Hudson Housing Production Plan

Prepared for **Town of Hudson**
Hudson, Massachusetts

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Watertown, Massachusetts

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1.0 Introduction

A Housing Production Plan establishes a proactive strategy for planning and developing affordable housing. This Housing Production Plan provides Hudson as a municipality that is currently over the 10 percent threshold of Chapter 40B with a strategy for continued compliance with State law. Staying above the 10 percent requirement provides housing options for a diversity of households and also gives the town more control over growth and development with respect to comprehensive permit projects. This Plan is design to meet the revised 760 CMR 56.03(4) HPP regulation that became effective on February 22, 2008.

Housing Production Plans are submitted for review and approval by Department of Housing and Community Development (DHCD). Communities with approved Plans that also increase the number of Subsidized Housing Inventory (SHI) eligible units may request that the Plan is in compliance and therefore eligible for certification by DHCD. Based on the established target numbers, municipalities may be certified for one year if it meets the 0.5 percent production goal or two years if it meets the 1 percent production goal. With such certification, a decision of a Zoning Board of Appeals (ZBA) to deny or approve with conditions a Comprehensive Permit application will be deemed "Consistent with Local Needs" pursuant to M.G.L. Chapter 40B. Because Hudson is above the 10 percent threshold, a certified plan is not necessary. However, the HPP is critical to ensuring the Town remains in compliance with the State law: as the number of housing units in Hudson grows, the Town will need to ensure that the number of affordable units also increases.

The Town of Hudson Housing Production Plan includes:

- An analysis of demographic and housing data for the Town of Hudson

- A comprehensive housing needs assessment;
- Affordable housing goals; and
- Implementation strategies.

Hudson is primarily a community made up of residential neighborhoods; housing is the most prevalent land use in Hudson. The cost and availability of housing deeply affects the quality of life of Hudson's residents, and it is a critical component that defines Hudson's character. While the housing in Hudson is affordable to many, the cost of housing is growing as a major share of household income. One of the primary housing goals of this Plan is to provide choices for people and therefore, diversity in housing type and price.

Following a summary of key issues and findings related to housing in Hudson, the first section of this Plan provides an overview of housing needs in Hudson. This section considers the Town's demographic profile, housing conditions, the market for housing in Hudson, the economic status of Hudson's households, and the environment in which the housing is located. It also looks at how the Town's demographics compared to those of the region, which includes comparable Massachusetts cities and towns.

The following sections discuss Hudson's affordable housing goals and implementation strategies, as well as key housing issues that have been identified by members of the community.

2.0 Issues and Key Findings

The following findings are key to the development of a comprehensive housing program for the Town of Hudson:

- The state goal for affordable housing under Chapter 40B requires 10 percent of a community's year-round housing stock to be affordable. According to the Massachusetts Department of Housing and Community Development (DHCD) Subsidized Housing Inventory (SHI from May 2014, Hudson has 918 units of SHI-eligble, affordable housing, which comprises 11.53 percent of year round housing units. The Town surpassed the 10 percent requirement with the progression of the construction of the 176 unit rental project on Cabot Road. [1]

- Ensuring ongoing compliance with the 10 percent threshold will require the preservation of existing units and the creation of additional housing

[1] Massachusetts Department of Housing and Community Development, Subsidized Housing Inventory. http://www.mass.gov/hed/community/40b-plan/subsidized-housing-inventory-shi.html. Accessed June 2014.

units. The Town's year round housing count is updated every 10 years with the decennial census. As the number of housing units grows, the number of affordable units will also need to increase.

- The town has a number of rental and homeownership units with use restrictions that will expire in the coming years. Preserving these units is important to maintaining affordable housing opportunities and maintaining compliance with the 10 percent goal.
- According to the latest U. S. Department of Housing and Urban Development (HUD) estimates, the fair market rent[2] for a household in Hudson is $1,444 for a two-bedroom and $1,798 for a three-bedroom.[3]
- The 2013 median sales price for a single-family home in Hudson hovers around $267,050.
- Demographically, Hudson is a small but growing community. As is true for many Commonwealth communities, the population is shifting more significantly towards the older population segments. Hudson is also a community of predominantly family households, and Hudson's housing stock consists of mostly single-family dwellings.
- While Hudson has some infrastructure issues that need to be addressed (and funding has been made available to address some of these needs) there is nothing significant enough to present a challenge to denser development.
- Currently, mass transit options are limited. While the Town recently joined the MetroWest Regional Transit Authority (MWRTA), the Town is not currently served by a fixed route public transit system.
- With the increase of the over 55 population **(**Figure 2**)**, there will be an increasing need for senior housing in Hudson. Hudson has met some of this need through zoning changes and development of over-55 communities, but there are currently no housing options for assisted living or nursing homes which allow residents to stay in the community as they age.
- Hudson should provide more housing options for young families and those in the 20 to 30 age bracket. By balancing housing options for various age groups, the community can create a more resilient housing market. This finding is consistent with the need for family housing that has been identified among state-level housing Subsidizing Agencies. A recent interagency agreement ("Bedroom Mix Policy") among state Subsidizing Agencies requires projects that are funded, assisted, or approved by a Subsidizing Agency to include at least 10% of the homes as three-bedroom units.

[2] Fair market rent refers to the rent, including utility allowances, determined by the U. S. Department of Housing and Urban Development for purposes of administering the Section 8 Existing Housing Program for individuals with low income.
[3] U.S. HUD. FY 2013 Fair Market Rent Documentation System. http://www.huduser.org/portal/datasets/fmr/fmrs/FY2013_code/2013summary.odn.

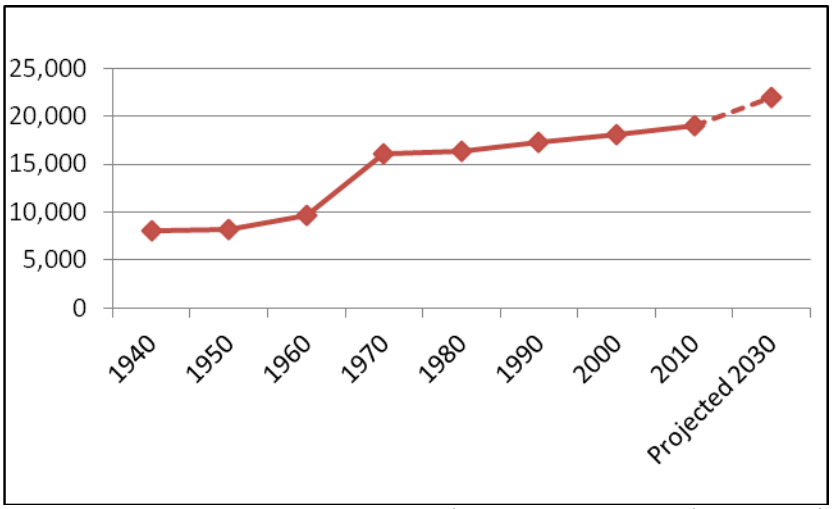
- Encouraging the development of housing downtown could attract both seniors and young people, and may be an opportunity to develop additional affordable housing in Hudson.

3.0 Housing Needs Assessment

3.1 Population and Demographic Profile

Hudson's population has steadily grown over the last six decades and is expected to continue growing through 2030, as shown in Figure 1. The population has more than doubled between 1940 and 1990 with the largest jump occurring between 1960 and 1970 (a 66 percent increase). The average rate of increase between 1990 and 2010 has been consistent and stable with a 5 percent increase in population each decade. Hudson's population is expected to continue with moderate sustained growth adding about 3,000 people between 2010 and 2030 (15 percent increase).

Figure 1 Hudson Population Over Time



Density is important to a community because it measures how crowded or dense the Town's population is. This in turn helps in making community decisions such as those related to infrastructure, public transit and sidewalks. With a total land mass of 11.9 square miles, Hudson's current population density is 1,601 people per square mile. This is an increase in density of about 5 percent since 2000 when the population density was 1,522 people per square mile. The eastern portion of Hudson contains the lowest density (or people per square mile) as this is the most rural area of town. The center of Hudson, or Downtown, contains the highest density.

Hudson's growth in recent years may be attributed in part to the construction of new housing units. The Town's schools and accessibility to major highways for commuting purposes and relatively affordable housing also make the Town an attractive community.

Between 1970 and 2010, Hudson grew at a faster pace than Middlesex County as a whole as shown in Table 1. Over the past decade, between 2000 and 2010, Hudson's growth rate (5.2 percent), which was faster than both Middlesex County (2.6 percent) and the state (3.9 percent).

Table 1 Population Comparisons by Region

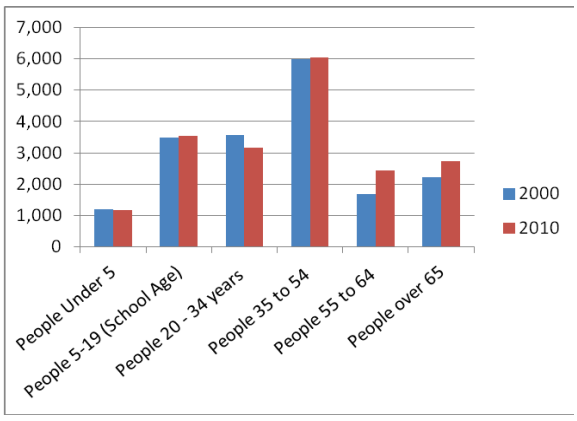
Region	1970	1980	1990	2000	2010
Hudson	16,084	16,408 (2.0%)	17,233 (5.0%)	18,113 (5.1%)	19,063 (5.2%)*
Middlesex County	1,398,397	1,367,034 (-2.2%)	1,398,468 (2.3%)	1,465,396 (4.8%)	1,503,085 (2.6%)
Massachusetts	5,689,000	5,737,000 (0.8%)	6,016,425 (4.9%)	6,349,097 (5.5%)	6,593,587 (3.9%)

Source: U.S. Census 1970, 1980, 1990, 2000, 2010

*The Town of Hudson keeps their own record of local population numbers. According to the Town Clerk, as of October 2013 Hudson contained a population of 18,769 people, 294 less than what was recorded by the Census in 2010.

Figure 2 shows the age breakdown of Hudson from 2000 to 2010. The Town's older populations – people 55 to 64 years old and 65 and up – are the fastest growing segments of the population, having increased 45 percent and 23 percent respectively since 2000 alone. This information suggests that Hudson's population is getting older, which is consistent with national trends that clearly demonstrate the "graying" of America. With the baby boomers reaching the age of 65, this trend will continue for at least the next generation. Moreover, this has significant planning implications in terms of housing, economic development, municipal and social services, and transportation options as the Town looks for ways to meet the needs of its aging population. The Town also may be attracting seniors through the new developments of 55 and over housing communities.

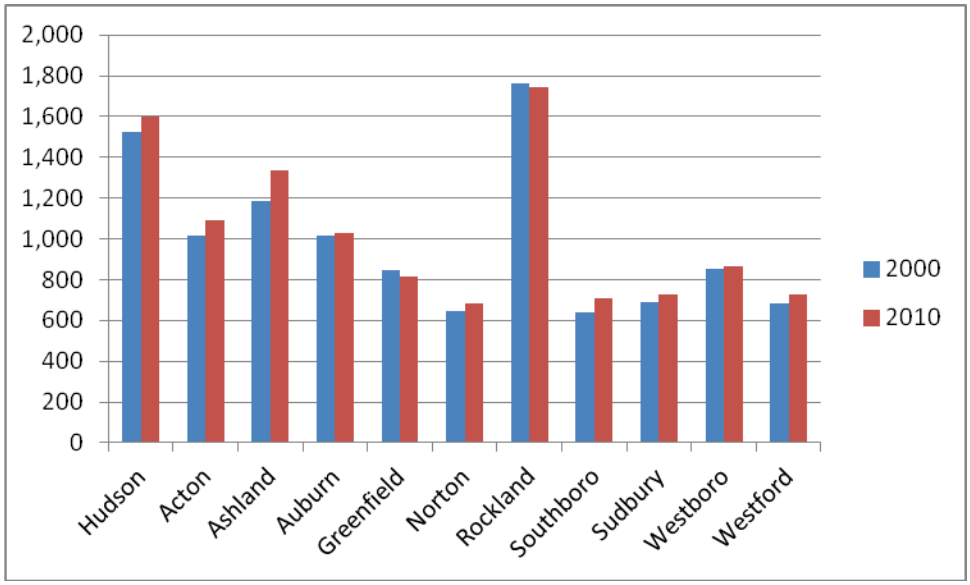
Figure 2 Distribution of Population by Age



While the population of very young people (children under 5 and school aged children) and adults in their mid-thirties to mid-fifties stayed fairly stable from 2000 to 2010, the younger adult population in Hudson has been declining as shown in Figure 2. The 20 to 34 age cohort declined in the 2000s by 10 percent. Young adults appear to be leaving the Town which may indicate that people in their twenties and early thirties are not able to afford to buy a first home or rent in Hudson.

Among comparable towns (towns of a similar size and demographics), Hudson has the second highest population density. Figure 3 shows that Hudson experienced one of the largest increases in population density (5 percent) between 2000 and 2010, second only to Ashland (12 percent).[4]

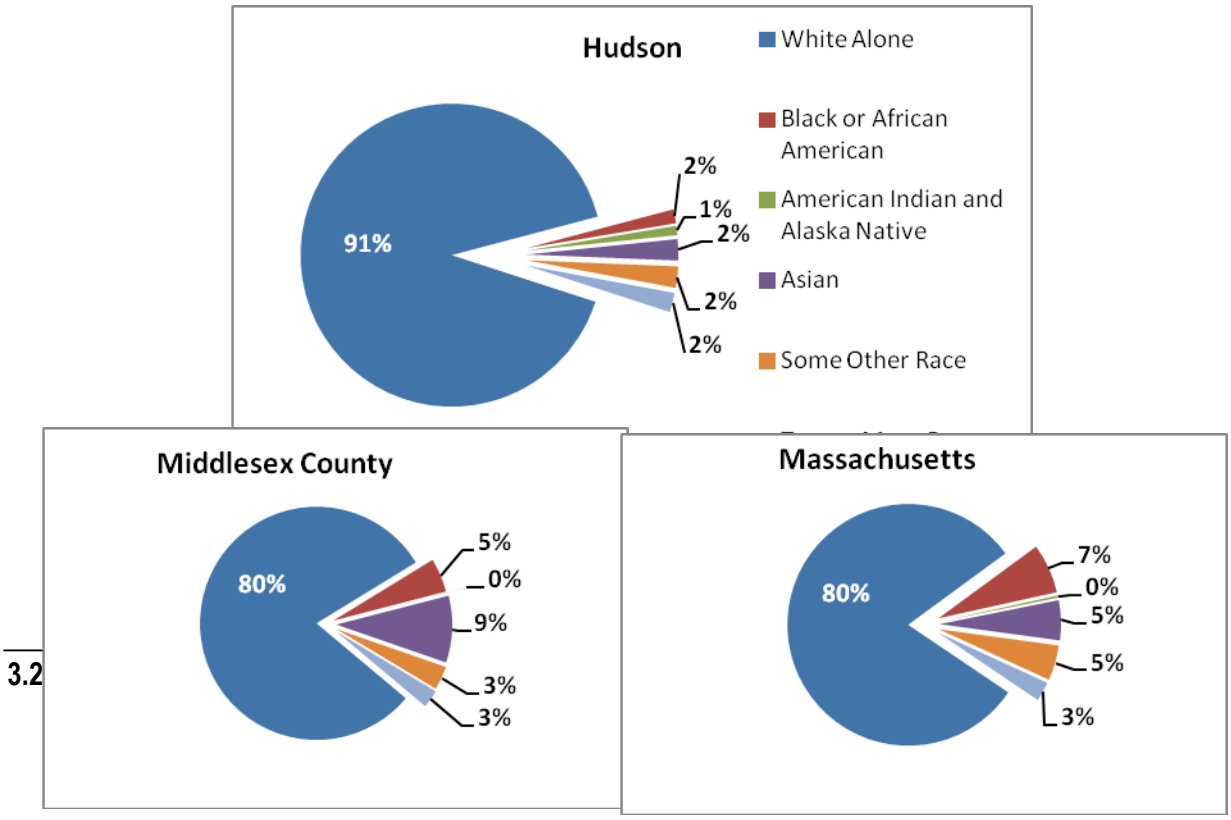
Figure 3 Population Density (people per square mile)



In terms of gender, Hudson's population is evenly distributed between men (49 percent) and women (51 percent). The Town is largely homogeneous, with approximately 91 percent of the population identifying as White alone (see Figure 4). Approximately 1 percent of the population is American Indian or Alaska native, 2 percent is Black or African American, 2 percent is Asian, with the remaining 4 percent being other or two or more races. In comparison, the region (Middlesex County) and the state are somewhat more racially diverse. In particular, 20 percent of the regional and the statewide population are not White.

[4] Ashland is considered a more affordable community (when compared to Hudson) supplied with a larger number of condominiums in its housing stock and a commuter rail located within the Town.

Figure 4 Population Comparison by Race



Source: 2010 US Census

In 2010, Hudson had 7,528 households, an 8 percent increase from 2000 (Table 2). However, the size of households has slightly decreased in Hudson from an average household size of 2.57 in 2000 to 2.53 in 2010. Again this reflects national trends that indicate that households are getting smaller and long-range projections indicate that household size will continue to decline. This will have an impact upon policies designed to meet such housing needs. In fact, the U.S. Census Bureau projects that by 2025, the number of single person households will equal the number of family households.

Compared to its neighbors, Hudson's household rate of growth was in the middle of the pack: higher than two neighboring communities (Sudbury and Marlborough) and lower than two smaller, but fast-growing communities (Berlin

and Bolton). Hudson's rate of household growth contrasts with its slower rate of population growth (5.2 percent) over the same period.

Table 2 Number of Households

Year	Hudson	Berlin	Bolton	Sudbury	Marlborough
2000	6,990	872	1,424	5,504	14,501
2010	7,528	1,125	1,670	5,771	15,395
% Change	8%	29%	17%	5%	6%

Source: 2000, 2010 US Census

The household size decrease in Hudson is reflected in the changing makeup of households. Non-family households are defined by the U.S. Census as consisting only of single or non-related persons, excluding single parents or grandparents with children. As shown in Table 3, family households have generally increased at a slower rate from 2000 to 2010 (6 percent) than non-family households (12 percent). In Hudson, family households with children only increased by 1 percent between 2000 and 2010, while the number of single-person households increased by 11 percent. However, the increase in single-person households was similar or lower than many neighboring communities as shown in Table 4. Notably, households with older family members (65 years and older) increased by the highest percentage of all types (22 percent). However, the increase in households with seniors was lower than surrounding municipalities, which ranged from increases of up to 77 percent in Bolton (Table 3). Overall, this indicates a growing regional trend of families that are now caring for older parents and/or grandparents.

In addition to the increase in households with seniors, 40 percent of the single-person households are individuals older than 65 years living alone. This is reflected in the growing senior population in Hudson noted in Figure 2. Interestingly, Hudson demonstrated a slower growth between 2000 and 2010 of seniors living alone (a 17 percent increase as shown in Table 4) while neighboring communities showed much sharper increases (an 86 percent increase in Bolton alone). It is possible that the opening of new senior living facilities in these communities could account for the sharp increases regionally.

Table 3 Households Regional Comparison

	Family Household			Married couple family			Family Households with Children (under 18)			Households with indi	
	2000	2010	Percent change	2000	2010	Percent change	2000	2010	Percent change	2000	2010
Hudson	4,845	5,131	6%	3,965	4,070	3%	2,237	2,263	1%	1,653	2,02
Berlin	666	1,125	69%	565	696	23%	301	319	6%	215	36
Bolton	1,202	1,391	16%	1,097	1,241	13%	636	729	15%	185	32
Sudbury	4,751	4,946	4%	4,319	4,425	2%	2,814	2,866	2%	1,023	1,36
Marlborough	9,285	9,672	4%	7,473	7,460	0%	4,402	4,466	1%	2,887	3,38

Source: U.S. Census 2000 and 2010

Table 4 Non-Family Households Regional Comparison

	Non-family households			One-person households			One-person Households Age 65+		
	2000	2010	Percent change	2000	2010	Percent change	2000	2010	Percent change
Hudson	2,145	2,397	12%	1,761	1,946	11%	663	777	17%
Berlin	206	314	52%	163	245	50%	71	111	56%
Bolton	222	279	26%	159	202	27%	44	82	86%
Sudbury	753	825	10%	608	684	13%	301	393	31%
Marlborough	5,216	5,723	10%	4,125	4,411	7%	1,197	1,448	21%

Source: U.S. Census 2000 and 2010

The majority of the owner-occupied units are owned by those in their

mid-thirties to mid-fifties as shown in Figure 5, which indicates that the majority of homes in Hudson are owned by people that are mid-career and those households with children still living at home. While renters tend to range on the younger side, there is still a solid majority of renters that are also in their mid-forties and mid-fifties, and at a similar stage in life. The second-largest segment of renters are in their mid-twenties to mid-thirties indicating that rental housing in Hudson is still needed and desired by those starting out in their careers and first establishing families.

Figure 5 Age of Householder: Owner Occupied Housing Units (2011)

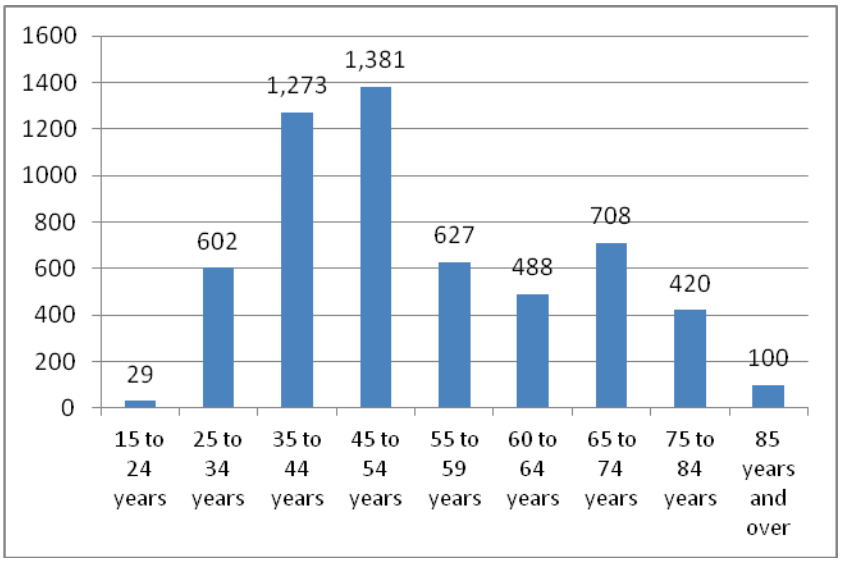
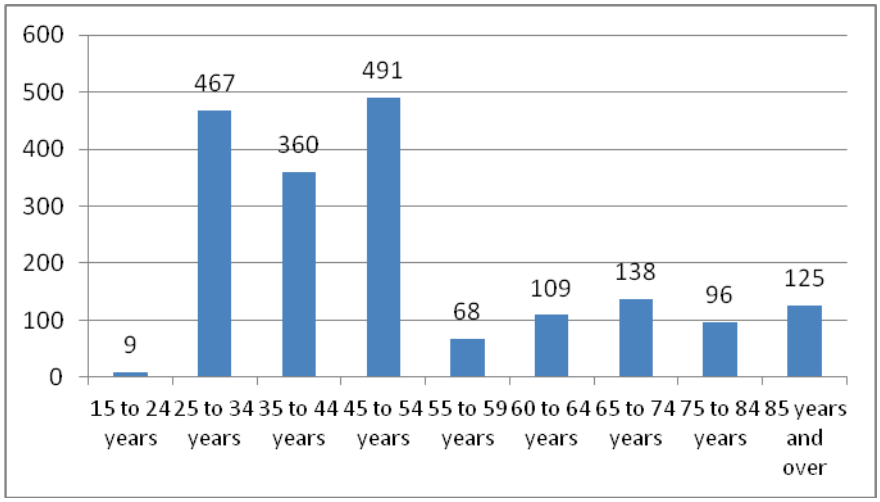


Figure 6 Age of Householder: Renter Occupied Housing Units (2011)

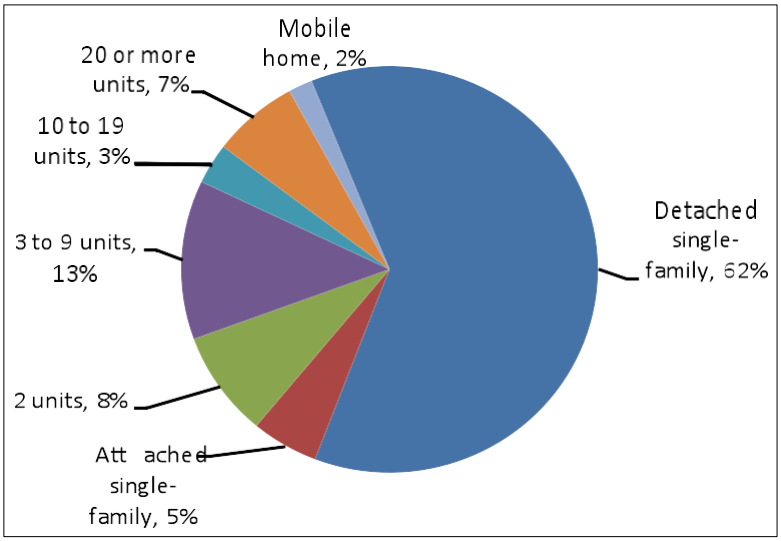


Source: 2011 American Community Survey.

3.3 Housing Conditions

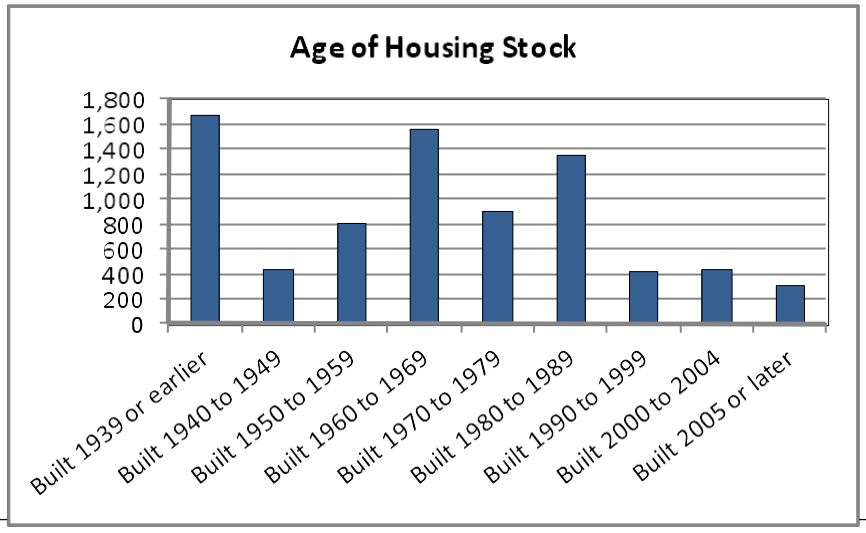
The housing stock in Hudson is largely comprised of older, modest single-family homes on small lots, a significant portion of which was built before 1940, which is reflected in the historic character of many of its residential neighborhoods. Figure 7 provides a breakdown of the type of housing in Hudson by the number of units. The majority of housing in Hudson is single-family detached with smaller percentages of multi-family housing. However, of multi-family housing, the majority is between 3 and 9 units (13 percent of the total housing stock).

Figure 7 Distribution of Housing Stock by Type



Hudson experienced moderate housing construction particularly in the years between 1940 and 1959. There was significant activity during the 1960s and 1980s before slowing down after 1990. This is in line with the significant jump in population (30 percent increase) that occurred in the 1960s, as shown in Figure 8.

Figure 8 Age of Housing Stock



As the number of occupied households in Hudson increased between 2000 and 2010 (8 percent), the number of total housing units increased at a slightly faster rate (12 percent). As shown in Table 5, there were 7,998 housing units in Hudson in 2010, with 94 percent (7,528) being occupied. The number of vacant homes during this time increased by 164 percent.

Table 5 Housing (Change in Housing Units 2000-2010)

	2000	2010	# Change	% Change
Occupied	6,990	7,528	538	8%
Vacant	178	470	292	164%
Total	7,168	7,998	830	12%

The rental vacancy rate has increased sharply between 2000 and 2010, from 3.1 percent to a 10 percent vacancy rate while the owner vacancy rate has stayed very low (see Table 6). The rental vacancy rate may be a combination of new apartment complexes that have not yet been filled and the lingering effects of the 2008/2009 Economic Recession. This vacancy rate is expected to decrease as the local real estate market recovers, especially since the demand for rentals appears to be relatively high post-recession.

Table 6 Housing Vacancy

	2000	2010	# Change
Vacant Units	178	470	292
Total Housing Units	7,168	7,998	830
Owner Vacancy Rate	0.4	1.4	1
Rental Vacancy Rate	3.1	10	6.9

Source: US Census 2000 and 2010

Of the 7,528 occupied housing units in Hudson, approximately 72 percent were owner-occupied in 2010 (Table 7). This equals 5,454 units, which is a 10 percent increase from 2000, as shown in Table 7. The number of renter-occupied units increased at a much slower rate (2 percent) during the same 10-year period.

Table 7 Housing (Change in Owner/Renter Occupied Housing Units)

	2000	2010	Change	% Change
Occupied Housing units	6,990	7,528	538	8%
Renter Occupied	2,026	2,074	48	2%

Source: US Census 2000 and 2010

Hudson has a significant stock of public and subsidized units primarily in apartment-type complexes. The majority of larger rental developments were constructed in town during the 1980s. New single family homes built over the

past decade have been generally placed on larger lots and are more expensive homes than were constructed in the past.

3.4 Housing Market

The number of home sales in Hudson has declined since the early 2000s. As shown in Table 8, the number of home sales in the last decade peaked in 2003 (440 sales) and has steadily decreased particularly in the years after 2007, although the numbers have recovered since 2010.

Table 8 Number of home sales in Hudson

Year	Single-family	Condominium	All
2013	154	70	276
2012	137	64	228
2011	127	59	217
2010	130	73	243
2009	117	66	206
2008	113	87	229
2007	121	160	334
2006	143	168	349
2005	184	159	428
2004	221	104	427
2003	230	141	440
2002	178	118	358
2001	198	84	355
2000	193	60	302

Source: The Warren

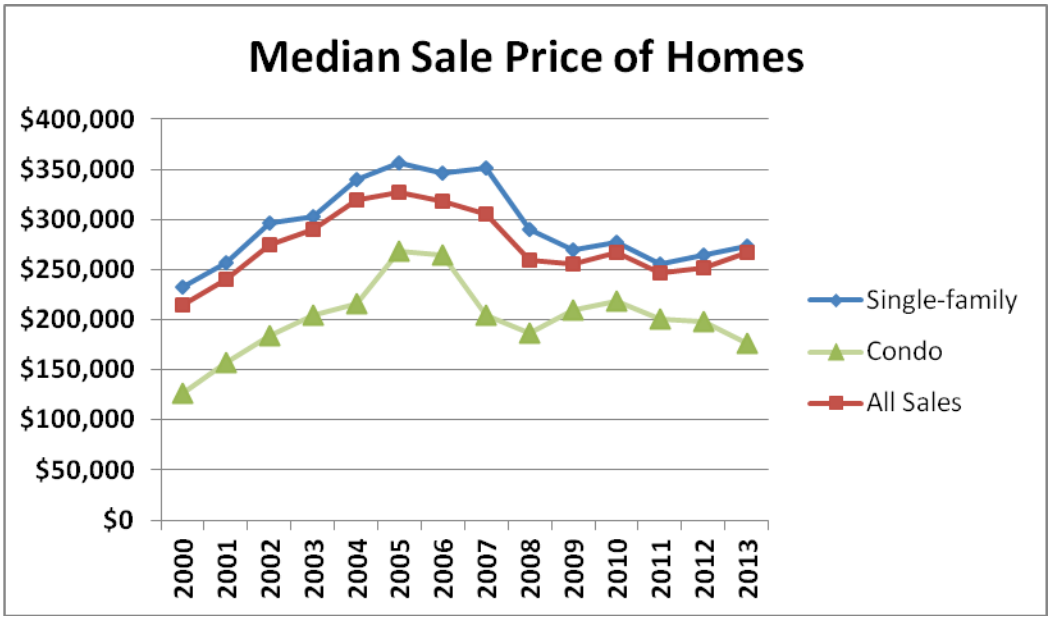
This drop in home sales is nearly mirrored by the decline in median sales prices. Figure 9 shows the median sales prices of single-family homes and condos since 2000. The sale prices for single-family homes peaked in 2005 at $356,000 before dropping by almost a third to $256,000 in 2012. Condos also peaked in 2005 at $267,900, dropping to $198,000 last year (2012).

While sale prices have dropped dramatically over the past several years mostly due to the 2008/2009 Economic Recession and subsequent depression in the local real estate market, sale prices are expected to rise as the market recovers. There are signs that there is a shortage of houses for sale in the Boston metro area compared to the demand. Prospective home buyers may begin searching for housing opportunities to farther-out suburbs, such as Hudson, as this demand intensifies.[5] Governor Deval Patrick announced in December 2012, goals of producing 10,000 multi-family units of housing each year in order to increase affordable housing opportunities for Massachusetts residents. This

[5] The Boston Globe. *Home buyers outpace sellers in Boston*. Jenifer McKim. August 11, 2012. http://www.bostonglobe.com/business/2012/08/10/number-homes-for-sale-boston-drops-prices-rise-fueling-market-optimism/cDRFjbksRtHzBp7dBysGaK/story.html.

encouragement of housing is important for Hudson in determining housing production plans for the future.

Figure 9 Median Sales Price of Homes in Hudson



Despite the fluctuation in home prices over the last decade, Hudson has largely remained one of the more affordable places to buy a home compared to its neighbors and Middlesex County as a whole. As shown in Table 9, the Town had the lowest median sales price in 2013 for any type of home.

Table 9 2013 Median Sales Prices in the Region

	Single-family	Condominium	All
Hudson	$273,500	$176,000	$267,050
Berlin	$380,000	$228,250	$322,000
Bolton	$424,900	n/a	$416,500
Sudbury	$675,000	$627,000	$669,450
Marlborough	$292,000	$237,500	$280,000
Middlesex County	$425,000	$324,900	$399,000

Source: The Warren Group

While sales prices have increased somewhat over the past decade in Hudson, rental costs have increased almost two-fold. According to U.S. Census data, the

County. Between 2010 and 2011, median rent increased by $470 from $632 in 2000 to $1,104 in 2012[6], an almost 75 percent increase, while median rent in the County increased by $400 (50 percent) from 2000 to 2012. Although Hudson rents are still slightly below the County median rent, it indicates that rentals are not as affordable as they once were which is probably due to the recent development of higher end rental housing.

Table 10 Median Gross Rental Costs in Hudson and Middlesex County

Year	Hudson Median Gross Rental	Middlesex County Median Gross Rental
1990	$521	$598
2000	$632	$835
2011	$1,104	$1,243
2012	$1,104	$1,252

Source: US Census 1990, 2000, and ACS 2007-11.

4.0 Housing Affordability

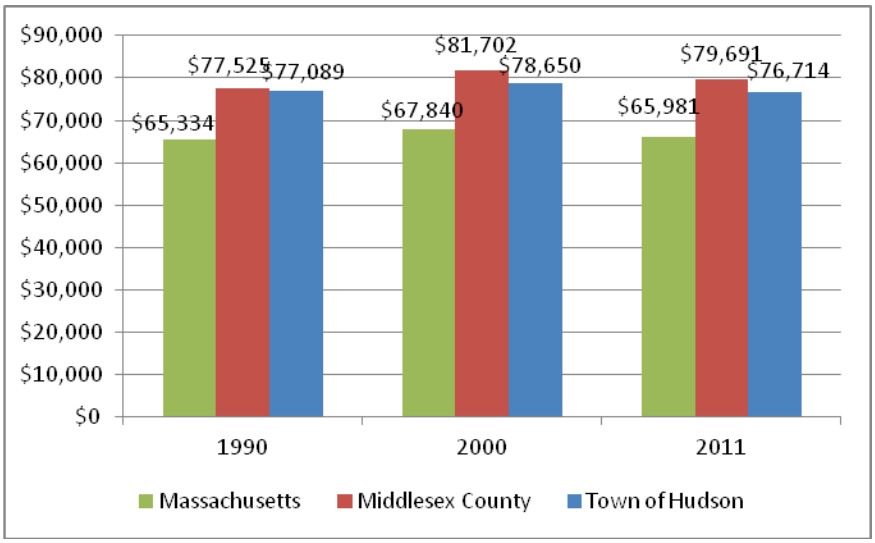
A housing affordability assessment examines the overall demographic profile of Hudson, along with the household income of the population and housing costs to determine how the Town can best meet its needs for providing a diverse and affordable housing stock for its citizens.

4.1 Household Income

Hudson median household income for 2011 was $76,714. This is slightly lower than Middlesex County ($79,691) but higher than the state as a whole ($65,981). Figure 10 presents the median household income for Hudson, Middlesex County, and Massachusetts adjusting to 2011 dollars to account for inflation using the Consumer Price Index (CPI-U) published by the Bureau of Labor Statistics. When accounting for standard consumer price inflation on goods such as food, housing, and transportation, real household income has dropped slightly from $77,089 in 1990 to $76,714 in 2011.

[6] There has been no change in the American Community Survey data, so the data for 2011 for median rent in Hudson was carried over to 2012.

Figure 10 Median Household Income in Hudson, Middlesex County,



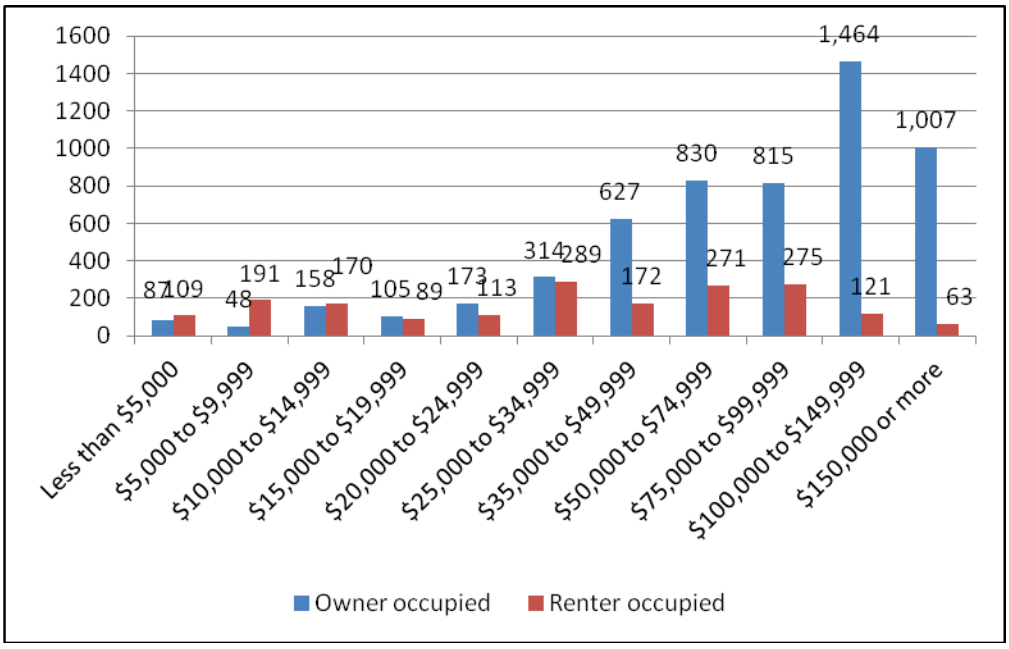
Massachusetts (adjusted to 2011 dollars)

Source: US Census 1990, 2000, 2011.

Figure 11 illustrates the distribution of median household income for renter and owner occupied housing in Hudson. The largest number of home owners had incomes of over $100,000 indicating a relatively wealthy segment of owner households with higher incomes than the overall median household income of the Town ($76,714). While there are fewer renter households in Hudson than owner households overall, the largest number of renter households had significantly lower incomes of between $25,000 and $35,000. There are various possible reasons for the income disparity between renter and owner household incomes. Some reasons include that renter households are more likely to be younger (less advanced in their careers) and their household sizes are smaller on average than owner households. For example, in 2010, the average renter household size was 2.13 compared to owner household size of 2.68.[7]

[7] U.S. Census, 2010.

Figure 11 Household Income Distribution for Renter and Owner Occupied Housing (2011)



The U.S. Department of Housing and Urban Development (HUD) publishes income limits at 30 percent, 50 percent, and 80 percent of the area median family income (Table 11). In 2011, HUD estimated the median family income for the Boston-Cambridge-Quincy Metropolitan Statistical Area (MSA) at $96,460. Under federal statute, the 80 percent limit cannot increase above the national average except for the top ten MSA areas. As the Boston-Cambridge-Quincy MSA is not in the top ten MSA areas, the 80 percent limit depicted in Table 12 is capped at the national average. Thus, the 80 percent limit published by HUD is a lower than the arithmetic percentage. It should also be noted that the 2011 median income for the Town of Hudson ($76,714) is lower than the median family income for the MSA ($96,460).

Table 11 FY2011 Income Levels for Affordable Housing in the Boston-Cambridge-Quincy MSA

# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income
1	$20,250	$33,750	$44,950
2	$23,150	$38,550	$51,400
3	$26,050	$43,350	$57,800
4	**$28,900**	**$48,150**	**$64,200**
5	$31,250	$52,050	$69,350
6	$33,550	$55,900	$74,500
7	$35,850	$59,750	$79,650
8	$38, 150	$63,600	$84,950

Estimated FY2011 Median Family Income: $96,500

Source: U.S. Department of Housing and Urban Development

Table 12 2011 Income Levels Based on Hudson Median Income

30% of Median Income	50% of Median Income	80% of Median Income
$23,014	$38,357	$61,371

Hudson 2011 Median Income: $76,714

For this analysis, the median income within the Town for 2011 was considered ($76,714). While a large percentage of households in Hudson have a relatively high income as compared to the region, a quarter of the households are considered low income. Of the estimated 7,491 households in 2011, 5.8 percent (435 households) had an income less than $10,000 (Table 13). An additional 10.8 percent (808 households) had an income between $10,000 and $24,999. Combined, 16.6 percent, or 1,243 households, are considered to have an extremely low income level at or below 30 percent of the area median income. An additional eight percent, or 603 households, have an income between $25,000 and $34,999, defined as very low income. Together, a total of 24.6 percent, or 1,846 households, are considered low income. There may be additional households considered low income within the $35,000 to $49,999 range since the cutoff for 50 percent AMI is $38,357. A total of 799 households, or 10.7 percent, have an income between $35,000 and $49,999.

Table 13 Household Income Distribution (2011) in Hudson		
	Number	%
Households	**7,491**	**100**
Less than $5,000	196	2.6
$5,000 to $9,999	239	3.2
$10,000 to $14,999	328	4.4
$15,000 to $19,999	194	2.6
$20,000 to $24,999	286	3.8
$25,000 to $34, 999	603	8.0
$35,000 to $49,999	799	10.7
$50,000 to $74,999	1,101	14.7
$75,000 to $99,999	1,090	14.6
$100,000 to $149,999	1,585	21.2
$150,000 or more	1,070	14.3

Source: U.S. Housing and Urban Development

Note: The number of households differs between U.S. Census data used above and the Housing and Urban Development data.

4.2 Housing Affordability Indices

The definition of affordability considers both the price of the housing unit and the income of the household living in it. The term "affordable housing" is relative, since it depends on the income and the size of the household.

Households are considered cost burdened if they pay more than 30 percent of their gross income for housing costs, which include rent, utilities and fuel costs for renters. They include mortgage or purchase contract payments, utilities, fuel costs, taxes and insurance for homeowners.

Figure 12 shows the cost-burdened households in 2000 and 2010 for both renter and owner households in Hudson. As may be expected, a higher percentage of renter households than owner households are cost-burdened, in part due to the rise of higher end rental housing in the marketplace. However, over the past decade both renters and owners have become increasingly cost-burdened with the largest increase occurring for homeowners. Only 18 percent of homeowners were cost burdened in 2000, growing to about 33 percent or one-third of all Hudson homeowners in 2010. This dramatic increase in cost-burdened homeowners could be attributable to the 2008/2009 economic recession with similar circumstances occurring in other communities.

To place Hudson in the context of the region, Figure 13 shows Hudson in comparison to Middlesex County in 2010. Middlesex County owners and renters were more likely to be cost-burdened than those of Hudson demonstrating that Hudson is still slightly more affordable to the larger region, particularly for renters.

Figure 12 Hudson Cost Burdens by Tenure, 2000 and 2010

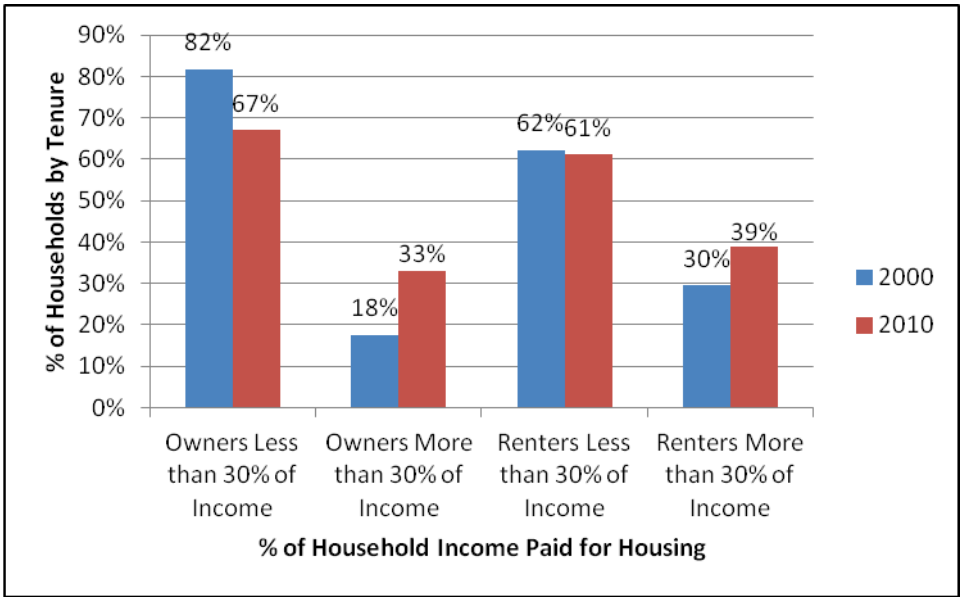
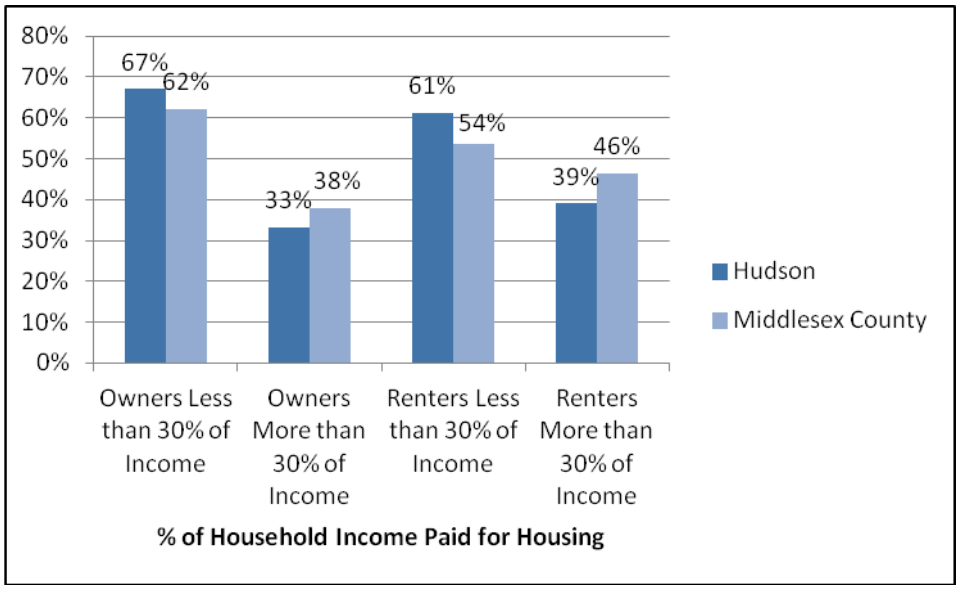


Figure 13 Hudson Cost Burdens by Tenure Compared to Middlesex County, 2010



4.3 Homebuyers Affordability Index

To determine affordability of ownership units for any given family, it is necessary to estimate the maximum price of a home that the family could afford. As stated above, a house is considered affordable when no more than 30 percent

of the household income is spent on housing costs, which include mortgage payments, property taxes, and insurance (including private mortgage insurance if the down payment is less than 20 percent.

The monthly mortgage expense is calculated based on the 2013 median house price in Hudson of $267,050 and assumes the homeowner makes a five percent down payment. Additional monthly expenses include property taxes (the Town's residential rate in 2014 is $17.42 per thousand) and insurance costs (including the required private mortgage insurance if one makes a down payment of less than 20 percent). The following is a breakdown of the monthly expenses:

- Mortgage - $1,361.91[8]
- Real estate taxes - $388
- Private mortgage insurance - $243.11
- Property insurance - $35[9]
- Total monthly mortgage expense - $2,028

Thus, the yearly mortgage payment would be $24,336. Again assuming the 30 percent threshold for housing costs, one would have to have a household income of $81,120 to be able to afford the median priced home in Hudson, which exceeds the median household income by $4,406. Another way to look at the housing affordability gap is to utilize the same assumptions as described above and use a home affordability calculator. Based on that approach, a household earning the median household income in Hudson can afford a house that costs approximately $251,609[10]. Thus the gap is $15,441.

This calculation depends on many factors, including interest rates (which in turn are affected by the borrower's credit rating), length of the mortgage (e.g., 15 year vs. 30 year) and the amount of the down payment.

4.4 Rental Affordability Index

Assuming renters earn 100 percent of the Hudson median income of $76,714, they should spend no more than $23,014 for housing (or just over $1,918 per month). At 80 percent of the median income ($61,371), the annual rental expense should not exceed $18,411, or $1,534 per month. Based on the median monthly rental cost in Hudson of $1,104, there is no affordability gap at these income levels since these households could pay more per month before being considered cost burdened.

However, anyone earning less than $44,160 per year will be cost burdened assuming the median monthly rent. As shown in Figure 11 above, 1,133 renter households (54 percent of all Hudson rental households) have an annual median

[8] Assumes a 5 percent interest rate for a 30 year mortgage.

[9] Based on insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5); personal property ($100,000 fixed), and personal liability ($100,000 fixed).

[10] http://www.hsh.com/calc-howmuch.html

household income of less than $49,000, and thus a majority of them face a rental affordability gap.

5.0 Housing Policy and Zoning

In 2007, Hudson voted to adopt the Community Preservation Act (CPA). At least 10 percent of all revenue generated annually by the CPA must be earmarked for open space, affordable housing and historic preservation and up to 5 percent annually may be spent on administrative costs. Through the CPA, Hudson has been able to support a number of affordable housing initiatives, such as:

➤Habitat for Humanity affordable housing ($50,000 in 2009)
➤Transfer of funds to the Municipal Affordable Trust Fund ($188,535 in 2009; $29,172 in 2010; $45,918 in 2011; $48,511 and $150,000 in 2012)

What is the Community Preservation Act?

It is statewide enabling legislation allowing cities and towns in the Commonwealth of Massachusetts to adopt a property tax surcharge, with revenues from this surcharge (plus state matching funds) to be used for open space preservation, the creation of affordable housing, preservation of historic buildings and landscape and the creation of recreation opportunities. For more information on the CPA statute visit the Community Preservation Coalition website at www.communitypreservation.org.

The CPA Town goals for 2015 include:

➤Ensure that all housing projects have permanent affordability protection with deed restrictions and resale provisions;
➤Provide multiple affordable housing units;
➤Preserve community housing that promotes age and income diversity;
➤Provide community housing opportunities that give priority to local residents, Town and school employees, and employees of local businesses;
➤ Reuse existing buildings for affordable housing; and
➤Maximize local control over the development of affordable housing by establishing locally directed initiatives.

Hudson's Affordable Housing Trust (AHT) currently has almost $550,000. Hudson has hired a regional housing consultant to help with yearly monitoring duties and to develop additional programs to support affordable homeownership. . In addition, the consultant will be tasked with helping Hudson develop program guidelines for a down-payment assistance and/or housing buy-down program, a program (or programs) to be funded through the AHT. These programs could play an important role in preserving homeownership opportunities and converting existing deed-restricted homeownership units to the "universal" deed restriction to ensure that these

units remain affordable over time. Funds from the AHT will be used to pay for the consultant services.

The Town uses the AHT balance of funds for other affordable unit-creation projects as they come up, or are brought before the Trust by Town Departments and private non-profits. Additionally, as deed-restricted units become available for sale, the AHT funds are used to pay listing fees in MLS, as well as buyer's brokerage commissions. Otherwise, the only listing is on the Citizens' Housing and Planning Association (CHAPA) website and the Massachusetts Affordable Housing Alliance website.

Over the past decade, a great deal of residential planning and building activity in Hudson, particularly using the new "Retirement Community" overlay district, which was added to the Hudson Zoning Bylaws in 1999. In addition, several projects have gained or are seeking approval under MGL Chapter 40B. As a result of the recent zoning change and the use of Chapter 40B, affordable developments and senior housing are being added to the housing inventory. Additional zoning changes were instituted by the Town to provide additional housing units, and at the same time accomplish other public goals, including:

- New accessory dwelling unit bylaw amendment in 2007. Accessory dwelling units are often considered a good option for the potential creation of affordable housing, especially for senior citizens, even if the units do not qualify to be added to the SHI.
- Adaptive Overlay Reuse District in 2007. The under-utilized mill buildings may be appropriate for multi-family development to further increase housing choices in Hudson. Fifteen percent of all new dwelling units are required to meet affordability standards.
- Open Space Residential Development (OSRD) bylaw in 2007. This bylaw has a combined purpose of conserving contiguous open space while encouraging a less sprawled form of residential development. Developers are eligible for density bonuses as an incentive to create affordable units within an OSRD.

The Town of Hudson's Zoning Bylaw contains basic elements of residential zoning that can accommodate more housing choices, as well as housing that is affordable through development by right. Most of the town (56 percent) is zoned for single-family residential on 30,000-60,000 square foot lots. Two districts are zoned for multi-family residential development on 15,000 square foot lots totaling 0.6 percent of the total land area. Mobile homes are allowed in Hudson, and these Mobile Home Districts comprise 0.9 percent of the total land area. Residential uses are permitted in most of the commercial districts, either by-right as allowed in the residential districts, or by special permit where the commercial and residential uses do not conflict. Mixed-use buildings are allowed by special permit with commercial on the first floor and residential on the upper floors.

Some residential areas or zoning districts in Hudson are located directly adjacent to commercial or industrial districts, such as the Washington Street and Central Street areas. Residents who live on the edges of such districts can be negatively impacted by noise, sights, traffic, and other characteristics associated with commercial and industrial development. In addition, houses on the edges of these districts have been known to fall to despair since they do not sell well as residential and are not zoned for commercial uses. Every community encounters such scenarios and a potential way to minimize the negative interactions of the different uses is to develop a Transitional Overlay Zoning District at the district edges. Such an overlay district would assist the transition between a quiet residential area and a noisier, bustling commercial retail corridor. The Overlay District could contain such requirements as:

- Only allowing two story retail buildings;
- Restrictions on drive-thru uses;
- Prohibiting certain overhead lighting;
- Encouraging businesses to rebuild/renovate existing structures as opposed to developing new; and,
- Restricting business size or encouraging more small businesses.

Concern has also been expressed through this planning process that there is not sufficient affordable family housing opportunities. Public participants have discussed a desire to explore zoning options that would encourage the development of more affordable single family homes on smaller lots, the consideration of duplexes and townhouse developments, and the development of multi-family housing in mixed use developments.

While Hudson does have some diversity in zoning districts and provisions for a variety of housing options, it has not undertaken many of the newer, more comprehensive efforts to diversify zoning options for housing development. One option for Hudson to consider is allowing the conversion of existing single-family homes to up to four multi-family units by special permit and site plan review from the Planning Board. With the appropriate checks in place, multi-family condo conversions can provide smaller, more affordable units without changing the neighborhood character.

Because the Town of Hudson, unlike many municipalities in Massachusetts, often hovers around the 10 percent affordability goal established by Chapter 40B, it may be prudent to consider the adoption of an inclusionary housing bylaw that mandates a certain number of housing units be affordable in a major subdivision or multi-family building. This has the potential to ensure that Hudson remains above the 10 percent goal thereby maintaining municipal control over the development of affordable housing that is context-sensitive in terms of location and density.

5.1 Subsidized Housing Inventory

Table 15 lists all of the subsidized housing stock within the Town of Hudson. The Massachusetts Department of Housing and Community Development (DHCD) maintains the Chapter 40B Subsidized Housing Inventory, or the official roster of affordable units throughout the state.

These units are credited toward the 10 percent affordable housing requirement detailed in M.G.L. Chapter 40B. As noted in Table 15, 34 units are scheduled to expire by 2021.

Table 15 Subsidized Housing Inventory in Hudson			
Developments Counting for 40B	**Subsidizing Agency**	**Units**	**Duration of Affordability**
Norma Oliver Village, 4 Glen Road	HUD	92 rental	Permanent
Brigham Circle	DHCD	126 rental	Permanent
Fox Run, Old North Road	DHCD	7 ownership	Permanent
49 Washington St.	DHCD	8 rental	Permanent
Lincoln Street	DHCD	20 rental	2021
8 Irving St.	HHA, state	8	Permanent
Littlebrook of Hudson, 100 Tower Street	DHCD	96 rental	Permanent
Machado House, 11 Lake Street	MassHousing	96 rental	Permanent
Washington Street, 71 Washington St.	DHCD	14 rental	2020
DDS Group Homes	DDS	26 rental	N/A
DMH Group Homes	DMH	16 rental	N/A
Simrah Gardens, 307 Central Street	FHLBB	158 rental	Permanent
The Esplanade, Main Street	MassHousing	35 ownership	Permanent
Coolidge Green, Gerry Street	FHLBB	8 ownership	Permanent
Knotts Clearing	MassHousing	8 ownership	Permanent
Hudson HOR Program, Walnut Street	DHCD	1 ownership	04/2054
Hudson HOR Program, Harriman Road	DHCD	1 ownership	04/2054
Hudson HOR Program, Washington St	DHCD	1 ownership	04/2057
Hudson HOR Program, Gates Avenue	DHCD	1 rental	06/2046
Hudson HOR Program, Cherry St.	DHCD	2 mix	06/2047
Hudson HOR Program, Priest St.	DHCD	1 ownership	06/2054
Hudson HOR Program, Apsley St.	DHCD	3 mix	07/2045
Hudson HOR Program, Main St.	DHCD	2 rental	07/2047
Hudson HOR Program, Eaton Dr.	DHCD	1 ownership	08/2054
Hudson HOR Program, Murphy Rd.	DHCD	1 ownership	08/2054
Hudson HOR Program, Causeway St.	DHCD	1 ownership	09/2046
Hudson HOR Program, Broad St.	DHCD	1 ownership	10/2045
Hudson HOR Program, Teresa Dr.	DHCD	1 ownership	10/2053
Hudson HOR Program, Houghton Ct.	DHCD	1 ownership	2054
Hudson HOR Program, Eaton Dr.	DHCD	1 ownership	11/2051
Hudson HOR Program, Fort Meadow	DHCD	1 ownership	11/2051
Hudson HOR Program, Glasson St.	DHCD	1 ownership	11/2053
Hudson HOR Program, Stowe Ct.	DHCD	1 ownership	11/2044
Hudson HOR Program, Manning St.	DHCD	1 ownership	12/2051
Habitat for Humanity, Old Bolton Rod	DHCD	1 ownership	Permanent
Madison Place (Cabot Road)	MassHousing	176 Rental	Permanent
Total		**918**	

Source: DHCD Subsidized Housing Inventory, Town of Hudson.

Notes: The Madison Place Apartments development, which is currently in the process of obtaining building permits in order to proceed, will bring 176 new rental units to town, 44 of which are affordable. But because these units are rental, all 176 units will be counted towards Hudson's SHI.

5.2 Future Housing Needs

As mentioned, Hudson's population is expected to continue with moderate sustained growth adding about 3,000 people between 2010 and 2030 (15 percent increase).

As noted above, the number of Hudson residents over the age of 55 is expected to increase. The Town's older populations – people 55 to 64 years old and 65 and up – are the fastest growing segments of the population, having increased 45 percent and 23 percent respectively since 2000 alone; this trend is expected to continue. Thus, there will be an increasing need for senior housing in Hudson. Common types of housing for seniors include age-restricted townhouses or condominiums, assisted living complexes, congregate living, and single room occupancy units.

Increasing housing options for young families and young adults will also be important for the Town in order to create a resilient housing market. Encouraging housing development in the downtown area could attract both seniors and young people, and may be an opportunity to develop additional affordable housing.

The Town should continue to increase affordable housing options for its low income residents. Approximately 25 percent of households were considered low income based on 2011 numbers. Thus, there is an existing need for increased affordable housing options. With projected population growth, the number of low income households is likely to increase, especially among senior citizens.

5.3 Hudson Housing Authority

Founded in 1962, the Hudson Housing Authority manages and administers low-rent housing programs, which are funded by the DHCD and HUD. The Hudson Housing Authority manages affordable housing units including building development and maintenance, screening tenants and keeping waiting lists, to provide affordable housing to low and moderate income residents. The Hudson Housing Authority manages 218 units in two major developments, Norma Oliver Village and the Brigham Circle for elderly and handicapped persons (Table 15). These complexes consist entirely of one bedroom apartments.

One of the issues for the Authority-controlled housing developments at Norma Oliver Village and the Brigham Circle is that the demand far outpaces the supply in these developments. Currently, there are over 100 individuals on the waiting list for each of these housing complexes. Norma Oliver Village contains

12 handicap-accessible units and Brigham Circle has 8 handicap-accessible units although demand for handicap-accessible units has not been as high as for the elderly units.[11] Also, the Brigham's Circle elderly housing complex, built in the 1960s, needs renovation to better accommodate its senior residents. The federally aided Norma Oliver Village saw a successful upgrade through site improvements and roof repairs, along with new boilers and air units funded by HUD.[12]

The Hudson Housing Authority administers 69 federal Section 8 Vouchers and 24 Massachusetts Rental Vouchers. These programs provide participant property owners with a direct payment on behalf of the family. Family participants contribute no more than 40 percent of their gross monthly income toward the rent, with the Housing Authority contributing the difference.[13] However, the waiting list for Section 8 vouchers is extensive, and according to the Housing Authority, it would take 10 years to satisfy the current demand.[14] This indicates there is a need in Hudson for more affordable housing for families.

6.0 Infrastructure Capacity

Hudson, like many communities in Massachusetts, is facing an uphill battle in trying to meet the needs of residents and businesses, to provide cost effective services, and to maintain and improve its public facilities.

Hudson has infrastructure issues that present a challenge to denser development (sewer and water), but also has areas of town where both Town sewer and water are available. The Town also has limited transit options as Hudson is not currently served by either the Massachusetts Bay Transit Authority or a Regional Transit Authority, although it recently joined the MetroWest Regional Transit Authority (MWRTA).

The following section discusses the extent of Hudson's water, sewer, transportation, solid waste, utilities, public safety, and school infrastructure. Although Hudson faces some challenges with respect to infrastructure capacity, there are no significant shortfalls that would negatively impact on the Town's ability to encourage housing opportunities to meet the needs identified in this Plan. In fact, as described below, the Town has been working to increase its drinking water supplies, upgrade some significant roadways, opened a new middle school in 2013, and will construct a new Police headquarters and DPW building.

[11] Telephone conversation with Julie Torres, Housing Authority Director, May 2, 2013.
[12] 2012 Annual Report, Hudson Housing Authority.
[13] 2012 Annual Report, Hudson Housing Authority.
[14] Ibid.

6.1 Drinking Water

The Department of Public Works (DPW) Water Division manages the Town's drinking water supply. The Town of Hudson owns and operates two treatment facilities that treat five of the six available water resources. They are the Gates Pond Water Treatment Facility and the Chestnut Street Water Filtration Facility. The Gates Pond Water Treatment Facility treats surface water from Gates Pond, the Town's sole water supply source located in Berlin, Massachusetts. The Chestnut Street Water Filtration Facility treats four groundwater well supplies (Chestnut Street wells 1, 2, and 3 and the Kane well). The remaining groundwater well supply (the Cranberry well) is currently only treated with chemical addition.

The Kane and Cranberry wells are subjects of remediation and reconditioning efforts to address elevated iron and manganese levels. The *Kane and Cranberry Wells Treatment Evaluations* report identified elevated levels of iron and manganese and studied various options for treatment of them. Elevated levels of these naturally occurring elements in the water can cause unpleasant color and issues in plumbing and laundry fixtures. At extreme levels manganese, in particular, can be of some health concern. Three main alternative solutions were analyzed in the report along with cost estimates, based on discussions with the Hudson DPW. The Town proceeded with an option which involved conveying raw water from the Kane and Cranberry wells to the Chestnut Street Water Filtration Facility (in addition to the three existing Chestnut Street wells). This option centers treatment of all Hudson's groundwater resources in one location, which is beneficial for operations and maintenance costs. However, any failure at the plant could impact all five groundwater supply sources.

The Massachusetts Department of Environmental Protection (MassDEP) ultimately approved Hudson's plan. Work has been completed at the Kane Well and is ongoing at the Cranberry well. Further improvements will be made at the Chestnut greensand filtration facility to handle the increased volume at the treatment site. On January 9, 2014, the MassDEP conducted a site visit of the Kane Well and approved it for operations returning it to service at the end of January 2014. The well is now operational and is regularly tested to ensure compliance with regulatory standards for iron and manganese.

Pending completion of the work on the Cranberry well, the three Chestnut wells, Kane and Gates Pond are providing water to Hudson's residents. Hudson is temporarily using approximately 500,000 gallons per day of water from the Massachusetts Water Resources Authority through a connection with Marlborough.[15]

6.2 Wastewater

The DPW Sewer Department manages the Town's wastewater. Hudson recently upgraded its wastewater treatment facility. The facility improves the quality of wastewater effluent discharged into the Assabet River by removing nutrients,

[15] Wicked Local – Hudson. *Hudson to keep Cranberry, Kane wells offline.* July 2, 2013.

such as phosphorus. The wastewater treatment facility has a design average flow of 3.05 MGD and a design peak flow of 9.2 MGD. The Town is operating under a new discharge permit requiring the facility to meet a stringent effluent limit of total phosphorus, total copper and other parameters within a specific deadline.

6.3 Solid Waste and Recycling

The Town of Hudson does not currently provide curbside trash and/or recycling removal. The Hudson Board of Health currently oversees the operation of a Transfer Station, located at 300 Cox Street, for use by town residents. The Transfer Station is currently run by BP Trucking of Ashland, MA. To dispose of trash at the transfer station, residents purchase a decal for $10 to use through the year.

6.4 Public Safety

The Town of Hudson has both a Fire and Police Department. The Fire Department build a new state-of-the-art facility for its headquarters in 2004. The Town has a second fire station which was originally build in 1895. There have been numerous renovations including the installment of a new roof and windows in 2014. There is one other fire station that is not currently staffed and is used for emergency management and storage. Hudson currently has adequate capacity to meet its fire protection needs.

The Police Station is deemed to be woefully inadequate to meet the Department's and the Town's current needs. The facilities are antiquated and do not meet public safety standards. Replacement of the Police Station is considered to be the top capital facilities priority. Funding for the new Police Station was approved by the Spring 2014 Town Meeting in conjunction with new administrative offices for DPW.

6.5 Hudson Light and Power

The Town of Hudson Light and Power Department services all of Hudson and Stow and parts of surrounding communities, delivering reliable, efficient and cost effective power. It is a tremendous asset to the Town, providing a dependable source of electricity for residents and businesses and keeping electric rates low for its customers. The Department currently meets Town needs.

6.6 Roads

There is a total of 122 miles of roadway in Hudson. The majority of the roadway system falls under the jurisdiction of the Town of Hudson (88 miles, or 72 percent). The Town established a five year road repair program funded through Chapter 90 and local appropriations for 2012 through 2017. Most of the roadways scheduled for repair are rated as being in poor to fair condition.

6.7 Transit

While the Town recently joined the MWRTA, the Town is not *currently* served by a fixed route public transit system. This should change in the not-too-distant future as the MWRTA and Town coordinate their priorities. Without public transit options, populations that do not have access to a private automobile are negatively impacted such as low income, young adults, and the elderly. Regionally, the Worcester Regional Transit Authority and the MetroWest Regional Transit Authority each currently provide reliable service in nearby towns and cities. The lack of transit options has been cited by the public and the Town as a limitation of the transportation system.

6.8 Pedestrian Facilities

Pedestrian access and mobility are mixed in Hudson. The Town Center and the immediately outlying areas have the sidewalks and crosswalk connectivity necessary for safe and desirable walking. Outside of the Town Center however, sidewalks along critical roadways are missing. Funding is the primary obstacle that prohibits the Town from acquiring right-of-way, planning and constructing the necessary bicycle and sidewalk connections to promote walking and cycling in the Town.

The Safe Routes to School program is a national program that aims to find and develop safe routes for children to be able to walk and bike to school. The three elementary schools and the middle school in Hudson are all partner schools in the program.

Additionally, the Town continues to seek opportunities for funding to improve and construct needed sidewalks that will connect residential communities to town recreational resources that will encourage more active, non-motorized transportation and healthy decision-making through the Commonwealth's Community Innovation Challenge Grant program[16].

6.9 Schools

The Hudson Public Schools system is comprised of six schools: Hudson High School, Quinn Middle School, Forest Avenue Elementary, Farley Elementary, Mulready Elementary, and Hubert School. The Town also has preschool programming and the Hudson Maynard Adult Learning Center. Two of the six schools are in excellent condition, three are in good condition, and one (Mulready Elementary) is in fair condition. The new Quinn Middle School opened in September 2013 replacing the 50-year old JFK Middle School. The Hudson High School is also in excellent condition and was built in 2004. Aside

[16] http://www.mass.gov/anf/budget-taxes-and-procurement/working-for-you/community-innovation-challenge-grant/

from the new middle school, each school has some capital improvement needs, although some fall into the routine maintenance category. However, the total cost runs into millions of dollars. Planned upgrades at the schools include new roofs, asbestos abatement, additional science labs, and fire alarm replacements, although there are no plans for increasing capacity at any of the schools.

There were 2,988 students attending Hudson public schools in the 2013-2014 academic year. There are 238 teachers in the system for a student/teacher ratio of 12.4 to 1 (2013-2014 academic year), which compares with 13.6 to 1 for Massachusetts.

7.0 Housing Goals

Housing development is contingent both upon the construction of housing and on the planning and regulatory tools that enable localities to strategically invest limited public and private funding to create housing. In order to increase the diversity and affordability of housing in Hudson, greater flexibility will be needed in the Town's Zoning Bylaws to guide development. The following goals were identified for the Town of Hudson:

- **Goal 1:** Provide for a variety of housing types that suits the diversity of community members' needs and develop a balanced housing market.
- **Goal 2:** Maintain control over the development of affordable housing in Hudson to encourage a well-designed housing stock.
- **Goal 3:** Encourage denser housing in existing buildings that are in need of rehabilitation or infill sites in areas already served by existing sewers.
- **Goal 4:** Leverage town resources to encourage the development of affordable housing by private entities.
- **Goal 5:** Provide incentives to owners and developers to rehabilitate existing vacant or underutilized buildings into residential properties, such as assistance with state grant and loan programs.
- **Goal 6:** Plan for the increased need for housing for seniors in Hudson using a variety of options, including an assisted living facility, affordable housing for seniors, and multi-generational housing.
- **Goal 7:** Attract more young families by providing more starter homes that are affordable to them.

- **Goal 8**: Preserve the existing affordable, SHI-eligible units in Hudson to provide diverse housing options and to ensure ongoing compliance with the 10 percent threshold.

7.1 Numerical Goals

Hudson's target housing production schedule for 2015-2020 is shown as follows. With the Madison Place Apartments (formerly Cabot Ridge) 40B project, the Town has achieved the 10 percent State goal.. The challenge will be to ensure continued progress to maintain and exceed the 10 percent level, especially in advance of the 2020 census. The production schedule in Table 16 uses the 0.5 percent and 1.0 percent annual production goals to demonstrate how continued development of affordable housing will allow Hudson to remain above the 10 percent threshold.

Table 16 Goals for Low or Moderate-Income Housing Production in Hudson

Calendar Year	2015	2016	2017	2018	2019	**2020**
Total Year-Round Homes	7,962	7,962	7,962	7,962	7,962	**7,962**
10% Requirement	796	796	796	796	796	**796**
.5% Numeric Goal	40	40	40	40	40	**40**
SHI Units with .5% affordable housing production	918	958	998	1038	1078	**1118**
SHI Percentage with .5% affordable housing production	11.53%	12.03%	12.53%	13.04%	13.54%	**14.04%**
1.0%Numeric Goal	80	80	80	80	80	**80**
SHI units with 1.0%	918	998	1078	1158	1238	**1308**
SHI Percentage with 1.0% affordable housing	11.53%	12.53%	13.54%	14.54%	15.55%	**16.43%**

Notes: The number of Year Round Housing units will be updated with the 2020 Decennial Census

With the new Madison Place Apartments (formerly Cabot Ridge), Hudson now exceeds the 10 percent affordability requirement, however there are 14 additional units set to expire in 2020 and 20 units set to expire in 2021. This underscores the need to properly plan and manage the Town's affordable housing stock to ensure that Hudson remains above the 10 percent requirement. .

8.0 Housing Recommendations

8.1 Identification of Specific Sites

Although no specific sites have been targeted for housing development by the Town, the areas most appropriate include Downtown Hudson and the mill buildings to be redeveloped in the Adaptive Reuse Overlay District (AROD). This is consistent with the Town's new Master Plan and the recommendations to encourage more mixed use development in those locations. Additionally, there are opportunities for Open Space Residential Development in some of the existing residentially zoning districts. This also accommodates the desire to minimize sprawl development that may negatively impact existing residential neighborhoods.

Hudson's Downtown comprises about 50 acres within the heart of Hudson. The Downtown area lies mainly to the west of the intersection of several streets (a rotary) located at the intersection of River Street, Central Street, Washington Street (Route 85), and Main Street. The frontage along Main Street is the heart of Downtown which extends one to two blocks to the north to the Pleasant Street/Pearl Street neighborhood and to the south along South Street and the Assabet River. Main Street is primarily composed of two to three-story historic buildings, which house a mix of restaurants, boutiques, and offices. The newer buildings on Main Street house a large second-hand store, and convenience stores. Over the last several years, new restaurants as well as new retail and offices have opened in a large new developed area along South Street, one block south of Main Street. Thus, this area has become more attractive as a place to live.

Based on the recommendation of the Hudson *Community Development Plan* in 2004, Hudson amended its zoning bylaw to adopt the AROD for two large mill complexes. The two areas total approximately 25 acres have former industrial mill buildings that are the remnants of Hudson's historic past as a mill town. These buildings create opportunities to repurpose the buildings into condo loft apartments and artists' studios. This zoning allows upper stories of the existing former buildings to be converted to residential units and new construction of residential units by right meeting certain criteria. The zoning also allows first floor uses of retail, restaurant, offices, bank, health club, music, art or craft studio in addition to uses customarily allowed in multi-family residential zoning districts. Developers are required to set aside at least 15 percent of the units as affordable.

Both AROD areas have the underlying zoning for Manufacturing uses (M-2 and M-3), which allows for manufacturing and agricultural uses in addition to all the uses allowed in commercial and light industrial districts. To further spur and support commercial and residential development in the AROD areas, the Town could consider the following:

- Design pedestrian linkages between the mill buildings and the Assabet Rail Trail, the Assabet River, and Downtown.
- Create and maintain a comprehensive inventory of buildings, occupancy status, tax title status, and other pertinent information within the AROD.
- Explore innovative techniques to encourage smart energy including green technologies.
- Identify all the infrastructure improvements that may be required to revitalize the district and attempt to fund through existing state level grant programs.
- Consider revision of AROD zoning to allow for increased residential density within the AROD.
- Explore financial tools to encourage new development in old mill buildings, such as tax abatements, tax increment financing (TIF) or District Improvement Financing (DIF) Districts, long-term leases, and grants. Both DIF and TIF are tools that Massachusetts municipalities can use to fund district improvements or grant property tax exemptions to landowners respectively. Both tools are based on the tax increment, as calculated by the local Assessor, which is the difference in property tax between the unimproved property and the improved property (including the value of any new construction, rehabilitation or new equipment or machinery). "Using DIF, municipalities can pledge all or a portion of tax increments to fund district improvements over time. With TIF, municipalities may grant property tax exemptions to landowners of up to 100% of the tax increment for a fixed period."[17]

Hudson's Community Preservation Committee (CPC) has established criteria for funding housing programs through the Community Preservation Act. The CPC criteria, which are consistent with the goals of the Master Plan, this Plan and the Commonwealth's Sustainable Development Principles, include:

- Project requires affordability in perpetuity through deed restrictions, with resale restrictions on homeownership;
- Project is eligible to be counted in the Town's Subsidized Housing Inventory towards the mandatory 10% goal;

[17] State of Massachusetts Smart Growth/Smart Energy Toolkit. http://www.mass.gov/envir/smart_growth_toolkit/pages/mod-

diftif.html. Accessed December 2012.

- Project promotes a socioeconomic environment that encourages diversity of income, ethnicity, religion and age;
- Project intermingles affordable and market rate housing at levels that exceed state requirements for percentage of affordable units;
- Project promotes use of existing buildings or construction on previously developed sites;
- Project converts market rate housing to affordable units;
- Project gives priority to local residents, Town and School Department employees, and employees of local businesses; and
- Project provides housing that is harmonious in design and scale with the surrounding neighborhood.

8.2 Housing Recommendations and Strategies

The Town of Hudson should consider the following planning, regulatory, and zoning-related recommendations and strategies to promote housing development and address local needs.

- Consider adopting new options for mixed-use development in downtown Hudson, building off recent state law allowing tax agreements for residential development and for downtown redevelopment.
- Pursue working with property owners in downtown Hudson to undertake residential rehabilitation projects using the Community Development Block Grant funds, Community Preservation Act (CPA) funding, or other State, Federal, and private resources.
- Consider the creation of down payment assistance or affordable mortgage programs for income-eligible first-time homebuyers. This could be accomplished through CPA funding, the Municipal Affordable Housing Trust Fund, or in conjunction with private lenders.
- Consider using municipal funds, such as from the Municipal Affordable Housing Trust Fund, to provide incentives to encourage the redevelopment of former mill properties in the Adaptive Reuse Overlay District and in the Downtown into additional affordable housing units.
- Identify expiring use properties where the subsidized housing units are at risk of being removed from the affordable housing inventory. As mentioned above, several units will or soon will have expiring use restrictions. Several approaches can be taken to preserve the affordability of these units such as negotiating with the property owner to extend the affordability restrictions and working with MassHousing, DHCD, or non-profit housing

organizations to leverage the resources (including political) needed to maintain the restrictions.

- Be more proactive by seeking proactive opportunities (such as grants) to redevelop under-utilized properties and buildings for affordable housing.
- Consider the adoption of an inclusionary bylaw to encourage development of new housing that is affordable to low and moderate-income households. The bylaw can mandate that ten percent of the units in a residential subdivision or multi-family unit development subject should be established as affordable housing units.
- Encourage the development of an assisted living facility for seniors. The Town does not currently include assisted living as an allowed use in the Zoning Bylaw, so it should be added to the use regulations and definitions. Additionally, the Town could consider a new section with standards for developing such facilities.
- Create more senior subsidized housing or very low income housing for Hudson's growing senior population.
- Create more affordable housing (such as starter homes) targeted towards young families and the 20 to 30 year old age bracket in order to create a more balanced housing market in the community and avoid stagnation. This strategy is consistent with the need for family housing that has been identified among state-level housing Subsidizing Agencies. A recent interagency agreement ("Bedroom Mix Policy") among state Subsidizing Agencies requires projects that are funded, assisted, or approved by a Subsidizing Agency to include at least 10% of the homes as three-bedroom units.
- Revisit zoning bylaws related to housing development, such as the OSRD. Market these bylaws better to developers especially the OSRD, as it was adopted in 2007 but not many developments have since been designated as an OSRD. The Town should consider allowing OSRD by right rather than by special permit as a way to induce more applications for OSRD projects.
- Implement a Transitional Overlay Zoning District between commercial/industrial and residential zones in order to minimize the impacts between the uses and districts.
- Expand expedited and coordinated permitting processes to other developments, similar to the way that Chapter 40B developments are reviewed.
- Develop educational programs and outreach to developers and home owners pertaining to zoning mechanisms that create additional housing options, such as accessory unit bylaws.
- In June 2014, the Commonwealth announced the establishment of a $600,000 Notice of Funding Availability for a program called

Planning Assistance Toward Housing (PATH). The PATH program supports multi-family housing proximate to existing infrastructure, community services and public transportation, as well as projects containing ancillary commercial facilities that are secondary to the residential use of properties. Priority for funding will be given to applications that: (1) support the creation of as-of-right multi-family zoning districts for DHCD approval and/or (2) encourage new multi-family housing production in new or existing mixed-use districts (e.g., within city or town centers or transit-oriented development areas). Applications must be consistent with the Commonwealth Sustainable Development Principles and reflect DHCD's Fair Housing Principles.[18] This funding source could be used for a number of the recommendations included in the Plan.

- The Community Preservation Act provides funding opportunities for the Town to pursue new housing initiatives that can enhance housing affordability on the both the short and long term. The experiences of other communities that have adopted CPA provide numerous examples of the ways in which housing choice can be expanded in ways that would not be possible without this funding source. Potential allowable uses to which CPA money may be used for housing include:
  - Modify existing homes, including accessibility improvements that allow the disabled or senior citizens to continue to live in their homes
  - Provide a match for state Home Modifications funds to adapt the homes of elderly and disabled town residents, including the installation of such safety measures as ramps and bars
  - Assist the local housing authority to support its low income rental properties
  - Assist residents to meet homeownership costs, including grants or "soft second" loans to reduce mortgage interest rates, provide a down payment, assist with closing costs, security deposits, utility assistance, or to subsidize interest rates. These programs could be especially important in preserving existing deed restricted homeownership properties when they are sold.
  - Fund a housing trust or a housing authority to support a particular community housing initiative; income from an endowment for local affordable housing can be applied directly or matched with state or federal funding

[18] http://www.mass.gov/hed/community/planning/planning-assistance-toward-housing-path.html. Accessed June 2014.

- Pursue strategies to ensure that existing rental housing units with expiring use restrictions are preserved as affordable housing.
- Acquire a preservation restriction to limit the occupancy of certain units in a privately owned rental building to persons of low or moderate income housing
- Convert existing non-residential properties to community housing (schools, mills, churches office buildings, warehouses, etc.)
- Create in-law apartments and other ancillary housing
- Provide funding for brownfield sites that could be used for housing development
- Make site improvements such as water/sewer connections, well installation, septic installation or repair, or other underground utilities associated with the creation of affordable housing units
- Rehabilitate or restore existing properties being converted to affordable housing units in a mixed income residential environment

Housing Resources

For more information on various housing topics, the following resources are suggested:

Town Resources:

Hudson Housing Authority. Meetings first Thursday every month. 8 Brigham Circle.
http://www.townofhudson.org/Public_Documents/HudsonMA_BComm/housing.

Hudson Community Preservation. Updated 2013.
http://www.townofhudson.org/Public_Documents/HudsonMA_BComm/Community%20Preservation%20updated%20January%202013.pdf.

State and Other Resources:

Citizens Housing and Planning Association, *Taking the Initiative – A Guidebook on Creating Affordable Housing Strategies.*

Massachusetts Housing Programs. Information on home buyer assistance programs to help low and moderate-income residents buy and repair homes.
http://www.massresources.org/homebuyer-programs.html

MassHousing. Self-supporting not-for-profit public agency, MassHousing has provided more than $13 billion in financing for homebuyers and homeowners, and for developers and owners of affordable rental housing. https://www.masshousing.com/portal/server.pt/community/home/217

Executive Office of Energy and Environmental Affairs. ***Inclusionary Zoning Bylaw***. http://www.mass.gov/envir/smart_growth_toolkit/bylaws/IZ-Bylaw.pdf.

Community Preservation Coalition. http://www.communitypreservation.org/.

Department of Housing and Community Development. ***Chapter 40B Planning.*** http://www.mass.gov/hed/community/40b-plan/