

Housing

I. Issues, Goals & Recommendations

The styles, age, quality and location of a community's homes attest to its evolution from hamlet to suburb. Housing also conveys important information about the people who live in a community today, including the size and economic position of its households. Hamilton's desirability is reinforced by its beautiful neighborhoods, private estates and farms, all of which contribute to the town's stature as an upper-income suburb. A community influences the make-up of its population by the choices it makes to control housing growth, and Hamilton is no exception.



Housing is a major public policy issue in Massachusetts because home prices have skyrocketed and vacancies are at an all-time low. During the 1990s, the median single-family home sale price in Hamilton increased by 98% and its homeowner vacancy rate fell to less than .5%. The shortage and high cost of housing everywhere have affected the Commonwealth's attractiveness to employers and placed the diversity of its economic base at risk. In addition, suburban zoning and market preferences favor spacious houses on large lots that consume significant amounts of forested and open land. While the resulting problems of "sprawl" are widely recognized, many communities remain hesitant to change their zoning or tackle complex housing issues because they fear the environmental and fiscal consequences of growth. Since 99% of Hamilton is zoned for residential development, housing will have an indelible impact on the town's future.

Important Questions

The housing element addresses six questions that form the basis for the policies and recommendations outlined in the master plan:

- What is the composition and character of Hamilton's housing stock?
- What kinds of housing are encouraged by Hamilton's regulations and policies – and what kinds are discouraged?
- What housing needs do Hamilton's regulations and policies meet? What housing needs do they not meet?
- To what extent do Hamilton's housing policies support or conflict with the town's vision of itself and its aspirations for the future?
- What opportunities exist for Hamilton to address unmet housing needs?
- What is local government's responsibility for housing?

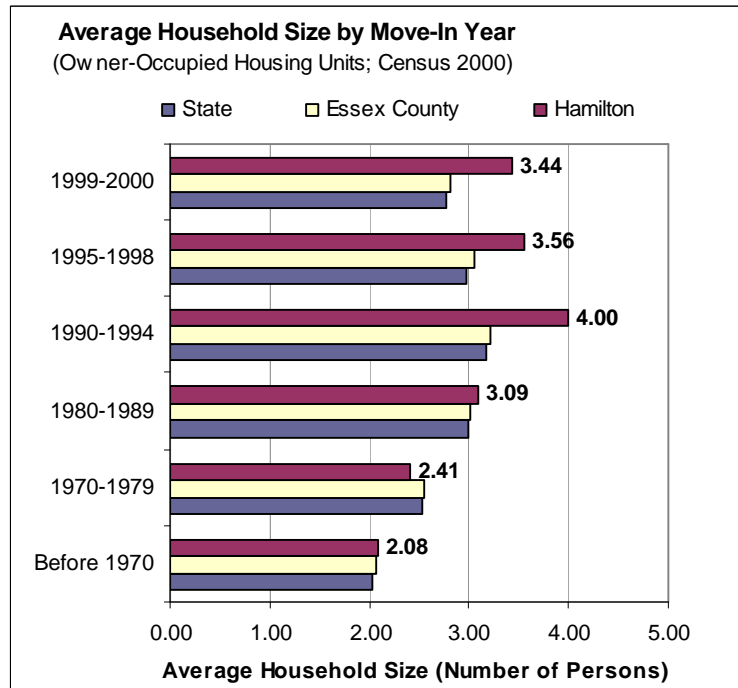
Discussion

Hamilton's prestige and household wealth are evident in the impressive, tastefully designed homes that line many of its roadways. Compared to most suburbs, Hamilton has a remarkably homogenous housing profile: more than 95% of its owner-occupied housing units and nearly one-fourth of its renter-occupied housing units are detached single-family residences. As a result, the town also has a remarkably homogenous population profile, for 80% of its households are families and over half of them have children under 18. They chose Hamilton for its spacious homes, traditional neighborhoods, excellent schools and recreation areas, pleasant small-town environment, and convenient location close to Boston. While these qualities make the town attractive to young families, long-time residents speak fondly of Hamilton for similar reasons. If anything unites homeowners new and old, it is that they value what Hamilton offers and they do not want the town to change.

In fact, Hamilton has changed quite a bit in the past 20 years. Although the town retains some variety in the size, style and price of its homes, the single-family housing mix that once existed here has gradually declined. New

homes are twice the size of those built 50-60 years ago, with more amenities, larger lots, and an average assessed value that is three times higher. In contrast, Hamilton's historic homes – often associated with large parcels of land – are both valuable and unique properties. Hamilton never had a substantial inventory of multi-family units, but its array of single-family homes and the development eras they represent shed light on a society that once embraced and depended on a continuum of households, incomes and employment. The eclipse of housing choice is apparent not only in the size and price of new homes but also in the demolition and expansion of older dwelling units, which often provide an easier path than vacant land to a new or substantially new residence.

Few issues inspire more opposition in Hamilton than residential development. Ironically, the town has not grown much since 1985 even though it has experienced obvious land use and social change. The federal census indicates that 190 new homes were built in Hamilton between 1990-2000, but the data disguise an underestimate of the student apartments that existed at Gordon Conwell Seminary in 1990. Actually, Hamilton absorbed about 154 new homes during the 1990s: two-thirds the number built in the previous decade. Development that occurred during the 1980s coupled with a high rate of housing unit turnover in the 1990s caused significant population growth in Hamilton, far in excess of the household

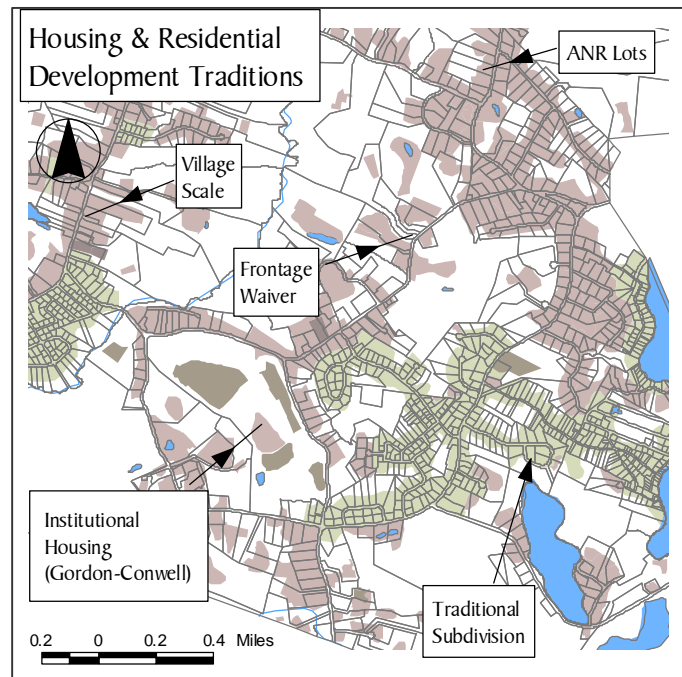


growth rate. Since Hamilton produces one kind of home – a single-family residence – nearly all of its new households were families. They brought children into the community (Fig. 1) and eventually, into the public schools. Today’s conflicts over school spending are largely rooted in the make-up of Hamilton’s housing stock, its large-lot zoning, which effectively reduces the tax yield per acre of land more than it reduces the cost of community services, and the lack of other land uses that could fill the revenue gap. The very qualities that residents love about their town are also the factors that threaten Hamilton’s fiscal stability.

Hamilton wants to remain small, so naturally local officials have worked hard to keep it that way. The town sees very little subdivision activity, and a majority of the plans filed with the Hamilton Planning Board are for “Approval Not Required” for “Form A” lots, or lots that meet the zoning bylaw’s minimum frontage and area regulations. Hamilton also allows frontage exceptions and in exchange, the town assures less development overall by requiring substantially larger lots than the usual minimum. For the most part, new development occurs incrementally and almost imperceptibly, except that Hamilton’s stature and its large house lots make land marketable only for imposing, high-end homes. The town’s choice of policies to curb development will probably succeed at limiting future growth. However, the same policies sponsor an imbalanced housing inventory, tax wars and sprawl, and they expose Hamilton to the threat of a large or poorly sited comprehensive permit development.

It will be difficult to address the risk of comprehensive permits because Hamilton residents clearly have mixed feelings about affordable housing. They like Hamilton the way it is, and they associate affordable housing with high-density developments that differ from the character of their neighborhoods. Most say they want to provide low-cost homes for the elderly, yet they worry about the visual and environmental impacts of a large development. Some residents think Hamilton should take care of its own seniors and they fear that affordable housing will invite people from outside the community. From the perspective of others in Hamilton, the town already has affordable housing and they see no reason to build more of it.

Despite Hamilton’s perception of affordable housing, the town has no large affordable housing developments and very few of its homes (69) meet the statutory definition of low-income housing. Compared to most suburbs, Hamilton has received only a handful of



Residential development traditions in Hamilton. Colors and parcel configurations denote differences in neighborhood density.

comprehensive permit applications since Chapter 40B was enacted in 1969. Chapter 40B all but requires communities to approve a comprehensive permit when less than 10% of their homes have deed-restricted affordability for low- and moderate-income people. It also gives developers a streamlined appeals process if their permit applications are denied or conditionally approved. Since Hamilton has not attracted much Chapter 40B activity, it has very little low-income housing. Moreover, the town's large-lot development standards assure that new homes will be very expensive. Ironically, Hamilton is concerned about the potential for a large, unwanted comprehensive permit, yet the town has neither the zoning nor the policy framework to address affordable housing through means other than a comprehensive permit. As a small town with limited infrastructure, Hamilton may never reach the state's 10% benchmark. Still, if the town takes no steps to address affordable housing, it will eventually face the same contentious situation that many other communities have had to confront: a Chapter 40B development on land ill-suited for higher-density use.

Hamilton's development regulations serve some interests, but they create major impediments to meeting other needs. Significantly, Hamilton lacks effective ways to encourage elderly housing even though most residents say the town should provide housing choices for seniors. Hamilton offers seniors the chance to participate in a property tax refund program established by state lawmakers several years ago. However, the "credit" for community service offsets only a small share of a senior citizen's tax bill. Elderly homeowners may also petition to defer paying all or a portion of their property taxes, but ultimately, their estate must remit the unpaid taxes from the proceeds of selling the home. The forms of property tax relief available under state law do not substitute for housing choice, suitability or affordability. In addition, while Hamilton seems interested in developing elderly housing, the town provides only a limited system of elder services and has no permanent home for a senior center. Just as good schools attract families, it will take more than housing to serve senior citizens if the town expects to retain them.

Hamilton also has no mechanisms to develop housing attractive to empty nesters: households that often want smaller housing units in a managed residential community. For them, desirable housing offers convenience, amenities, security, privacy and high-quality design. Hamilton has several large properties that could support a managed residential community, possibly in conjunction with other uses, if the town allowed one to be built. In exchange for undivided open space, preserved trails and substantial revenue for the town, Hamilton would have to accept residential uses in addition to single-family homes, allow managed communities to build village-density housing, and permit, through flexible regulations, the development of shared septic systems or a small wastewater treatment facility. There are ways to encourage alternative housing without altering the town's suburban identity, mainly through limitations on the total number of multi-family or townhouse units that can be built in a zoning district. However, unrealistic limits will dissuade landowners and qualified developers from doing anything other than what the town allows with ease: the division of vacant land into single-family house lots.

Sadly, existing policies do not recognize or protect Hamilton's traditional mix of single-family homes. Major expansions or alterations and demolition-rebuild projects attract new investment to the community. However, as these investments cause older homes to appreciate in value, they also remove lower-cost housing from the market. The town has little control over the trend toward "mansionization" because of constraints imposed by state law, but a strategy that combines local historic districts or neighborhood conservation

districts, demolition delay, and a carefully tailored affordable housing program would help Hamilton save some of its small, modest housing units. Young citizens who grew up in Hamilton and cannot afford to stay in their hometown may appreciate the opportunity to acquire an older home and “buy up” to market housing after they become established in their careers. A program that allows them to capture some equity from their investment and preserves the unit as affordable to future young citizens would benefit the town’s families without requiring any new development.

Hamilton could regulate land use to meet many interests: open space, housing choice and affordability, sustainable development, and fiscal stability. It could form a local development corporation to undertake small-scale affordable housing activities and create units that qualify under Chapter 40B, but in order to succeed, the corporation and local officials need workable regulations and better access to regional housing resources. A partnership with Gordon-Conwell Seminary may enable Hamilton to pursue mutually beneficial ways to create affordable housing inside the campus community. Moreover, Hamilton has an unusual opportunity to influence the disposition and redevelopment of Asbury Grove, a densely developed enclave of small cottages and year-round homes on the site of a Methodist Church campground.

The town does have areas that can accommodate moderate-density development. With the right mix of zoning, local government activism and funding, Hamilton could take small steps to be a more balanced community without abandoning the housing traditions it holds dear. Innovative techniques to preserve open space by promoting low-impact land uses such as assisted living facilities and garden homes for the elderly are hardly new or unique in Massachusetts. Simply, Hamilton has never used them. Local officials no doubt believed that their established regulations and the market would take care of Hamilton’s growth needs. Instead, it seems that established regulations and the market have made Hamilton a very costly town in which to live.

Like most suburbs, Hamilton has few vocal supporters of housing choice. The town’s uneasiness about housing policy makes it difficult for local government to promote solutions that could make better use of land and built resources, alter the structure of Hamilton’s tax base and reduce the risk of large-scale comprehensive permits. Without a different approach, Hamilton will continue to develop in ways that create increasing tension about growth and change.

Housing Goals

- 1) To provide a mix of housing that is visually compatible with Hamilton’s tradition of single-family residences.
- 2) To develop moderately priced housing units that are affordable and attractive to elderly households.
- 3) To protect and retain Hamilton's inventory of small homes.
- 4) To provide Chapter 40B affordable housing in areas with established infrastructure, facilities and services, primarily through scattered-site, infill and acquisition/disposition strategies that are compatible with the land use goals of the Master Plan.

Housing Policies

- 1) Hamilton's residential development objectives are to preserve agricultural land, open space and forests from alteration, to protect the character of historic and scenic corridors, and to provide distinctive, high-quality neighborhoods for all residents of the town. The town prefers developments that achieve all of these objectives at a scale appropriate for a small suburb.
- 2) While retaining its tradition of single-family homes, Hamilton will promote housing that is suitably designed and affordably priced for senior and young citizens. .
- 3) When development of outlying land is unavoidable, Hamilton seeks to protect open space and views from the road by encouraging developers to meet cluster design standards that are sensitive to the most important features of a site. Toward this end, the town will describe its cluster design requirements in clearly written zoning regulations and give developers flexibility to create responsive plans.
- 4) Residential development should contribute to Hamilton's inventory of Chapter 40B affordable housing. Developers may include affordable units in a proposed subdivision, they may provide comparable units elsewhere in Hamilton, preferably by acquiring existing homes, or they may pay a fee in lieu of creating affordable units. Developers creating Approval Not Required lots are expected to comply with similar standards.
- 5) Hamilton expects that a majority of its Chapter 40B housing will benefit town and school employees, existing residents, or persons who grew up or previously lived in Hamilton and wish to return. Developers will accommodate these local preferences in the sale or rental of affordable housing units.
- 6) Hamilton recognizes the architectural importance of homes that represent all eras of the town's development. A residence will not be substantially altered or demolished without prior review by the historical commission and consultation with the Planning Board to identify feasible alternatives. In support of housing preservation, Hamilton will participate in regional housing resource programs and consider funding or leveraging funds for activities that retain the original scale and features of older homes in exchange for affordable housing deed restrictions.

Housing Recommendations

Bylaws and Regulations

- 1) Adopt regulations and policies consistent with the Map 12, Housing Concepts.
- 2) In conjunction with the proposed open space-residential cluster bylaw, enact regulations that require affordable units in all new developments of five or more lots or housing units on ten or more acres of land. Provide modest density incentives to encourage small, common-wall housing units instead of single-family homes. Allow developers to provide affordable units in their developments or off-site, or to pay a fee in lieu of creating units.
- 3) Create an incentive overlay district for large parcels in the R-A District and allow moderate-density housing development, alone or in conjunction with other land uses, as an alternative to single-family housing. Encourage a mix of multi-family, common-wall and single-family housing units, up to a district-wide maximum specified in the bylaw.

- 4) Adopt special regulations to allow elderly housing, retirement and assisted living facilities in the R-1A, R-1B and RA Districts, or in an overlay zone applied to portions of these districts, by special permit from the Planning Board.
- 5) Reduce regulatory constraints against accessory apartments, single-family conversions and multi-family uses above the ground floor of commercial buildings in order to provide more housing choices while limiting the fiscal impact of residential development.

Policy, Program and Capital Investment Actions

- 1) Work with Asbury Grove Camp Meeting Association to secure planning and predevelopment funds for a long-term solution to wastewater problems at Asbury Grove, and explore the potential for placing some or all of the housing units under affordable housing deed restrictions.
- 2) Integrate affordable and elderly housing development strategies with the town's Open Space and Recreation Plan, using limited development wherever possible to increase housing choices while saving open space.
- 3) Establish a Housing Trust Fund for developer fees and other appropriate revenue, and use the fund to acquire, improve and sell existing homes at prices affordable to low- or moderate-income homebuyers, subject to a deed restriction to secure long-term affordability.
- 4) Petition the state legislature for approval to establish an affordable housing program that allows Hamilton to enter into right-of-first-refusal agreements with elderly homeowners to purchase their homes at a negotiated price in exchange for reduced or waived property taxes, and to acquire and sell the homes with affordability restrictions.
- 5) Adopt a housing plan to create permanently affordable housing units at a pace that Hamilton can sustain.

Implementation Capacity

- 1) Establish a permanent Housing Partnership Committee to advise the town on housing policy, attract qualified developers to provide affordable and elderly housing, identify and pursue local development opportunities, set comprehensive permit guidelines and act as the town's liaison with state housing officials.
- 2) Adopt the Community Preservation Act (CPA) to provide a source of funds to create permanently affordable housing in a manner compatible with the Master Plan.
- 3) Designate the director of the (proposed) Department of Planning and Community Development as the town's negotiator with comprehensive permit developers.
- 4) Establish a non-profit development corporation to acquire, renovate, and sell or lease existing homes, or to develop new homes, for permanently affordable housing.

II. Population & Housing Analysis

Population Characteristics¹

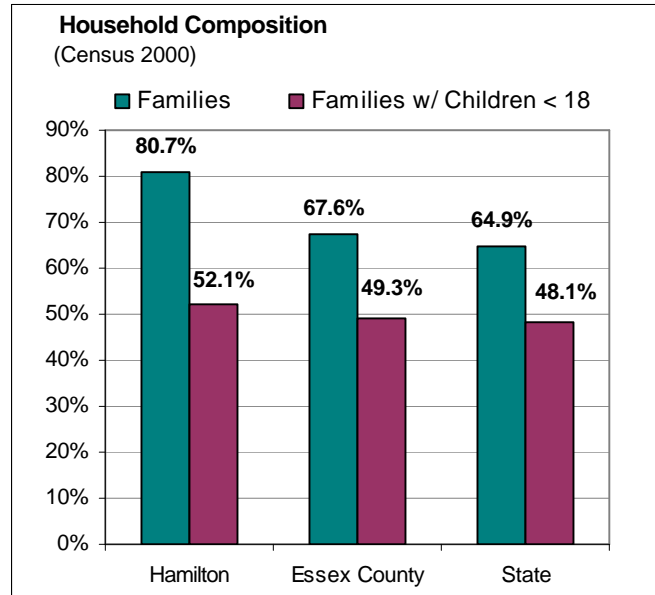
Hamilton is an upper-middle-income suburb of 8,315 people and its population characteristics directly reflect the composition of its housing stock. Most Hamilton residents live in traditional

neighborhoods of attractive, well-kept single-family homes in the east, southern and central sections of town. A

substantial majority of Hamilton's households are families,² and given all that Hamilton has to offer, it is not surprising to find that a large percentage of them have pre-school and school-age children. Fig. 2 shows that today, 80% of all households in Hamilton are families and 52% have children under 18. In contrast, 65% of all Massachusetts households are families and 48% have

children under 18.³ Accordingly, Hamilton households are somewhat larger than households across the state: 2.87 compared to 2.51 persons per household. A similar difference exists among families, for the average family size in Hamilton is 3.22 persons while statewide, it is 3.11 persons.

The population of Hamilton increased by 14.2% during the past decade, more than double the state's rate of population growth but lower than that of surrounding towns.⁴ Hamilton grew rapidly between World War II and 1960, when the town was transformed by the emergence of a modern regional highway system and corresponding growth in the Boston-area economy. Like several of Boston's north suburbs, Hamilton witnessed a sharp decline in its rate of population growth after 1970. Though the town absorbed residential development during the 1990s, new-home construction alone does not explain the sudden increase in population. Rather, a sizeable percentage of Hamilton's older homes changed



¹ Statistical tables that accompany this section of the Master Plan appear in Appendix C.

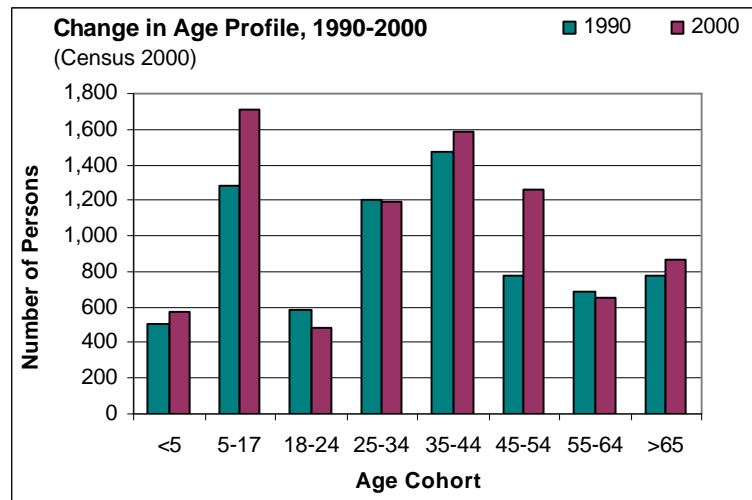
² "Family" means a household of two or more persons related by blood or marriage, while "household" refers to one or more persons occupying a single housing unit.

³ Bureau of the Census, Census 2000, Summary File 1, Table DP-1, Essex County Census Tract 2151 (Hamilton) and State of Massachusetts.

⁴ 1990 Census of Population and Housing and Census 2000, Summary File 1, Table DP-1, Census Tract 2151.

hands between 1990-2000 as departing empty nesters and retirees made way for a new generation of young families.

Population growth has brought about changes in the age profile of Hamilton residents. Consistent with statewide trends, the elderly as a percentage of Hamilton's total population declined slightly from 10.7% in 1990 to 10.4% in 2000, yet in absolute terms, the elderly population in Hamilton increased by 11.4% – mainly among persons over 75. Since single-family housing starts



and the recycling of older homes brought many new families into Hamilton during the 1990s, the population of persons under 18 increased nearly 30% between 1990-2000, but across the state, the under-18 population increased by only 10.9%. Hamilton's experience differs in at least one other salient way, however. A majority of the state's under-18 population growth occurred among persons between 5-17 years of age while the pre-school population declined by 3.7%. As suggested by Fig. 3, Hamilton absorbed increases among both pre-school and school-age children.

Labor Force, Education & Employment

Hamilton workers tend to be highly educated, professionally employed people. About 72% of the town's over-16 population is in the labor force, placing Hamilton ahead of the state's labor force participation rate of 66%. A number of Hamilton residents work at home all or a portion of the week, either as home-based entrepreneurs or telecommuters. Most days, however, a majority of Hamilton workers commute to out-of-town jobs, whether in Boston or within the metropolitan area. Nine percent of the labor force is self-employed, compared to 6.4% statewide.

Race, Ethnicity and National Origin

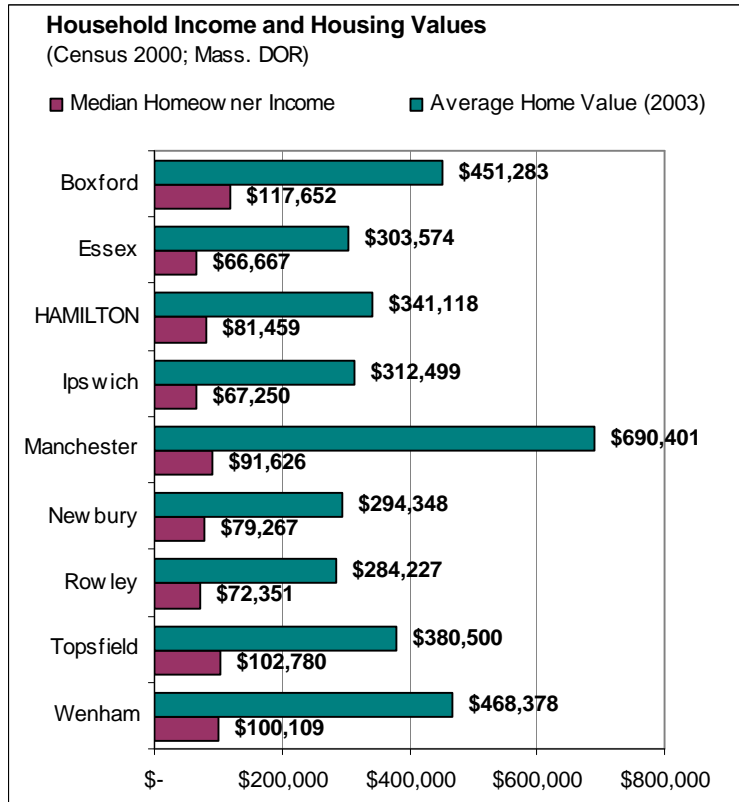
Hamilton residents are primarily white (94.2%) and of English, Irish, Scottish and German descent. Among racial minority groups, the Asian population is Hamilton's largest (4.3%) and it is comprised mainly of Korean and Chinese persons. Less than one percent of Hamilton's current population is Hispanic.⁵

⁵ Census 2000, Summary File 1, Table DP-1; Summary File 3, Table DP 2.

Household Income

Hamilton’s median household income of \$72,000 falls in the top quartile for the state as a whole, though its income rank is lower than that of several neighboring towns.⁶ In 1980, Hamilton’s statewide rank for median household income (40) was considerably higher than it is today (62). The difference reflects both demographic changes within Hamilton and the impact of new, high-end suburban development along I-495, which has caused a generalized shift in population wealth throughout Eastern Massachusetts. Compared to neighboring communities, Hamilton’s population is somewhat younger and in some cases, its housing values are slightly lower. While Hamilton has a number of highly affluent households, it is also home to many

middle- and upper-middle income families for whom housing in neighboring communities is priced beyond their reach. Fig. 4 compares Hamilton and a sample of surrounding towns on the basis of household incomes and home values.



Neighborhood Demographics

Most Hamilton residents live comfortably, but its households are not in the same economic position. Income differences seem to correlate with other population characteristics: length of residency, household size and composition, housing tenure and the age and value of residential property. By Census geography, most of the town’s recent growth has occurred in the neighborhoods and rural sections of north-central Hamilton, or collectively, census block group 5 (see Map 3). In these areas, less than 45% of all homeowners lived in the same home in 1995, a condition that differs markedly from the stable population base of East and South Hamilton. The same areas have very high percentages of family households and families with children under 18. They also have the highest percentage of homes built between 1990-2000 and the town’s second highest median income, \$74,196. Block group 5

⁶ State rank, 1999 median household income (out of 351 cities and towns): Boxford, 7; Topsfield, 16; Wenham, 22; Newbury, 54; Manchester, 58; Hamilton, 62; Rowley, 110; Essex, 133; Ipswich, 147.

covers 54% of the town and contains 735 housing units, or 26% of Hamilton's total housing inventory. Its population density of 334.3 persons per mi² is the lowest in Hamilton and its share of the town's open space, the highest. Not surprisingly, the median home value of \$492,000 in block group 5 exceeds the town-wide median of \$283,100. The ratio of residential value to household income in block group 5, 6.63, far surpasses all other sections of town and the town as a whole, 3.93. The ratio is influenced not only by block group 5's high percentage of new homes, but also the presence of several large properties and family estates – i.e., land wealth.

In contrast, East Hamilton includes 23% of the town's total area and 738 housing units, 26% of Hamilton's housing inventory. Of the town's five block groups, East Hamilton has the highest percentage of long-term residents – households that moved into their present home between 1970-89, or 44% – and a comparatively low percentage of families with school-age children. While Hamilton's labor force is highly educated compared to the labor force statewide, the percentage of adults holding college or advanced degrees in East Hamilton exceeds that of the town overall: 60% compared to 52.5%, a distinction that applies equally to men and women. East Hamilton has the town's highest median household income, \$86,302, which partially reflects its higher percentage of women in the labor force. Its home values rank second highest compared to other parts of town, yet East Hamilton also has the highest percentage of housing-cost burdened homeowners: 29.4%.⁷

A Home in Hamilton⁸

While the pattern and density of residential land use differ across town, Hamilton's 2,825 dwelling units are comprised almost entirely of detached single-family homes. As a result, most households in Hamilton share two attributes: they are both family households and homeowners. Approximately 82% of the town's housing units are owner-occupied with an average of 2.95 persons per household.⁹

For most Hamilton residents, their home is a cherished and valuable asset. Nearly half of Hamilton's owner-occupied housing units were purchased by their present owners between 1990-2000.¹⁰ Consistent with regional trends, Hamilton's housing market is highly competitive and during the past decade, the median single-family sale price nearly doubled.¹¹ About 36% of the town's households moved into their current home after the market rebounded from the recession of the early 1990s, and those who bought a new house

⁷ Census 2000, Summary File 3, Tables DP-3, DP-4, P-52, P-48, P-24, QT-H7: Essex County Block Groups 2151-1, 2151-2, 2151-3, 2151-4 and 2151-5.

⁸ For discussion of recent housing development in Hamilton, see Land Use Element, "Trends," 17-22.

⁹ Owner- and renter-occupied statistics reported by the Census Bureau include apartments at Gordon Conwell Seminary. Excluding student housing, the owner-occupancy rate in Hamilton is 89% and renter-occupancy, 11%.

¹⁰ Census 2000, Summary File 3, Table DP-4: Hamilton.

¹¹ Banker & Tradesman "Free Market Statistics," [database on-line], Boston, Massachusetts, available at <<http://www.thewarrengroup.com/html>>, INTERNET [accessed May, October 2002].

after 1995 paid an average of \$625,000 for it.¹² Despite the high cost of a home in Hamilton, houses for sale move quickly, as evidenced by the town's low owner-occupied vacancy rate of .5%.¹³

Housing Characteristics

Single-family homes dominate Hamilton's housing stock, but there are noteworthy exceptions. Two-family and multi-family residences, including dwelling units in mixed-use buildings, account for about 30% of the homes in South Hamilton and some of the older, established neighborhoods off Asbury and Highland Streets. In addition, the religious camp known as Asbury Grove contains an unusual collection of cottages and small homes densely settled on 25+ acres of land at the junction of Asbury and Highland Streets. Significantly, 8% of Hamilton's population lives in dormitory facilities at Gordon-Conwell Seminary. Hamilton also has a number of farms with a principal residence and agricultural outbuildings, and large parcels with two or more residential buildings, many of which are family estates.

Since single-family homes are so prevalent in Hamilton, their characteristics and the diversity that exists among them are important features of the town. New and older 20th century homes differ in terms of size, amenities, value and lot size. The most recently built houses in Hamilton contain an average 3,750 ft² of living area, more than twice the size of homes built 50-60 years ago, which average 1,613 ft² of living area. The spread in property values is equally significant. Homes built since 1995 in Hamilton command an average assessed value of \$680,000, but the 300+ houses that were built during the 1930s and 1940s are assessed, on average, between \$185,000-\$225,000. These differences in building size and value run parallel to differences in amenities and lot size. New homes in Hamilton consist almost universally of 4-5 bedrooms and 2.5+ bathrooms, and they occupy parcels of 2.8 or more acres. The supply of homes built during the inter-war years is generally modest: 1.5 stories high, 2-3 bedrooms, .72 acres of land. In contrast, the housing that pre-dates 1900 is more like newer homes in terms of size and value. Assessments of \$800,000 to more than \$1 million are not uncommon in Hamilton's historic housing inventory; as a group, they are valued at \$335,000-\$445,000, with variations driven by the type of residence, its location and clearly, the size of the land parcel.¹⁴

Hamilton has a very small base of rental housing and a strikingly low rental vacancy rate of 1.4%.¹⁵ About 18% of the town's occupied housing units are leased to tenants, mainly in and adjacent to South Hamilton. In addition, 211 graduate student housing units at Gordon-Conwell Seminary qualify as separate living quarters under federal census terminology and they constitute 23% of Hamilton's total rental housing inventory.¹⁶ As in most communities,

¹² Ibid., and Hamilton Assessor's Office, "FY02 Parcel Records" in EXCEL file format; Census 2000, Summary File 3, Table QT-H7: Hamilton.

¹³ Census 2000, Summary File 1, Table DP-1: Hamilton.

¹⁴ Hamilton Assessor's Office, FY02 Parcel Records.

¹⁵ Census Bureau, Table DP-1, Hamilton.

¹⁶ Bureau of the Census, American Housing Survey, Appendix A. Gordon-Conwell Seminary has six residence halls with 107 dormitory rooms (group quarters) and six

Hamilton's renter households are smaller than its owner-occupant households: 2.48 compared to 2.95 persons. The typical renter household in Hamilton is somewhat larger than renter households across the state (2.11 persons) or within Essex County (2.24 persons). The difference appears to stem from three conditions: Hamilton's smaller-than-usual base of elderly rental housing, the prevalence of single-family homes in Hamilton's renter-occupied housing inventory, and the percentage of apartments sized for families at the Seminary.

Housing Market

The strength of the local housing market attests to Hamilton's desirability. Its low rental and homeownership vacancy rates suggest that properties for sale or rent in Hamilton move quickly and that the level of market demand surpasses the available supply of homes. Between January-October 2002, 55 single-family homes were sold in Hamilton – about 2.4% of the town's single-family inventory – for an average sale price of \$458,026. One of Hamilton's 12 residential condominiums and one three-family building also sold during the same period.¹⁷ Of the 157 vacant housing units that the Census Bureau identified in April 2000, 10 were available for sale and another 11 had been sold but were not yet occupied. More significantly, the Census Bureau classified nearly 70% of all vacant housing units in Hamilton as seasonal or vacation homes. They range from principal or accessory units on large estates to homes seasonally occupied at Asbury Grove.

Hamilton is a prestigious community that attracts homeowners seeking to buy up to more valuable housing. For some, buy-up leads to a new or larger house; for others, buy-up means an older, affordably priced home that increases significantly in value with investment in renovations, an addition or modernization. For every new single-family home permit issued since 1997, Hamilton has issued 7-9 permits for substantial home improvement projects: expansions, second-story additions, garage and accessory-structure conversions to additional living space, and major investments in remodeling.¹⁸ Both new-home construction and re-investment in residential properties have contributed to the 50.2% increase in Hamilton's single-family home values over the past five years.¹⁹ For Hamilton homeowners, the median monthly cost of a mortgage payment, taxes and insurance is \$1,679, although homeownership costs vary tremendously across town. In central-north Hamilton where most of the town's new homes have been built, the median monthly expenditure for owner-occupied housing is \$2,075.²⁰ The higher homeownership costs in

apartment buildings with a combined total of 211 units of student housing (separate living quarters).

¹⁷ Banker & Tradesman [database online].

¹⁸ Data from Hamilton Building Department, "buildpermitum97.xls" sequentially through "buildpermitum01.xls," in EXCEL file format: monthly lists of building permits issued by the Hamilton Building Inspector, 1997-2001.

¹⁹ Mass. Department of Revenue, Municipal Data Bank [database online] "Average Single-Family Tax Bill," in EXCEL file format as "bill98.xls" sequentially through "bill02.xls," available at <<http://www.massdor.gov/>>, INTERNET [cited January-August, 2002].

²⁰ Census 2000, Summary File 3, Table DP-4, Hamilton Block Groups.

this section of town reflect both the purchase price of new homes and property taxes paid by family estates and owners of other large parcels.²¹

Housing Affordability

Chapter 40B

Hamilton has a number of homes assessed at relatively low values, but they do not meet the definition of an affordable housing unit under state law. In Massachusetts and most states across the country, the term “affordable housing” means homes made affordable to lower-income households by a deed restriction or covenant that restricts sale prices and rents as the units are vacated, sold or leased to new tenants. Hamilton has 69 units of housing that qualify as “affordable” under Chapter 40B²², a law that is highly controversial in most communities because it overrides local zoning regulations that make low- and moderate-income housing economically infeasible to build. The device that overrides local zoning regulations is known as a comprehensive permit.

Enacted in 1969, Chapter 40B establishes a legal presumption of unmet housing needs when less than 10% of a community’s year-round housing stock is affordable to households at or below 80% of median family income. In most cases, communities that do not meet the 10% threshold must issue a comprehensive permit unless there is an unusual or compelling basis to deny one. Developers, in turn, may ask the state’s Housing Appeals Committee (HAC) to overturn a local Zoning Board of Appeals decision. Usually they negotiate a compromise with town officials, but HAC’s less frequent overrides have left a lasting impression on communities and form the basis for most of the opposition from local governments today.

Hamilton’s inventory of low- and moderate-income housing includes 63 apartments, mainly age-restricted, and six homeownership units. The 69 units are equal to 2.54% of Hamilton’s year-round homes. Across the Commonwealth, 8.45% of all houses and apartments meet the statutory definition of “low- and moderate-income housing units,” yet only 31 of the state’s 351 communities have produced enough subsidized housing to satisfy the 10% goal. Though cities top the list for affordable housing production, a few towns also exceed 10%. Among Massachusetts suburbs, the average percentage of Chapter 40B units is only 2.77%.²³

Other Measures of Affordability

The legislature’s intent in enacting Chapter 40B was to assure a fair-share distribution of low-income housing across the state, but housing policy analysts do not define affordable

²¹ Most family estates and large parcels in Hamilton are assessed two ways: (1) full and fair cash market value for the principal residence, its associated land area and in several cases, an accessory business such as a stable, and (2) a differential value for vacant land under Chapter 61 or 61-A agreements.

²² Department of Housing and Community Development (DHCD), Chapter 40B Subsidized Housing Inventory [database online], available at <<http://www.mass.gov/dhcd.html>> INTERNET, [updated April 2002; cited April, August 2002].

²³ Affordable housing percentages derived from DHCD Subsidized Housing Inventory; “suburban communities” refers to 53 towns defined as “suburbs” in Department of Revenue “Kind of Community” classification system.

housing need on the basis of a fixed 10% standard. A home is affordable to its occupants if their monthly housing costs – a mortgage payment, property taxes, and house insurance, or rent and utilities – are equal to or less than 30% of their monthly gross income. Accordingly, “affordable housing need” exists when households pay more than 30% of their gross income for housing costs. In housing industry parlance, they are classified as “housing-cost burdened.” According to recent federal census data, 23.4% of all homeowners in the Boston metropolitan area and 23.3% in Hamilton qualify as housing-cost burdened. The condition is more pronounced among Boston area renters, 36.9% of whom pay more than 30% of their monthly income for rent and utilities, compared to 23.8% of renters living in Hamilton.²⁴

In a competitive real estate market like Hamilton’s, the cost of housing creates a significant challenge for lower-income households. The measure of “low-income” varies by household size and region, but generally a household meets the definition of low-income if its annual income is equal to or less than 80% of the area median. Each year, the U.S. Department of Housing and Urban Development (HUD) publishes income eligibility guidelines for various housing assistance programs. Under HUD’s current guidelines, a family of four earning \$62,250 or less in the Boston area, including Hamilton, qualifies as a low-income household. HUD estimates that 26% of Hamilton households are low or moderate income today, up from 21.18% a decade ago. Housing in Hamilton is out of reach even for median-income families, however. Sale prices rose consistently throughout the 1990s, culminating in a decade-long increase of 98%.²⁵ Although the maximum affordable purchase price for a family at Hamilton’s median income is \$232,203, the town’s median single-family home sale price was \$378,750 last year. The difference means that Hamilton has an “affordability gap” of \$146,547. Nearly 60% of Hamilton’s present households would not be able to purchase a home in town if they were first-time homebuyers today.²⁶

Issues and Conclusions

- 1) Through zoning policies, Hamilton has established a system of development privileges that favor large single-family house lots distributed broadly across the town. They create significant challenges to meeting Hamilton’s housing, open space and agricultural development needs. The policies have been in place since Hamilton adopted its first zoning bylaw in 1954, though over time town meeting has placed more restrictive development controls on vacant land. Today, 99% of the town’s land area is zoned for single-family residential development. The largest zoning district, R-A (51%), requires a minimum lot size of 80,000 ft² and 175 feet of frontage.
- 2) Hamilton offers very little housing choice, particularly to senior citizens. To retain its elderly homeowners, the town needs to make elderly housing development a realistic

²⁴ Census 2000, Summary File 3, Tables DP-4 and H-84. Hamilton’s relatively small percentage of cost-burdened renters is affected by the very low rents paid by graduate students living on the Gordon-Conwell campus.

²⁵ Banker & Tradesman [database online].

²⁶ Statistics calculated from data in Table HCT-11, Summary File 3, Census 2000. The affordable purchase price was determined using conventional underwriting assumptions and current interest rates: a 30-year mortgage at 7.5% interest, 10% downpayment, with 30% of monthly gross income available to support principal, interest, taxes and insurance.

proposition. The existing “floating zone” bylaw is unworkable and it will not accomplish what local officials intended when the bylaw was adopted in the 1980s.

- 3) Hamilton does not have an effective open space-residential development bylaw, which is striking given the town’s concern about protecting its open space. By special permit, Hamilton allows attached or common-wall units in a “Flexible-Plan Subdivision.” However, the Planning Board has received and approved only one flexible-plan subdivision proposal since the bylaw was adopted in 1987 and in that case, the applicant opted for a single-family home development. Though well meaning, the flexible plan subdivision bylaw is ambiguous and needlessly complex. The town needs a more useful cluster bylaw with clearly written performance standards and design guidelines, and application procedures that will not discourage developers from seeking a special permit.
- 4) Hamilton’s lack of an affordable housing zoning bylaw makes the town dependent on and vulnerable to comprehensive permits. In addition, Hamilton has no housing partnership committee or other organization to work with developers, advocate for housing needs or advise the Board of Selectmen and Planning Board on local housing policy. As Hamilton continues to approve market-rate single-family homes on relatively generous house lots, the town accrues an unmet liability for Chapter 40B units. Today, its low-income housing inventory is 203 units short of the 10% threshold set by Chapter 40B. If the town were to “build out” to an additional 1,345 single-family homes with no provision for affordable housing,²⁷ the shortfall would increase to 338 units. To accommodate them, however, Hamilton may absorb between 675-1,350 homes in addition to its projected build-out under current zoning. Chapter 40B requires developments to include at least 25% low- and moderate-income housing units, or at least one affordable unit for every three market-rate units. For homebuyer developments, Chapter 40B recognizes only the affordable units.²⁸
- 5) The town’s largest inventory of rental housing is at Gordon-Conwell Seminary. Since 1976, the Seminary has built six graduate student apartment buildings that provide a combined total of 211 units. Apartments in two of the buildings are sized for family occupancy and as of Census 2000, there were approximately 25 school-age children living on the campus.²⁹ Gordon-Conwell Seminary appears to be in an expansion mode, as evidenced by its recently publicized interest in acquiring part of the former Bradford College campus in Haverhill. In addition, the Board of Trustees has authorized plans for a new women’s dormitory in Hamilton. As a religious use, the Seminary is exempt

²⁷ See Land Use Element, 22-24.

²⁸ This policy is likely to change. The General Court is considering a bill that would allow communities to “double-count” affordable units in a homeownership development, pursuant to recommendations of Governor Romney’s Chapter 40B Task Force (June 1, 2003). If the bill becomes law, each affordable unit in a comprehensive permit homeownership development would translate into two units added to the Chapter 40B Subsidized Housing Inventory.

²⁹ Census 2000, Summary File 1, Essex County Census Tract 2151, Block Group 5, Block 5025: Tables P34, P35, H11.

from zoning and is also a non-taxable property owner. Its student housing is clearly affordable, but the apartments do not qualify as Chapter 40B units under current state policy. The town may be able to negotiate an agreement with the Seminary and the Department of Housing and Community Development (DHCD) to add apartments occupied by low- and moderate-income student households to Hamilton's Chapter 40B Subsidized Housing Inventory.

- 6) The town's traditional mix of single-family homes is clearly at risk. As older homes are demolished and rebuilt or substantially altered and expanded, Hamilton will continue to lose its only source of low-cost housing. The town needs a combination of local historic district regulations, access to low-interest financing and grants, and a managed preservation program to save some its small, pre-World War II housing stock for elderly, affordable and young citizen housing.