



Town of Natick

2018 Fall Annual Town Meeting

FINANCE COMMITTEE RECOMMENDATION BOOK - SUPPLEMENT #2

October 23, 2018

Greetings to all Town Meeting Members and Citizens of Natick,

The Finance Committee Chair wishes to advise Town Meeting Members that Natick Finance Committee has additional recommendations for articles appearing on the warrant for 2018 Fall Annual Town Meeting.

The Finance Committee heard Articles 1 and 32 on October 22, 2018 in a public hearing held at Natick Town Hall in the School Committee Room. Specifically, the Finance Committee took up:

- Article 1, primarily as a reconsideration of the prior Finance Committee actions from October 4, 2018.
- Article 32, which was, in part, a continuation of the public hearings from September 25 and October 9 and additionally then a reconsideration of prior Finance Committee recommendations for certain motions under that article.

More detail and information relating to Finance Committee action, on these articles, is contained on the following pages of this Supplement, under the respective Article's discussion, recommendations and votes.

The Finance Committee wishes to thank Town Administration for their time and effort into preparing the materials to support the additional Public Hearing last evening. As well, Finance Committee appreciates the support and patience of Town Meeting Members and the residents of Natick as the committee worked to gather additional information, data, reports and testimony, in order to leverage the most recent and up-to-date materials for last night's meeting. Through-out that effort, it's hoped that it hasn't been a significant inconvenience for any Town Meeting member.

Barring something unexpected the Finance Committee has completed its public hearings for all Articles under the 2018 Fall Town Meeting Warrant.

Respectfully provided on behalf of the Finance Committee,

Patrick Hayes
Finance Committee Chair

Attachments: Article 1: Motions A-D
Article 32: Motions A-D



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ARTICLE 1 Fiscal 2019 Omnibus Budget (Town Administrator)

The Finance Committee heard Article 1 on October 22, 2018 in a public hearing held at Natick Town Hall in the School Committee Room. Specifically, the Finance Committee took up Article 1, primarily as a reconsideration of the prior Finance Committee actions from October 4, 2018.

Town Meeting members will recall that Town Meeting has already taken affirmative action on Article 1, Motion A. Motion B's main motion is on the floor and in debate at Town Meeting. However, throughout the previous two nights of Town Meeting, members had asked for additional information, data and understanding of Tax Levy, Free Cash and the proposed actions under Article 1 inclusive of all motions.

As well, some Town Meeting members, and some Finance Committee members were seeking a venue to have this additional information presented in a manner that would allow for more expansive discussion and vetting of the facts and the strategy behind certain decisions made by Town Administration and proposed to Town Meeting. With that, a Finance Committee member requested an agenda item to hear reasons for possibly reconsidering Article 1 inclusively, during a previously proposed meeting on October 22.

During the Finance Committee public hearing last evening the Town Administration presented further detail on some key financial information, and members of the Finance Committee, as well as citizens in attendance asked questions and received information across these key financial data impacting Article 1, including:

- Free Cash and New Growth, including:
 - Updated information on the certified Free Cash and certified New Growth amounts
 - The timing of documenting and certifying the amounts and of receiving this information
 - The general and specific considerations on the Town's ability to use such Free Cash and New Growth for current year fiscal budgets (i.e. FY 19) and roll-over of unallocated Free Cash to a future fiscal year's Free Cash certification
 - Additional discussion on the proposed 2018 FATM spend down plan, previously presented at FTM and the proposed earmarking of Free Cash for the FY 2020 Operating Budget
 - *The current Free Cash Certification Table including the Spend Down Plan has been provided by Town Administration in a separate document to Town Meeting*
- FY 2019 Budget Reconciliation, including
 - A review of the Budget Reconciliation worksheet
 - Detailed discussion through presentation and Q&A on the worksheet line items



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- Further discussion and decisions on additional adjustments to be made to the worksheet to reflect additional information
- The reflected changes to the estimated excess Tax Levy
- The rationale and formula for determining the Tax Levy “cushion” to adjust for rounding errors of the expect Tax Rate
- An acknowledgement by Town Administration that if Town Meeting:
 - Does act favorably on Article 1, Motion B as proposed then means the Town will have a \$136,419 excess levy capacity
 - Doesn't act favorable then the Town is currently in excess of the limits of Proposition 2 and 1/2. Such circumstance would underscore importance of doing the West Natick Fire Station as a debt-exclusion
 - It is critical to note that Town Administration would not have allowed the Town of Natick to have exceeded the limits of Proposition 2 ½ in any way. Further, the Town Administration:
 - Values its relationship with the Department of Revenue and would not have submitted such information to the DOR without first expending energy to reconcile the situation through appropriate means
 - Would have worked with the Board of Selectmen to call a Special Town Meeting, before the end of the calendar year, to use the appropriate process to remediate the situation through Town Meeting action
- *The current FY 2019 Budget Reconciliation Worksheet has been provided by Town Administration in a separate document to Town Meeting*
- Capital Stabilization Fund, including
 - Discussing the Town Administrations previously proposed and Town Meeting appropriated funding for the fund at 2018 FTM
 - The general strategy and approach for the funding level including key benefits as they relate to the anticipated Municipal Bond Borrowing Offering to be done by the Town
 - Puts and Takes of increasing or decreasing the appropriated amount in favor of other options and strategies

At the conclusion of the discussion and Q&A period, and after hearing from citizens in attendance and the Finance Committee accepted the financial recommendations of the Town Administration as previous provided.

In order to provide guidance to Town Meeting the Finance Committee voted to reconsider Article 1 in its entirety, in order to align the Finance Committee recommendations with the prior action of Town Meeting on Article 1 Motion A; the current Main Motion for Article 1, Motion B currently in front of Town Meeting; and then the proposed motions for Motions C and D. That motion passed by a vote of 11-0-0.



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Finance Committee then took further action under Article 1, Motions A-D with motions and recommendations as detailed below.

FINANCE COMMITTEE RECOMMENDATIONS (from October 22, 2018)

Motion A:

By a vote of **11-0-0** on **October 22, 2018** the Finance Committee votes *Favorable Action* to *Reaffirm the Town Meeting prior action* on Article 1, Motion C, which is the motion as printed below:

Move that the Town vote to increase the appropriation voted by the 2018 Spring Annual Town Meeting under article 7 by the sum of \$272,935, said sum to be distributed as follows:

- **To supplement the Public Works budget as voted under Article 7 Motion C of the 2018 Spring Annual Town Meeting by adding \$11,701 to the DPW Administration Salaries and by adding \$1,475 to the DPW Engineering Salaries.”**
- **To supplement the Board of Selectmen budget as voted under Article 7 Motion E of the 2018 Spring Annual Town Meeting by adding \$18,259 to Board of Selectmen Salaries.**
- **To supplement the Finance budget as voted under Article 7 Motion E of the 2018 Spring Annual Town Meeting by adding \$2,500 to Finance Salaries.**
- **To supplement the Affordable Housing Trust budget as voted under Article 7 Motion F of the 2018 Spring Annual Town Meeting by adding \$30,000 to Affordable Housing Trust Expenses.**
- **To supplement the Insurances & Benefits budget as voted under Article 7 Motion G of the 2018 Spring Annual Town Meeting by adding \$25,000 to Other Personnel Services - Merit / Performance**
- **To supplement the Board of Selectmen’s budget as voted under Article 7 Motion E of the 2018 Spring Annual Town Meeting by adding \$134,000 to Contract Settlements.**
- **To supplement the Legal budget as voted under Article 7 Motion E of the 2018 Spring Annual Town Meeting by adding \$50,000 to Expenses.**



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With the above Budget be raised from following sources:

Tax Levy of Fiscal Year 2019 \$272,935

Motion B:

By a vote of **11-0-0** on **October 22, 2018** the Finance Committee recommends *Favorable Action* on Article 1, Motion B, which is currently the Main Motion on the floor at Town Meeting and that motion is as printed below:

Move that the Town vote to decrease the appropriation voted by the 2018 Spring Annual Town Meeting under article 7 by the sum of \$1,694,125, said sum to be distributed as follows:

- **To reduce the Debt Service budget as voted under Article 7 Motion G of the 2018 Spring Annual Town Meeting by reducing the Principal line item by \$700,000 and Interest line item by \$994,125.**

With the above Budget be reduced from the following sources:

Tax Levy of Fiscal Year 2019 \$1,694,125

Motion C:

By a vote of **11-0-0** on **October 22, 2018** the Finance Committee recommends *Favorable Action* on Article 1, Motion C, with the motion as printed below:

Move that the Town vote to decrease the appropriation voted by the 2018 Spring Annual Town Meeting under article 7 by the sum of \$60,000, said sum to be distributed as follows:

- **To reduce the Water & Sewer Debt Service budget as voted under Article 7 Motion H1 of the 2018 Spring Annual Town Meeting by reducing the Principal line item by \$40,000 and Interest line item by \$20,000.**

With the above Budget be reduced from the following sources:

Water and Sewer User Fees \$60,000



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Motion D:

By a vote of **11-0-0** on **October 22, 2018** the Finance Committee recommends *No Action* on Article 1, Motion D, with the motion as printed below:

Move No Action



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ARTICLE 32

Amend Natick Zoning By-Laws: Inclusionary Affordable Housing Requirements (Planning Board)

Article 32 was continued from the public hearings on September 25 and October 9. At the October 9 meeting the Finance Committee voted Favorable Action on two of the four proposed motions. Two additional motions received no recommendation. A more comprehensive write up of the previous action by the Finance Committee under this article was contained in Supplement #1, distributed to Town Meeting last week.

Two working session were held between October 10 and October 22, wherein the Planning Board representative and the Community & Economic Development Department staff made consider progress in working with Finance Committee members to further vet the proposed motion language and to address deficiencies and expressed issues with the motions. It was determined from that effort that Finance Committee should give due consideration to the revised motions lacking a recommendation and to reconsider the prior votes for Favorable Action in light of the changes made to those motions.

On October 22 the Finance Committee again took up Article 32. The committee heard from the Finance Committee member who was part of the working group taking action over the past two weeks. The committee was advised of the various changes made to the proposed motions. The committee also heard from the sponsors as well. It was requested to reconsider the article.

Finance Committee voted favorably- 11-0-0, to Reconsider the subject-matter of Article 32 in its entirety,

Following some brief discussion, the Finance Committee then took a series of votes on motions Recommending Favorable Action for each of the four proposed motions under Article 32. These recommendations and the proposed motions are on the following pages.



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By a vote of **11-0-0** on **October 22, 2018** the Finance Committee recommends *Favorable Action* on Article 32, Motion A, with the motion as printed below:

Motion A:

MOVE to amend Section 200 - DEFINITIONS of the Natick Zoning Bylaws replacing the existing definition of ‘Affordable Housing Units’ with the following:

“Affordable Dwelling Units: Dwelling units that meet all the requirements of Affordable Housing. Also referred to as Affordable Units.”

and by inserting new definitions for ‘Buildable Land’, ‘Eligible Household’, ‘Fee-in-lieu-of Units’, ‘Initial Rent of an Affordable Dwelling Unit’, ‘Initial Sales Price of an Affordable Dwelling Unit’, ‘Median Income’, ‘Phased or Segmented Housing Development’, ‘Residential Project’, and ‘Total Development Cost’ as follows:

“Buildable Land: A parcel or parcels of property developable for the equivalent number of affordable units for which a building permit may be obtained to construct one or more dwelling units under the provisions of the Natick Zoning Bylaw. The parcel(s) must be developable for this purpose under existing zoning and subdivision regulations without variances or waivers of any kind, including those from other bodies having regulatory authority over the development of any portion unless such variances or waivers have already been obtained.”

“Eligible Household: A household whose total income does not exceed 80% of the Median Income, adjusted for household size, consistent with the requirements of 760 CMR 56.”

“Fee-in-lieu-of units: The fee paid to the Natick Affordable Housing Trust in lieu of the construction or provision of affordable units in Residential Projects, determined as a percentage of the Initial Sales Price of an Affordable Dwelling of identical size to the average number of bedrooms in dwellings proposed for the Residential Project.”

“Initial Rent of an Affordable Dwelling Unit: The initial rent of an Affordable Unit shall be determined to ensure that monthly rent payments and all utility charges shall not exceed thirty percent (30%) of household income of up to seventy percent (70%) of monthly Median Income.”

“Initial Sales Price of an Affordable Dwelling Unit: The initial sales price of an Affordable Unit shall be determined to ensure that the monthly housing payment



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shall not exceed thirty percent (30%) of household income of up to seventy percent (70%) of monthly Median Income. Calculation of the initial sales price shall include debt service at prevailing mortgage loan interest rates, calculated according to standards of the Local Initiative Program or other program administered or authorized by the Department of Housing and Community Development), condominium or related fees, property insurance, mortgage insurance (if required), real estate taxes, and parking fees (if any). The Initial Sales Price shall not exceed the Maximum Initial Sales Price, as defined in the MassHousing 40B Affordability Monitoring Handbook.”

“Median Income: The Eligible Household income limit entitled “Area Median Income,” as set forth in or calculated according to regulations promulgated by the United States Department of Housing and Urban Development pursuant to Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, determined annually for the Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area and adjusted for family size, or if such income standard no longer exists, such other equivalent income standard as determined by the Massachusetts Department of Housing and Community Development.”

“Phased or Segmented Housing Development: A Residential Project containing dwellings on one lot or two or more adjoining lots in common ownership or common control for which special permits or building permits are granted within a period of ten years from the first date of approval for any special or building permits for the Residential Project.”

“Residential Project: Development projects with residential uses including, but not limited to, 1, 1A, 2, 3, 4, 5, and 50B Listed in Use Regulation Schedule III-A.2 and residential overlay districts (including developments with a mix of residential and non-residential uses) subject to the requirements of Natick’s Inclusionary Zoning Bylaw. This definition does not apply to dwellings developed in a Smart Growth Overlay (SGO) district under the provisions of Section III-A.6.C. “

“Total Development Cost: The sum of all costs for site acquisition, relocation (if applicable), design, engineering, environmental testing and remediation, demolition, construction, interest, and carrying charges necessary to produce the required number of complete, habitable Affordable Dwelling Units required by this bylaw.”



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“Unregulated Dwelling Units: Dwelling units that are not intended to meet the requirements of Affordable Housing, either for rental or homeownership.”

Motion B. proposes to replace, eliminate, or modify the following sections within the Natick Zoning Bylaw that relate to minimum affordable housing requirements, affordability requirements, affordable housing provisions, and/or other affordable provisions/requirements (either local or related to 760 CMR 56)

By a vote of **11-0-0** on **October 22, 2018** the Finance Committee recommends ***Favorable Action*** on Article 32, Motion B, with the motion as printed below:

Motion B:

MOVE to amend the definition of ‘Residential Use 4.*’ in Section III-A.2 – USE REGULATIONS SCHEDULE of the Natick Zoning By-Laws, by replacing the words “provided that at least 10% of the total number of dwelling units, or such greater percentage as may be specified elsewhere in this By-Law are Affordable Dwelling Units.” with “subject to and compliant with the provisions of Section V-J.”, replacing the word “Housing Units” with “Dwelling Units” and replacing the word “A” with ”P+” in the columns respectively entitled “RM” and “PCD”, so that the pertinent portion of Section III-A.2 – USE REGULATIONS SCHEDULE now reads:



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<i>RESIDENTIAL USE</i>	<i>RG</i>	<i>RM</i>	<i>RS</i>	<i>PCD</i>	<i>SH</i>	<i>AP</i>	<i>DM</i>	<i>CII</i>	<i>INI</i>	<i>INII</i>	<i>H</i>
4.* Multiple family building types for not less than three (3) dwelling units in any one building, such as: apartment houses and/or town houses, subject to and compliant with the provisions of Section V-J.	<i>O</i>	<i>P+</i>	<i>O**</i>	<i>P+</i>	<i>A</i>	<i>O</i>	<i>(*)</i>	<i>O</i>	<i>O</i>	<i>O</i>	<i>O</i>

By a vote of **11-0-0** on **October 22, 2018** the Finance Committee recommends *Favorable Action* on Article 32, Motion C, with the motion as printed below:

Motion C:

MOVE to amend the Natick Zoning By-Laws, as follows:

In Section III-A.6.A.3 – INCLUSIONARY HOUSING OPTION PROGRAM (IHOP), by:

- deleting the phrase “Provided that additional units are granted by the Planning Board under the foregoing provision, then” in the first paragraph,
- replacing the words “Affordable Housing Units” in the first paragraph with the words “Affordable Dwelling Units”,
- inserting, after the word “alternatives,” in the first paragraph, the words “consistent with the provisions of Section V-J of this bylaw and”
- replacing the figure “10%” in the table with “15%, consistent with the provisions of Section V-J”,
- inserting in two places in the table, after the phrase “Natick Housing Authority” the phrase “or other appropriate public agency, as determined by the SPGA”,



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- replacing the words “Income Eligible Households” in the table with the words “Eligible Households, consistent with the provisions of Section V-J”,
- replacing the words “be used for Affordable Housing” in the table with the words “the Natick Affordable Housing Trust for Affordable Housing, consistent with the provisions of Section V-J”,
- replacing the words “the construction costs of the particular units” in paragraph b) with “Total Development Costs of the units”
- replacing the words “Income Eligible Households as defined in 760 CMR 56” in paragraph b) with the words “Eligible Households”,
- replacing the words “Affordable Housing Units” following “development as” in the seventh paragraph with the words “Affordable Dwelling Units, consistent with the provisions of Section V-J” and
- replacing the words “Income Eligible Households as defined in 760 CMR 56” in paragraph c) with the words “Eligible Households” and, in the same paragraph, replacing the words “Income Eligible Household” with “Eligible Household”

so that Section III-A.6. A.3 now reads:

“3- Affordable Dwelling Units shall be provided in any one of the following alternatives, consistent with the provisions of Section V-J of this bylaw and subject to approval of the Planning Board:

- A) By Donation to the Natick Housing Authority or other appropriate public agency, as determined by the SPGAA minimum of 15%, consistent with the provisions of Section V-J ***
- B) By Sale to the Natick Housing Authority or other appropriate public agency, as determined by the SPGAA minimum of 15%, consistent with the provisions of Section V-J ***
- C) By sale directly to Eligible HouseholdsA minimum of 15%, consistent with the provisions of Section V-J ***
- D) By cash payment to the Natick Affordable Housing Trust for Affordable Housing, consistent with the provisions of Section V-J****



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Notes: * = % of total units in development, rounded up to the next whole number

**** = Amount is determined by professional valuation methods as the equivalent value to the units which otherwise would have been provided within the development as Affordable Dwelling Units, consistent with the provisions of Section V-J.**

a) Units to be donated to the Natick Housing Authority are subject to the approval of the Natick Housing Authority, and of the applicable federal or state funding agency.

b) Units set aside for sale to the Natick Housing Authority shall be offered at prices which do not exceed the greater of: (i) Total Development Costs of the units, or (ii) the current acquisition cost limits for the particular units under applicable state or federal financing programs. If the Natick Housing Authority is unable to purchase the set-aside units at the time of completion, the units shall be offered for sale to Eligible Households.

c) Units set aside for sale directly to Eligible Households shall be offered only to those households which qualify or meet the definition of Eligible Household.”;

and in Section III-A.6. A.4 – INCLUSIONARY HOUSING OPTION PROGRAM (IHOP) by adding after the words “moderate income households” in the second sentence the words “, consistent with the provisions of Section V-J of this bylaw.”, and removing the third, fourth and fifth sentences, so that Section III-A.6. A.4 now reads:

“4- Each affordable unit created in accordance with this section shall have limitations governing its resale. Such limitations shall have as their purpose to preserve the long-term affordability of the unit and to ensure its continued availability to low or moderate income households, consistent with the provisions of Section V-J of this bylaw. Such restrictions may also provide that the Natick Housing Authority shall have a prior right of purchase at the price determined according to the restriction for a period of thirty (30) days after the unit is placed on sale. Notice of any proposed sale shall be given to the Planning Board and to the Natick Housing Authority.”;



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and in Section III-A.6. A.5 – **INCLUSIONARY HOUSING OPTION PROGRAM (IHOP)** of the Natick Zoning By-Laws by replacing in the first sentence the words “for a period of six (6) months from the date of first offering for sale, be offered on a 50%-50% basis,” with the words “, consistent with the provisions of Section V-J, and particularly V-J.5.E, of this bylaw.”, and removing the second, third and fourth sentences of this section, so that Section III-A.6. A.5 now reads:

“5- Affordable Units to be offered for sale under the IHOP provisions shall be offered to residents of the Town of Natick and to persons employed within the Town of Natick, consistent with the provisions of Section V-J, and particularly V-J.5.E, of this bylaw.”;

and in Section III-A.6. A.6 – **INCLUSIONARY HOUSING OPTION PROGRAM (IHOP)** by replacing the words “Affordable Housing Units” in each instance where the term appears in the section with the words “Affordable Dwelling Units”, and replacing the term “Affordable Housing” with “Affordable Dwelling Units”, so that Section III-A.6. now reads:

“6- In addition to any requirements under Site Plan Review, the Special Permit, or Subdivision approval, an applicant must submit a development plan acceptable to the Planning Board plan indicating how the parcel could be developed under the underlying zoning (i.e. a baseline plan). Any bonus granted shall be calculated from the baseline plan. The development plan showing the bonus units shall also indicate the proposed Affordable Dwelling Units, which must be dispersed throughout the parcel to ensure a mix of market-rate and Affordable Dwelling Units. Affordable Dwelling Units shall have an exterior appearance that is compatible with, and to the extent that is possible, indistinguishable from the market rate units in the development. Affordable Dwelling Units shall contain at least two (2) bedrooms and shall be suitable as to design for family occupancy. The owners of Affordable Dwelling Units shall have all of the rights and privileges accorded to market rate owners regarding any amenities within the development.”;

and in Section III-A.6. B.1 – **HOUSING OVERLAY OPTION PROGRAM (HOOP) – PURPOSE** by replacing the words “Income Eligible Households as defined in 760 CMR 56” in each instance where the term appears in the section with the words



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“Eligible Households”, and inserting after the words “in a manner consistent with” in the first sentence the words “both the provisions of Section V-J and” so that Section III-A.6. A.6 now reads:

“1. PURPOSE

The purpose of this Housing Overlay Option Plan is to create overlay districts in selected areas of the Town in order to enhance the public welfare by increasing the production of dwelling units affordable to Eligible Households in a manner consistent with both the provisions of Section V-J and the character of the downtown area. In order to encourage utilization of the Town’s remaining developable land in a manner consistent with local housing policies and needs, new housing developments in the HOOP Districts are required to contain a proportion of dwelling units affordable to Eligible Households.”;

and in Section III-A.6. B.8 –HOUSING OVERLAY OPTION PROGRAM (HOOP) – AFFORDABILITY by replacing the words “The Planning Board shall adopt rules and regulations regarding” in the second sentence with the words “The provisions of Section V-J of this bylaw shall govern” and by replacing the words “Affordable Housing Units” in each instance they occur with the words “Affordable Dwelling Units”, and by adding after the words “employees of the Town of Natick” the words “consistent with the provisions of Section V-J” and by replacing the words “permitted under the Massachusetts General Laws and as approved by the SPGA” with the words “, consistent with the provisions of Section V-J”, so that Section III-A.6. A.6 now reads:

“8. AFFORDABILITY

a) Affordability shall be determined in accordance with the definition of Affordable Housing found in Section 200. The provisions of Section V-J of this bylaw shall govern the sale or rental of all Affordable Dwelling Units. Unless otherwise regulated by a Federal or State agency under a financing or other subsidy program, at least fifty percent (50%) of the Affordable Dwelling Units shall be initially offered to residents and/or employees of the



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Town of Natick consistent with the provisions of Section V-J. Residency and employment in Natick shall be established through Town Clerk certification.

b) All Affordable Dwelling Units shall be maintained as such in perpetuity, by the use of appropriate restrictions in deeds, lease provisions or other mechanisms, consistent with the provisions of Section V-J.”;

and, in Section III-D.1.d USE REGULATIONS FOR LC DISTRICTS, PERMITTED USES, by replacing the words “provided however that at least ten percent (10%) of the total number of units are Affordable Housing Units;” with the words “subject to and consistent with the provisions of Section V-J of this by-law.”, so that subsection III-D.1.d now reads:

“d. Multi-family building types for not less than three (3) dwelling units but not more than six (6) dwelling units building, such as: apartment houses and/or town houses, with no more than six (6) dwelling units per acre; subject to and consistent with the provisions of Section V-J of this by-law.”;

and, in Section III.E.2.b.1 DOWNTOWN MIXED USE DISTRICT, USES ALLOWED BY SPECIAL PERMIT ONLY, by replacing the phrase “ii) for projects with 3 to 6 total units at least 10% of the units are Affordable Housing Units; for projects that are 7 to 20 total units, at least 15% of the units are Affordable Housing Units; and, for projects that are 21 or more total units, at least 20% of the units are Affordable Housing Units;” with the phrase “ ii) all provisions of Section V-J are met to the satisfaction of the Special Permit Granting Authority; and”, so that Section III.E.2.b.1 now reads:

“1. Multi-family dwellings, provided that:

- i) the Special Permit Granting Authority specifically determines that adequate provision has been made for off-street parking;**
- ii) all provisions of Section V-J are met to the satisfaction of the Special Permit Granting Authority; and**
- iii) the total number of multi-family units shall not exceed the number computed by taking the:**



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- a. **Gross Land Area of the parcel times the Maximum Percentage Building Coverage**
- b. **multiplied by the number of floors in the building**
- c. **multiplied by the portion of the Gross Floor Area attributable to residential uses in the building**
- d. **divided by the Gross Floor Area in the building, and**
- e. **divided by 2,500**

And, in Section “III-F CLUSTER DEVELOPMENT ALLOWED IN CERTAIN DISTRICTS” replace in its entirety the paragraph entitled “AFFORDABILITY” before the Subsection Title “III-1.F TOWN HOUSE CLUSTER DEVELOPMENT”, with the words “AFFORDABILITY - Notwithstanding anything to the contrary, any Special Permit granted in accordance with this Section shall comply with the provisions of Section V-J.”, so that subsection III-F now reads:

“III-F CLUSTER DEVELOPMENT ALLOWED IN CERTAIN DISTRICTS

AFFORDABILITY - Notwithstanding anything to the contrary, any Special Permit granted in accordance with this Section shall be subject to and consistent with the provisions of Section V-J of this by-law.”;

and, in Section III-5. F.6 COMPREHENSIVE CLUSTER DEVELOPMENT OPTION-NUMBER OF DWELLING UNITS by replacing the words “At least ten percent (10%) of this total number of dwelling units shall be Affordable Housing Units as defined in Section 200 herein.” in the second sentence with the words “, subject to and consistent with the provisions of Section V-J of this by-law.”, so the sentence now reads:

“The maximum number of dwelling units allowed in a CCD shall equal the “Net Usable Land Area” within the parcel divided by 15,000 square feet then rounded to the nearest whole number, subject to and consistent with the provisions of Section V-J of this by-law.”;



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and, by replacing Section III-5.F.10 COMPREHENSIVE CLUSTER DEVELOPMENT OPTION-AFFORDABILITY, in its entirety and replacing it with the words:

“10. AFFORDABILITY

It is mandatory that a percentage of dwelling units in a CCD be sold, rented, or leased at prices and rates that are affordable to Eligible Households, subject to and consistent with the provisions of Section V-J:

a. Affordable Housing shall be determined in accordance with the definition of Affordable Housing found in Section 200. All Affordable Dwelling Units that are built shall be subject to and consistent with the provisions of Section V-J.”, so that III-5.F.10.a now reads:

“10. AFFORDABILITY

It is mandatory that a percentage of dwelling units in a CCD be sold, rented, or leased at prices and rates that are affordable to Eligible Households, subject to and consistent with the provisions of Section V-J:

a. Affordable Housing shall be determined in accordance with the definition of Affordable Housing found in Section 200. All Affordable Dwelling Units that are built shall be subject to and consistent with the provisions of Section V-J.”;

and, by replacing Section III-I.2.6 INDEPENDENT SENIOR LIVING OVERLAY OPTION PLAN - AFFORDABILITY REQUIREMENTS, in its entirety with the following: **“AFFORDABILITY REQUIREMENTS: The Applicant shall make provision for affordable housing by complying with all the requirements of Section V-J. The provisions of this section may be satisfied, at the option of the Applicant, by providing for the maintenance and monitoring of a 10% affordability requirement of the total units in an ISLF instead of the designation and restriction of particular specific units within an ISLF if such ISLF is composed entirely of rental units.”, so that the Section now reads:**

“2.6 AFFORDABILITY REQUIREMENTS: The Applicant shall make provisions for affordable housing by complying with all the requirements of Section V-J. The provisions of this section may be satisfied, at the option of the



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Applicant, by providing for the maintenance and monitoring of a 10% affordability requirement of the total units in an ISLF instead of the designation and restriction of particular specific units within an ISLF if such ISLF is composed entirely of rental units.”

and, in the first sentence of Section III-I.1.8 ASSISTED LIVING RESIDENCES - AFFORDABILITY REQUIREMENTS, by replacing the phrase “the Applicant shall make a one-time payment to the Affordable Housing Trust Fund of Natick in an amount equal to a formula of \$75 multiplied by the total number of square feet of area in living units in the ALR. This payment shall be required notwithstanding the fact that the Town may have reached an exemption level of production of affordable units in any year.” with the phrase “the Applicant shall be subject to and comply with all provisions of Section V-J of this by-law.”, so that the Section now reads:

“8. Affordability Requirements: Unless a determination has been made satisfactory to the SPGA that the living units of the ALR do not affect the Town’s Statutory Minima or the Town’s Computation of Statutory Minima as defined and/or set forth in 760 CMR 56 and as maintained by the Commonwealth of Massachusetts Department of Housing and Community Development (DHCD), the Applicant shall be subject to and comply with all provisions of Section V-J of this by-law.”

and, in Section III-J.3 – Historic Preservation-Permitted Uses, by inserting the phrase “, subject to and consistent with the provisions of Section V-J:” after “the following additional uses” and deleting in its entirety the paragraph that begins “Provided however that for any project”, so that the subsection now reads:

“3. Permitted Uses. Any use permitted as a matter of right or under a special permit in the District as set forth in the Table of Use Regulations may be undertaken on a parcel to which this Section III-J is to be applied; however, the SPGA may grant a special permit to allow the following additional uses, subject to and consistent with the provisions of Section V-J:

- 1. Town Houses;**
- 2. Apartment House;**



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3. Home Occupation/Customary Home Occupation

and, in Section 323.3 **HIGHWAY OVERLAY DISTRICTS - Certain Multifamily Residential Uses**, by replacing “assisting living facilities” with “Assisted Living Residences” in the first line of the first paragraph; by replacing the word “Unless” that appears after the phrase “*Affordability Requirements:” in the first line of third paragraph with “All development in a Highway Overlay District shall be subject to and consistent with the provisions of Section V-J unless”; and deleting the phrase “the assisted living facilities,” in the third line of the third paragraph; and deleting all language following “(DHCD)”; and replacing the comma following (“DHCD”) with a period; so that subsection 323.3 **Certain Multi-family Residential Uses** now reads:

“In the RC district, hotels, motels, Assisted Living Residences*, Elderly Family Residences* may be allowed by Special Permit granted by the Planning Board, subject to all requirements of the underlying district(s), and modified by the dimensional and other intensity regulations of Sections 324 and 326. Combinations of such residential and non-residential uses may also be allowed in the RC district, subject to the requirements of each individual use as set forth elsewhere in this Bylaw.

The provisions of Section 323.1.9, and not this section, shall be applicable to a mixed-use development, including the residential component, in a Regional Center Mixed-Use Development.

*** Affordability Requirements: All development in a Highway Overlay District shall be subject to and consistent with the provisions of Section V-J unless a determination has been made satisfactory to the SPGA that living units of Assisted Living Residences and Elderly Family Residence do not affect the Town’s Statutory Minima or the Town’s Computation of Statutory Minima as defined and/or set forth in 760 CMR 56 as maintained by the Commonwealth of Massachusetts Department of Housing and Community Development (DHCD).”**

and, in Section VI-DD.2.A.a.1 **SPECIAL PERMIT PROCEDURES AND SITE PLAN REVIEW-SPECIAL PERMITS**, by inserting “Inclusionary Housing Special Permit



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(IHSP)” at the end of the list of districts and programs for which the Planning Board acts as Special Permit Granting Authority.

and in Section V-E WAIVERS AND MODIFICATIONS Section V-E.1.d - Purpose and Applicability, by replacing the word “or” as it appears after “1.f, 1.g” with a comma; and by adding “, or 1.i” after “1.h”; so that V-E.1.d now reads

d. Notwithstanding anything else in this zoning by law to the contrary, no waiver and/or modification may be granted unless either i) specifically exempted in 1.e, 1.f, 1.g, 1h, or 1.i below or ii) specifically complying with V-E 2, 3 and 4 below or allowed below in connection with grants of allowable bonus density or intensity.” ; and

In Section V-E.1 - Purpose and Applicability, by adding a new section as follows:

“i. This section shall not apply to Section V-J.4.B Density Bonus where necessary to permit any additional unregulated units granted under this section to be constructed on the locus site.”

By a vote of **11-0-0** on **October 22, 2018** the Finance Committee recommends *Favorable Action* on Article 32, Motion D, with the motion as printed below:

Motion D:

MOVE to amend the Natick Zoning Bylaws by inserting a new section entitled “Section V-J. Inclusionary Affordable Housing Requirements” after “Section V-I. Outdoor Lighting”, so that Section V-J now reads:

“SECTION V-J INCLUSIONARY AFFORDABLE HOUSING REQUIREMENTS

V-J.1 Purpose and Intent

In addition to the purpose and intent set forth in Section 100 and Section 108 of the Natick Zoning Bylaw, the purpose of this bylaw is to encourage development of new housing that is affordable to eligible households. At



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minimum, affordable housing produced through this regulation should be in compliance with the requirements set forth in G.L. c. 40B sect. 20-23 and 760 CMR 56 or other affordable housing programs developed by federal, state, county and local governments so that the affordable dwelling units that result from this bylaw can be considered as Local Initiative Units, in compliance with the requirements for the same as specified by the Commonwealth's Department of Housing and Community Development (DHCD).

V-J.2 Applicability of Mandatory Provision of Affordable Units

- A. Pursuant to G.L. Chapter 40A, sect. 9, the inclusionary affordable housing requirements of this section for the mandatory provision of affordable units shall apply to the following:**
- 1. Any Residential Project, including Phased or Segmented Housing Developments, that results in a net increase of two (2) or more dwelling units, whether by new construction or by the alteration, expansion, reconstruction, or change of existing residential or non-residential space; and**
 - 2. Any Residential Project involving subdivision of land for development of two (2) or more dwelling units under an IHSP; and**
 - 3. Any Residential Project that includes two (2) or more assisted living units and accompanying services, unless a determination has been made satisfactory to the SPGA that such living units do not affect the Town's Statutory Minima or the Town's Computation of Statutory Minima as defined and/or set forth in 760 CMR 56 as maintained by the Massachusetts Department of Housing and Community Development (DHCD).**

V-J.3 Special Permit

The development of any Residential Project set forth in Section V-J.2 shall require the grant of an Inclusionary Housing Special Permit (IHSP) from the Planning Board as the Special Permit Granting Authority (SPGA). If the development of a Residential Project is allowed As-of-Right, the Applicant may elect to develop said



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Project under an IHSP according to the provisions of Section V-J.4.B. A Special Permit may be granted if the proposal meets the requirements of this bylaw and Section VI-DD.2.A.

Since it is the intent of this bylaw to prohibit the subdivision of land or phasing of development to avoid the requirements of this section, it shall be presumed that land held in common ownership at the time this bylaw is approved shall be included for the purposes of calculating the number of affordable units to be provided. It shall also be presumed that phased developments of land held in common ownership shall be considered in its totality rather than as separate projects. These presumptions are rebuttable only upon credible evidence to the contrary. Further, if the SPGA determines that an applicant has established surrogate or subsidiary entities to avoid the requirements of this Section, a special permit shall be denied.

V-J.4 Mandatory Provision of Affordable Units

- A. As a condition of approval for a Special Permit, the Applicant shall contribute to the local stock of affordable units in accordance with the following requirements and as illustrated in Table V-J.4:**
- 1. At least fifteen (15) percent of the units in a Residential Project on a division of land or multiple unit development subject to this bylaw, rounded up to the nearest whole number and exclusive of additional dwellings allowed under Section V-J.4.B, shall be established as affordable dwelling units in any one or combination of methods provided for below:**
 - a) constructed or rehabilitated on the locus subject to the Inclusionary Housing Special Permit (IHSP) (see Section V-J.5) in Residential Projects with six (6) or more net new dwelling units; or**
 - b) constructed or rehabilitated on a locus different than the one subject to the IHSP (see Section V-J.6) in Residential Projects with six (6) or more net new dwelling units; or**
 - c) an equivalent fee-in-lieu of units may be made (see Section V-J.7); or**
 - d) An applicant may offer, and the SPGA may accept, provision of buildable land in fee simple, on or off-site, that the SPGA in its sole**



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discretion determines is suitable for the construction of affordable dwelling units.

- 2. At least twenty (20) percent of the units in a Residential Project on a division of land or multiple unit development with thirty (30) or more units in the Downtown Mixed Use district subject to this bylaw, rounded up to the nearest whole number and exclusive of additional dwellings allowed under Section V-J.4.B, shall be established as affordable dwelling units in any one or combination of methods provided for above in V-J.4.A.1.**
- 3. As a condition of approval for an Inclusionary Housing Special Permit, the SPGA may specify to an Applicant the combination of requirements described in Section V-J.4.A.1 to be used to satisfy compliance with the mandatory provision of affordable units. The applicant may offer, and the SPGA may accept, any combination of the requirements described in Section V-J.4.A.1 (a) - (d) provided that in no event shall the total number of units or the value of land provided be less than the equivalent number or value of Affordable Dwelling Units required by this bylaw. Non-acceptance of an offer by the SPGA does not release the Applicant from compliance with all provisions of this bylaw. The value of any combination of the Section V-J.4.A.1 (a) - (d) requirements provided by an applicant shall always be equal to or greater than the Total Development Cost of affordable units required by this bylaw. The SPGA may require, prior to accepting land as satisfaction of the requirements of this bylaw, that the applicant submit an appraisal of the land in question, prepared by a Massachusetts-certified appraiser and dated within six (6) months of the application, as well as other data relevant to the determination of equivalent value. Affordable Dwelling Units produced on-site, off-site, or contributed through fees-in-lieu or buildable land may consist of a mix of housing types, except as provided for below:**
 - a) In Residential Projects, including Phased and Segmented Developments, comprising six (6) or more single-family dwellings, only Section V-J.4.A.1 requirements (c) and (d) may be offered by the applicant and accepted by the SPGA. For such single-family Residential Projects, the value of Section V-J.4.A.1 requirement (c) offered by the applicant shall equal 100% of the Total Development**



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Cost of affordable units required by this bylaw, while the value of Section V-J.4.A.1 requirement (d) offered by the applicant shall equal 110% of the Total Development Cost of affordable units required by this bylaw.

- b) In Residential Projects, including Phased and Segmented Developments, which result in a net increase of two (2) to five (5) dwelling units, in lieu of the requirements of Section V-J.4.A.1 a), b) or d), the Applicant shall contribute funds to the Natick Affordable Housing Trust. Such funds shall be used to assist households to occupy Affordable Dwelling Units in Natick, including the construction, purchase, or rehabilitation of such units consistent with this section in lieu of the Applicant constructing and offering affordable units within the locus of the proposed development or at an off-site locus, consistent with Section V-J.4.A.1.

Table V-J.4 Mandatory Provision of Affordable Units, by Residential Project Type

<i>Residential Project, type:</i>	Methods for fulfilling Mandatory Provision of Affordable Units, Section V-J.4.A.1
<p><i>Multi-family dwellings, or mix of single-, two-, or multi-family dwellings (Projects with 6 or more units)</i></p> <p><i>Section V-J4.A.1</i></p>	<p>a) Provision of Affordable unit(s), on site</p> <p>b) Provision of Affordable unit(s), off-site*</p> <p>c) Provision of fee-in-lieu of units payment</p> <p>d) Provision of buildable land</p> <p style="text-align: right;"><i>*at 110% of value of on-site unit</i></p>



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<p><i>Single-family dwellings only (Projects with 6 or more units)</i></p> <p><i>Section V-J4.A.3 (a)</i></p>	<p>c) Provision of fee-in-lieu of units payment</p> <p>d) Provision of buildable land</p>
<p><i>Single-, two-, or multi-family dwellings (Projects with 2-5 units)</i></p> <p><i>Section V-J4.A.3 (b)</i></p>	<p>c) Provision of fee-in-lieu of units payment</p>

4. As a condition for the granting of an Inclusionary Housing Special Permit (IHSP), all affordable dwelling units shall be subject to an affordable housing restriction and a regulatory agreement in a form acceptable to the SPGA. The regulatory agreement shall be consistent with any applicable guidelines issued by the Department of Housing and Community Development, shall ensure that affordable units are affordable in perpetuity, and shall ensure that affordable units can be counted toward the Natick Subsidized Housing Inventory. The regulatory agreement shall also address all applicable restrictions listed in Section V-J.9 of this bylaw. The Special Permit shall not take effect until the restriction, the regulatory agreement and the special permit are recorded at the Registry of Deeds and a copy provided to the SPGA and the Building Commissioner.

B. Density Bonus. For Residential Projects consisting entirely of single or two-family homes, or any other Residential Projects that are allowed As-of-Right in the zoning district underlying their location, that yield an increase of two (2) to five (5) net new dwelling units the SPGA may allow the addition of one (1) unregulated Dwelling Unit in return for fee-in-lieu payment as part of compliance with the IHSP process outlined in Section V-J.4.A.1. For Residential Projects consisting entirely of single or two-family homes, or that are allowed By-Right in the zoning district underlying their location, that yield an increase of six (6) or more net new dwelling units the SPGA may



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allow the addition of two (2) additional Dwelling Units for each Affordable Dwelling Unit provided as part of compliance with the IHSP process outlined in Section V-J.4.A.1. In order to accommodate those additional unregulated units on site, the SPGA may modify minimum lot sizes and any other intensity or density regulations, except height, normally required in Section IV.B in the applicable zoning district, to a maximum cumulative increase of 35% or, calculated separately, a maximum cumulative decrease of 35%. These shall be calculated according to the provisions of Section V-E.3, to accommodate up to two (2) additional Unregulated Dwelling Unit(s) on a site for each one (1) Affordable Dwelling Unit in compliance with the Inclusionary Housing Special Permit process in Section V-J.4.A, provided that the Floor Area Ratio of all units in the subject Residential Project not exceed 250% of the Maximum Lot Coverage permitted in the applicable zoning district under Section IV.B. The SPGA may place conditions on the number of bedrooms and other characteristics of additional Unregulated Dwelling Units permitted as part of compliance with the provisions outlined in Section V-J.4.A.

Example 1: An Applicant can build a Residential Project on a subdivision with five homes (As-of-Right) in an RSA zone. Under V-J.4.B, that Applicant could request an IHSP, under which they could build six homes (the original 5 unregulated units + 1 additional unregulated unit) and make a payment to the Natick Affordable Housing Trust as specified in Section V-J.7. The Floor Area Ratio (FAR) of each of these six units, as well as the units in total, could not exceed 0.625 (2.5 x Maximum Lot Coverage of 25% in the RSA zone).

Example 2: An Applicant can build a Residential Project on a subdivision with ten two-family homes with twenty dwellings (As-of-Right) in an RG zone. Under V-J.4.B, the Applicant could request an IHSP, which would require three (3) dwellings designated as Affordable Units, but would allow a total of twenty-six units (23 unregulated units + 3 affordable units) to be developed on the site. Alternatively, at the discretion of the SPGA, the Applicant makes some combination of off-site units, payment to the Natick Affordable Housing Trust, or a grant of buildable land, as specified in Sections V-J.6.A, V-J.7, and V-J.4.A.4, respectively in place of providing the



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three (3) affordable units on-site. The Floor Area Ratio (FAR) of each of these 26 units, as well as the units in total, could not exceed 0.625. (2.5 x Maximum Lot Coverage of 25% in the RSA zone).

V-J.5 Provisions Applicable to Affordable Dwelling Units On- and Off-Site

A. Siting of affordable units. All affordable units constructed or rehabilitated under this bylaw shall be distributed proportionately within the development so as not to be in less desirable locations than unregulated units in the development and shall, on average, be no less accessible to public amenities, such as open space, as the unregulated units.

B. Minimum design and construction standards for affordable units. All affordable units constructed or rehabilitated under this bylaw shall comply with the Design and Construction Standards for Local Initiative Units specified by the Department of Housing and Community Development in the Guidelines for the Local Initiative Program. Affordable dwelling units shall be integrated with the rest of the development, shall be proportionately distributed in terms of unit size/type and shall be comparable in exterior design, appearance, construction, and quality of materials with other units. Interior features of affordable units shall contain, at a minimum, complete living facilities including a stove, kitchen cabinets, plumbing fixtures, a refrigerator, a microwave oven, and access to laundry facilities. The interior finishes and features of affordable units may differ from those of market-rate units, provided that such finishes and features are durable, of good quality and consistent with current standards for new housing. The Planning Board reserves the right to consult with the Building Commissioner to verify the durability and quality of interior finishes proposed by the applicant and to require changes to better achieve comparability of units. All affordable dwelling units shall have an equivalent level of accessibility as that of the market-rate units.

C. Timing of construction or provision of affordable units or land. Affordable dwelling units shall be provided coincident to the development of market-rate units, but in no event shall the development of affordable units be delayed beyond the schedule noted below:



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Market-rate Unit (% Complete)	Affordable Housing Unit (% Required)
<30%	-
30% plus 1 unit	10%
Up to 50%	30%
Up to 75%	50%
75% plus 1 unit	70%
Up to 90%	100%

Fractions of units shall not be counted.

- D. Pricing of Affordable Units.** The household size figure used to calculate the Initial Sales Price or Rent of an Affordable Unit shall equal the number of bedrooms in each Affordable Unit plus one (1).
- E. Local Preference.** Unless otherwise regulated by an applicable Federal or State agency under a financing or other subsidy program, at least fifty percent (50%) of the affordable units shall be initially offered for 180 days in the following priority, to:
 1. Persons who currently reside within the Town of Natick;
 2. Persons who are employed by the Town of Natick;
 3. Persons who are employed by businesses located within the Town of Natick;
- F. Marketing Plan for Affordable Units.** Applicants under this bylaw shall submit a marketing plan or other method approved by the Town through its Housing Production Plan to the SPGA for its approval, which describes how the affordable units will be marketed to potential home buyers or tenants. This plan shall include a description of the lottery or other process to be used for selecting buyers or tenants.
- G. Condominiums.** Condominium documentation shall provide the owners of the Affordable Units with full and equal rights to all services and privileges associated with condominium ownership. Condominium fees shall be included in the calculation of Initial Sales Price in Section V-J.8.
- H. Legal Review.** All legal documents, including but not limited to: affordable housing deed riders, affordability restrictions, leases, condominium documents and/or homeowner’s agreements shall be subject to peer legal review by the SPGA, to be paid in full by the Applicant.



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V-J.6 Provision of Affordable Dwelling Units Off-Site:

- A. An applicant subject to this bylaw may develop, construct or otherwise provide affordable units offsite, valued at one hundred and ten percent (110%) of those required by Section V-J.4 and meeting all quality criteria outlined in Section V-J.5.B. All requirements of this bylaw that apply to on-site provision of affordable units, shall apply to provision of off-site affordable units. In addition, the location, housing type and character of the off-site units to be provided must be approved by the SPGA as an integral element of the Inclusionary Housing Special Permit review and approval process.**
- B. If the applicant's proposal involves existing dwelling units, the special permit application must demonstrate to the SPGA's satisfaction that the following conditions have or will be met prior to the issuance of any building permits for the Residential Project.**
 - 1. Evidence that the applicant owns or will own the premises**
 - 2. The dwelling unit(s) has/have no violations of the State Building Code or Article II of the State Sanitary Code**
 - 3. The dwelling units(s) has/have no lead paint hazards**
 - 4. The dwelling unit(s) is/are/will be vacant**
 - 5. No Eligible Households will be displaced permanently**
 - 6. No existing affordable dwelling units will be eliminated.**
- C. Approved off-site units shall also comply with the same project schedule, affordability provisions and marketing plan requirements that apply to the Residential Project units.**

V-J.7 Calculation of Fees-in-Lieu-of Affordable Dwelling Units

Calculation of fee-in-lieu-of units. For the purposes of this bylaw the fee-in-lieu of the construction or provision of affordable units shall be determined as a per-unit cost for all units in the Residential Project, calculated as: $0.125 \times$ Initial Sales Price of an Affordable Dwelling Unit of identical size (in terms



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of average number of bedrooms), and shall be payable on the same schedule set forth in Section V-J.5.C and in full prior to issuance of a final occupancy permit. The SPGA shall annually review the acceptable value of the fee in-lieu-of units according to maximum income levels promulgated by the Commonwealth's Department of Housing and Community Development.

Example 3: An Applicant proposes a Residential Project with four (4) two-bedroom single-family homes under an Inclusionary Housing Special Permit. Under V-J.4.A.3 (b), the Applicant would be required to pay a fee to the Natick Affordable Housing Trust equal to (4 dwellings x 0.125 x Initial Sales Price for an Affordable two-bedroom Dwelling Unit) as specified in Section V.J.4.A.3 (b)

The SPGA may reduce the applicable fee-in-lieu-of unit(s) charge by up to fifty percent (50%) for each dwelling in a housing development with initial rents or sale prices that are affordable to households earning 81-120% of Median Income, calculated according to standards promulgated by the Department of Housing and Community Development (DHCD), and in compliance with the household size provisions of Section V-J.5.D of this bylaw.

V-J.8 Maximum Incomes and Selling Prices: Initial Sale

- A. To ensure that only eligible households purchase affordable dwelling units, the purchaser of an affordable unit shall be required to submit copies of the last three years' federal and state income tax returns and certify, in writing and prior to transfer of title, to the developer of the housing units or his/her agent, and within thirty (30) days following transfer of title, to the local housing trust, community development corporation, housing authority or other agency as established by the Town, that his/her or their family's annual income level does not exceed the maximum level as established by the Department of Housing and Community Development (DHCD), and as may be revised from time to time.**
- B. The maximum housing cost for affordable units created under this bylaw is as established by the Department of Housing and Community Development (DHCD), as specified in the guidelines for the Local Initiative Program, or as revised by the Town.**



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V-J.9 Preservation of Affordability; Restrictions on Resale

A. Each affordable unit created in accordance with this bylaw shall have limitations governing its resale through the use of a regulatory agreement (Section V-J.4.A.4). The purpose of these limitations is to preserve the long-term affordability of the unit and to ensure its continued availability for affordable income households. The resale controls shall be established through a restriction on the property recorded at the Registry of Deeds and shall be in force in perpetuity. The terms “Base Income Number,” Resale Price Multiplier,” “Resale Fee,” “Approved Capital Improvements,” and “Maximum Resale Price” are as defined in the MassHousing 40B Affordability Monitoring Handbook.

- 1. Resale price. Sales beyond the initial sale to a qualified affordable income purchaser shall include the sum of**
 - i) the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, PLUS**
 - ii) the Resale Fee and any necessary marketing expenses (including the broker’s fees) as may have been approved by the Monitoring Agent, PLUS**
 - iii) Approved Capital Improvements, if any, made with the consent of the Town and Department of Housing and Community Development (DHCD).**

In no event shall the Maximum Resale Price be greater than the purchase price for which a credit-worthy Eligible Household could obtain mortgage financing (such purchase price as determined by the Monitoring Agent using the same methodology used by DHCD for its Local Initiative Program or similar comprehensive permit program). The Maximum Resale Price shall not be less than the purchase price paid for the Property by the owner unless the Owner agrees to accept a lower price.

- 2. Right of first refusal to purchase. The purchaser of an affordable housing unit developed as a result of this bylaw shall agree to execute a deed rider**



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prepared by the Town of Natick, consistent with model riders prepared by the Department of Housing and Community Development (DHCD), granting, among other things, the Town's right of first refusal to purchase the property in the event that a subsequent qualified purchaser cannot be located within 90 days of receiving notification.

3. The SPGA shall require, as a condition for an Inclusionary Housing Special Permit under this bylaw, that the applicant comply with the mandatory set-asides and accompanying restrictions on affordability, including the execution of the deed rider noted in Section V-J.9.A.2 above. The Building Commissioner shall not issue an occupancy permit for any affordable unit until the deed restriction has been recorded.

V-J.10 Periodic Review of Inclusionary Housing Requirements

In conjunction with the five-year update of the Town's Housing Production Plan, the Natick Affordable Housing Trust shall evaluate the Inclusionary Affordable Housing Requirements. Such evaluation shall include a report provided to the Board of Selectmen and the Planning Board reviewing factors such as changes in demographic characteristics and residential development activity, housing trends measured in terms of, but not limited to, vacancy rates, production statistics, prices for dwelling units, and affordability, and the relationship between Inclusionary Housing projects and all housing in Natick. The Natick Affordable Housing Trust shall also prepare an annual report to the Planning Board on the Inclusionary Housing Program.

V-J.11 Conflict with Other Bylaws

The provisions of this section shall be considered supplemental to existing zoning bylaws except for the provisions of Section III-A.6.C (Smart Growth Overlay (SGO)). To the extent that a conflict exists between this section and others, the more restrictive bylaws or provisions therein shall apply.



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V-J.12 Severability:

If any provision of this bylaw is held invalid by a court of competent jurisdiction, the remainder of the bylaw shall not be affected thereby. The invalidity of any section or sections or parts of any section or sections of this bylaw shall not affect the validity of the remainder of the Natick Zoning Bylaw.”

--END OF SUPPLEMENT #2--