

40R Smart Growth (SG) & Starter Home Zoning Districts (SHZD)



- *General overview of 40R (Requirements & Incentives)*
- *Program activity*
- *Starter Homes*
- *40R Process*

What is 40R?

A voluntary program to encourage cities & towns to adopt & implement zoning that allows compact, mixed-income, by-right development in areas with existing or planned infrastructure & better access to retail, services & jobs by offering both direct & indirect financial incentives & a tool to better manage residential growth



40R Program Basics/Overview

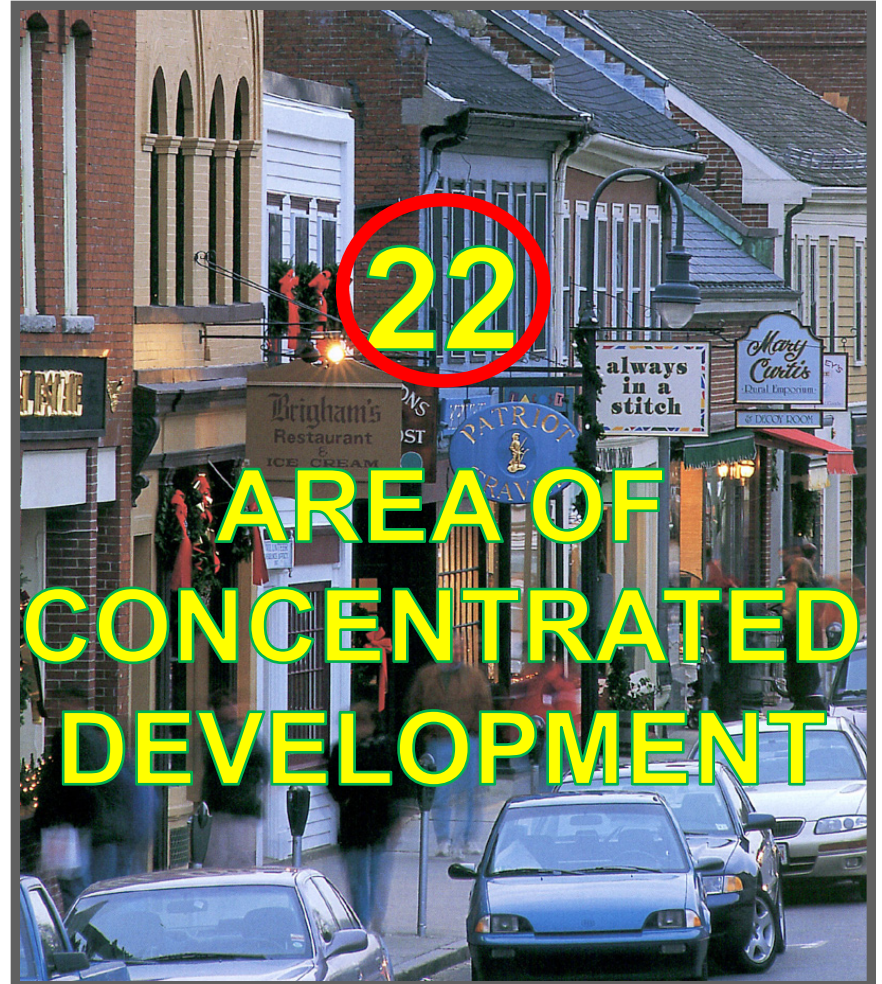
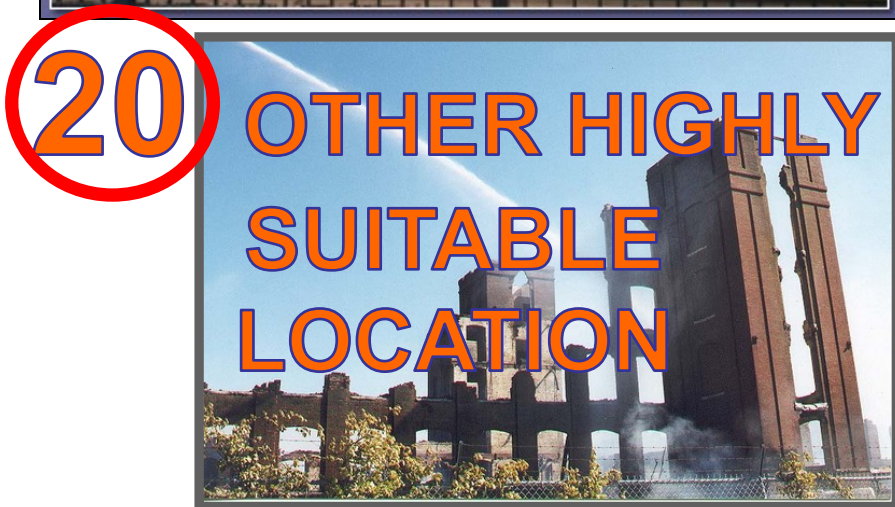
- Eligible locations
- As-of-right, including densities...
 - Single-family: 4*/8 units/acre
 - 2-3 family: 12 units/acre
 - Multifamily: 20 units/acre
- Affordability requirement (20%)
- Direct funding:
 - \$10K-\$600K Zoning Incentive Payment based on District size
 - \$3,000/unit Production/Density Bonus Payment
 - Eligibility for school-cost reimbursement \$ (Chapter 40S)



***Start Home Zoning
Districts (SHZD) Only**

40R District Requirements

Eligible Location



Eligible Locations for SG & SHZDs Districts...

Substantial Transit Access Areas

Within a 1/5 or 1* mile of a rapid transit or commuter rail station or bus or ferry terminal



* Possible to extend up to 1 mile & 1.5 miles, respectively, with qualifying adjacent area

Eligible Locations for SG & SHZD...

Areas of Concentrated Development



Non-Commercial portion of Area of Concentrated Development cannot exceed 50%

At least 50% of the land must also be previously developed.

A Starter Home can be within an Area of Concentrated Development, at least 50% of which must include an existing commercial/mixed-use zone (e.g., a city/town center, village or other substantial commercial area).

Other Eligible Locations for SG & SHZDs

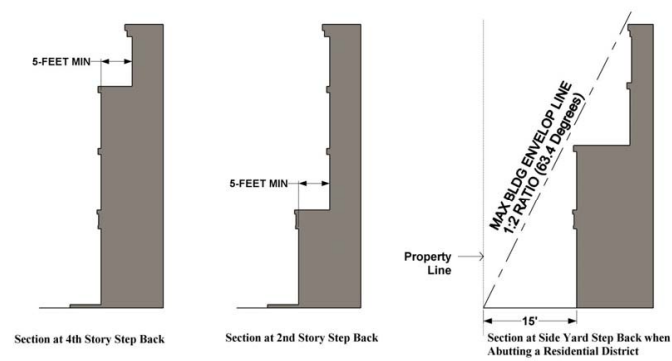
- **Other Highly Suitable Locations** based on factors such as transportation access, infrastructure, walkability, adjacent zoning/land use, infill/*redevelopment*, and prior planning
- **Otherwise Ineligible Residential Zones** Ped Access to & w/in $\frac{3}{4}$ mile of *a ped destination* e.g., library, school, retail/office, playground, etc.)



Zoning Characteristics

Other 40R Zoning characteristics...

- As of right – w/ site plan review
- Comprehensive – other zoning requirements do not apply
- May include Design Standards
- Must be primarily residential
- Not subject to bldg. caps., etc.
- Cannot require age restrictions



CORNICE COMPLETES BUILDING COMPOSITION

VERTICAL UPPER STORY WINDOWS CONTRAST WITH HORIZONTAL LOWER STORY WINDOWS

CHANGE IN MATERIAL ACKNOWLEDGES CHANGE IN USE

LARGER WINDOWS OPEN RETAIL LEVEL TO THE STREET



STEP BACK AT UPPER STORIES REDUCES BUILDING MASS

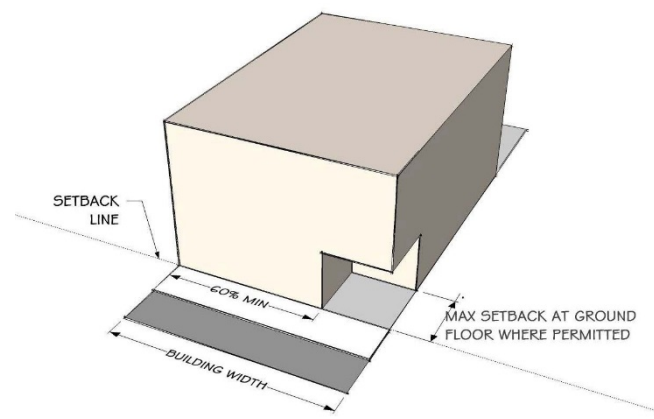
BAND COURSES REINFORCE BUILDING PROPORTIONS

SMALLER UPPER FLOOR WINDOW CONTRAST WITH LARGER PUBLIC SIZE OF GROUND FLOOR WINDOWS

TALLER FIRST FLOOR REINFORCES PUBLIC ZONE.

PROJECTING HORIZONTAL REINFORCES HUMAN SCALE

SHELTERED ENTRIES ENRICH PEDESTRIAN ZONE





40R District Requirements

Minimum Affordability

Affordability requirements...

Smart Growth Districts:

- **20-25% of units @ 80% AMI**
- **For all Projects w/ 13+ units**
- **20% for District as a whole**

Starter Home Zoning Districts:

- **20% of units @ 100% AMI**



Municipal Financial Incentives

Zoning Incentive Payments:

Increase in by-right zoned units*

Up to 20

21-100

101-200

201-500

501 +

***Net new units
allowed by-right on
parcels that qualify
as Developable/
Underutilized Land**

Payment

\$10,000

\$75,000

\$200,000

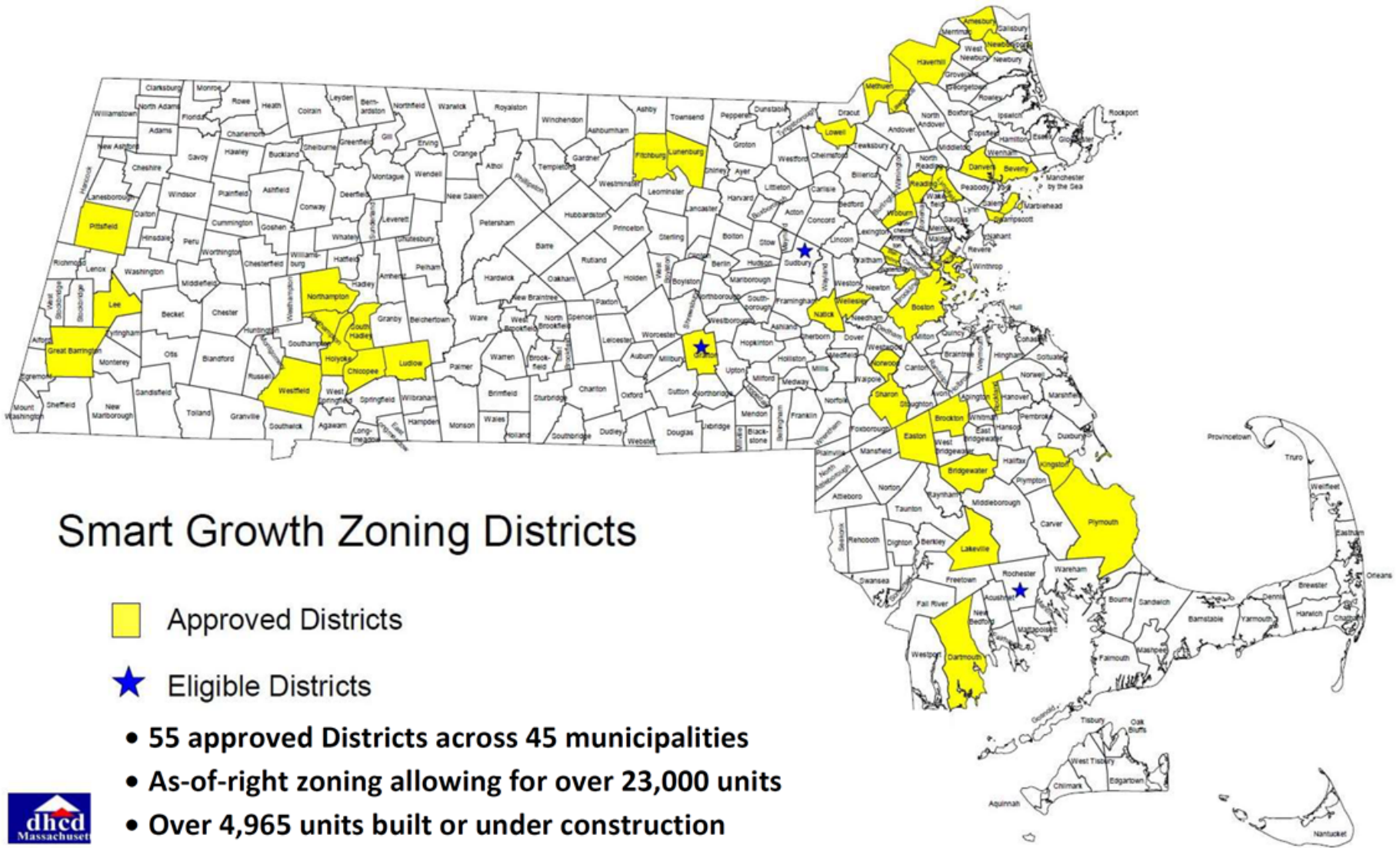
\$350,000

\$600,000

Bonus Payments: \$3,000 for each Bonus Unit produced

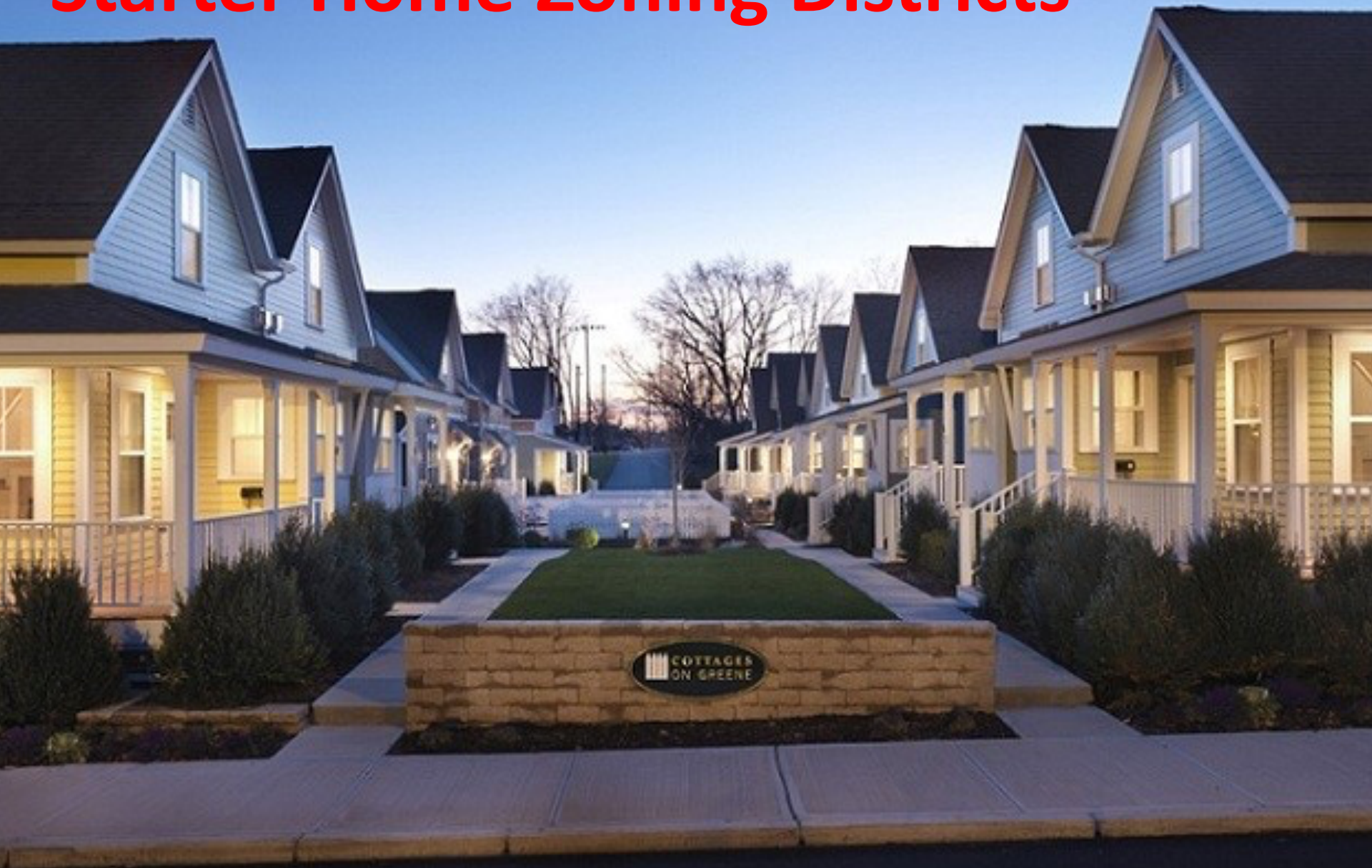
40S School-Cost Reimbursement for demonstrated net increases in corresponding school costs, if any

(note: current funding source limits municipal use of Zoning Incentive & Production Bonus Payments to capital expenditures)





Starter Home Zoning Districts



What is a Starter Home under C. 40R?

“Starter home” is defined as, “a single family home not exceeding 1,850 square feet in heated living area”

Municipality can opt to also allow for an accessory dwelling unit of 600 square feet or less on the same lot as a starter home.

760 CMR 59.00

Other key requirements for Starter Home Zoning Districts...

- Must contain a minimum of 3 contiguous developable acres**
- Must allow at least 4 units/acre (lots of ~10K sq. ft.)**
- 50% of the Starter Homes must contain at least 3 bedrooms**
- A minimum of 20% of the Starter Homes must be affordable at or below 100% of Area Median Income**

Other restrictions to be aware of...

- Projects CANNOT be age-restricted**
- Use of Incentive & Bonus funds restricted to capital expenditures due to new source of funding for SGHTF**
- Accessory Dwelling Units (ADUs) / Apartments can qualify as Bonus Units but not as Incentive Units**

Local Environmental / Health Regulations

Starter Home Districts may not be subject to local environmental or health regulations that exceed State regulations, unless:

- “DEP has determined that specific local conditions warrant imposition of more restrictive local standards,” or**
- “The imposition of such standards will not render infeasible the development contemplated” (Section 6)**

Basic 40R Process:

- **Initial consultation w/ DHCD** (recommended)
- **Local public hearing on zone application**
- **Submit application to DHCD**
- **DHCD determination of eligibility**
- **Local zoning adoption**
- **Submit evidence of adoption, etc.**
- **DHCD Letter of Approval**
- **Eligibility for Zoning Incentive Payment**
- **Local project applications/decisions**
- **Bonus Payment eligibility w/ permits, etc**





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40S Payment Formula:

- = positive difference between total education cost for eligible students & municipality's Smart Growth revenues for education + any Chapter 70 aid.
- Smart Growth revenues for education are product of the education % (total school spending among all communities divided by total expenditures = ~56%) and the Smart Growth property & excise tax revenues.
- (DESE cost per  x # of )
- (~56% of RE & Excise Revenue) + any add'l c.70\$



40R Starter Homes

Sample* Maximum Sale Prices

HUD Region	100% AMI	Sample Max Sale Price	HUD Region	100% AMI	Sample Max Sale Price
Barnstable	\$86,200	\$240,400	Prov.-Fall River	\$80,300	\$222,500
Boston	\$107,800	\$305,700	Taunt-Mnsfld-Nrton	\$88,600	\$247,600
Brockton	\$84,100	\$234,000	Springfield	\$80,700	\$223,800
Lawrence	\$95,000	\$267,000	E. Worcester	\$112,300	\$319,300
Lowell	\$105,400	\$298,400	Ftchbrg-Leomnstr	\$80,700	\$223,800
Berkshire	\$80,700	\$223,800	W. Worcester	\$80,700	\$223,800
Pittsfield	\$80,700	\$223,800	Dukes	\$92,700	\$260,000
Eastn-Rynhm	\$115,000	\$327,500	Franklin	\$80,700	\$223,800
New Bedford	\$70,200	\$192,000	Nantucket	\$110,900	\$315,000

(*for sample purposes only; based on various assumptions including 5.01% interest rate, \$14.67 tax rate)