 1968 prohibits discrimination on a range of characteristics in the entire housing market, with certain exceptions detailed in the next paragraph. The Act was amended in 1988 and it sets forth prohibited bases of discrimination, the types of conduct that constitute discrimination, and provision for enforcement. The federal Fair Housing Act prohibits discrimination based on race, color, national origin, religion, sex, familial status, and disability in virtually all housing-related transactions. The latter classes of familial status and disability were added by the 1988 amendment and are the newest protected characteristics to be included under the Fair Housing Act. Familial status means the presence or anticipated presence of children under 18 in a home. Those who live with children are considered members of this class. Persons with disabilities have a physical or mental impairment that substantially limits one or more major life activities, have a record of such impairment, or are perceived by another as having a physical or mental impairment.

The Fair Housing Act covers most kinds of housing transactions, including rental, home sales, mortgage lending, home improvement, and zoning activities. However, there are some exemptions or limitations, depending on the type of transaction. The act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a real estate agent or broker, and housing operated by organizations and private clubs that limit occupancy to members. Also, certain types of housing are excluded from the law in certain respects. For instance, housing that is strictly for older persons can exclude families with children.

The Fair Housing Act does not prohibit all housing practices that some would consider unfair. It prohibits only those housing-related practices that discriminate on the basis of race, color, national origin, religion, sex, familial status, or disability. In addition, it is illegal to advertise or make any statement that indicates a limitation or preference on these characteristics. Finally, it is illegal for anyone to threaten, coerce, intimidate, or interfere with anyone exercising a fair housing right or assisting others who are exercising that right.

2. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) is the federal agency with primary responsibility for enforcing the Fair Housing Act. HUD investigates complaints of discrimination at the federal level in the housing market and attempts to resolve each complaint informally, as required by the Fair Housing Act. When a complaint cannot be resolved through such informal conciliation, HUD completes its investigation and makes a determination on the merits. If HUD finds discrimination or reasonable cause to believe the law has been violated, HUD brings the matter before an Administrative Law Judge, who may order injunctive relief, compensatory damages and civil penalties.



Between its initial passage and its amendment, the Fair Housing Act allowed an individual to file a complaint with HUD, and the Department could facilitate a voluntary settlement between the aggrieved person and the person alleged to have discriminated. The Act also authorized the U.S. Department of Justice (DOJ) to file a civil action where there was a pattern or practice of discrimination or an issue of general public importance; it was entitled to obtain injunctive relief, but no monetary damages or penalties of any kind.

The amendment in 1988 strengthened the Fair Housing Act's enforcement provisions. The time allowed for filing housing discrimination complaints with HUD increased from 180 days to one year. To deal with the complaints, the amendments established a formal administrative process at HUD that requires HUD to investigate complaints within 100 days of filing unless it is impracticable to do so. After the investigation, HUD determines if there is either "reasonable cause" or "no reasonable cause" to believe that discrimination occurred. If reasonable cause is established, HUD issues a formal "charge" of discrimination and brings the complaint before a HUD Administrative Law Judge (ALJ) on behalf of the complainant.

A prevailing complainant in the HUD administrative process is entitled to injunctive relief and compensatory damages. The ALJ can also impose a civil penalty. Complainants, however, are not bound to go through this administrative mechanism. After HUD issues a formal "charge" following its investigation, either party (complainant or respondent) can elect to leave the ALJ hearing process for a trial in federal court. In that situation, DOJ brings the claim on behalf of the complainant. If the United States prevails on its claim, it may obtain injunctive relief, compensatory damages, and unlimited punitive damages.

In addition, under the amended Fair Housing Act, an aggrieved individual may bypass the Federal administrative process altogether and pursue a private right of action. A prevailing plaintiff can obtain injunctive relief, compensatory damages, punitive damages, and recover reasonable attorney's fees and costs. Finally, the act grants DOJ the authority to bring "pattern and practice" lawsuits challenging discriminatory housing practices. If DOJ brings a claim on behalf of the United States, the department can win injunctive relief, monetary damages for any aggrieved person, and a civil penalty against the defendant. The act stipulates that the penalty can be up to \$50,000 for a first violation and up to \$100,000 for any subsequent violations.

B. Fair Housing Law in Massachusetts

In Massachusetts, state law conforms to the Federal Fair Housing Law, in general. The state law also increases the number of protected classes. The law prohibits discrimination based on marital status, age, military or veteran status, sexual orientation (and the receipt of welfare, public assistance and rental subsidy). State law goes beyond the federal law for the type of housing covered. The only exemption to the Massachusetts fair housing law is the two-family owner-occupied housing. However, even in that housing, the owner cannot refuse to rent to people on the basis of their receipt of public assistance or rental subsidy as long as the applicant has the adequate resources to pay the rental amount above the voucher amount.



1. Massachusetts Commission Against Discrimination

The Massachusetts Commission Against Discrimination (MCAD) enforces the Fair Housing Law in Massachusetts. If a complaint is filed with MCAD, they will file a complaint with HUD if the discrimination also violates federal law. The MCAD was created in 1946 as the Fair Employment Practices Commission to enforce state laws prohibiting discrimination in employment. In 1950, the Massachusetts Legislature added discrimination in housing to the list of prohibited actions.

According to its published mission statement, the MCAD ensures equality of opportunity by enforcing the Commonwealth's anti-discrimination laws in employment, housing, public accommodations, credit, mortgage lending, and education.

The MCAD works to eliminate discrimination and advance the civil rights of the people of the Commonwealth of Massachusetts through law enforcement (filing of complaints, investigations, mediations and conciliations, hearings, and litigation) and outreach (training sessions, public education, and testing programs).

The MCAD accepts, investigates and adjudicates complaints. The total number of complaints per year has recently averaged between 3,000 and 5,000, statewide. Most of these are employment cases. The grouping of complaints for 2006, the last annual report available were: employment 82.5%, public accommodation, 6.7%, and housing 10.2%.

The Commission also reviews and advises the Governor's Cabinet Offices concerning the state's affirmative mandates in employment, housing, construction contracting, and minority and women business enterprises.

2. Housing Discrimination Complaints in Natick

Fourteen complaints have been registered with the MCAD concerning housing in Natick over the past 10 years; ten of these occurred more than 5 years ago. There is no indication of any federal HUD cases. All of the 14 case files are closed with one finding sustained for a disability case. Eight cases were found to have lack of probable cause, one lack of jurisdiction, another was an administrative dismissal, two were closed for failure of the complainant to cooperate, and the one sustained case was withdrawn before settlement. Of the 12 cases in which MCAD reported a cause for the complaint, 5 were for a disability, 3 for national origin, 2 for family size and 2 for racial discrimination.



IV. Identification of Impediments to Fair Housing Choice

A. Public Sector in Natick

1. Zoning and Site Selection

Local Zoning

Zoning in Natick is regulated through the Zoning Bylaw, which is updated periodically via Town Meeting action and follows Massachusetts General Laws. The Subdivision Rules and Regulations are also based on the state model and updated periodically. Single-family lot area sizes in Natick generally range from 5,000 square feet (pre-existing conditions; currently not allowed) to 60,000 square feet (about 1.5 acres).

Development of multifamily units is permitted “by right” in two districts, RM (Residential-Multiple) and PCD (Planned Cluster Development). If the building and lot use have pre-existing 4 to 6 multi-family units, the permit can be issued on a “grandfathered” basis. Two-family units are allowed “by right” in two districts RG (Residential General) and RM (Residential Multiple).

The town also has instituted a zoning innovation with the Housing Overlay Option Plan (HOOP) districts which promote higher density multifamily residential use. The HOOP is designed to encourage housing development, including accessible housing and a minimum requirement of 15% affordable housing units. The current HOOP districts are located near and within the downtown, near alternative transportation.

Natick has instituted another regulatory innovation for housing, the Inclusionary Housing Option (IHOP) Program. The IHOP applies town-wide to all development of parcels creating ten or more new residential dwelling units. Developers or property owners can apply to the Planning Board for a special permit that will allow them additional units and relaxed frontage and space requirements in exchange for the provision of affordable housing units. The number of additional dwelling units may not exceed 20% of what would otherwise be permitted.

Natick also provides opportunities for affordable housing inclusion through the Smart Growth Overlay (SGO) District and Regional Center Mixed Use Development (RCMUD) zoning requirement. The SGO was established pursuant to M.G.L Chapter 40R and encourages smart growth and increased housing production in downtown Natick. It not only encourages all of the principles of Smart Growth but also requires the development to designate 20% of the units as affordable to low and moderate income households. The RCMUD requires, through an Affordable Housing Standard, that 16% of residential units constructed on the same parcel as a Regional Center Mixed-Use Development be affordable to low and moderate income households. If the affordable units are located off-site the requirement increases to 22%. Development in a HOOP, IHOP, SGO and RCMUD district requires a Special Permit.



Natick has several group homes and assisted housing in the form of single room occupancy developments. HUD has given priority to these issues with the publication of a Joint Statement of (Federal Department) Justice and HUD concerning “reasonable accommodations”. The concept of “reasonable accommodations” under the Fair Housing Act has been the subject of regulatory clarification and court action in the recent past. Basically, reasonable accommodations are changes in rules, policies, practices or services so that a person with a disability can participate as fully in activities related to housing that a person without a disability could. For a physically handicapped person, that may mean certain architectural modifications to a building. On May 17, 2004, the Department of Housing and Urban Development (HUD) and the Department of Justice issued a joint memorandum concerning the subject. Courts have also ruled that zoning cannot otherwise make unavailable or deny a dwelling to a handicapped (physically or mentally) person. Certain restrictive regulations in zoning ordinance and building codes have been prohibited if they have the effect of excluding congregate living arrangements for persons with handicaps. There is no evidence of discrimination in permitting such housing in Natick.

Massachusetts Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law (Chap. 40B) was designed to assist developers in building affordable housing. If a development is proposed with a minimum of 25% of the units affordable, the law allows a suspension of applicable local zoning regulations which may be inconsistent with construction of such housing.

Prior to applying for a comprehensive permit, a proposal to build affordable housing must receive approval for Project Eligibility or Site Approval under a state or federal subsidy program. The application, containing the eligibility letter and preliminary development plans, is then filed with the local Zoning Board of Appeals. The Board then notifies and seeks recommendations from other local regulatory boards, including the Planning Board, the Board of Health and the Conservation Commission. The Zoning Board of Appeals holds public hearings to ensure that local concerns are properly addressed. The board can issue a single comprehensive permit, which subsumes all local permits and approvals normally issued by local boards. (There can be an exception for this permit for the Conservation Commission which has jurisdiction over the State Wetlands Act). It can also issue a comprehensive permit with conditions or deny the permit. If a comprehensive permit is granted, the applicant, prior to construction, must normally present final, detailed construction plans to the building inspector or similar officials to ensure that the plans are consistent with the comprehensive permit and state requirements.

If an application for a permit is denied or granted with excessive conditions, which would make building uneconomic, the applicant may appeal the Board's decision to the (Massachusetts) Housing Appeals Committee.

Affordable Housing Production under Local Zoning and 40B

Within the past five years, ten significant residential developments have been proposed in Natick; five under 40B regulations, three under the HOOP ordinances, one in the SGO



district under 40R regulations, and another under Special Permit. Three of the five 40B projects, as well as the 40R project, are for rental properties, the other two, South Natick Hills and Hunter’s Hill as well as the other local zoning based projects are for the development of home ownership properties (See Tables IV-1 and IV-2).

South Natick Hills is a development that was permitted for a total of 268 units. The development is located along South Main Street near Natick Center. South Natick Hills will have 200 “market rate” units and an additional 68 will qualify as affordable by HUD standards.

The other 40B ownership development, Hunter’s Hill, was in the statutory 40B permitting process for 100 units with 25 of those being affordable units but was put on hold after denial of appeal by the Massachusetts Housing Appeals Committee (HAC). The project application was denied by the ZBA.

The Natick Armory is a development located on East Central Street in Natick Center that was approved in 2006 through the HOOP ordinance. The property was conveyed to the developers through an RFP process and was approved for 23 condos of which 4 will be affordable. The site is now under construction and will be completed soon.

Another HOOP project was approved and constructed at 20 South Avenue, adjacent to the Natick Center and close to the Natick commuter station. The development was recently completed and provides a total of 24 condominiums of which 5 are affordable. A development along the same corridor, 42 South Avenue, has been approved but is on hold at the developer’s request. The project was recently granted a two-year extension on its permit.

An ownership development to note is at the Nouvelle at Natick condominiums at the Natick Collection (Natick Mall) with 215 ownership units on site and 48 additional affordable homes off site. These off site affordable units were required by the Natick Planning Board in consideration for the requested special permit to construct the 215 luxury units at the Natick Collection. With this development included, Natick will soon see the development of 541 market rate and 127 affordable homeownership units (See Table IV-1).

Table IV-1 Residential Ownership Developments Submitted for Permitting Natick, MA					
Ownership Project	Permit Type	Status	Total Units	Affordable Units	Percentage Affordable Units
South Natick Hills	40B	Approved	268	68	25%
Hunter’s Hill	40B	Denied	(100)	(25)	25%
Natick Armory	HOOP	In Construction	23	4	18%
20 South Avenue	HOOP	In Construction	24	5	21%
42 South Avenue	HOOP	On Hold	11	2	18%
Nouvelle at Natick	Special Permit	In Construction	215	48 off-site	22%

Table IV-1 Residential Ownership Developments Submitted for Permitting Natick, MA					
Ownership Project	Permit Type	Status	Total Units	Affordable Units	Percentage Affordable Units
TOTAL	-	-	541*	127*	22%

* Units in Hunter's Hill have not been included in the TOTALs

Of the ten residential developments that have recently been reviewed by the Town of Natick, four of them have been for rental developments, with three of these permitted under 40B and one under 40R (See Table IV-2). The four projects vary in size; the two largest, Cloverleaf and Chrysler Road, being constructed near the heavy retail district in northwest Natick near Route 9 and the Mass Turnpike; and Grant's Place being proposed for a residential neighborhood in the downtown area of Natick Center. The Paperboard Project at 75 North Main Street in downtown Natick was recently permitted as a Smart Growth 40R rental project. The developer worked with the Town in providing both an ample number of market rate and affordable housing units but was also designed with sensitivity to the surrounding downtown neighborhood. The proposal will provide 122 market rate units and 28 affordable units. The total number of 40B rental units, as listed below, is 764 with 184 of those affordable units.

Table IV-2 Residential Rental Developments Submitted for Permitting Natick, MA					
Rental Development	Permit Type	Status	Total Units	Affordable Units	Percentage Affordable Units
Cloverleaf	40B	Built	183	46	25%
Chrysler Apartments	40B	Approved	407	102	25%
Grant's Place	40B	Approved	24	6	25%
Paperboard	40R	Approved	150	28	18%
TOTAL	-	-	764	184	25%

Any 40B development, as well as all housing with state subsidy or housing for inclusion on the Subsidized Housing Inventory (SHI), shall complete and implement an Affirmative Fair Housing Marketing Plan (AFHMP). Affirmative Fair Housing requirements apply to all activities that culminate with occupancy, including but not limited to the means and methods of outreach and marketing, to qualification and selection of residents. All AFHMPs must meet the standards set forth by the Department of Housing and Community Development (DHCD). In the case of 40B projects, the AFHMP must be approved by the subsidizing agency.



The Town of Natick has previously responded to appeals to the HAC for recent 40B developments, those being South Natick Hills, Hunter’s Hill, Cloverleaf, and Grant’s Place. Those actions have been settled and with the exception of one, the developments are proceeding with their relevant projected units. The proposed Hunter’s Hill 40B condo development mentioned earlier was denied appeal by the HAC due to the Town’s compliance with its Planned Production Affordable Housing Plan for a one-year period, required by DHCD.

2. Neighborhood Revitalization, Municipal and Other Services, Employment and Transportation Linkage

Neighborhood Revitalization, Municipal and Other Services

In Natick, municipal services such as police and fire protection, code enforcement, and refuse collection are funded principally through local tax revenues. A preliminary review of these services does not indicate any discriminatory practices.

The Town of Natick has effected neighborhood revitalization through public works improvements and incentives in regulatory land use. As an example, the HOOP (Housing Overlay Option Plan) has created redevelopment opportunities in Industrial parcels near downtown.

Public works improvements, including sidewalk and street reconstruction, have had a positive effect on both commercial and residential areas. The Town has made a point of making improvements for accessibility with curb cuts and pedestrian signals equipped with audio features for the sight impaired.

Employment and Transportation Linkage

The Massachusetts Bay Transportation Authority (MBTA) has two commuter rail stations in Natick along the Worcester/Framingham Line; they are located in Natick Center and West Natick. The Worcester/ Framingham Line has 15 other stops, including South Station in Boston, the Back Bay, Newton, Framingham, and Union Station in Worcester. There are 20 trains that run throughout the day and night, ending shortly after midnight. On inbound trains, 18 stop in Natick and 19 stop in West Natick; on outbound trains, 15 stop in Natick and 19 stop in West Natick. This service provides decent access and employment opportunities throughout downtown Boston, Worcester and points in between.

The West Natick MBTA stop has ample accessibility, with 4 dedicated handicapped parking spaces out of 178. However, the Natick stop has serious accessibility issues. The Town has continually advocated for improvements to the MBTA station downtown, which serves many of the older neighborhoods in the Town. The stop is more than 30 feet below surface level, served only by steep outdoor stairways. The Town has repeatedly requested handicap accessibility improvements at this station with both the Massachusetts Executive Office of Transportation and the MBTA. Town officials, elected and appointed, have testified to the critical nature of these improvements at numerous meetings, including public hearings. The



MBTA and the State have examined one solution to build a parking garage over the station and include an elevator to the platform.

The MetroWest Regional Transit Authority (MWRTA) was launched in 2006 after local legislators secured the statutory reforms necessary to start a new Regional Transit Authority. The MWRTA enhances existing bus service in Natick and Framingham, but also provides more comprehensive service between Natick and six other surrounding communities with a hub in Framingham. The three routes in Natick service primarily the Natick Mall area, Natick Center, and the northwest census tracts adjacent to Route 9 and I-90. Two bus routes run throughout the day and make stops at the MBTA stations in Natick, West Natick and Framingham. MWRTA commuter buses run in the morning and evening hours, also connecting to the MBTA stations. The buses are handicapped accessible. The Authority also provides door-to door transportation to eligible people who cannot use general public transportation all or some of the time, because of a physical, cognitive or mental disability. This program, called the RIDE, is available on call, after the rider qualifies for services.

3. Assisted Housing

The Natick Housing Authority (NHA) provides the most assisted housing units in the Town. The NHA has a strategic goal to ensure equal opportunity and affirmatively further fair housing.

With over 60 years of institutional history in the town, the NHA currently assists over 500 households in Natick and the surrounding area through its Public Housing, Rental Assistance, and Resident Service programs. The NHA rental assistance programs are funded by both the state and federal government (See Table IV-3). The figure after the slash (/) refers to the number of handicap accessible units.

Table IV-3 Natick Housing Authority Units Natick, MA				
	Elderly/ Accessible	Group Home/ Accessible	Family/ Accessible	Totals
Public Housing	325/4	8/8	91/2	424/14
Massachusetts Rental Voucher Program	n/a	n/a	n/a	5
Housing Choice Voucher (Sec 8-Federal)	n/a	n/a	n/a	102/2

Data compiled by Dan Cahill, Consultant, 2008

The NHA has a high performance rating according to HUD’s criteria. The NHA owns and operates 424 units in housing developments throughout the town. These units, including 325 elderly, 91 family and 8 units in a group home, were developed though state funding, with



the Department of Housing and Community Development and its predecessor agencies. On average, approximately 3% of all of the NHA owned units are handicap accessible.

The NHA manages a Section 8 program, placing assisted individuals and families in privately owned rental units. The NHA is annually authorized by HUD for a total of 102 vouchers and in August, 2008 a total of 102 units were under contract, with a lease up rate of 100%. In the Section 8 program, 42 of the units are 1 bedroom and 60 of the units are 2 bedroom. Two of the 1 bedroom units are handicap accessible.

The NHA has joined the Massachusetts NAHRO (National Association of Housing and Redevelopment Officials) Centralized Section 8 Waiting List. This system provides an “open” waiting list for units throughout greater Boston, as units in Natick are also available to people in that area. Applications are always accepted for this list. The NHA has a preference ranking for its units for people in the following categories: disability, victims of domestic violence, veterans, and those living or working in Natick. The average waiting time depends on the size of the household and number of requested bedrooms.

The NHA also has several effective community partnerships. For instance, The Advocates, Inc, in Framingham, provides counseling for residents with disabilities related to mental health. NHA also works closely with the Natick Council on Aging to provide activities for the elderly. Bay Path, Inc. provides social services. The NHA also makes referrals to Southeast Middlesex Opportunity Council (SMOC) for counseling on money management, nutrition and other subjects.

SMOC also provides housing services in Natick. Project based housing is located at 2 Mulligan Street where 10 units of “single room occupancy” housing are located. Property leased from St. Patrick’s church has 8 units of supportive housing for formerly homeless women. As of September, 2008, SMOC provided a total of 75 Section 8 units and 3 Massachusetts Rental Voucher Program units in Natick.

On a statewide basis, MassHousing operates homeownership and multi-family finance programs that support housing activity in Natick. Table IV-4 indicates the number of loans provided to Natick residents by year:

Table IV-4 MassHousing Loans Provided to Natick Residents				
Year	# of Purchased Mortgages	Total Amount	# of Home Repair Loans	Total Amount
2005	2	\$ 583,550	1	\$ 16,239
2006	8	\$ 1,869,886	0	\$ 0
2007	2	\$ 310,250	0	\$ 0
2008*	5	\$ 936,698	0	\$ 0

Data compiled by Dan Cahill, Consultant, 2008

* Through September.

The Home Repair programs available from MassHousing consist of the following:



- Home Improvement Loan Program - to assist homeowners with making improvements such as heating systems, roof repair/replacement, etc.
- Get the Lead Out Program - to provide homeowners with funds to delead their property - this usually involves window replacement as well
- Septic Repair Loan Program - for homeowners with failed septic systems where repairs or replacement is necessary

4. Sale of Subsidized Housing

The Massachusetts Department of Housing and Community Development (DHCD) maintains a Subsidized Housing Inventory (SHI) that reports on the amount and status of subsidized housing by community. Each subsidized unit's affordability is deed protected for a specific period of time. Most are in perpetuity, but many of the earlier ones are very limited and are being sold off for market rate prices as they become available, their affordability lost. For their report on Natick, as of September 2008, DHCD reported that the affordability requirement in 236 rental units of Sherwood Village will expire in 2014. However, in discussions with the Town, the owner is committed to maintaining the property as affordable as long as HUD funds the Section 8 subsidy voucher program. The SHI list provided by DHCD also indicates 6 units will lose their affordability requirement in Natick Village in 2042. As mentioned earlier, the Town has recently approved 127 affordable ownership units and 184 affordable rental units that will be added to the SHI over the next year. In addition, all of the 764 rental units will be counted towards the SHI as designated by 40B, resulting in an additional 891 SHI units before the 2010 census.

5. Property Tax Policies

Natick's residential tax rate, which is the same for commercial, has changed annually. In 2008 it was set at \$10.01 per \$1,000 value for property; \$9.58 in 2007, \$10.02 in 2006, and \$10.60 in 2005. Natick's tax policy grants an exemption from tax for certain qualified individuals/families. Qualification includes age, veteran's status, veteran's disability, blindness, extreme hardship, orphan or spouse of police or fire person killed on duty. Some further qualifications apply for total assets, income and property ownership.

Abatements are reviewed by the Board of Assessors. An appeal concerning the denial of this exemption by the Board of Assessors can be filed with the State Appellate Tax Board.

The Town conducts a systematic re-evaluation of property values every three years, as required by state law. The Town also updates its records and assessments every year based on current sales activity.

Natick has a three member Board of Assessors which is elected. Presently, there are 2 females and one male. Currently, no minorities have been elected to the Board of Assessors.

6. Planning and Zoning Boards



The Planning Board is an elected board whose jurisdiction includes:

- Approving, modifying, or rejecting proposed subdivision applications;
- Approving, modifying, or refuting proposed special permit applications for commercial development in the Regional Corridor (RC) and Highway Corridor (HC) Overlay Districts in the environs of Route 9;
- Endorsing or rejecting applications for "Approval Not Required" plans;
- Advancing Zoning Bylaw recommendations for Town Meeting action;
- And advising Town Meeting on all Zoning Bylaw changes proposed by other entities or persons.

There are five regular members of the Board and one associate member. One of the regular members is female. Currently, no minorities have been elected to the Board.

The Zoning Board of Appeals (ZBA) consists of five regular members and three associate members, all appointed by the Board of Selectmen. Five members sit on each case brought before the Board. One member must be an attorney, one must (if feasible) be a qualified architect, and one must if feasible be a civil engineer or master builder. Appointments are for 5 years and are offset so that a replacement occurs annually. The ZBA hears and decides the following petitions:

- Appeals in accordance with Chapter 40A, Section 8 (Appeals to permit granting authority);
- Special Permits for those uses for which the ZBA is the Special Permit Granting Authority in accordance with Chapter 40A, Section 9 (Special permits);
- And variances from the Natick Zoning Bylaws in accordance with Section 10 of Chapter 40A (Variances).

Currently there is one minority and one female appointed to the ZBA. There has been no indication that decisions by these bodies are discriminatory.

7. Building Codes

The Town of Natick adheres to the Massachusetts State Building Code, which is currently going through a revision process. The Seventh edition is expected to be adopted in 2009. The Town also adheres to the regulations of the Massachusetts Architectural Access Board. As an example of the applicability of these regulations, all residential units in a rental or for-sale building containing three or more dwelling units must be adaptable without structural change to be accessible to persons with disabilities. A total of 5% of units in rental housing containing at least 20 units must be similarly adaptable but also include additional requirements and 2% of the units in rental housing containing at least 20 units must incorporate sleeping accommodations (visual alarms and visual notification devices) for persons who are hearing impaired.

B. Private Sector in Natick

1. Rental Market

The Boston Globe, The Natick Bulletin and TAB, and the MetroWest Daily News are three publications of broad circulation that cover Natick. These publications noticeably displayed the HUD Fair Housing notice in their classified sections. There were no ads in either publication that intended to “steer” clients on the basis of race, religion, familial status etc. Affirmative Housing Plans also require affordable units be advertised in alternative media outlets including foreign language circulars and newspapers. Natick is included in the circulation for El Mundo (Hispanic), The Bay State Banner (Black), and Sampan (Asian). Ads are posted in these papers when required.

Virtually all of the state of Massachusetts experienced a relatively tight rental market in the past 7 years with significant qualification barriers, including first and last month’s rent and damage deposit upon signing the lease. . The market has loosened somewhat over the past 18 months. However, rental property owners continue to require deposits, complete credit checks and often look for rental references.

In the course of this study, three real estate offices in Natick were visited by the housing consultant. One office did not have a fair housing statement on prominent display, as required by law. In another office, the broker interviewed indicated that Section 8 clients were regularly rejected for rental application because of issues concerning the treatment of rental units by Section 8 tenants. In a separate interview with the Greater Boston Association of Realtors a staff member indicated that if there was a discriminatory issue in the metro area, it probably concerned source of income, specifically Section 8.

While the limits of this study did not allow a systematic audit of real estate businesses in Natick, it is apparent from this anecdotal evidence that current real estate and rental practices are either not informed or potentially in violation of Fair Housing law.

2. Real Estate Sales

The Greater Boston Association of Realtors, a division of the Greater Boston Board of Realtors, serves residential brokers in the Boston metro region. There are three related formal approaches to fair housing at the Association. First, the Association assists anyone applying for a new license with course work that includes Federal and state fair housing law. Second, if a realtor joins the association after having obtained their license, they participate in orientation classes that include fair housing law. Finally, continuing education is required for license renewal. Courses that are part of the continuing education include fair housing.

3. Lending Policies and Practices

The Home Mortgage Disclosure Act (HMDA) requires lending institutions to publically report residential loan data. The data is aggregated and reported by the Federal Financial Institutions Examination Council (FFIEC), which is a federal interagency body. The data is reported by census tract and for the purposes of this document, was aggregated by the



consultant for the Town as a whole. The data considered below was from three years of HMDA reporting on Natick loans.

Table IV-5 HMDA - APPLICATIONS BY PURPOSE 2005-2007 Natick, MA				
YEAR	HOME PURCHASE	HOME IMPROVEMENT	REFINANCE	TOTAL LOAN APPLICATIONS
2005	1,503	273	1,966	3,742
2006	1,138	268	1,625	3,031
2007	990	257	1,389	2,636
Total	3,631	798	4,980	9,409

Data compiled by Dan Cahill, Consultant, 2008

In 2007, there were 2,636 loan applications and of those 990 were for a home purchase (See Table IV-5). This represented a significant decline of about one third over the 3 year period.

Table IV-6 HMDA - ACTION TAKEN ON OWNER OCCUPIED HOME LOAN APPLICATIONS 2005-2007 Natick, MA									
YEAR.	LOANS ORIGINATED	LOANS PURCHASED	NOT ACCEPTED	LOANS DENIED	LOANS WITHDRAWN BY APPLICANT	CLOSED AS INCOMPLETE	MISSING REASON	TOTAL LOAN APPLICATIONS	DENIAL RATE
2005	1,817	725	173	331	439	58	0	3,543	9.34%
2006	1,426	615	175	349	266	73	0	2,904	12.02%
2007	1,183	660	153	320	143	44	0	2,503	12.78%
Total	4,426	2,000	501	1,000	848	175	0	8,950	11.17%

Data compiled by Dan Cahill, Consultant,

Mortgage lenders can take one of several actions after an application is received (See Table IV-6). “Originated” means that the loan was accepted and closed. “Loan purchased” means that the previously originated loan was purchased on the secondary market. “Approved but not accepted” indicates that the loan was approved by the lender, but not accepted by the applicant. Often an applicant will find better terms at another lender or for other reasons not complete the transaction. “Application denied by financial institution” is self explanatory, as is “application withdrawn by applicant.” On occasion, an applicant will not complete an application or critical information cannot be obtained, leaving the application in the category “closed as incomplete”. For the Natick Fair Housing Plan, only loan originations and denials were examined. In Natick over the three year period considered, the denial rate averaged 11.17%, a fairly low overall rate by national standards.

**Table IV-7
HMDA - DENIAL RATES ON HOME LOAN APPLICATIONS BY
RACE/ETHNICITY
Natick, MA**

Race/Ethnicity	2005	2006	2007	Total
American Indian/Alaskan Native	33.33%	20.00%	40.00%	30.77%
Asian	7.79%	7.41%	16.95%	10.53%
Native Hawaiian or Pacific Islander	0.00%	0.00%	50.00%	16.67%
Black	19.61%	29.73%	36.59%	27.91%
Hispanic (Ethnicity)	6.98%	20.31%	28.57%	16.58%
White	8.70%	13.80%	13.00%	11.48%
Other/ Not Provided	10.92%	7.90%	9.52%	9.43%
Total	9.34%	12.02%	12.78%	11.17%

Data compiled by Dan Cahill, Consultant,

Table IV-7 indicates the denial rates for Natick by race and ethnicity. The two groups with the lowest denial rates are Whites and Asians, although the denial rate for Asians was high in 2007. Few applications were received in two of the categories (American Indian/Alaskan Native; Native Hawaiian or Pacific Islander), so the validity of any trend in those categories is questionable. In 2006 and 2007 the denial rate was over 20% for both Blacks and Hispanics. However, the category “Other/ Not Provided” could influence these numbers by a significant factor of another 7 to 11%, including White denial rates. Unfortunately this category introduces an average margin of error of at least 9% or close to half the reported denial rates in many of these cases. There are several reasons a person may elect this category which could include their option not to discuss race/ ethnicity or their selection of two or more races.

**Table IV-8
HMDA - DENIAL REASONS BY RACE 2005-2007
Natick, MA**

Denial Reason	Asian	Black	Hispanic	White	Other/ Not Provided	Total
Debt-to-income ratio	8	6	6	102	33	155
Employment history	0	1	0	7	0	8
Credit history	3	2	11	118	31	165
Collateral	11	4	8	64	33	120
Insufficient cash	1	1	0	4	10	16
Unverifiable information	2	0	8	31	1	42
Credit application incomplete	11	3	1	89	19	123
Mortgage insurance denied	0	0	0	2	0	2
Other	8	5	10	112	69	204
Missing Reason	10	16	10	207	49	292
Total	54	38	54	736	245	1,127
Percent Missing reason	19%	42%	19%	28%	20%	26%

Data compiled by Dan Cahill, Consultant,



HMDA reporting includes some data on loan denial reasons. Unfortunately, lenders are not required to complete this field so the data is incomplete and should be viewed with that in mind. For the data received, the three categories that ranked high for denial of loan applications for Blacks and Hispanics were debt-to-income ratio, credit history and collateral. For the latter reason, typically, the loan amount exceeds the value of the property. The debt-to-income ratio indicates that either income is insufficient to support the debt payments or other debt (credit cards, car payments, etc) along with the mortgage debt exceeds acceptable limits. Credit history likely indicates problems with existing mortgage, credit card or installment (car) payments.

Mortgage lenders active in the Natick market, typically fall into one of three categories; Banks, including savings and loan associations; credit unions; and mortgage companies. The credit unions and mortgage companies do the majority of mortgage lending in Natick. First time homebuyers also turn to MassHousing, a quasi-public agency charged with providing affordable housing to low and middle income residents. The agency issues tax-exempt bonds for home mortgage to borrowers qualified by income. Other lenders depend on “secondary markets” to purchase their mortgages, although some lenders retain the mortgages as well as the servicing. No individual lender has more than 10 percent of the mortgage market in Natick.

Currently, a financial crisis has developed across the nation because of home mortgage lending practices. Aggressive origination practices have meant that many households have defaulted on mortgage debt. This debt had been packaged by the quasi public agencies, Freddie Mac and Fannie Mae and many Wall Street firms. In early September 2008, the Federal government took over Freddie Mac and Fannie Mae, two agencies whose purpose was to purchase, hold, or sell mortgage loans that had been originated by private lenders. The effects on the finance industry and government rescue efforts are still evolving.

Sub-prime lending has increased in the nation and Massachusetts targeting in particular low income areas. Responsible subprime lending is a legitimate, licensed business. Subprime lenders make credit available to borrowers otherwise unable to finance a home purchase. To do this, the subprime lender charges higher interest rates and fees. As a subset of subprime lenders, predatory lenders use deceptive sales practices, and charge excessively high rates and fees. Lending practices of predatory lenders can often strip away accumulated equity of home owners who often do not understand their commitment. Many times the borrower loses their home. In 2004, Massachusetts enacted a Anti-Predatory Lending Law designed to curb predatory lending practices in the state. The law’s strongest protections are provided on what it defines as high-cost loans – loans that exceed its high-cost thresholds for either the ‘points and fees’ or the annual percentage rate (APR). The law’s ‘points and fees’ threshold is set at 5% of the loan amount. Among other provisions, the law limits pre-payment penalties.

Table IV-9 HMDA - HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY SUB-PRIME LENDER - 2005 to 2007 Natick, MA				
	2005	2006	2007	Total
Applications Taken	639	411	420	1,470
As percentage of all applications	22%	16.5%	20.2%	19.7%
Applications Denied	129	118	131	378
Denial rate	20.19%	28.71%	31.19%	25.71%

Data compiled by Dan Cahill, Consultant,

According to HMDA filings, sub-prime lenders had a substantial share of the home mortgage market in Natick, averaging 20% over the past three years (See Table IV-9).

Unfortunately, subprime lenders had a higher percentage of loans among Blacks and Latinos, according to available surveys and HMDA data, but neither national, state, nor local data for this statistic could be provided in this report.

There was no evidence in the official record, the public hearing, or the numerous consultations that there is discrimination in mortgage origination in Natick, relative to minorities. However, their denial rate appears, based on inconclusive data, to be higher than the white population. Reasons given for the denials, as indicated in a previous chart, include debt-to-income ratio, collateral, credit history, and not provided.

The recommended fair housing program (see Section VI) in Natick must work to insure discrimination is not occurring in the Natick homebuying market and that homeownership and rental opportunities are available – with financing for ownership – to all home seekers who can qualify.

Homeowner classes are offered in the Natick area primarily by SMOC, though several local communities, including Natick, are proposing classes as well. Fair housing law is discussed in these classes.

(Note: For efforts in the public and private sector for Fair Housing Enforcement, Informational Programs and Visibility in Housing see Sections II and IV above and Section V to follow.)

4. Housing Affordability

Housing affordability, while not directly an issue of discrimination, is a critical issue for Natick and Massachusetts. Impediments to fair housing choice in Massachusetts are more lengthy and include any actions, omissions or decisions taken because of race, color, religion, national origin, sex, familial status, disability, marital status, age, military or veteran status, and sexual orientation; or source of income that restrict housing choices or the availability of housing choice and do not include “housing affordability”.



Nonetheless, affordability is a key issue for the private and public (non-profit) housing sectors. Moderate and particularly low income individuals and families cannot afford rent or purchase prices.

Single family home prices have risen dramatically and have increased from 1993 to 2006. In fact in the three year period from 2003 to 2006 the median sales price of a single family home increased 19%. In the year from 2006 to 2007 the median sales price declined by \$21,900 to \$398,000. Year to date statistics indicate that price has continued to decline. The median sale price year-to-date in August, 2008 was \$376,000. There is a significant difference between the sales price of a one family detached home in Natick and a condominium in the Town. For instance, year-to-date as of August 2008, the median price of a one family detached home in Natick was \$420,000; the median sale price of a condominium was \$225,000. The Warren Group, publisher of Banker and Tradesmen provided the above research.

Affordable housing is likely to become more widely available with current residential developments coming on line in Natick. As noted above, these developments will include 184 affordable rental units and 127 affordable homeowner units. These developments will serve renters and homebuyers who earn approximately 80% of the Area Median Income. These developments will not, however, serve renters and homebuyers who are low-income or very low-income.

V. Assessment of Current Public and Private Fair Housing Programs and Activities in Natick

Nationally, a growing body of empirical evidence dealing with the extent of rental housing and mortgage lending discrimination has resulted from the use of “tests” or audits. These audits are not the simplistic interviews mentioned earlier as being used by the consultant, but rather have been designed to objectively identify both blatant and subtle forms of discrimination. Elsewhere in the nation they have been administered in a systematic fashion across a wide range of issues to yield meaningful results.

HUD has conducted several national fair housing studies. The most recent, Housing Discrimination Study 2000 (HDS2000) was designed to “provide updated national estimates of adverse treatment against Blacks and Hispanics and to measure change in the incidence of differential treatment since 1989.” HUD did extensive testing as part of the 1989 Housing Discrimination Study. Phase one of this study conducted testing in twenty individual metropolitan areas to measure adverse treatment against Blacks and Hispanics. HDS2000 found that metropolitan areas throughout the country had some measure of discrimination in both rental and sales markets. However, there was a marked decline in discriminatory incidents from 1989 to 2000. “The overall incidence of consistent white-favored treatment dropped by 4.8 percentage points, from 26.4 percent in 1989 to 21.6 percent in 2000.” Unfortunately, the rental market for Hispanics was the one area where there was not favorable change and whites were favored in 25.7 percent of tests.

In 2005, the City of Newton contracted with the Fair Housing Center of Greater Boston to conduct a Fair Housing Audit. The Audit was conducted in late 2005 and early 2006. The Center published a report titled “Housing Discrimination Audit Report to the City of Newton” on March 31, 2006, which has been outlined below. This effort and the findings of the report are potentially relevant to Natick because although Newton is not contiguous to Natick, both communities share in the Metro West housing market and at least some of the same real estate brokerage offices serve both communities. In addition Newton administers the HOME program, which requires fair housing plans/activities of its recipients.

Concept of Fair Housing Testing

Testing is a controlled method of measuring and documenting discrimination. Testing includes: information and services offered or given to home seekers by housing providers. As stated in the audit, “a test is designed to reveal difference in treatment and to isolate the cause of that difference.” Testing is used by the real estate industry and lending institutions as well as public entities. Court review has upheld the legitimacy of testing evidence in housing discrimination.

Testing at the Fair Housing Center (the Center)

The Center does testing with matched pairs of testers. Volunteers are trained to record interactions with a housing provider. Testers are not told what form of discrimination they are testing and work is supervised by a test coordinator.



City of Newton Audit – Rental

During the months of September and October 2005, the Fair Housing Center conducted twenty-four paired rental tests at real estate agencies and management companies with units in the City of Newton, a community within the West Metro HOME Consortium, but several miles and two communities from Natick. The tests were designed to reveal whether their rental practices showed any signs of discrimination against prospective tenants. The Fair Housing Center conducted testing for discrimination against four protected classes, familial status, source of income (involving Section 8 vouchers), race (involving Blacks), and national origin (with prospective tenants of different national origin backgrounds). Overall, rental testing showed discrimination in 11 of the 24 paired tests conducted, or 45.8%.

Three out of six real estate agencies demonstrated evidence of discrimination based on race (50%). Four out of six real estate agencies demonstrated evidence of discrimination based on national origin. Two cases were involving Latino Americans and two cases were involving Caribbean Americans (66%). Two out of six real estate agencies demonstrated evidence of discrimination based on familial status (33%). Two out of six real estate agencies demonstrated evidence of discrimination based on source of income involving Section 8 housing voucher (33%).

City of Newton Audit - Homeownership

In January and February 2006, the Fair Housing Center conducted 10 paired sales tests at real estate agencies listing properties for sale in the City of Newton. The Fair Housing Center conducted testing for discrimination against Blacks and Latinos. Overall, the Fair Housing center found evidence of discrimination in 4 of the 10 tests conducted. Three revealed evidence of discrimination based on race or national origin. A fourth test showed evidence of familial status discrimination in the form of a discriminatory statement made to one tester.

Two out of the two tests pairing Latino and White homebuyers showed evidence of discrimination based on national origin (100%).

One out of eight tests pairing Black and white homebuyers showed evidence of discrimination based on race (13%). In four out of these eight tests, the realtor offered more information to the Black homebuyer compared to her white counterpart (50%).”

Because of the pattern of discrimination, the City of Newton instituted an education program that included communities in the West Metro HOME Consortium. This program included meetings and presentations at the local level. The Town of Natick had not participated with the West Metro HOME Consortium in Fair Housing programs at this time.

VI. Conclusions and Recommendations

Action 1: Charge the Community Development Advisory Committee (CDAC) with the responsibilities of a Fair Housing Committee

Natick does not presently have an oversight mechanism for Fair Housing. The designation of the CDAC to serve as this committee will accomplish several items:

- Create a forum for discussion of issues
- Give representation and formal input to affected parties, including minorities, and those with disabilities
- Institutionalize program accountability

The work of the committee should include review and implementation of the Fair Housing Plan and participation in monitoring activities for Fair Housing efforts.

Timetable: FY 2009

Responsibility: Board of Selectmen

Action 2: Designation of a Fair Housing Officer

Natick currently does not have a Fair Housing Officer and should designate staff to serve in this role. This staff person can be responsible for providing support to the Fair Housing Committee. The Fair Housing Officer should be responsible for maintaining records, including complaints. The Fair Housing Plan can become the core element to start a fair housing program with records built on program implementation and committee meetings.

Timetable: FY 2009

Responsibility: Town Administrator

Action 3: Provide an outreach program for landlords/ real estate professionals and tenants, to insure compliance with fair housing requirements and an understanding of the penalties for violations.

The Town of Natick will institute an outreach program to landlords/ real estate agencies and tenants to insure they understand the Fair Housing Law and actions available in the case of discrimination. Outreach could be distributed via flyers, mailings, Town website, and local access cable and further education would include a yearly workshop/seminar on issues.



Timetable: FY 2009

Responsibility: Town of Natick, in conjunction with Section 8 housing providers, including the South Middlesex Opportunity Council, Inc., and the Natick Housing Authority.

Action 4: Participate more actively with the City of Newton and other HOME Consortium members on Fair Housing programs.

Natick is a member of the West Metro HOME Consortium. The City of Newton, which administers the HOME Program, has an extensive Fair Housing Program. The City has conducted Fair Housing Audits and information programs, some of which have extended to other Consortium members.

The Town can host workshops and meetings on Fair Housing conducted by the Consortium. The Town can circulate invitations to those meetings to relevant boards including the Fair Housing Committee, the Commission on Disability, the Board of Selectmen and others. The Town can locally advocate actions by the Consortium. For instance, a web site on fair housing can efficiently be made accurate and up to date by using a central web site for all Consortium members' communities.

Timetable: FY 2009

Responsibility: Community Development Department

Action 5: Implement an on-going Fair Housing Information Program

This program should mostly address the owners of small rental developments of less than 20 units. These owners are present in large number in Natick and may be unaware of or intimidated by fair housing laws. The information program could include:

- Public meetings with appropriate speakers (i.e., Massachusetts Commission Against Discrimination, Commission on Disabilities, attorneys who practice housing law)
- Mailings (with other mail distributed by Town departments)
- Newspaper articles
- Web based information
- Local Access Cable

Given the number of rental developments of 2-4 units owned by landlords, one of the program targets should be the small residential landlord. The designated Fair Housing Committee, with staff, could formulate a public information program and incentives to attract these local landlords and tenants.

Timetable: FY 2010

Responsibility: Fair Housing Committee

Action 6: Provide education on non-profit programs in home improvement and housing counseling

Because a large segment of the Town's housing stock needs improvements including lead abatement, the Town should provide education on non-profit agencies that assist in home improvement. Lead present in homes is considered a health hazard to children under 6 years of age. Many tenants face discrimination from landlords who fear the cost of upgrading their rental units. MassHousing administers programs which assist owners and landlords in financing home improvements including lead abatement (Get the Lead Out), weatherization and accessibility (Home Improvement Loan Program), and foreclosure assistance (Home Saver Foreclosure Prevention Program)

The Town should provide education on the Housing Consumer Education Center, partnered with South Middlesex Opportunity Council, Inc (SMOC). The Center offers first-time homebuyers classes and other workshops including financial literacy, how to be a good tenant, and how to do a housing search. The Center also works with households threatened with foreclosure.

Timetable: FY 2010

Responsibility: Community Development Department, the Board of Selectmen, the Town Administrator, and the designated Fair Housing Committee

Action 7: Facilitate complaints to the Massachusetts Commission Against Discrimination (MCAD).

Develop a policy that assists residents and others in filing a complaint with MCAD

Timetable: FY 2010

Responsibility: Community Development Department and Town Administrator's office.

Action 8: Improve public outreach to encourage community diversity through appointments to boards

Numerous town boards and committees make decisions that impact housing in Natick. The boards should ideally reflect the nature of the community.



Two critical decision making boards, the Board of Assessors and the Planning Board, are elected, whereas the Zoning Board of Appeals is appointed by the Board of Selectmen. The Town should reach out to encourage community diversity through appointments to boards, and all citizens should be encouraged to run for elected office.

Timetable: FY2010

Responsibility: Board of Selectmen



VII. Signature Page

The undersigned, as Town Administrator and Chairman of the Board of Selectmen of the Town of Natick, hereby recognizes the receipt of the Fair Housing Plan as of the indicated date.

Martha White, Town Administrator, Town of Natick

Date

John Ciccariello, Chairman, Board of Selectmen, Town of Natick

Date



APPENDIX

Minutes of Public Hearing, August 11, 2008.....	A-2
List of Consultations by Dan Cahill, Consultant	A-4



Agenda

Date: August 11, 2008, 2:30 pm

Location: Natick Town Hall

Introduction: Patrick Reffett, Director, Community Development Department

Presenter: Dan Cahill, Consultant

Public Comment

Patrick Reffett, Director of Community Development Department for the Town of Natick (the Town), started the meeting. He indicated the public hearing was a part of the Fair Housing planning process to analyze impediments to fair housing. He said that there is a lot to do in the field of housing including affordable housing. We need to evaluate the “good bad and ugly” and determine how to make things better. The meeting today was advertised by notice in the newspaper, web site and posted on bulletin boards. This project is required by HUD in order to receive HOME funding. He then introduced Dan Cahill, the Consultant who is working on the Plan.

Mr. Cahill reviewed the reasons for the Plan. HOME funding is provided by the U.S. Department of Housing and Urban Development (HUD), which requires this review.

The Fair Housing Plan is also known as the Analysis of Impediments and is intended to identify any patterns of discrimination in the provision of housing. The Plan then formulates a strategy to address that discrimination. The “protected classes” for the Federal government concern: race, color, ethnicity, religion, familial status (number of minor children), mental or physical disability, sex. In Massachusetts, that list is augmented by: marital status, sexual orientation and source of income. Mr. Cahill reviewed the methodology for the plan which



included data research, consultations on the subject of housing, a review of public records (particularly the Massachusetts Commission Against Discrimination) and this public hearing.

Mr. Cahill then reviewed a socio-economic profile of Natick including total population, racial composition, and median income by race, and additional information on housing. He also indicated that there was no identifiable pattern of discrimination by location, according to the latest available census information. He then reviewed areas of possible impediments including zoning, transportation, tax policy, real estate and mortgage lending and several other areas.

After the presentation, there was a discussion. Laura Senior, a member of the Natick Community Development Advisory Commission, asked for further information on the kinds of people/groups that Mr. Cahill would be approaching. Mr. Cahill then reviewed information expected from groups such as the Massachusetts Commission Against Discrimination, HUD and the Dept of Justice. He also reviewed other individuals and agencies that he would be contacting. Ms. Senior suggested that groups for the disabled might be on the list. She also suggested other groups later in the meeting.

There was further discussion at this point on the issue of foreclosures. Also discussed was the issue of new "40B" developments in the town and the narrow income qualification required for affordable units.

Patrick also indicated that there was one group home that had recently located in the town.

After some further discussion on this program, the public hearing ended.



Consultations

Town of Natick

Community Development Department
Assessor's Office
Handicapped Commission
Engineering Department
Fire Department

Natick Housing Authority

Advocates, Inc.
City of Newton
Fair Housing Center of Greater Boston
Greater Boston Real Estate Board
Greater Boston Real Estate Board
MassHousing
Massachusetts Bay Transportation Authority
Massachusetts Department of Housing and Community Development
MetroWest Regional Transit Authority
Natick Real Estate Firms
Poulty Homes
The South Middlesex Opportunity Council, Inc. (SMOC)
U.S. Dept. of Housing and Urban Development – Boston Office