

2019

# Residential Housing Needs Study Recommendations Report: Sutton, MA

Prepared for: Town of Sutton

Prepared by: Central Massachusetts Regional Planning  
Commission (CMRPC)



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## EXECUTIVE SUMMARY

### Background and Purpose

In 2018, the Town of Sutton, in conjunction with the Central Massachusetts Regional Planning Commission (CMRPC), was awarded a planning assistance grant from the Executive Office of Energy and Environmental Affairs to conduct a Residential Housing Needs Analysis. The goal for this analysis is to serve as a strong tool in implementing alternative and affordable housing zoning regulations to meet Massachusetts Sustainable Development Principles and Smart Growth Tools. This recommendations report represents the culmination of baseline demographic and housing research, community outreach, and zoning and regulatory review. The final deliverable for this project is zoning bylaw development and implementation based on input from the Sutton Housing Working Group following a presentation of this recommendations report.

CMRPC worked collaboratively with the newly established Sutton Housing Working Group and the Sutton Planning Director to collect data, understand local housing conditions and needs, and develop strategies that will meet the needs of current and future residents. The result is this Recommendations Report which includes a comprehensive housing needs assessment, set of housing production goals, and housing strategies. This report is intended to help the Town identify gaps in its housing market and serve as a guiding tool in moving forward with addressing such gaps.

### Summary of Significant Demographic and Housing Characteristics and Trends

The project team analyzed multiple data sources (see Plan Methodology) to assess population, demographic trends, and market trends. The housing market is generally robust, with the town's median single-family home value outperforming its neighboring communities. Sutton's population is aging and growing slowly, suggesting a need for affordable housing options for seniors as well as housing options for young families, professionals, and other workers to increase the under-65 population.

- **Aging Population:** The median age of Sutton residents was 36.5 in 2000 and 44.8 in 2017. 39% of residents were over the age of 50 in 2017, as compared to 29% in 2000. With people having fewer or no children, shifting location preferences to urban areas, and Baby Boomers aging into retirement, the town's population makeup is changing drastically and housing options should reflect the needs of Sutton's current and future residents.
- **Limited Availability of Affordable Housing for Seniors:** The Sutton Housing Authority manages the Orchard Apartments, an apartment complex including 40 units of age-restricted (60 years and older) and income-restricted housing. The 60 and over population comprises 20% of the town's population of 8,963, thus the number of seniors far surpasses the availability of affordable housing in Sutton.

- **Marginal Variability in Housing Types:** 82% of homes in Sutton are single-family detached homes and there are no residential structures with 20 or more units in town.
- **Low-Income Seniors:** 3% of Sutton residents over the age of 65 have income rates below the poverty level.
- **Regional Leader in Single-Family Home Market:** Sutton’s median single-family home value in 2017 was \$339,900, and the town has continuously outperformed its neighboring communities on average since 2007. The town’s median single-family home price earned an average of nearly \$40,000 more in value over the 10-year period than its neighbors.
- **1.5%, or 50 units, of Sutton’s total year-round housing units are included in the State’s Subsidized Housing Inventory (SHI):** The SHI is used to measure a community’s stock of low-or moderate-income housing for the purposes of M.G.L. Chapter 40B. Not only is this rate of 1.5% far below the 10% SHI goal set by Chapter 40B, but it is also one of the lowest rates in the region. 80% of these subsidized units are age-restricted to individuals over the age of 60 who also meet basic income requirements.

## Summary of Housing Production Goals

As of 2017, Sutton’s subsidized housing inventory (SHI) consists of 50 units, or 1.5% of its housing stock. The Massachusetts SHI is the most comprehensive listing of deed-restricted affordable housing units compiled by the Massachusetts Department of Housing and Community Development (DHCD). In order to meet the M.G.L. Chapter 40B SHI target of 10% and not be vulnerable to comprehensive permitting, the town needs to have 332 total subsidized units. In order to increase its SHI by 282 units, the town needs to produce 56 new units per year to meet the goal in 5 years, or 28 new units per year to meet the goal in 10 years. When the 2020 Census is released these goals will change slightly.

It should be noted that the State’s subsidizing agencies have entered into an Interagency Agreement that provides additional guidance to localities regarding housing opportunities for families with children and are now requiring that at least 10% of the units in affordable production developments that are funded, assisted, or approved by a State housing agency have three or more bedrooms (with some exceptions including age-restricted housing, assisted living, supportive housing for individuals, etc.).

## Summary of Housing Strategies

The strategies summarized below were established based on prior planning efforts, meetings with the Sutton Housing Working Group and Planning Director, results of the 2018 community survey on housing needs, and community input from the public forum on September 20, 2018. Capacity building strategies outline specific actions to build local capacity to address local housing needs and provide support for affordable housing implementation. Zoning strategies are a necessary step to create greater flexibility in the Town’s Zoning Bylaw to capture more affordable units and direct affordable housing to the most appropriate locations. Housing development strategies call for the necessary partnership of the Town with developers in both the non-profit and for profit sectors in order to successfully create more affordable units.

## Capacity Building Strategies

- **Continue to Conduct Ongoing Community Outreach and Education on Housing:** Town staff and local leaders should continue strategic efforts to educate and inform Sutton residents on the issue of affordable housing. Many of the recommended housing strategies rely on local approvals, therefore community support for new initiatives continues to be essential.
- **Promote Adoption of the Community Preservation Act (CPA):** Adopting CPA is a mechanism for promoting greater housing affordability, diversity, and sustainability in Sutton. By establishing a Community Preservation Fund derived from a surcharge of between 1% and 3% of the property tax, Sutton would be able to commit significant local funds to affordable housing as well as historic preservation, open space preservation, and recreational activities. The CPA statute also creates a statewide Community Preservation Trust Fund which provides distributions each year to communities that have adopted CPA.
- **Secure a Dedicated Affordable Housing Coordinator:** The Town should seriously consider enhancing its capacity to promote affordable housing and effectively implement strategies by employing a dedicated affordable housing coordinator. The Planning Director has limited capacity based on current responsibilities therefore hiring a staff person or consultant to lead affordable housing endeavors will be necessary to efficiently achieve affordable housing production goals.
- **Establish an Affordable Housing Trust Fund:** Designating funds to support development of affordable housing is an option Sutton has if it wishes to be able to respond efficiently to housing opportunities as they arise. If the Town passes CPA, it could commit funding on an annual basis to a housing trust without targeting the funding to any particular initiative.

## Zoning Strategies

- **Explore Inclusionary Zoning:** This is a popular zoning tool that requires developers to include housing as part of a development or alternatively, to contribute to a fund for such housing. Many communities also allow density bonuses in combination with their inclusionary zoning bylaws in order to ensure that the incorporation of affordable units will be financially feasible.
- **Modify the Open Space Residential Development (OSRD) Bylaw:** While it is significant that the Town has an existing OSRD bylaw, this report recommends that revisions to the current bylaw include mandates for the inclusion of some amount of affordable housing. A mandate combined with existing or modified density bonuses for affordable housing inclusion will help promote more diverse housing options in town.
- **Modify the Accessory Apartment Bylaw:** The Town allows accessory dwellings by special permit in certain districts of Sutton, however there are a number of modifications that are suggested in order to ease the process for owners to create accessory units and prevent owners from developing ones that violate the Zoning Bylaw.

- **Adopt a Cottage Housing Bylaw:** Town officials should consider bringing a Cottage Housing Bylaw to Town Meeting to be voted on. This bylaw would allow the construction of modestly sized single-family residences that meet the needs of a population diverse in age, income, household composition, and individual needs in areas of town with appropriate infrastructure and/or soils. Architectural controls would ensure the units align with the rural/suburban character of the town and they would also be a means of diversifying the housing stock in Sutton.
- **Adopt New Zoning and Amend Existing Zoning for Multi-Family Housing and Mixed Use Development:** There are a number of ways in which the Town of Sutton can adopt new zoning as well as modify existing zoning bylaws in order to make affordable housing development an easier process. Recommendations include adopting Chapter 40R/40S Smart Growth Zoning and modifying the existing Village Center Overlay District and Village Zoning District.

#### Housing Development Strategies

- **Make Suitable Public Property Available for Affordable Housing:** If there are parcels or buildings owned by the Town that are not essential for municipal purposes, Sutton should take advantage of this opportunity as a means of addressing local housing needs.
- **Pursue Partnership Opportunities for Multi-Family and Mixed Use Development:** The Town of Sutton needs to partner with capable development entities to realize new development opportunities through options such as Chapter 40R Smart Growth Overlay District or Chapter 40B Comprehensive Permit Process.

## INTRODUCTION

### Community Overview

The Town of Sutton, incorporated in 1714, is governed by the open town meeting form of government and is located in Worcester County, approximately 50 miles southwest of downtown Boston. The town covers an area of approximately 33.9 square miles, of which 32.4 square miles is land and 1.6 square miles is water. Located in the historic Blackstone Valley, Sutton is bordered by the towns of Millbury, Oxford, Douglas, Uxbridge, Northbridge, and Grafton. The town contains five villages, known as Sutton Center, Manchaug, Wilkinsonville, West Sutton, and South Sutton. Route 146 runs through the town, making Sutton easily accessible for those living and working in Worcester, Providence, and the towns in between. Housing opportunities consist primarily of single-family homes with the owner-occupied rate remaining very high, indicative of a stable residential base.

The Town of Sutton completed a Master Plan in 2012, with a major housing goal being to encourage the development of housing that meets the varied needs of residents. The four (4) main objectives of this Master Plan goal are:

1. To provide support for a variety of housing types;
2. To promote housing that is compatible with community character and context;
3. To integrate affordable housing throughout the community in appropriate locations; and
4. To move toward meeting the State's required 10% affordable housing goals.

The housing needs study is a way to meet the goals and objectives of the Master Plan and attend to the community's various issues surrounding residential housing. The intention of this housing needs assessment for the Town of Sutton is to establish a plan to significantly increase the Town's ability to meet Massachusetts Sustainable Development Principles. The assessment consists of a housing needs analysis, review of Town zoning and subdivision bylaw requirements, recommendations report, zoning bylaw development, and a final report on recommendations and outcomes.

### Plan Process

The Town of Sutton in conjunction with the Central Massachusetts Regional Planning Commission (CMRPC) was awarded a planning assistance grant from the Executive Office of Energy and Environmental Affairs in the amount of \$40,000 with a 25% match from District Local Technical Assistance funding. The funding was requested to complete a housing needs assessment, establish a Housing Needs Working Group, and draft and implement zoning reform such as an inclusionary zoning bylaw, affordable housing bylaw, and/or another appropriate Smart Growth mechanism. Four volunteers from the town formed a Residential Housing Working Group and met regularly between June 2018 and February 2019 with the Town of Sutton Planning Director and CMRPC staff. The first event was a public forum, held on September 20, 2018, with Session I held at the Senior Center from 1-3 p.m. and Session II held at Town Hall from 7-9 p.m. More than 30 residents attended either Session I or II of the event. At the event sessions, participants were introduced to the residential housing needs study with a



presentation, allocated time to ask questions, presented with the results from the community survey, and asked to participate in a group activity on the potential design and placement of various multi-family housing options in town. The valuable public input from the discussions and activities are used to inform this housing needs study.

A Residential Housing Needs Community Survey was used as a tool for gathering widespread public input on affordability and availability of housing in Sutton. The 16-question survey was available to take online and hardcopies were available for pick-up and drop-off at the Sutton Senior Center, Sutton Town Hall, and Sutton Public Library. Postcards promoting the survey and public forum were mailed to every household and Post Office Box in the Town of Sutton (See Appendix B). The survey was open from August 1, 2018 to August 24, 2018. In total, 300 surveys were completed by town residents, equating to approximately 5% of the population over the age of 18. 17% of those that completed the survey were under the age of 40 years, 45% of survey respondents were between the ages of 40 and 59 years, and 38% of survey respondents were over the age of 60 years. The complete survey results can be viewed in Appendix C.

## Plan Methodology

Data for this report was gathered from a number of reliable and available sources, including:

- 2000 and 2010 U.S. Decennial Census
- 2013-2017 American Community Survey
- Warren Group
- Costar
- ESRI Business Analyst
- Massachusetts Department of Revenue
- Massachusetts Department of Housing and Community Development
- Central Massachusetts Regional Planning Commission
- Sutton Assessor's Office
- Sutton Planning Department
- Public input during the community forum
- Sutton Housing Working Group feedback
- Sutton Residential Housing Needs Community Survey

## Housing Production Plans and M.G.L. Chapter 40B

M.G.L. c. 40B, §§ 20-23 – known as Chapter 40B or the Comprehensive Permit Law – is a Massachusetts state law that was enacted in 1969 to facilitate construction of low- or moderate-income housing. It establishes a consolidated local review and approval process (known as a “comprehensive permit”) that empowers the zoning board of appeals (ZBA) in each city and town to hold hearings and make binding decisions that encompass all local ordinances or bylaws and regulations. In certain circumstances, that ZBA's comprehensive permit decision may be appealed to the Massachusetts Housing Appeals Committee (HAC), which has the power to affirm, modify, or overturn local decisions. Under Law Chapter 40B, cities and towns must work to ensure that at least 10% of their total housing stock qualifies as “affordable” to households earning at or below 80% of the area median income (AMI). For communities that have not

achieved the 10% affordable housing requirement, developers can override local regulations by receiving a comprehensive permit from local ZBA's if they include affordable housing in their projects.

For communities that have not yet met the 10% goal, there are paths that they can take to achieve it. A community can prepare a Housing Production Plan (HPP), which is a plan authorized by M.G.L. Chapter 40B and administered by the Massachusetts Department of Housing and Community Development (DHCD) that can allow some relief from 40B pressures if the plan is approved by DHCD and a certain number of affordable housing units is created in a year. Communities that have a DHCD approved HPP and that have produced units that are "affordable" households totaling at least 0.5% of the community's year-round housing stock will be granted a "certification of compliance with the plan" and become temporarily "appeal-proof" from Chapter 40B for 12 months following certification, or 24 months following certification if 1.0% of its year-round housing units have been produced as affordable.

### **Safe Harbors**

In regards to Chapter 40B, "safe harbor" refers to conditions under which a ZBA's decision to deny a comprehensive permit will qualify as consistent with local needs and not be overturned by the HAC, provided the conditions were met prior to the date that the comprehensive permit was filed with the ZBA. Safe harbors include:

#### *Statutory Minima*

- The number of low- or moderate-income housing units in the city or town is more than 10 percent of the total number of housing units reported in the most recent decennial census;
- Low- or moderate-income housing exists on sites comprising 1.5 percent or more of the community's total land area zoned for residential, commercial, or industrial use;
- The comprehensive permit before the ZBA would lead to construction of low- or moderate-income housing on sites comprising more than 0.3 of 1 percent of the community's total land area zoned for residential, commercial or industrial use, or 10 acres, whichever is larger, in one calendar year.

#### *Additional Safe Harbors Created by Regulation*

DHCD has certified that the community complies with its affordable housing production goal under its approved Housing Production Plan.

- The community has met DHCD's "recent progress" threshold (760 CMR 56.03(1)(c) and 56.03(5)). This implies that within the past 12 months, the community has created new SHI units equal to or greater than 2 percent of the total year-round housing units reported in the most recent decennial census. The recent progress threshold can be helpful to a community that does *not* have a DHCD-approved Housing Production Plan.
- The project before the ZBA is a project that exceeds DHCD's definition of a "large" project under 760 CMR 56.03(1)(d), where the definition of "large" project varies by the size of the municipality (see 760 CMR 56.03(6)).

## Defining Affordable Housing

In the United States, housing can be considered “affordable” if the household pays no more than 30% of its annual income on housing. Households who pay more than 30% of their income towards housing are considered ‘cost-burdened’ and may have difficulties affording necessities such as food, clothing, transportation, and medical care, as well as saving for their future. This definition typically operates under the following assumptions: (1) Housing costs for renters typically include gross rent plus utilities; (2) a calculation of total housing costs for owner-occupied households include a mortgage payment – consisting of principal, interest, taxes, and insurance. Households paying between 30% and 50% of their income on housing are considered moderately cost-burdened, while households paying greater than 50% of their income are considered to be severely cost-burdened.

This definition of housing affordability is used by the United States Department of Housing and Urban Development (HUD) and the Massachusetts Department of Housing and Community Development (DHCD) to calculate Area Median Income (AMI) and promote income-restricted housing. The AMI is the median family income for the Metropolitan Statistical Area (MSA). Sutton belongs to the MSA which includes all communities in Worcester County. HUD calculates the AMI annually based on the U.S. Census Bureau’s American Community Survey’s (ACS) estimated median family income for the MSA. Sutton falls under the Worcester AMI, which in 2019 was \$97,700.

Affordable housing in Massachusetts generally refers to housing that is reserved for households with incomes at or below 80% of the area median income. DHCD maintains a Subsidized Housing Inventory (SHI) that lists all subsidized housing developments in a community. This inventory includes units reserved for households with incomes at or below 80% of the median under long-term, legally-binding agreements and are subject to affirmative marketing requirements. In 2019, 80% of the area median income for the Worcester MSA was \$75,450 for a family of four.

Municipalities and/or developers are responsible for updating their inventory directly with DHCD. When new subsidized units are occupied or permitted within a municipality, the municipality (or the developer) must make a written request for units to be added to the municipality’s inventory. This task is accomplished through the *SHI: Requesting New Units Form*, available on the Massachusetts Subsidized Housing Inventory website, which must be submitted to DHCD.

**Table 1: 2019 Area Median Income Limits for the Worcester Metropolitan Statistical Area**

Area Median Income	FY 2019 Area Median Income Limit Category	Persons in Household				
		1	2	3	4	5
\$97,700	Low (80%) Income	\$52,850	\$60,400	\$67,950	\$75,450	\$81,500
	Very Low (50%) Income	\$33,050	\$37,750	\$42,450	\$47,150	\$50,950
	Extremely Low (30%) Income	\$19,850	\$22,650	\$25,500	\$28,300	\$30,600

*Source: U.S. Department of Housing and Urban Development, 2019 Area Median Income Limits for the Worcester Metropolitan Statistical Area.*

## Fair Housing and Housing Discrimination

Title VIII of the Civil Right Act of 1968, also referred to as the Fair Housing Act, was enacted with the primary purpose of prohibiting discrimination in transactions involving the rental, sale, or financing of a home based on race, color, national origin, religion, sex, familial status, and mental or physical handicap. Massachusetts law included the following protected classes: marital status, sexual orientation, age, gender identity and expression, military or veteran status, ancestry, genetic information, and receipt of public assistance or rental subsidies.

Under Federal law, state and local governments that receive federal housing funds are required not only to refrain from discriminatory practices, but they must also take initiative in promoting open and inclusive housing patterns, also known as “affirmatively furthering fair housing.” As defined by HUD, this practice includes the following:

- Analyzing and eliminating discrimination in the jurisdiction;
- Promoting fair housing choice for all persons;
- Providing opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familiar status, disability, and national origin;
- Promoting housing that is structurally accessible to, and usable by all persons, particularly persons with disabilities;
- Fostering compliance with the nondiscrimination provision of the Fair Housing Act.

Under Federal and State law, municipalities must also ensure that municipal policies and programs do not have a disparate impact on members of a protected class. Disparate impact is a significant legal theory in which liability based upon a finding of discrimination may be incurred even when the discrimination was not purposeful or intentional. The municipality should consider if the policy or practice at hand is necessary to achieve substantial, legitimate, non-discriminatory interests and if there is a less discriminatory alternative that would meet the same interest.

## HOUSING NEEDS ASSESSMENT

### Town of Sutton Overview

Sutton is an attractive rural community in the heart of the Blackstone Valley. Sutton’s economic history in the 18<sup>th</sup> and 19<sup>th</sup> centuries was a combination of agriculture and industry, with the farms and orchards prospering as well as industries, especially textile, in the Villages of Manchaug and Wilkinsonville. The Village of Manchaug was a mill town nearly fully built by BB&R Knight of Providence, RI and populated by immigrants from Canada. The three large mills here were some of the first Fruit of the Loom mills. Wilkinsonville Village was named after David Wilkinson, the brother-in-law of Samuel Slater. Wilkinson operated mills including the Sutton Manufacturing Company on the Blackstone River at Depot Street. The mills thrived for decades but declined as the 20<sup>th</sup> century brought large-scale industrialization.

Economic focus in the town has now transitioned to industries such as wholesale trade, manufacturing, and service industries. The town remains largely rural and residential, with many descendants of early Sutton residents still living in town. There are numerous farms and attractive open space and recreational areas such as Lake Singletary, Purgatory Chasm, and Lake Manchaug. The Town of Sutton celebrated its 300<sup>th</sup> anniversary 2004.

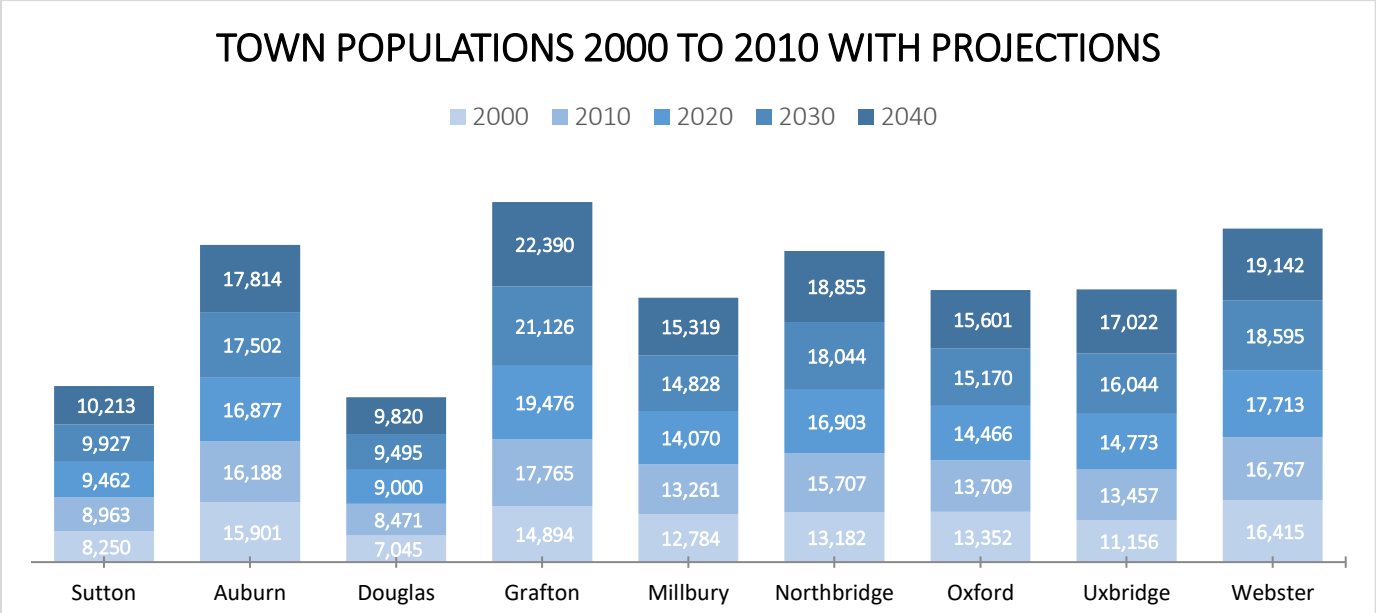
Sutton has become well-known as an attractive place to live with beautiful rural residences, an excellent school system, and easy access to Worcester and Providence as the town is situated along Route 146. Sutton has experienced moderate population growth since 2000, and prices in homes have recently reached a median cost of \$439,950 (*Zillow.com*). The town completed a Master Plan in 2012, which outlines goals to help guide economic and residential growth within the Sutton.

### Demographic Characteristics

#### Population and Household Trends

The most recent U.S. Census counts place the population of Sutton at 8,963, as of 2010. This is a growth of nearly 9% from the previous decade, when the town’s population was 8,250 in 2000. While population growth is not as high as some of its surrounding towns such as Grafton and Uxbridge, Sutton has experienced moderate growth and is expected to increase between 3% and 6% in population each decade through 2040. The population of Worcester County grew 3.2% between 2010 and 2017.

Figure 1: Population of Sutton and Surrounding Towns with Projections



## Household Types

In 2017, nearly 80% of all households in Sutton were family households, indicating the household consisted of a householder and one or more people related to the householder by birth, marriage, or adoption<sup>1</sup>. Family households with their own children under the age of 18 make up 35% of all households in Sutton, which is higher than the state's rate of 27%. An estimated 20% of all households in town were single-person households, and 5% of all households were elderly single-person households, which are both rates lower than Massachusetts averages. For many communities in the region and state, the number of people living in a household has been declining as more people choose to live alone, delay having children, or have fewer or no children. In these communities, the number of households with children has declined, however in Sutton this number has remained fairly stable. Only 3% of remaining households in Sutton consist of those in which members were not related to one another.

**Table 2: Sutton Households by Household Type, 2017**

Households by Type, 2017	Number	% of All Households
<b>Total Households</b>	<b>3,341</b>	<b>100%</b>
Family Households	2,594	78%
Family Households with children <18 years	1,161	35%
Non-family households	747	22%
Householder living alone	656	20%
Elderly single person households	181	5%
Other non-family households	91	3%

*Source: American Community Survey 5-Year Estimates 2013-2017*

## Age

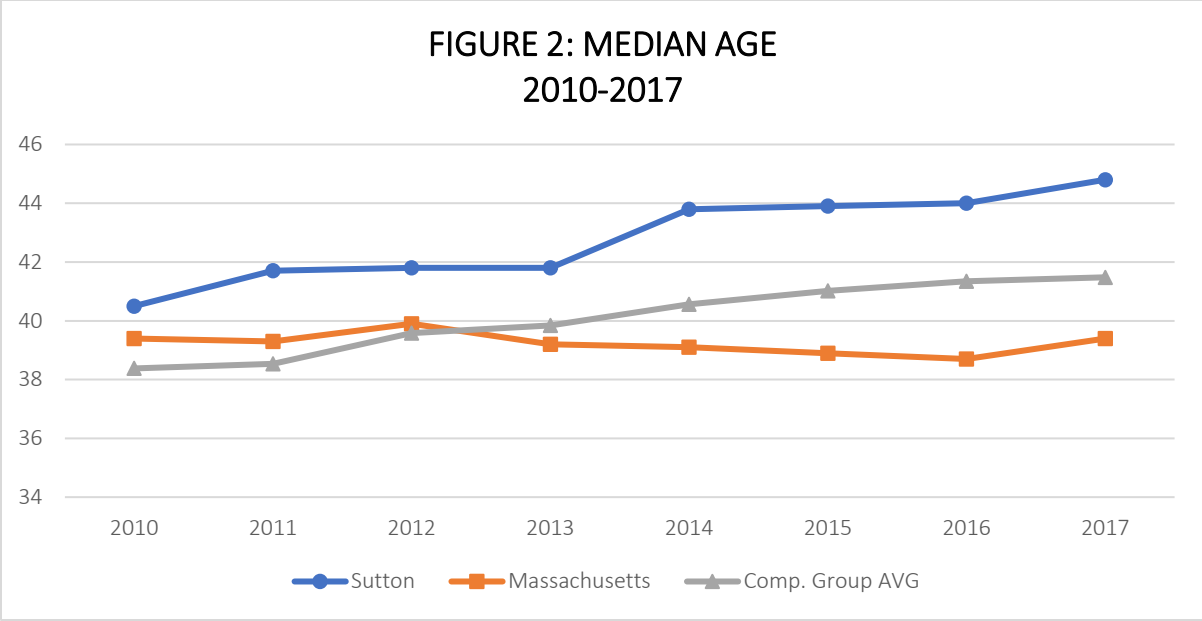
The age distribution of a community's population has significant implications for planning and the formation of public policies related to housing and community development, seeing as different age brackets have differing demands and preferences. The changing age composition of the community will have an impact on the demand for housing better suited for aging households as well as smaller households. The steadily increasing median age in Sutton is reflective of national trends, as the Baby Boomer generation nears and surpasses retirement age. Communities such as Sutton are now faced with the duty to provide adequate and affordable senior housing for their aging populations.

### Median Age Growth at the Local, State and Regional Levels

The median age in Sutton has been growing rapidly, according to ACS estimates. In 2010 the median age in Massachusetts was 39.4 years compared to 40.5 years in Sutton. Figure 2 tracks the change in median age over time for Sutton, Massachusetts, and the average median age for the comparison group. As in other sections of this report, for comparison purposes, the project team looked at the communities which share geographical boundaries with Sutton, and/or have direct access to Route 146. Table 3 (below) summarizes the median age data.

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<sup>1</sup> Same-sex couple households are included in the 'family households' category if there is at least one additional person related to the householder by birth or adoption.



**Table 3: Median Age by Municipality, 2010-2017**

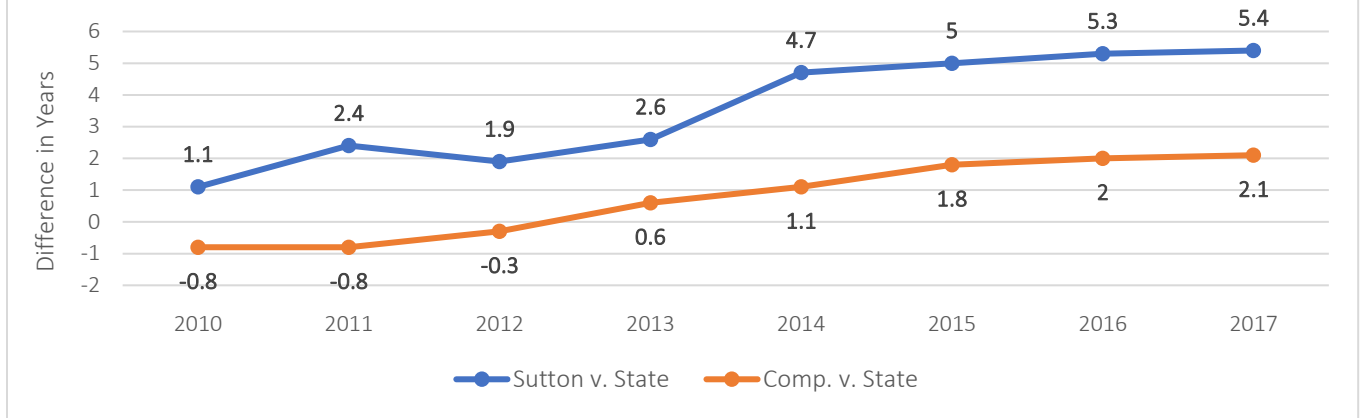
Municipality	2010	2011	2012	2013	2014	2015	2016	2017
Sutton	40.5	41.7	41.8	41.8	43.8	43.9	44	44.8
Millbury	42.2	41.8	42.4	43.1	43	43.5	42.8	43.2
Grafton	35.5	35.9	37	38	39.7	40.7	41.3	41.3
Douglas	35.5	35.9	37	38	39.7	40.7	41.3	41.6
Northbridge	37.9	38.3	40.3	39.1	39.5	40.9	42	40.9
Uxbridge	40.8	40.8	41.2	41	40.9	39.3	39.3	40.4
Worcester County	39.9	38.4	39.6	39.4	38.1	38.8	37.5	40.1
Massachusetts	39.4	39.3	39.9	39.2	39.1	38.9	38.7	39.4

*Source: U.S. Census Bureau; American Community Survey 5-Year Estimates*

**Median Age Gap**

Figure 3 (below) measures the difference between the median age in Sutton and the median age in Massachusetts between 2010 and 2017 and compares it against the same measurement for the Comparison group communities. In 2010, the median age in Sutton was 1.1 years older than that of the state, while the comparison communities were, on average, 0.8 years younger than the state. By 2017, the average for the comparison group had grown to approximately 2 years older than the state median, indicating a general aging of all communities in the group. However, Sutton’s median age gap was consistently higher than the region. By 2017, the median age in Sutton had grown to 5.4 years older than the State.

**Figure 3: Median Age Gap: Sutton v. Massachusetts & Comparison Group v. Massachusetts**



### Population Growth by Age Group

The age groups that have experienced the greatest increase in population from 2010-2017 in Sutton are the categories 80 to 84 years (+98%), 25 to 29 years (+59%), and 85 years and over (+40%), and The age groups that have experienced the greatest decrease in population are 35 to 39 (-175%), Under 5 years (-64%), and 5 to 9 years (-50%). The changing age composition of Sutton and the region will have an impact on the demand for future housing. In general, communities in Worcester County have seen proportional increases in their population 45 and older, reflective of people having fewer children or no children and shifting location preferences, as well as a result of Baby Boomers aging into retirement. The median age for Sutton was 36.5 in 2000, 42.6 in 2010, and 44.8 in 2017. The increase in median age is consistent among Sutton’s surrounding towns. Populations under the age of 40 continue to generally decrease in Sutton and surrounding rural and suburban communities.

**Table 4: Sutton Population by Age 2010 - 2017**

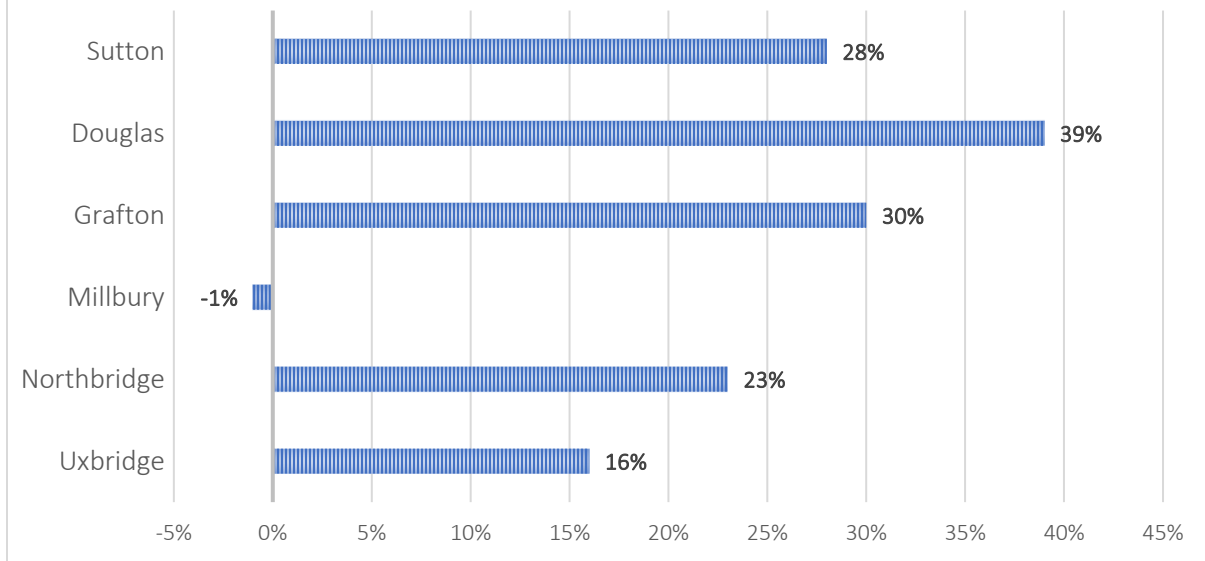
Age	Percent of Population	
	2010	2017
Under 5 years	5.4%	3.1%
5 to 19 years	24%	23.5%
20 to 24 years	4.3%	3.7%
25 to 29 years	1.7%	4.0%
30 to 39 years	13.9%	8.6%
40 to 49 years	21.3%	18.3%
50 to 59 years	13.7%	17.4%
60 to 69 years	10.9%	13.4%
70 to 79 years	3.6%	4.3%
80 to 84 years	0.1%	1.8%
85 years and over	1.1%	1.7%

*Source: U.S. Decennial Census 2010; American Community Survey 5-Year Estimates 2013-2017*

**Population growth in Sutton’s Retirement Age Cohort:** During this period (between 2010 and 2017) the population of residents over the age of 55 in Sutton grew by an average of 28%. This places the town’s growth among the highest in the comparison group, with the other highest growths occurring in Grafton (30%) and Douglas (39%). This is with an average population growth of approximately 4% during this same period. By comparison, population in the key workforce demographic (defined here as ages 20 to 45) actually decreased by 16% from 2010 to 2017 or about 3% per year on average. Figure 4 shows the average growth rate in population over the age of 55 for Sutton and its nearest neighbors.



**FIGURE 4: AVERAGE GROWTH IN 55+ POPULATION, 2010-2017**



**Table 5: Sutton Population by Age**

Age Group	2010	2011	2012	2013	2014	2015	2016	2017	% Change 2010-2017
20 to 24 years	381	409	321	318	396	459	381	348	0%
25 to 34 years	465	371	384	463	458	640	664	838	45%
35 to 44 years	1,823	1,649	1,545	1,428	1,308	1,177	1,193	1,033	-76%
45 to 54 years	1,711	1,500	1,651	1,687	1,833	1,784	1,954	1,978	13%
All	4,380	3,929	3,901	3,896	3,995	4,060	4,192	4,197	-4%

*Source: American Community Survey 5-Year Estimates 2013-2017*

### Race and Ethnicity

The population of Sutton is primarily White, at approximately 93% of the town’s total population, according to the most recent ACS estimates. Since 2010, nearly all racial groups have increased in population, with the exception of Hispanic or Latino residents, which have decreased from 0.8% to 0.2% of the population. The major ancestries of Sutton residents include Irish, French, English, French Canadian, Italian, German, Swedish, and Polish. Additionally, 4% of the population over the age of 5 speaks a language other than English. In comparison, 19% of Worcester County’s population speaks a language other than English at home.

### Disability

Disability is a protected class under federal law. The U.S. Census Bureau defines a disability as a long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home

alone or to work at a job or business. Many residents with one or more disabilities face housing challenges due to a lack of housing that is affordable and physically accessible.

An estimated 16% (420 people) of Sutton's population of residents ages 18 to 64, also known as "working-age residents," reported having one or more disability. An estimated 70% (340 people) of residents ages 65 and over in town reported having one or more disability. Hearing difficulties are currently the most common disability faced by the elderly population in Sutton, followed by difficulties associated with independent living. With projections of an increasing elderly population in Sutton, the demand for affordable and barrier-free/accessible housing may be on the rise. The range of disabilities present in the town's population requires different types of accessible housing to serve the needs of persons with disabilities. Some communities in Massachusetts have put more effort and resources into integrating accessible housing and housing with supportive services into planning for market-rate and affordable housing development.

### **Populations with Special Needs**

Populations with special needs are considered to be residents who require specialized housing and/or support services. Included in this category, in no particular order, are:

- People with physical disabilities
- Elderly and frail elderly
- Veterans
- Survivors of domestic violence
- Youth aging out of foster care and at-risk youth
- People with psychiatric and cognitive disabilities
- People with substance abuse issues
- Ex-offenders
- People living with HIV or AIDS
- People who are homeless

The needs of these sub-populations may overlap in many cases, as well as the institutions that serve them. Special needs populations are more likely than the general population to encounter difficulties securing and retaining adequate and affordable housing, due to lower incomes and other obstacles, and often require enhanced support services. While members of these populations often move through temporary housing placements, they often seek permanent and stable housing options. Unfortunately, due to the small size of Sutton, municipal level data is not available on these specialized populations.

### **Income**

Income of individuals and households is strongly related to the amount of money that households are able to allocate for housing. Housing that is affordable for lower-income households is significant for creating household stability and economic self-sufficiency. In order to build and retain a strong and talented workforce to improve the region and state's economic competitiveness, housing that is affordable to working class and middle class households needs to be readily available.

Household and family income in Sutton has experienced slight fluctuations in the past decade, with 2017 showing the lowest median family income in recent years. Since 2010, median household income has ranged from \$99,500 to \$112,000, while median family income has ranged from \$108,500 to \$119,000. In comparison, both Worcester County and the state of Massachusetts experienced increases in median household income and median family income between 2010 and 2017. Sutton’s median household income of \$101,000 and median family income of \$109,000, based on 2013-2017 Census estimates, were higher than those of both Worcester County and the state in this same time frame.

<b>Year</b>	<b>Median Household Income</b>	<b>Median Family Income</b>
<b>2010</b>	\$105,164	\$113,272
<b>2017</b>	\$101,315	\$108,648

*Source: U.S. Census Bureau 2010; American Community Survey 5-Year Estimates, 2013- 2017*

Sutton’s median household and family incomes showcase the town as a middle-to-upper class community in Massachusetts. However, there is still a portion of the community living with limited financial flexibility. Two percent of all people in Sutton were living below the poverty line in the past 12 months, including one percent of families with children under the age of 18. Three percent of residents over the age of 65 had income rates below the poverty level according to ACS estimates. There are 198 families in Sutton that utilize the town’s food pantry. While the poverty rate of all people is lower in Sutton than in the state (11%) or the county (11%), these are populations that should not be ignored when planning for housing.

**Employment and Education**

**Education**

Educational attainment, employment, and household wealth are all interrelated, seeing as in the present-day economy it is highly difficult to find employment without the minimum of a high school diploma or equivalent. The 2013-2017 ACS estimated that 44% of Sutton residents have at least a bachelor’s degree. The educational attainment rate for the population with a bachelor’s degree or higher in Sutton is slightly higher than the Worcester County rate of 35% and the state rate of 42%. With 97% of Sutton residents having achieved a high school diploma, the town has a well-educated population.

**Unemployment**

The unemployment rate in Sutton was at a high of 7.8% in 2010 and has since decreased 4.4% over seven years to remain at 3.4% as of 2017. This change echoes that of unemployment in Worcester County and Massachusetts, both of which maintain a rate under 4%. The high unemployment rate in 2010 followed by a steady decrease in the following years can be attributed to the economic recession and the nation’s gradual recovery from it since then.

**Table 7: Employment by Industry**

Industry, 2017	Number	Percent
<b>Civilian Employed Population 16 years and over</b>	<b>5,038</b>	<b>100%</b>
Agriculture, Forestry, Fishing, and Hunting, and Mining	9	<1%
Construction	369	7%
Manufacturing	498	10%
Wholesale Trade	217	4%
Retail Trade	661	13%
Transportation and Warehousing, and Utilities	181	4%
Information	110	2%
Finance and Insurance, and Real Estate, and Rental and Leasing	277	5%
Professional, Scientific, and Management, and Administrative and Waste Management Services	442	9%
Educational Services, and Health Care and Social Assistance	1,411	28%
Arts, Entertainment, and Recreation, and Accommodation and Food Services	356	7%
Other Services, Except Public Administration	130	3%
Public Administration	377	8%

*Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates*

**Table 8: Unemployment Rates 2010-2017**

Municipality	2010	2011	2012	2013	2014	2015	2016	2017	% Change 2010 - 2017
<b>Sutton</b>	7.8	6.6	6.1	6.1	5.6	4.4	3.6	3.4	-4.4
<b>Worcester County</b>	8.9	7.7	7.2	7.2	6.1	5.1	4.1	3.9	-5
<b>Massachusetts</b>	8.3	7.3	6.7	6.7	5.7	4.8	3.9	3.7	-4.6

*Source: State of Massachusetts Executive Office of Labor and Workforce Development (EOLWD)*

## Housing Supply Characteristics

### Housing Occupancy

The 2017 American Community Survey estimated that there were 3,641 total housing units in Sutton. The number of housing units in town increased by 691 units, or a rate of almost 19% since 2000. This is a higher rate of growth than Worcester County, which increased its total housing units by just over 10% from 2000 to 2017. Massachusetts grew at a rate of over 8% percent during this same time period. Approximately 95% of Sutton’s housing units were occupied in 2000, while 92% of total housing units were occupied in 2017. The number of renter-occupied units decreased by 16% from 2000 to 2017 and the rental vacancy rate went from 1.9% to 10.3% during this time period.

Vacancy status is used as a basic indicator of the strength or weakness of a housing market and its stability. It shows demand for housing, identifies housing turnover, and suggests the quality of housing for certain areas. There are five reasons a house can be classified as vacant by the United States Census Bureau, including: the house is (1) for seasonal, recreational, or occasional use; (2) for rent; (3) for sale; (4) rented or sold, but not occupied; or (5) all other vacant units. While vacancy rates rose slightly in 2010, the data presented in Table 9 does not suggest that the town experienced a substantial vacancy problem around during this year, unlike some communities in the county and state.

**Table 9: Sutton Occupancy and Vacancy Status**

	2000	2010	2017	Percent Change
<b>Total Housing Units</b>	2,950	3,394	3,641	19%
Occupied Units	2,811	3,213	3,341	16%
Owner-Occupied Units	2,498	2,877	3,071	19%
Renter-Occupied Units	313	336	270	-16%
Vacant Housing Units	139	181	300	54%
Homeowner Vacancy Rate (%)	0.2%	1.3%	0.8%	0.6%
Rental Vacancy Rate (%)	1.9%	3.7%	10.3%	8.4%

*Source: U.S. Decennial Census 2000, 2010; American Community Survey 5-Year Estimates 2013-2017*

**Housing by Tenure**

With an estimated owner-occupancy rate of 92% and renter occupancy rate of 8% according to the American Community Survey 2013-2017, Sutton has a similar share of owner-occupied and renter-occupied homes to its surrounding communities, although it has one of the highest rates of its neighbors. The 2013-2017 ACS estimated that over 84% of all owner-occupied homes in Sutton consisted of detached single-family homes. Typically, if a community has more than 70% owner-occupied homes it is indicative of a need for more rental opportunities, particularly for populations such as young professionals and families, veterans, seniors, or recent divorcees. Sutton’s comparatively low availability of rental opportunities is a reason to encourage seeking options for building a housing stock with more variety.

Massachusetts has fallen behind other states in housing production rates while prices for homes have increased at the fastest rate in the nation. Figure 5 below shows that annual production rates of multi-family and single-family housing in Massachusetts have significantly decreased since a peak in the 1970’s. In order to boost the state’s housing stock to support the growing economy and provide more diverse housing options, the Baker-Polito administration introduced the [Housing Choice Initiative](#) in 2017. This program provides incentives, rewards, technical assistance, and targeted legislative reform to encourage and empower Massachusetts municipalities to plan and build the necessary diverse housing stock. Municipalities must meet specific criteria to apply for Housing Choice Designation, which rewards communities that are producing new housing and have adopted best practices to promote sustainable housing development. The Town of Sutton is encouraged to pursue Housing Choice Designation in order encourage sustainable housing production to meet the needs of current and future residents.

Figure 5: Annual Housing Production in Massachusetts

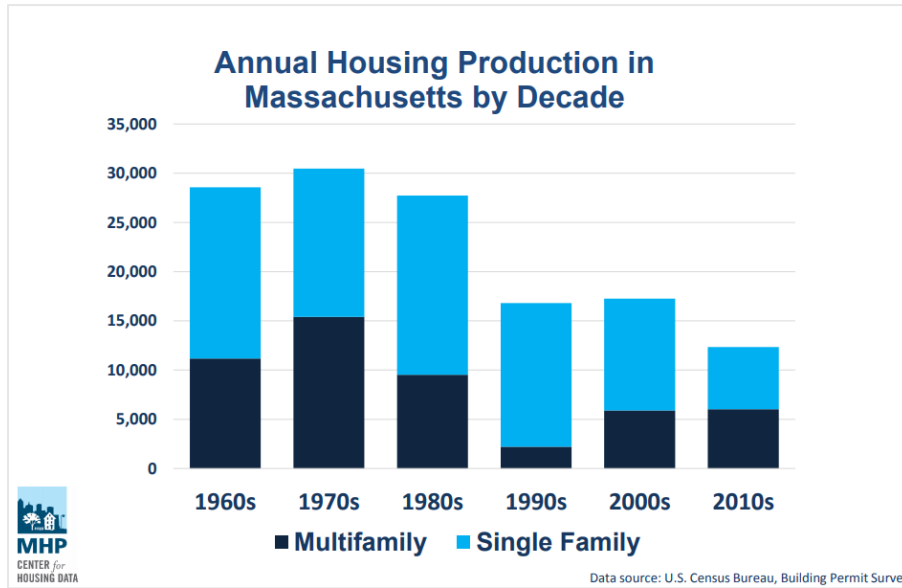


Table 10: Sutton Housing Units by Structural Type and Tenure

Structural Type	% Owner-occupied housing units	% Renter-occupied housing units
<b>Occupied housing units</b>	<b>100%</b>	<b>100%</b>
1-unit, detached	93%	19%
1-unit, attached	5%	9%
2 units	1%	19%
3 or 4 units	0%	30%
5 to 9 units	<1%	19%
10 to 19 units	<1%	4%
20 or more units	0%	0%
Mobile home	0%	0%
Boat, RV, van, etc.	0%	0%

Source: U.S. Census American Community Survey 5-Year Estimates 2013-2017

Table 10 suggests that the majority of owner-occupied housing units in Sutton are either single-family detached homes (93%) or single-family attached homes (5%). The majority of renter-occupied housing units in Sutton are 3 or 4 units (30%), followed by 5 or 9 units (19%), 1-unit detached (19%), and 2 units (19%). All of the occupied 3 or 4 unit structural types are renter-occupied and 84% of occupied 5 to 9 unit structural types are renter-occupied. Only 2% of all of the occupied single-family detached homes are renter-occupied, while the remaining 98% are owner-occupied. In general, the majority of single-family homes in Sutton are occupied by their owner and the majority of total owner-occupied units are single-family detached or attached homes. Additionally, the majority of housing units in structures with between 2 and 19 units are renter-occupied. There are no structures with 20 or more housing units in Sutton and no record of mobile homes or boat, RV, van, etc. as a place of occupancy according to the American Community Survey Estimates.

## Housing by Structural Type

The ACS estimates that 84% of homes in Sutton are single-family detached homes, which far exceeds the percentages than that of Worcester County and the State which both remain under 60% (Table 11). Sutton has a far lower rate of housing units in structures with greater than two units than Worcester County or Massachusetts. These are building types usually found in denser, more urbanized areas. **It is important to note that the American Community Survey Estimates are useful to compare Sutton to other communities and regions, however as estimates, the numbers may over report or under report the types of residential uses in town.** The Sutton Assessor's Office has local data that can provide a more accurate description of the types of uses in town, however it is not used to track tenure so the ACS is used to estimate the number of rental units by structural type.

**Table 11: Housing Units by Structural Type**

Structural Type	Sutton		Worcester County		Massachusetts	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
<b>Total Housing Units</b>	<b>3,641</b>	<b>100%</b>	<b>332,532</b>	<b>100%</b>	<b>2,864,989</b>	<b>100%</b>
1-unit, detached	3,075	84%	187,228	56%	1,496,092	52%
1-unit, attached	256	7%	20,256	6%	151,949	5%
2 units	108	3%	27,579	8%	289,489	10%
3 or 4 units	129	4%	39,484	12%	306,938	11%
5 to 9 units	61	2%	18,478	6%	166,765	6%
10 to 19 units	12	<1%	12,533	4%	122,890	4%
20 or more units	0	0%	24,173	7%	306,265	11%
Mobile home	0	0%	2,749	1%	23,762	1%
Boat, RV, van, etc.	0	0%	52	<1%	839	<1%

*Source: American Community Survey 5-Year Estimates 2013-2017*

## Housing by Number of Bedrooms

Analyzing the town's housing stock by number of bedrooms is useful in determining if there are housing deficiencies such as availability of one to two bedroom homes for smaller households or three bedroom units for larger families. According to Table 12, the town could use more rental housing with 4 or more bedrooms as well as more owner-occupied housing with 1 bedroom. There are little-to-no housing options, both for renting and owning, that have no bedroom, such as studio apartments. Overall, the majority of housing options have between 1 and 3 bedrooms.

**Table 12: Sutton Housing Stock by Number of Bedrooms**

	Percent Owner Occupied Housing Units	Percent Renter Occupied Housing Units
<b>No bedroom</b>	0.0%	0.0%
<b>1 bedroom</b>	0.0%	45.9%
<b>2 or 3 bedrooms</b>	71.1%	51.1%
<b>4 or more bedrooms</b>	28.9%	3.0%

*Source: U.S. Census American Community Survey 5-Year Estimates 2013-2017*

## Housing by Size of Home

Housing size in Sutton is quite varied. Despite recent market trends toward larger and larger homes, nearly 50% of all homes in Sutton are between 1,000 and 2,000 ft<sup>2</sup>. This should provide for a good variety of homes for a number of price points. Table 13 summarizes this data. The table shows the percentage of total homes in each size category along with the average total value from Sutton's Assessor's data. The table shows how valuable a good stock of smaller homes can be to increasing affordability. On average, homes between 1,000 and 2,000 ft<sup>2</sup> were closer to the range for households making 80% of AMI.

**Table 13: Sutton Housing by Size of Home**

Size Category (in ft <sup>2</sup> )	Percent of All Homes	Average Value	Avg. Age (years)
< 1,000	5%	\$174,000	72
1,000 - 2,000	48%	\$265,000	53
2,000 - 3,000	35%	\$379,000	37
3,000 - 4,000	9%	\$535,000	42
4,000 - 5,000	2%	\$636,000	73
> 5,000	1%	\$927,000	57

*Source: Analysis of Assessor's Data by Use-Code*

## Age of Housing

Sutton has a comparatively young housing stock compared to its neighbors. Sutton has a greater percentage of housing that was built after 1960 versus the comparison group. Figure 6 shows that an estimated 45% of the town's housing stock was built after 1980 while 55% was built before. 26% of the total stock in comparison group was built before 1940, compared to 18% in Sutton. Table 14 and Figure 6 below show these trends.

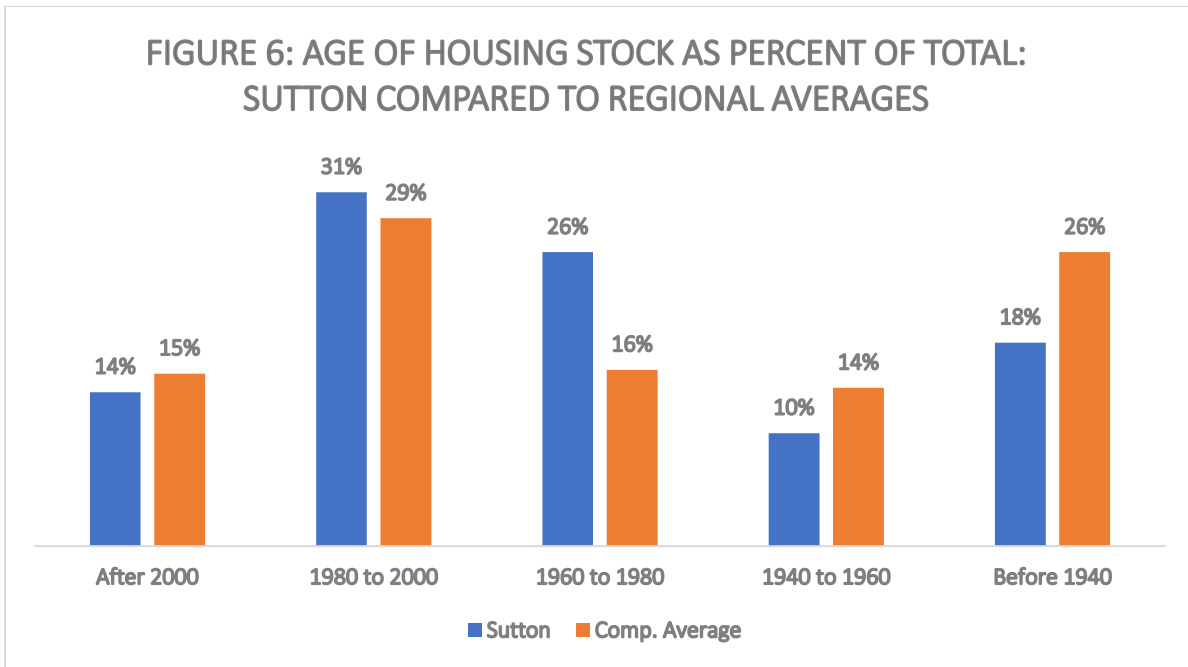
Infrastructure appears to play a significant role in this dispersal pattern. The young homes tend to cluster near major highways. For example, the easternmost corner of the town, between Routes 122 and 146 are home to some of the densest, youngest housing in town. Some of the oldest housing units, meanwhile were built circa 1830-1880 as part of the planned mill village of Manchaug.

**Table 14: Age of Home as Percentage of Total Housing Stock**

Year House Built	Sutton	Millbury	Grafton	Douglas	Northbridge	Uxbridge
2014 or later	1%	<1%	<1%	<1%	<1%	<1%
2010 to 2013	2%	1%	2%	1%	<1%	1%
2000 to 2009	11%	11%	18%	12%	10%	17%
1990 to 1999	18%	7%	15%	24%	13%	17%
1980 to 1989	13%	17%	16%	14%	9%	13%
1970 to 1979	16%	8%	9%	10%	11%	10%
1960 to 1969	10%	10%	7%	5%	8%	2%
1950 to 1959	7%	11%	9%	5%	10%	8%
1940 to 1949	3%	8%	2%	6%	4%	5%
1939 or earlier	18%	27%	22%	22%	33%	27%

*Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017*





### Senior Housing

There are currently very few senior housing options in Sutton to meet the needs of the aging population. Some elderly residents prefer to age in place while other residents may be looking to downsize to smaller and more affordable homes but remain in their community. The Sutton Housing Authority is a five-member board led by an executive director that manages the Orchard Apartments, an apartment complex including 40 units of age-restricted (60 years and older) and income-restricted housing. The 60 and over population makes up 20% of the town’s population as of 2017, so the Town and the Housing Authority are encouraged to invest in ways to provide more suitable housing options for aging residents.

### Income Restricted Housing (Subsidized Housing)

There are currently 50 units of housing in Sutton that are restricted for occupancy by lower-income households. This number of income-restricted housing units is far below the State’s 10% Chapter 40B affordable housing goal for the town. Chapter 40B is the Comprehensive Permit Law in Massachusetts, which sets a goal for each community in the state to have a minimum of 10% of their year-round housing stock affordable for households earning at or below 80% of the Area Median Income (AMI). As of September 14, 2017, 1.5% (50 units) of Sutton’s total housing inventory was subsidized for households of low- to moderate-incomes. Sutton would need 282 additional affordable housing units in order to meet its 10% affordable housing goal without consideration of future growth.

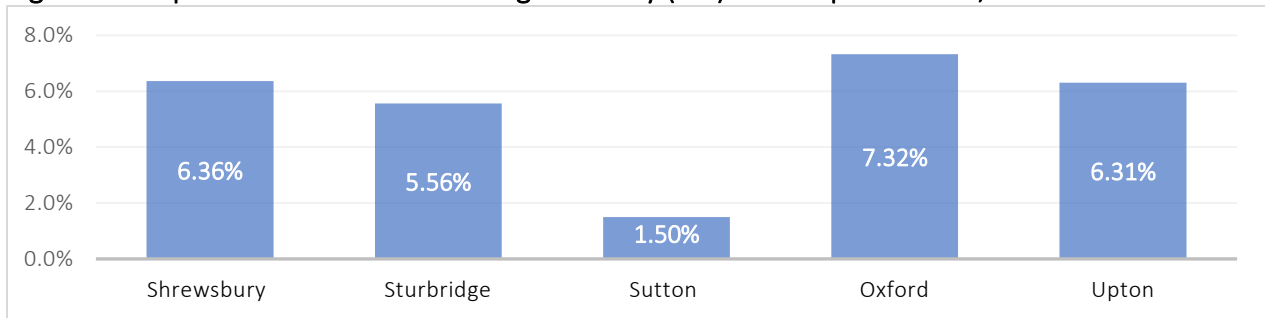
**Table 15: Income Restricted Housing Units in Sutton, 2018**

Name	Address	Type	SHI Units	Affordability Expires	Subsidizing Agency
Orchard Apartments	5 Church St.	Rental	40	Perpetuity	DHCD
DDS Group Homes	Confidential		0	N/A	DDS
Forest Edge Condominiums	Blackstone St.	Ownership	2	Perpetuity	LIP
Leland Hill Estates	Leland Hill Rd.	Ownership	8	Perpetuity	DHCD
<b>Total Sutton SHI Units</b>					<b>50</b>
<b>Census 2010 Year-Round Housing Units</b>					<b>3,324</b>
<b>Percent Subsidized</b>					<b>1.5%</b>

*Source: DHCD 2018*

Sutton falls far below its neighboring communities in terms of providing affordable housing. Figure 7 shows where Sutton and its surrounding communities currently stand in terms of their Subsidized Housing Inventories. Communities that do not meet the goal of 10% affordable housing risk the vulnerability of developers being granted comprehensive permits if they include at least 25% (or 20% in some cases) affordable units in their proposed developments. In order to mitigate this risk, towns falling under the 10% requirement must increase their housing stock by at least 0.5% each year and have an approved Housing Production Plan, showing that the community is making strides to address its housing needs.

**Figure 7: Chapter 40B Subsidized Housing Inventory (SHI) as of September 14, 2017**



**Comparison of Age-Restricted Housing Units in SHI to Total Units**

The Town’s SHI data shows that 80% of the subsidized units in Sutton are age-restricted. This restriction is set at 60+ years and all applicants must meet basic income requirements. However, it is important to note that the 80% figure only represents a total of 40 units. In 2017, the U.S. Census Bureau ACS estimated the total population of residents over the age of 55 in Sutton is 1,986, which equates to approximately 21% of the total population. As demonstrated in previous sections, this population is anticipated to grow substantially in the next ten years. As the town’s population continues to expand, pressure on the town to find affordable units will only increase.

# HOUSING MARKET

The market for single-family homes in Sutton has been robust even given the negative impacts of the Sub-Prime Mortgage Crisis.

## Single-Family Home Market

Sutton’s market for single-family homes has been consistently stronger than other communities in the Route 146 corridor. Over the 10-year period studied, Sutton out performed every town in the comparison group except for Grafton. Table 16 (below) summarizes the median home value by year for single family homes for Sutton and the comparison group. Home values in Sutton peaked in 2007, with a median value of \$372,500. By 2011, this had dropped to \$265,000, a loss of roughly 30% owing the lingering effects of the Great Recession. The 2017 median price shows that housing has regained much of its pre-recession value, though it has still remained around 9% below the 2007 high as of 2017.

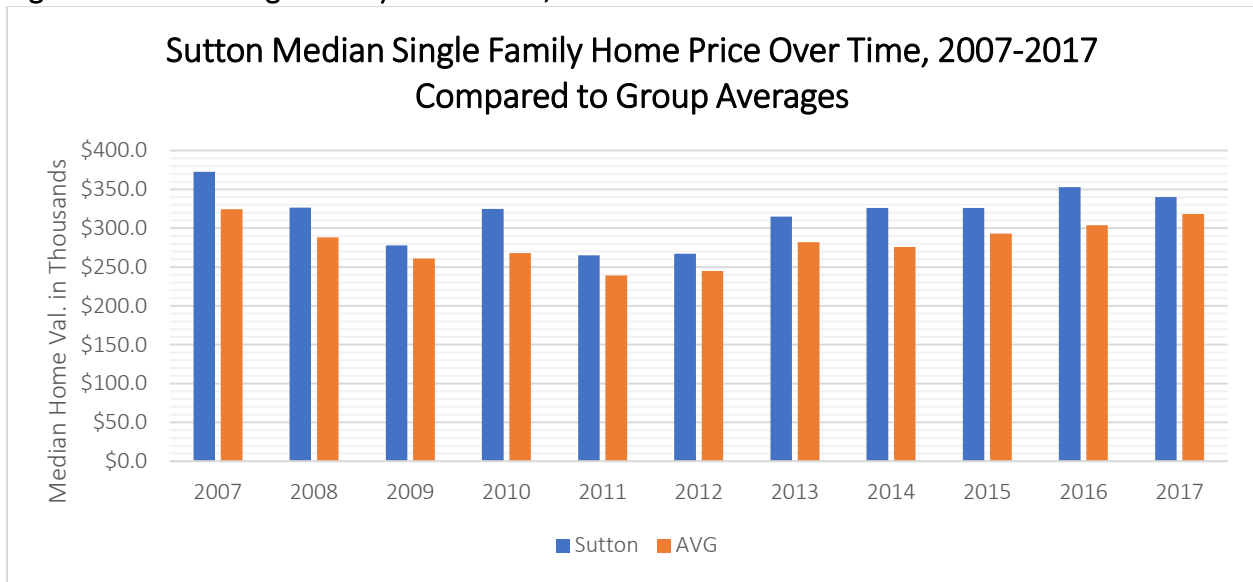
Despite this, the Sutton market has continuously performed better than its neighbors on average. As Figure 8 (below) demonstrates, the median single-family home price significantly out-performed regional averages in all but a handful of years, earning an average of nearly \$40,000 more in value over the 10-year period than its neighbors.

**Tables 16: Median Single Family Home Value for Sutton and Surrounding Communities**

Median Single-Family Home Value by Year (in \$ Thousands)						
Year	Sutton	Douglas	Grafton	Millbury	Northbridge	Uxbridge
2007	\$372.5	\$318.6	\$394.0	\$255.0	\$335.0	\$320.0
2008	\$326.5	\$315.0	\$326.0	\$234.8	\$299.5	\$265.0
2009	\$278.0	\$241.0	\$330.0	\$211.5	\$262.5	\$260.0
2010	\$325.0	\$255.0	\$355.0	\$215.0	\$255.0	\$260.0
2011	\$265.0	\$230.0	\$308.0	\$187.5	\$221.8	\$248.0
2012	\$267.0	\$243.5	\$336.0	\$188.5	\$240.0	\$216.0
2013	\$315.0	\$278.0	\$330.0	\$228.5	\$303.0	\$269.5
2014	\$326.0	\$270.0	\$332.5	\$235.0	\$281.0	\$260.0
2015	\$326.2	\$282.0	\$363.6	\$245.0	\$289.9	\$285.0
2016	\$352.9	\$292.0	\$362.3	\$274.0	\$293.6	\$298.0
2017	\$339.9	\$334.0	\$385.0	\$265.0	\$300.0	\$307.5

*Source: The Warren Group, 2007-2017*

Figure 8: Median Single Family Home Price, 2007-2017



### Sales Volume

In terms of sales volume, Sutton moved fewer units per year than most of its neighbors. Within the comparison group, only Douglas sold fewer single-family units sold over the 10-year period than Sutton. This discrepancy makes the median sales price data discussed above all the more striking, as the market has significantly moved fewer units at a higher price. This is strongly suggestive of an affordability gap relative to Sutton’s neighbors. Larger numbers of more affordable houses moving within neighboring markets would be expected to move sales volumes up while acting as a drag on the median sales price.

Table 17: Sales Volume for Sutton and Surrounding Communities

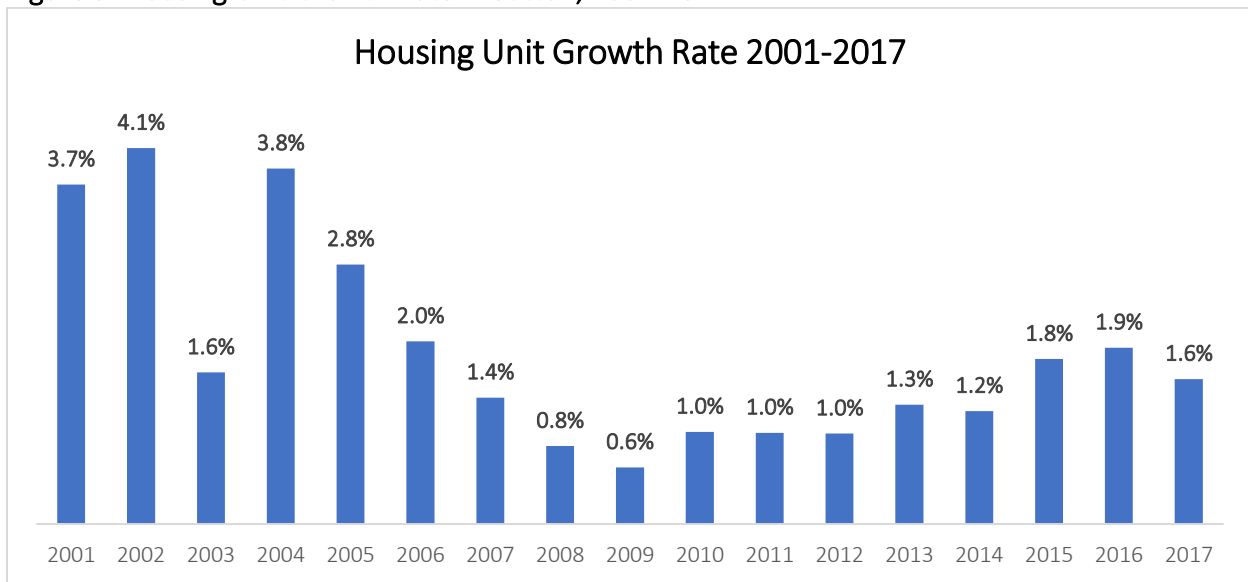
Sales Volume, 2007-2017						
	Sutton	Douglas	Grafton	Millbury	Northbridge	Uxbridge
2007	82	72	153	110	114	89
2008	56	71	114	82	100	81
2009	62	73	127	92	127	93
2010	87	58	121	89	101	105
2011	64	72	135	88	92	87
2012	85	84	160	112	115	117
2013	78	65	175	114	136	121
2014	100	73	180	118	126	120
2015	108	108	186	118	143	119
2016	112	107	210	132	160	110
2017	107	99	185	151	173	134
<b>Average No. of Sales</b>	85.55	80.18	158.73	109.64	126.09	106.91

Source: The Warren Group, 2007-2017

## Development and Building Activity

New housing units have been added at an estimated rate of 1.9% per year since 2000. The vast majority of this growth was between 2000 and 2010, which saw an average growth rate of 2.2% compared to 1.4% between 2011 and 2017. During this same period, that is, since 2000, the population grew by an average of only 0.5%. As Figure 9 shows, the volume of new permitting shrank most dramatically from 2005 to 2009 reaching a plateau of around 1% growth through 2014. Since 2014, new unit production has begun to pick up, though not nearly enough to match the rate of growth at the beginning of the century.

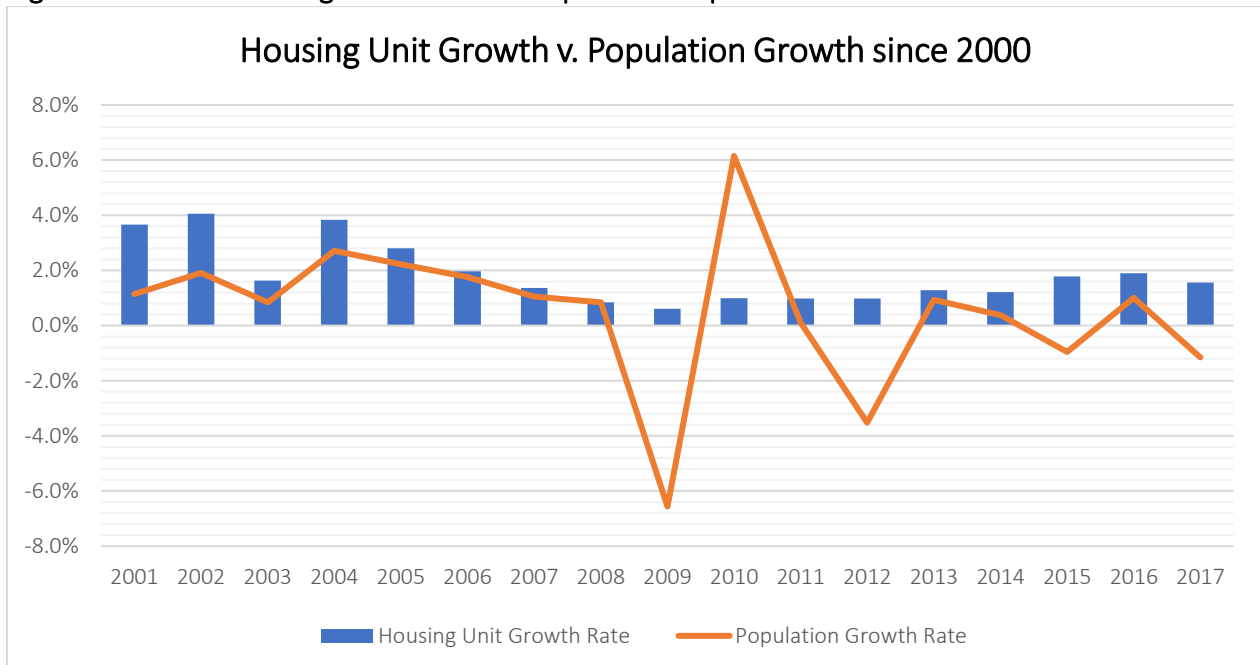
Figure 9: Housing Unit Growth Rate in Sutton, 2001-2017



This rate of growth contrasts with the rates of population growth in some interesting ways. Figure 10 (below) overlays the rates of population growth, as reported in the 2017 Sutton Town Annual Report. The graph displays changes in population normalized to a percentage of total growth or loss. Between 2000 and 2010, the population in Sutton grew an average of 1.2% per year, compared to 2.2% growth in housing units. In 2000, this worked out to 2.92 persons per housing unit. By 2017 that number had dropped to 2.33 persons per housing unit.

It is difficult to reliably assess causality in patterns like this. Sluggish population growth rates can be caused by or be the cause of sluggish rates of development. The market will likely respond negatively to high costs and low population growth rates. At the same time, a lack of new affordable units will drive up costs and act as a drag on population growth. That being stated, the fact that home builders added new units at a rate of 1.4% on average between 2010 and 2017, while population dropped an average of 0.5% suggests that other factors are driving the anemic population growth rates.

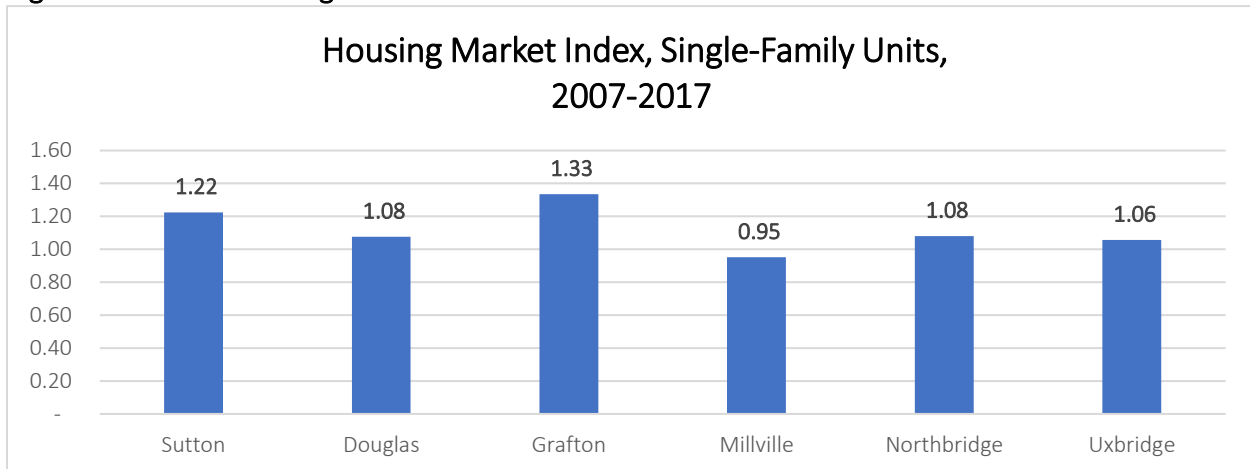
Figure 10: Sutton Housing Unit Growth Compared to Population Growth



### Housing Market Index

CMRPC developed the Housing Market Index (HMI) to better help visualize the performance of the single-family housing market in our region. The HMI aggregates positive market indicators (in this case sales volume, new units permitted and median sale price) and subtracts negative market indicators (vacancy rates and foreclosure volume) to produce the market activity value. This value is then averaged out across the CMRPC region to give us a comparison number for the index. Thus, a value of 1.00 represents the average housing market activity for CMRPC's member communities. As Figure 11 shows, Sutton's housing market activity has been well above regional averages. Only the town of Grafton has an index rating higher than Sutton's. This is all the more remarkable given the low sales volume and low unit production numbers discussed earlier. The effect here is driven primarily by the robust median sales price the Town has managed to maintain over the years.

Figure 11: Sutton Housing Market Index



### Rental Market

U.S. Census 2010 identified 336 rental units, or 9.9% of the total housing stock in Sutton as rental units. By 2018, this number has been estimated to have risen to 391, or around 11% of the total housing stock. Of these units, the vast majority were built before 1920 according to Use-Code Analysis of Assessor’s data. Table 18 summarizes rental units by age of in Sutton based on Use-Code and Year Built data fields. The age of units can be extremely important drivers of unit cost. Older units tend to be more expensive to maintain, which in turn drives cost-per-unit. These costs can be passed on to tenants in the form of rent increases which further affect the affordability of units.

Table 18: Rental Units by Year Built

Year Built	Percent of Total Units
Before 1900	27.27%
1900-1920	54.55%
1920 to 1940	9.09%
1980 to 1990	9.09%

*Town of Sutton Assessor’s Data, 2018*

### Demand Analysis

Data provided by CoStar has shown a continued upward trend in apartment rental rates in towns along the Route 146 corridor. Since last year, average market rate per unit is 3.6% to \$1,329. This is a massive increase over the last ten years. In the same quarter, 2009 the average per unit rate was \$1,100. Likewise, vacancy rates have hit their lowest point in 10 years. In the first quarter 2009 vacancy rates were just under 6%, compared to 4.2% in Q1 2019. This is a potentially troubling statistic for the region. Typically, a vacancy rate that hovers around 6% is indicative of a healthy balance between supply and demand in a rental market. Per unit rates trending upward combined with vacancy rates trending down are indicative of a supply imbalance. Increased demand for a limited supply is likely contributing factor for these patterns.

Table 19: Demand Analysis in Route 146 Corridor	
12 Mo Absorption % of Inventory	0.90%
Average Household Income	104 K
Population Growth 5 Yrs   20-29	6.50%
Population Growth 5 Yrs   30-39	2.30%
Population Growth 5 Yrs   40-54	-12.30%
Population Growth 5 Yrs   55+	11.70%
Population Growth 5 Yrs	1.00%
<i>Source: CoStar, Licensed to CMRPC, 2018</i>	

Table 19 shows the key demand indicators identified by CoStar. Along the Route 146 corridor, young people between the ages of 20 – 39 and retirement age residents over 55 are key growth demographics for rental units. This is consistent with other data that shows retirement age and the young professional’s cohort to be often competing for the same housing stock.

### Cost Burdens by Tenure, Income and Type of Household

A cost-burdened household is one in the residents pay more than 30% of their income for housing. HUD defines three categories for their cost-burdened data: Non-cost burdened are households paying less than 30% of their income; Cost-burdened, defined as those paying between 30 and 50% of their income; and Severely cost-burden, which is defined as paying more than 50% of one's income on housing costs.

Despite the high level of affluence among residents in Sutton, a not insignificant proportion of households were estimated by HUD to be cost-burdened in 2015, the most recent year data was available. An estimated 13% of owners and 12% of renters fell into the Cost-Burdened category. During the same period, around 9% of owners and 17% of renters were consider Severely Cost-Burdened. Table 20 (below) summarizes this data.

Table 20: Housing Cost Burden Overview			
	Owner	Renter	Total
Cost Burden <=30%	79%	71%	78%
Cost Burden >30% to <=50%	13%	12%	13%
Cost Burden >50%	9%	17%	10%
Cost Burden not available	0%	0%	0%
<i>Source: HUD, 2015</i>			



## HOUSING CHALLENGES

The Town of Sutton is committed to encouraging sustainable growth and development, including the production and preservation of affordable housing. It is also cognizant of the importance of promoting such growth within the context of preserving natural resources, economic health, and quality of life. It will continue to be a great challenge for the community to create enough housing choices to address the wide range of housing needs in light of the following constraints.

### Regulatory Constraints

Zoning authority in Massachusetts is devolved to local governments by MGL Chapter 40A. Sutton's zoning bylaw defines six underlying zones; two residential (R-1 and R-2), Village (V), Business (B-2), Industrial and Office and Light Industrial (OLI). The smallest lot for residential uses is in the V and R-2 district at 20,000 ft<sup>2</sup>. The largest is in the R-1 district at 80,000 ft<sup>2</sup>. The table below summarizes these districts.

Full Name	Short
Residential-Rural	R-1
Residential-Suburban	R-2
Village	V
Business-Highway	B-2
Industrial	I
Office and Light Industrial	OLI

Regulatory constraints are zoning bylaws, policies, and regulations which are currently impeding the development of affordable housing. Regulations and ordinances set by local and state authorities in Massachusetts are often exclusionary and are designed to favor single-family homes. The various regulatory constraints to Sutton's affordable housing market are described in this section.

Among the biggest regulatory constraints facing Sutton is the amount of land locked in large-lot zoning. An estimated 92% of land area is in the R-1 district, greatly limiting the development potential of the town. By contrast, the most residentially permissive zone, the V district, makes up just 0.5% of the total land area<sup>2</sup>.

### Multi-family dwellings

Multi-family dwellings can be created in the town but current means are restricted as detailed by the following. Sutton's zoning defines multi-family dwellings as standalone, single structures containing two (2) or more dwelling units but not to exceed four (4) units. Provisions to restrict multi-family units are an additional major regulatory constraint on the development of affordable housing. Sutton allows multi-family dwellings by special permit in the R-2 and V zones. These zones make up 0.6% and, as stated above, 0.5% of the total land area respectively. These

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<sup>2</sup> Note: Several of the special permit housing types allow smaller lot sizes. For example, Open Space Residential District in rural residential zone can go down to 15,000 ft<sup>2</sup>.

development types are not allowed at all in any other base zones. Additionally, the dimensional regulations for multi-family units are highly restrictive. Multi-family developments require a minimum lot size of 40,000 ft<sup>2</sup>, plus 3,000 ft<sup>2</sup> per each additional unit. Thus, a four-unit development would need a minimum lot size of 49,000 ft<sup>2</sup>, or 40,000 plus 9,000 ft<sup>2</sup> additionally for the next three units. Anything above this would not be permissible, as Sutton has instituted a regulatory cap of 4 units for all multifamily dwellings.

## **Zoning Provisions that Address Affordable Housing and Smart Growth**

Sutton has instituted a number of amendments to encourage affordable housing development in order to counteract some of the more restrictive existing regulations.

### **Condominium Development**

This bylaw is intended to encourage and regulate the development of condominiums. Density here is 1.8 units per acre or 0.8 units per acre if located adjacent to a golf course. Section 4 allows for a density bonus to developments which provide permanently protected affordable units. The units must be deed restricted to be affordable to residents earning no more than 80% of AMI. The bonus allows for one additional unit to be added beyond the density for each affordable unit, up to a density increase of 15%.

### **Open Space Residential Development (OSRD)**

The OSRD bylaw allows for more clustered development on smaller lots than would otherwise be allowed, however it is the same density as traditional single-family developments, provided the developer set aside a mandated portion of the development as open space. In addition, Sutton's bylaw provides for a similar density bonus for the provision of affordable units or provision of public access to open space. Much like the condominium bylaw, the OSRD bylaw allows for the addition of bonus unit above the allowed density (up to 15%) for each affordable unit.

### **Traditional Neighborhood Development (TND)**

The TND bylaw allows for an alternative development option in the R-2 and V districts. The purpose is to allow for housing more in keeping with historic development patterns. Increase walkability and maintain the small-town character of otherwise denser neighborhoods. Like the Condo and OSRD districts, this district provides for an affordability density bonus. The density of TND is determined by dividing the total developable area by 30,000 ft<sup>2</sup> if the land is serviced by municipal water and sewer. The maximum number of dwelling units allowed is calculated using the equation:  $90\% [\text{Total Developable Land Area}] / 30,000$ .

### **Continued Care Retirement Community (CCRC)**

The CCRC allows for increased flexibility in the development of housing and services for retired and elderly residents. Density here is 1 unit per 0.5 acres for independent living attached developments and 7 dwelling/care units per acre for congregate housing, assisted living, and restorative care/skilled nursing developments. Developments are required to have a minimum development site of 5 acres. A mandatory 10% affordability set-aside is built into the bylaw, along with an optional density bonus for each additional unit, up to 20%.

## **Accessory Apartments**

This bylaw allows for the creation of accessory dwelling units (ADU), sometimes known as in-law apartment, to be built, under specific conditions in existing residential districts. The purpose of this bylaw is to increase housing options for residents and their families without dramatically altering existing neighborhoods. ADU's are limited to one bedroom. The owner is also required to live on premise and there are can be no more than two people living in one unit. Only one accessory apartment is allowed per lot.

## **Community Infrastructure**

### **Water and Sewer**

The Town of Sutton has limited water and sewer infrastructure. Only around 8% of the total land area in Sutton is serviced, the entirety of which is either in a limited area of northeast Sutton or in the Village of Manchaug and a small adjacent stretch of South Sutton. These areas also happen to be the most densely developed in Town. Expansion of the service areas would be a costly process. Priority should be given to maximizing the development potential of the areas already serviced, seeing as there are several parcels in these currently serviced areas that may be appropriate for higher density housing.

### **Highways and Transit**

Sutton is serviced by two major state highways: MA Route 146 and MA Route 122A. The former runs for approximately seven miles from the northern border with Millbury to the southern border with Douglas. Route 122A runs little over a mile through the northeast corner of the Town, connecting Millbury to Grafton via Sutton. In addition, there are a number of smaller routes running east-west connecting 146 to Interstate 395 in Oxford. These roads provide a vital connection to Worcester and the neighboring region. Prioritizing residential development along Route 146, especially in areas where sewer and water infrastructure exists already will be a key housing strategy for the town.

## **Housing Production Goals**

This comprehensive housing plan, should it be approved, will be in effect for five years, from 2019 to 2024. The production goals outlined below are based on market gaps and community needs identified by Town staff and residents. The community survey and workshop held on September 20, 2018 indicated a strong desire by residents to achieve compliance with 40B within a reasonable timeframe. Table 21 below lays out the various goal options the community considered.

<b>Table 21: Number of New Units Needed to Reach 10% Goal</b>		
<b>Baseline, 2019</b>	<b>2010</b>	<b>2020 (EST)</b>
Total Year-Round Homes	3,324	3,580
Chapter 40B Inventory as of 2017	50	50
10% Requirement	332	358
Gap	282	308
Required # for 0.5% (per year)	17	18
Required # for 1.0% (per year)	33	36
Number of Units per Year to Reach 10% in 5 Years	56	62
Number of Units per Year to Reach 10% in 10 Years	28	31
<i>Source: DHCD Chapter 40B Subsidized Housing Inventory as of September 14, 2017; CMRPC</i>		

Using the current DHCD baseline of 3,324 year-round housing units (based on 2010 Census data), Sutton has an SHI gap of 282 units. This is based on 332 required SHI units (10% of 3,324 total year-round housing units), minus existing SHI of 50 units. In order to reach the 40B compliance threshold in five years, the Town would need to produce 56 new subsidized units per year. However, this is something of a moving target. In 2020, a new decennial Census will be conducted which will provide an updated baseline for the SHI threshold estimate. Data provided by HUD shows the town added approximately 203 new housing units between 2010 and 2017, a rate of about 26.4 per year. This leaves the Town with an estimated 3,527 total housing units in 2017. Assuming the Town continues to grow at a rate of 26 units per year, the baseline could increase to 3,580 housing units by 2020.

This growth implies that the Town would need to add 62 units per year (if no new SHI units were added in this period) in order to achieve 40B compliance within five years. Given that the total number of units added in the previous years worked out to less than half that number, the Town should commit to the more reasonable goal of 40B compliance within 10 years.

### **Minimum Progress Threshold**

DHCD allows communities to achieve Safe Harbor status by meeting a minimum progress threshold of one-half of one percent new units added to the town’s SHI. For Sutton, this would mean 17 new units added per year based on the 2010 baseline to meet the minimum progress threshold.

### **Housing Production Targets**

Based on this information, Sutton will commit to a goal of adding between 17 and 30 new housing units per year over the next five years. Table 22 (below) shows how the compliance would change based on the upper limits of this goal. At this rate, by 2024, the town will have achieved 6.9% SHI rate and reduced the gap from 282 units to 102 units.

Table 22: New Units Over Time Using Production Rate of 30-units per year						
	2019	2020	2021	2022	2023	2024
Existing Units plus 30 New Chapter 40B Units per year	80	110	140	170	200	230
Revised 40B SHI (%)	2.4%	3.3%	4.2%	5.1%	6.0%	6.9%
Revised Gap (#)	252	222	192	162	132	102
<i>Source: DHCD Chapter 40B Subsidized Housing Inventory as of September 14, 2017; CMRPC</i>						

If the Town is only able to produce at the minimum Safe Harbor threshold of 0.5% (or 17 units per year, based on 2010 Census figures), the Town will still have reduced the gap from 282 units to 182 by 2024. Again, this is not considering the potential changes in year-round housing totals that will come from the 2020 Census.

## HOUSING STRATEGIES

The following strategies outlined below have been devised based on input from a variety of sources, including:

- Meetings and discussions with the Sutton Housing Working Group and Sutton Planning Director
- Prior planning efforts
- Results from a community survey on residential housing in Sutton
- Public input from two community forums on affordable housing opportunities
- Effective housing activities in other comparable communities in the region and throughout the Commonwealth

### 1.0 Capacity Building Strategies

Sutton is a relatively small rural community and, unlike many cities, does not have substantial annual state or federal funding available to support local housing initiatives on an ongoing basis. However, the Town has local structures in place to coordinate housing activities, including the following components:

- **Sutton Planning Director**, as staff to the Planning Board, provides professional expertise and support in guiding Sutton’s land use decisions with respect to physical development, including affordable housing.
- **Sutton Housing Authority** manages the Orchard Apartments, an apartment complex including 40 units of age-restricted (60 years and older) and income-restricted housing.
- This **Residential Housing Needs Analysis** will boost the Town’s understanding of affordable housing needs and increase its capacity to promote affordable housing as it provides goals and strategies for the future. This document may also serve as a reference on housing issues in Sutton.

## 1.1 Continue to Conduct Ongoing Community Outreach and Education on Housing

### *Responsible Parties: Affordable Housing Coordinator, Standing Housing Committee, and Other Sponsors of Affordable Housing Initiatives*

Most of the housing strategies in this report rely on local approvals, including those of Town Meeting, therefore community support for new initiatives will continue to be essential. Continued and strategic efforts to educate and inform Sutton residents and local leaders on the issue of affordable housing and specific new initiatives build support by generating a greater understanding of the benefits of affordable housing, reducing misinformation, and dispelling negative stereotypes. The Sutton Housing Working Group should take initiative in organizing these efforts. The town's volunteer base is an invaluable asset that should also be utilized for such outreach efforts.

This Residential Housing Needs Analysis offers a significant opportunity to bring attention to the issues of affordable housing, providing information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. The first public forum was held on September 20, 2018, which consisted of a presentation on affordable housing paired with an interactive workshop for community members to discuss their design and location preferences for future affordable housing opportunities in Sutton. Other education opportunities should continue to be pursued, including special forums on housing initiatives of all types, housing summits, public information on existing programs and services, enhanced use of public access television, an expanded website and social media outreach, informational videos and interviews, and education opportunities targeted towards board and committee members as well as professional staff.

Outreach efforts should also target housing developers interested in including affordable units in their developments. Efforts could include hosting roundtable discussions or meetings between developers and town officials in order to find an appropriate fit for the town's needs.

## 1.2 Promote Adoption of the Community Preservation Act (CPA)

### *Responsible Parties: Board of Selectmen, Planning Board, Planning Director*

A major constraint to promoting greater housing affordability, diversity, and sustainability in Sutton is the Town's lack of local subsidy funds dedicated to these efforts. The Town attempted to pass CPA at Town Meeting years ago but with the lack of an influential and passionate proponent combined with minimal public education and outreach efforts to the community, it was met with great opposition and failed to pass.

The Community Preservation Act (CPA) establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state based on a funding commitment of approximately \$36 million annually. Once adopted, the Act requires that at least 10% of the funding raised through taxes be distributed to each of the three categories – open space/recreation, historic preservation, and affordable housing – allowing flexibility in distributing the majority of the money to any of these uses as determined by the community. CPA also allows communities to target funds to those earning up to 100% of the area median income.

Communities in Central Massachusetts that have adopted CPA include the towns of Grafton, Upton, Mendon, Northbridge, Northborough, Sturbridge, and West Boylston, among the 175 CPA communities across the state. Since its enactment in 2000, CPA has had a significant impact on affordable housing, historic preservation, open space preservation, and recreational activities across Massachusetts, now adopted in 175 communities.

Adopting CPA does not have to place significant financial burdens on Sutton residents. For example, if the Town adopted the exemption of the first \$100,000 of property value and the 1.5% surcharge on the median single-family property of about \$339,900, with a Town tax rate of \$16.52 per \$1,000 the annual cost would be \$84, the equivalent of \$7 per month.

Most towns that have made significant progress with respect to affordable housing development have had CPA funding available to subsidize locally-sponsored initiatives. They have also been able to build local capacity to coordinate such activities through a professional staff person or consultant. This funding could be instrumental for Sutton in not only preserving its highly-valued historical assets and open space, but also creating greater housing affordability.

### 1.3 Secure a Dedicated Affordable Housing Coordinator

#### *Responsible Parties: Board of Selectmen and Planning Director*

If the Town of Sutton wants to assume a more proactive role in promoting affordable housing and effectively implementing strategies included in this report, it should enhance its capacity to coordinate these activities. The Planning Director has limited capacity to assume significant additional duties based on current job responsibilities. Options may include issuing a Request for Proposals for a Housing Coordinator position, hiring a part-time consultant, hiring an Assistant to the Planning Director, or collaborating with a nearby community to employ a shared Housing Coordinator or consultant. Many communities in Massachusetts are accessing CPA funding to support these positions, and the adoption of CPA may be critical to funding a part-time or full-time affordable housing staff person or consultant.

With a dedicated affordable housing coordinator, the Town could benefit from a number of services including public education; grant writing; maintaining the subsidized housing inventory; outreach to establish relationship with developers, lenders, funders, service providers, etc. to promote community housing efforts; and overall coordination of the implementation of strategies outlined in this report, providing necessary professional support as needed. It is recommended that the Town Manager develop a Scope of Services for a part-time housing consultant/housing coordinator and issue a Request for Proposals to solicit interest from qualifying professionals or organizations to undertake these services. An additional option is to hire a part-time staff person who has affordable housing expertise.

#### **Projects that have used CPA funding:**

- Cape Cod Village is a housing community for adults with autism that was the product of collaboration between seven outer Cape Cod towns using CPA funds
- The Town of Concord was able to restore their historic Town House using funding from CPA
- Provincetown was able to build a 50-unit affordable housing complex aimed at providing rental apartments to those who had long lived and worked in the town but were getting priced out
- The Northampton Community Farm and Florence Recreation Fields is a mixed-use project including athletic fields, a working farm, community gardens, and protected forest and riparian lands that was able to come to fruition using CPA funds



## 1.4 Explore the Creation of a Municipal Affordable Housing Trust Fund

### *Responsible Parties: Board of Selectmen, Planning Board, Planning Director*

Making headway in affordable housing can be difficult for communities that do not have designated funds available to support the development of affordable housing. The establishment of an affordable housing trust fund is one opportunity for Sutton to have accessible funds available to respond efficiently and effectively to housing opportunities as they arise. Many state subsidy sources require local contribution by means of either local funds, municipally-owned property donation, or private donations. Having a dedicated housing fund makes it useful for communities to be able to receive donations and avoid paying taxes.

The Municipal Affordable Housing Trust Fund Act was established by the state on June 7, 2005. The law eased the process for communities to establish housing funds that are dedicated to subsidizing affordable housing. A guide to this law can be found on the Mass.gov website and interested parties can contact the DHCD office for further details.

If the Town of Sutton passes CPA, it could decide to commit funding on an annual basis to a housing trust without targeting the funding to any specific initiative. The nearby town of Grafton has been directing 10% of annual CPA allocation to its Housing Trust Fund, for example. Towns that have inclusionary zoning bylaws that allow cash in-lieu of affordable units have also used these funds to capitalize their Housing Trust Funds. The potential Housing Trust could also enable the development and implementation of a Housing Production Plan, allowing the Town to advance towards safe harbor status if the percentage of subsidized housing units (SHI) remains below 10%.

## 2.0 Zoning Strategies

As is the case in most communities, Sutton's Zoning Bylaw includes exclusionary provisions that constrain the development of affordable housing. This creates the likely need for regulatory relief for many residential developments that include affordable units, possibly through the "friendly" comprehensive permit process if not through normal regulatory channels. It is important the Zoning Bylaw remain up-to-date with market conditions and needs of the town, to better guide development with public benefits under "smart growth" principles.

The Town of Sutton should consider the following zoning-related strategies to promote the production of additional affordable units and to direct new development to appropriate locations. Zoning strategies enable new affordable unit creation that is more responsive to local needs and priorities.

## 2.1 Explore Inclusionary Zoning

### *Responsible Parties: Planning Board, Planning Director, and Board of Selectmen*

Inclusionary zoning is a zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or, under some conditions, to contribute to a fund for such housing. This tool has been adopted on a community-wide basis by more than one-third of the municipalities in the state. There are a range of bylaws that have been adopted in communities throughout Massachusetts and requirements such as mandatory percentage of affordable units, minimum project size, and payment-in-lieu of affordable units may vary considerably. Good planning for new development that incorporates affordable units can encourage sustainable development and affordable housing without straining a community's infrastructure and master planning. It has been proven that the inclusion of affordable units in a residential or mixed use project adds diversity and social value without compromising the quality or the market appeal of development.

Many communities additionally allow density bonuses in combination with their inclusionary zoning bylaws. Studies on inclusionary zoning indicate that mandatory provisions paired with strong incentives are most effective in promoting affordable housing. It is important to provide sufficient incentives to developers to ensure that the incorporation of affordable units will be financially feasible. If requirements make it impossible for the developer to earn a reasonable return on the project then inclusionary zoning is left legally vulnerable. If the Town chooses to add inclusionary zoning to its bylaws, incentives to cover legal questions and ensure that the zoning works economically must be highly considered.

Inclusionary zoning has proven to be a highly effective tool for communities wishing to increase their affordable housing supply. This mechanism uses the marketplace to generate affordable housing without requiring significant outlays by the municipality. Inclusionary zoning helps communities work toward attainment of several Sustainable Development Principles, including expanding housing opportunities, advancing equity, making efficient decisions, plus increasing job and business opportunities.

Sutton currently has voluntary inclusionary provisions in many sections of the zoning bylaw. However, these provisions could be strengthened. CMRPC recommends the following inclusionary bylaw modifications:

#### *i. Standardize the inclusionary language across sections*

The Continued Care Retirement Community (CCRC) provision is the only section that requires an affordable unit set-aside (currently 10% of all units). Other sections (e.g. the Traditional Neighborhood Development or Open Space provisions) have incentives for affordable unit set-asides in the form of density bonuses. However, these provisions are voluntary and the Town has reported limited success with encouraging their use. The Town should consider making the CCRC 10% affordability requirement standard across all

residential development options. This would include the Traditional Neighborhood Development, Open Space Residential Development and Condominium Development. The density bonus provision should still be included, but only to encourage developers to go beyond the statutory minimum.

***ii. Increase the required percentage of affordable units in the Continued Care Retirement Community (CCRC) bylaw***

This provision currently requires that 10% of all units be set aside as affordable for CCRC developments. It is recommended that the Town change the bylaw to increase this required percentage. This change would result in an increase of affordable units for the town's senior population. By having more affordable units available, Sutton's senior residents will have greater options to "age in place".

***iii. Require condominium development projects to include affordable housing units***

It is recommended that the Town zoning bylaws be amended to include an affordable housing unit requirement for all condominium development projects. This action would be a step towards addressing Sutton's shortage of affordable housing via zoning updates. To make a significant contribution to the subsidized housing inventory, it is recommended that the required percentage of affordable housing units per project be at least 10%.

Additionally, a similar bylaw modification should be explored for the Traditional Neighborhood Development Regulations.

## **2.2 Modify the Open Space Residential Development (OSRD) Bylaw**

***Responsible Parties: Planning Director and Planning Board***

Section VI.E of Sutton's Zoning Bylaws includes provisions related to Open Space Residential Development (OSRD) that promotes smart growth principles by allowing by right more compact development on part of a parcel in exchange for the preservation of open space in the R-1 Residential-Rural district and R-2 Residential-Suburban district. There are many uses of this OSRD bylaw, including allowing for greater flexibility and creativity in the design of residential developments, encouraging preservation of open space and natural resources, minimizing sprawl and disturbance, and encouraging the provision of diverse housing opportunities and the integration of a variety of housing types.

This comprehensive housing plan suggests that any revisions to the current OSRD bylaw also include mandates for the inclusion of some amount of affordable housing (plus the already existing density bonuses for this inclusion). An amended OSRD bylaw can be used to promote more diverse housing options such as small pocket neighborhoods or clusters of cottage-style homes for families in search of starter homes or those looking to downsize.

## 2.3 Modify the Accessory Apartment Bylaw

### *Responsible Parties: Planning Director and Planning Board*

Accessory apartments are currently allowed in the Town's Zoning Bylaw by Special Permit in the R-1, R-2, and VCOD under limited conditions. The Zoning Bylaw defines an accessory apartment as a dwelling unit constructed within and/or added onto a single-family dwelling or detached accessory building. It is recommended that the Town amend the existing accessory apartment bylaw to ease the process for owners to create accessory units and to prevent owners from developing ones that violate the Zoning Bylaw. Options the Town may want to consider include the following:

- Prepare a hybrid bylaw that includes both by-right and Special Permit approvals. The by-right units would need to meet more restrictive requirements while Special Permit units would have fewer restrictions.
- Promote accessory apartments in commercial structures.
- Ensure that the Planning Board exacts no conditions as part of the Special Permit that the units be occupied by family members or other relatives.
- If CPA or the proposed Housing Trust Fund are passed, provide funds to implement a zero percent interest, deferred payment loan program to support the costs of creating the accessory units that meet all health and safety codes.

## 2.4 Adopt a Cottage Housing Bylaw

### *Responsible Parties: Planning Director and Planning Board*

A Cottage Housing Bylaw is a zoning mechanism to build modestly sized single-family residences that meet the needs of a population diverse in age, income, household composition, and individual needs. Sutton's housing stock is currently dominated by two-to-four-bedroom single-family homes on lots at least one acre in size. This type of housing is not practical for many families and individuals who wish to move to or remain living in Sutton. By offering smaller and more reasonably priced housing options, Sutton can become a more livable community for diverse populations, which is bound to have positive impacts on the town's economy and more.

The Planning Director has drafted a Cottage Housing Bylaw which should be reviewed with the Planning Board and brought to Town Meeting. Public hearings and workshops are encouraged beforehand to gain community input and build support for the bylaw before it is presented at Town Meeting for a vote.

### **Model: Heritage Sands, Dennis Port**

With a Cottage Housing Bylaw in place, Sutton would have the potential to build housing such as the unique Heritage Sands community in Dennis Port, MA. Heritage Sands is a cottage community clustered around common green spaces to create “pocket neighborhoods”. The modestly-sized homes are two-bedrooms with lofts and the community features shared amenities such as a pool, covered veranda, gym, and common lounge.



## **2.5 Amend Zoning to Expand Uses for Multi-Family and Mixed Use Development**

***Responsible Parties: Planning Director and Planning Board***

### ***i. Adopt Chapter 40R/40S Smart Growth Zoning***

The Chapter 40R Smart Growth Zoning and Housing Production Act was approved by the State Legislature in 2004 in recognition that rising housing prices, beyond the reach of increasing numbers of state residents, were causing graduates from local higher education institutions to relocate to other parts of the country in search of greater affordability options. The act encourages cities and towns to zone for compact residential and mixed-use development in “smart growth” locations by offering financial incentives and control over design. Chapter 40R is defined as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves open space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost-effective and encourages community and stakeholder collaboration in development decisions.”<sup>3</sup>

Chapter 40R is unique in that it provides direct cash payments to cities and towns that create zoning overlay districts that meet location and procedural standards set out in the statute. Localities become eligible for a zoning incentive payment when they adopt the overlay and density bonus payment (\$3,000 per unit) if and when units are built using it. There are no restrictions on how municipalities use their 40R payments.

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<sup>3</sup> Massachusetts General Law, Chapter 40R, Section 11.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to municipalities that build affordable housing under 40R so that they would not be burdened with any extra school costs resulting from school-aged children whose families might move into this new housing. Essentially, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development in 40R Districts.

Participants in the workshop held on September 20, 2018 indicated strong support for larger multi-family developments more in line with 40R, but only in certain areas of Town. In particular, the areas east of Route 146 near current business and industrial districts were singled out as well suited for this kind of development. The Town should consider implementing a 40R Smart Growth District limited to these areas. A model Smart Growth bylaw is included in the Appendices herein.

***ii. Expand and Improve the Village Center Districts***

The Village Center Overlay District (VCOD) was adopted with the intention of encouraging re-use of historic structures and/or new economic and residential growth. A good VCOD is potentially powerful regulatory tool for encouraging historic development patterns from new development and for restoring the value of existing historic structures by allowing for their improvement without triggering zoning variances. However, the scope of the existing overlay is extremely limited, applying only to a handful of parcels near the Town Municipal Center. In order to maximize the potential benefits to residential growth a strong VCOD bylaw can provide, CMRPC recommends the following:

*Expand the VCOD*

Currently the VCOD covers only a handful of parcels near the Town Center. West Sutton is also under consideration. CMRPC recommends expanding the VCOD to include more areas in these villages with pre-existing multifamily structures and possible some vacant parcels. The VCOD should maintain or strengthen existing architectural and size controls to ensure any new units or additions will fit with existing character of the village(s).

*Reduce Dimensional Requirements*

As written, the VCOD does not provide any relief from the minimum lot size requirements of the underlying zone. The Village District Zone could also use additional consideration for historic development patterns. Many of the historic structures in Sutton's traditional village centers are considerably smaller than the 40,000 sq. ft. minimum required for multi-family units (up to 49,000 sq. ft. for the four-unit limit). There are a number of housing units in Manchaug, for example, which were built as workforce housing in the 19<sup>th</sup> century. The average lot size for these units is around

11,000 sq. ft. Minimum lot sizes in the VCOD and the Village Zoning District should be reduced at least enough to allow these smaller historic units to be rebuilt by right<sup>4</sup>.

*Include an Adaptive Re-use Provision*

Adaptive re-use refers to the conversion of existing structures from a historic, outdated use to a contemporary, more profitable use. The most common examples of this are conversions of mill buildings to apartments, live-work lofts or maker-spaces. A clear adaptive re-use provision could allow for more flexible redevelopment of sites like the Manchaug Mills and potentially increase housing options.

**Model: Cottage Square Apartments, Easthampton**

The Cottage Square Apartments rental development in Easthampton is a result of the Town's *40R Smart Growth Zoning Overlay District*, including 50 units of tax credit apartments with one, two, and three bedroom apartments. 100% of the units are affordable to those earning at or below 80% of the area median income and 24% are available to those making less than 30% of the area median income. The apartments are located proximate to Nashawannuck Pond Cottage Square in the former Easthampton Dye Works factory, and are within a half mile of public transit. The rehabilitation of Nashawannuck Mills buildings included blending historic features such as exposed beams, wood ceilings, and exposed brick walls with modern amenities such as central air conditioning, energy efficient appliances, and an elevator.

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<sup>4</sup> The requirement for additional square-footage for each multifamily unit (3,000 sf for each unit above one) may be maintained provided the minimum lot size is reduced enough to allow for conversion of existing historic structures in at least some cases.

### 3.0 Housing Development Strategies

The following Housing Development Strategies offer a guide for Sutton to produce new affordable housing at a faster pace. At the moment, Sutton has neither CPA nor a Housing Trust Fund, therefore it is important for the Town to reach out and partner with developers, both non-profit and for profit, which will be able to access other sources of financing. The Town should explore the availability of state subsidy programs such as the “Friendly 40B” process through the Local Initiative Program (LIP) as a means of creating new affordable units.

#### 3.1 Make Suitable Public Property Available for Affordable Housing

*Responsible Parties: Planning Director, Standing Housing Committee, CMRPC*

If there are parcels or buildings owned by the Town that are not essential for municipal purposes, Sutton should take advantage of this opportunity as a means of addressing local housing needs. Town officials should evaluate the Town’s inventory of municipally-owned properties to determine if there are any suitable properties that could be used for housing. There are many communities across the Commonwealth that have turned to town buildings such as former mills, elementary schools, and community centers as redevelopment opportunities for housing. Creating workforce housing is a form of boosting economic development in communities that should not be overlooked.

#### 3.2 Pursue Partnership Opportunities for Multi-Family and Mixed Use Development

*Responsible Parties: Planning Director, Housing Working Group, CMRPC*

The most likely location for denser development, particularly to provide housing for smaller households and seniors, is in commercial areas and proximate to transportation and services. Sutton’s Zoning Bylaw currently allows mixed-use development in the Village Center Overlay District. Multi-family dwellings are currently allowed by special permit in the Village Center Overlay District as well as the R-2 district. The Town should assess the benefits of allowing mixed use development and higher density housing in designated districts with specific criteria and amend the Zoning Bylaw accordingly.

The Town of Sutton needs to partner with capable development entities to realize new development opportunities through options such as Chapter 40R Smart Growth Overlay District, Mixed Use Overlay District, and Chapter 40B Comprehensive Permit Process. Additionally, District Improvement Financing (DIF), Urban Center Housing Zones, and Tax Increment Financing (TIF) are financial tools that can serve as incentives for promoting mixed use development in Sutton.



## REFERENCES

The following sources were utilized for this residential housing needs recommendations report:

- a. 2000 and 2010 U.S. Decennial Census
- b. 2013-2017 American Community Survey Estimates (ACS)
- c. Central Massachusetts Regional Planning Commission (CMRPC)
- d. Costar, licensed to CMRPC
- e. ESRI Business Analyst
- f. Massachusetts Department of Revenue
- g. Massachusetts Department of Housing and Community Development (DHCD)
- h. Massachusetts General Laws Chapter 40B
- i. Mass.gov
- j. Sutton Housing Working Group feedback
- k. Sutton Residential Housing Needs Community Survey
- l. Town of Sutton Assessor's Office
- m. Town of Sutton Planning Department
- n. U.S. Department of Housing and Urban Development (HUD)
- o. Public input from community forum on September 20, 2018
- p. Warren Group

## LIST OF APPENDICES

### Appendix A

- I. Zoning District Map of Sutton, MA
- II. Zoning Overlay District Map of Sutton, MA

### Appendix B

- I. Public Outreach Postcard
- II. Sutton Residential Housing Survey Results

### Appendix C

- I. Summary of Sutton Housing Public Forums
- II. Housing Forum Activity Stickers
- III. Housing Forum Activity Map