

2 Housing

2.1 Introduction

The Housing Element of the Hudson Community Development Plan is central to the overall effort because it tells us much about the current and future population of Hudson. These residents, after all, make the decisions on how the town is likely to grow, what type of economic development is desirable, and what land should be protected from development. It also paints a picture about how these residents are doing financially and whether they are “making it” or are likely to be personally “strapped” for funds and resources.

Much of the data presented in the baseline information of the Housing Element is gleaned from the U.S. Census taken in April of 2000. The data is analyzed for the Town of Hudson, but in a number of cases Hudson data is compared to that of the overall 101 communities included in the Metropolitan Area Planning Council (MAPC) and the 12 communities of the MAGIC subregion of MAPC. MAGIC stands for the Minuteman Advisory Group on Interlocal Coordination and includes the communities of Lincoln, Lexington, Bedford, Carlisle, Boxborough, Concord, Acton, Stow, Hudson, and Maynard. These communities are both urbanized and rural, but by comparison they highlight issues and characteristics unique to Hudson and Middlesex County. Thus by comparison we can answer the question, "how is Hudson like or not like other communities in the region?"

Located centrally within the I-495 Technology Corridor area, Hudson has been especially subjected to the highs and lows of the development of commercial/industrial real estate that has seen rapid growth in the region in the last decade. The housing market in the region has tried to keep pace in providing places to live for the many new workers attracted to the business development in the area. Over the last several years, and since the Census was taken in 2000, a significant number of jobs and thereby workers have left the area. This has left a reported housing glut in more costly rental units in the area. These changes also call into question the relevance of some Census data to the current conditions. Analysis will be careful to try not to overstate the significance of some of the 2000 U.S. Census data analyzed.

The housing stock in Hudson is largely comprised of older, modest homes on small lots. While many are owner-occupied, many also contain rental units. Hudson has a significant stock of public and subsidized units primarily in apartment-type complexes. The majority of larger rental developments were constructed in town during the 1980's. New single family homes built over the past decade have been generally placed on larger lots and are more expensive homes than were constructed in the past.

This Housing Element of the Community Development Plan will discuss issues of housing supply, the need or demand for housing and the gap between supply and demand. Particular focus will be provided on housing that is available to households with a range of incomes, including low, moderate, and middle income households.

2.2 Issues of Supply of Housing

The following Housing Suitability Map displays the current residential dwellings in Hudson and is overlaid with the areas identified as suitable for housing expansion during the public visioning process. It is best viewed in tandem with the Town's zoning map contained within Chapter 6 to inform discussions of current residential development patterns, how zoning might impact these patterns, and options for alterations to residential zoning.

Housing Suitability Map

Hudson is comprised of generally modest, older houses, both ownership and rental units. These were built over the years to house mill workers and others in manufacturing or agriculture. The number of rooms and the cost of housing are several base line data measures that can help us in characterizing the nature of the existing housing stock. Below we delve into the current data on the type and quality of the existing housing stock and we discuss later the overall cost of housing. Census data on housing in Hudson shows that 44% of the housing units have 5 rooms or less, while only about 9% have 9 or more rooms. However, housing that is currently being built in Hudson is generally larger and better appointed than existing units with more modern amenities such as air conditioning and dishwashers.

Hudson experienced a slight increase in housing units during the last decade, growing less than 10% overall. Homeownership units grew by 13.6%, while rental units grew by only 1.7%. This results in a combined percentage growth rate for housing units of 7.2%. At the same time, total population grew at only 5.1%, suggesting the possibility of an adequate growth in housing units to house the population. It also, however, represents a decrease in population per unit.

Despite the much smaller increase in the number of rental units, they still make up a significant 29% of the total housing units town-wide. Hudson generally mirrors the growth rates for housing units in the MAGIC sub region, showing a small difference in overall growth and growth in homeownership. The MAGIC sub region had the lowest rate of rental units for the whole MAPC region. However, Hudson provides a greater proportion of those rental units than the other MAGIC towns do.

Like many other communities in the region, vacancy rates, already low in 1990, declined even further. A 2% vacancy rate is generally considered indicative of an active market that is providing adequate units and turn-over options to residents (Northeastern University). The low vacancy rate in ownership units in 2000 (.4%) provided little access of new residents to this market, despite the almost 500 new ownership units built during the decade. Rental vacancy rates were more in the normal range, allowing some options for new renters to move into Hudson. Based on available data from the MAGIC sub region from 1990, vacancy rates in Hudson appeared to be less restrictive than in the region overall.

The rental units in Hudson represent an important resource as the existing presence of a significant number of rental units provide the opportunity for denser more affordable housing. Rental units are also often the first point of entry to the housing market for young people starting out on their own. Interestingly, however, the Hudson Assessors' office data indicates that there has been very little growth in rental units over the last decade. Those numbers are provided below in table format. The rental units that were developed, were generally developed in buildings with fewer than ten units. Most of the larger rental developments were built in the 1980's or earlier.

Census data indicates that owners of rental property tend not to live in larger rentals. According to 2000 Census data, only 1.8% of the ownership rental units are in buildings of 10 or more units. However 32.7% of Hudson's rental units are in buildings of 10 units or more. Thus, the bulk of Hudson's rentals are in larger buildings. The data also indicates that apartments are more prevalent than condominiums in Hudson.

In the 2000 U.S. Census tenants in rental units in the downtown area of Hudson had a median year of moving in of 1996, while tenants in ownership units had a median year of moving in of 1985. Ownership of rental units was expanding more in the 80's while rentals were increasing in

the more recent decade of the 1990's. Rental units offer available housing for newer residents, while home ownership provides longevity of residency and in some cases better maintenance of properties.

Table H-1: Housing Units by Selected Characteristics

Year	Total Units	Home Ownership-71% of units			Rental-29% of units		
			Vacancy Rate	Av. Household Size		Vacancy Rate	Av. Household Size
Hudson							
1990	6,685	4,370	1.6%	2.92	1,992	7.9%	2.2
2000	7,168	4,964	.4%	2.78	2,026	3.1%	2.08
# Change	483	594			34		
% Change	7.2%	13.6%	-75.7%	-4.8%	1.7%	-61.0%	-5.5%
MAGIC Region		Home Ownership-76% of units			Rental-24% of units		
1990	50,482	36,113	1.3%		12,426	5.8%	
2000	54,579	41,483			11,700		
# Change	4,097	5,370			726		
% Change	8.1%	14.8%			-5.8%		

Source: U.S. Census 1990 and 2000 from MAPC tables

The Assessors' data provided by the Town of Hudson summarizes the values and types of the new residential properties added to the Hudson housing stock during the most recent 10 year period, from 1994 to 2003. This data for single-family housing in 2003 appears incomplete and may indicate that the homes were valued when not yet fully constructed. Between 1994 and 2002, years for which we might have more faith in the data, there has only been a 19% increase in median value of newly-constructed single-family homes. However the percent increase of median value of newly-constructed single family homes in the surrounding towns was much higher. This information suggests that Hudson has been able to attract developers building more modest homes. There has been little activity in new construction of condominium units until 2002. Since condominiums come in multiple units, the median values heavily reflect the values of specific developments, with many of the units being similar and thereby having very similar assessments. Given the demand for more affordable home-ownership options, recent development reflected clearly in the 2003 data may likely be filling that need.

H-2: Value of Newly-Constructed Housing, 1994-2003

Year Constructed	Home Ownership Units		Condominium Units	
	# Units Constructed	Median Value of Units	# Units Constructed	Median Value of Units
2003	11	\$300,600	48	\$277,700
2002	56	\$464,200	1	\$281,300
2001	29	\$446,700	4	\$584,300
2000	69	\$428,000	9	\$422,000
1999	9	\$405,800	-	-
1998	62	\$415,700	-	-
1997	37	\$409,800	-	-
1996	41	\$411,400	-	-
1995	40	\$413,400	-	-
1994	12	\$389,050	6	\$343,650
TOTAL	366		68	

Source: Hudson Assessors' records for value in 2003 of housing built in previous years

The Build-out analysis for Hudson was prepared by MAPC in 1999-2000. This effort collected a record of recent subdivisions constructed since 1988. Records are kept by date of the approval of the subdivision, but with amendments and long construction periods, the information provided here may approximate what has actually been constructed. There have been 21 subdivisions approved since 1987, containing a total of 377 approved units, with most being approved in the 1994-1995 time-frame. The only large development was Village on the Assabet, approved in 1991, containing 111 units, only 5 of which have been built to date. Most subdivisions contained less than 10 units, with several containing between 20 and 30 units. These new subdivisions consumed a total of 387 acres of land. These figures show that these subdivisions developed at roughly 1 unit per acre.

The most extensive new development occurring in Hudson currently are the two developments flanking Intel that were permitted under the Retirement Community Overlay District. These developments, projected to total about 350 homeownership units, are targeted to house residents over 55 years old and are thereby described in the Section on Housing for Seniors and Handicapped.

Hudson provides homes to many newcomers as well as long-term residents. According to the U.S. Census, 2000, almost 40% of Hudson residents moved into their current residences since 1995. Approximately one fourth of Hudson residents (27.3%) can boast having lived in Hudson prior to 1980. Those arriving since 1995, whether owners or renters, will have significantly higher housing costs because they will be paying mortgages or rents that reflect the higher market rates of these more recent periods.

The supply of housing in Hudson is more expensive for homeowners paying off mortgages than it is for renters. The 25% of homeowners that are not paying off a mortgage may well be the approximately 25% that have lived in Town since before 1980 and have already completed their mortgage payments. The higher cost of homeownership is not fully represented here as the mortgage figures do not include additional costs for taxes and insurance that is factored into rental costs.

Multi-family rental units are generally smaller than ownership units, with little access to land. The median rent in Hudson is generally well within the range considered affordable, but this will be described in greater detail in a later section of the plan.

Table H-3: Monthly Costs for Owners and Renters in Hudson, 1999

Owners			Renters		
Costs	No. of Households	% of Households	Costs	No. of Households	% of Households
Less than \$300	0	0	Less than \$200	193	9.5%
\$300-\$499	52	1.3%	\$200-\$299	131	6.5%
\$500-\$699	96	2.4%	\$300-\$499	263	13.0%
\$700-\$999	306	7.5%	\$500-\$749	682	33.7%
\$1,000-\$1,499	1,386	34.0%	\$750-\$999	426	21.0%
\$1,500-\$1,999	885	21.7%	\$1,000-\$1,499	199	9.8%
\$2,000+	331	8.1%	\$1,500+	17	.8%
No mort.	1,024	25.1%	No cash rent	114	5.6%
Md. mort.		\$1,386	Md. rent		\$632

Source: U.S. Census, 2000

One cause of the lower costs of rental housing may be the fact that 591 of the rental units, or approximately 29%, are subsidized through the Hudson Housing Authority or other state programs that assist development of affordable housing. Rents in many of the units owned and/or managed by the Hudson Housing Authority are established at the ability to pay of the current tenants. As a result, they can be very low, such as the 29% of tenants who pay less than \$500/month in rent. Rental rates are set at 30% of the gross income of the tenant family, but have been proposed to go up to 32% as a result of efforts to provide more income to local housing authorities, and to come into line with 32% of income that is used by the federal government for federal developments.

There is currently a reported surplus of rental units in the Hudson and 495 area, including Country Squire and Littlebrook Estates. Vacancies were reported by Littlebrook in their subsidized units also, as described later. Difficulty in finding renters was also reported by realtors and property owners. This dynamic, resulting in part from the economic conditions in the area in 2003, was not reflected in the 2000 U.S. Census. While some rental rates were relatively low in the Census, they have reportedly not increased significantly since that time. This change in the rental market was also reflected in an article in the Boston Globe on September 21, 2003 describing the demand for rental housing having “plummeted in Greater Boston.”

2.2.1 Subsidized Affordable Housing

Table H-4 lists all of the subsidized housing stock within the Town of Hudson. These units are credited toward the 10% affordable housing requirement detailed in M.G.L. Chapter 40B. The Hudson Housing Authority manages approximately 380 units, including building development and maintenance, screening tenants and keeping waiting lists, and participates in a variety of efforts in Hudson to construct new housing affordable to low and moderate income residents.

Table H-4: Subsidized Housing Inventory in Hudson

Developments Counting for C. 40B	Agency and Program	Units	Duration of Affordability	Eligible Residents
Brigham Circle	HHA, state	126	Permanent	Elderly (60+), handicapped
Norma Oliver Village	HHA, federal	92	Permanent	Elderly (62+), handicapped
49 Washington St.	HHA, state	8	Permanent	Handicapped, DMR
8 Irving St.	HHA, state	8	Permanent	Handicapped, DMH
Peter's Grove*	Sec. 8, new constr.	96	2014	Elderly, handicapped
Littlebrook of Hudson*	MA SHARP rental	96	UNKNOWN	25% rental asst.
Sober House	MA SHARP rental	13	UNKNOWN	8 units DHP, state MRVP
Indian Rock	Hudson Housing	56	Bankrupt Teller	

Source: Hudson Housing Authority, 2003

* These developments are under private management by State Street Development Management Corporation

This list represents a relatively large number of units under the management of a housing authority for a community the size of Hudson. With the decline of federal and state funds

available for the development of new public housing units, the Hudson Housing Authority has no current plans to construct any new developments that are entirely publicly funded.

None of the developments noted above that were privately developed, but assisted by state or federal funds, have affordable units due to “expire” in the near future. These developments include Littlebrook and Peter’s Grove. In most developments constructed before just recently, the affordable units were contracted to be affordable for a discrete number of years, ranging from 15-40 years. In some cases, the affordability of these units are set to “expire” soon as affordable units, with the project owners then free to lease these units at market rates. This dynamic can be an important problem for communities. Hudson, fortunately, does not have any of these units set to expire in the next several years. Only Peter’s Grove, also called Machado House, is listed on the list prepared by the Citizens Housing Planning Association (CHAPA) as having units that are expected to expire in 2014. However, a review of the original Hudson Zoning Board decision granting the 40B permit suggests that even this development might not have its affordability provision expire. Addressing immediate expiring use, and subsequent relocation of low income tenants, is not a current problem that Hudson needs to consider.

State Street Development Management Corporation manages waiting lists, general management, and maintenance for both Littlebrook and Peter’s Grove developments. Peters Grove, the senior development, is full with waiting lists that will be described in upcoming sections. Littlebrook, a family development, reports five vacancies in its Section 8 units, and 20 vacant units of its market rate units. This dynamic will also be further explored later.

The Town of Hudson has little capacity currently to initiate publicly-assisted affordable housing in Town. Hudson does not have a planning or community development staff. However, the market seems to be filling that gap as private developers continue to show an interest in Hudson. As a result, three Comprehensive Permits have recently been issued by the Hudson Board of appeals, and another project has only just recently received its Comprehensive Permit from Hudson's Zoning Board of Appeals.

Table H- 5: Recent Comprehensive Permit Activity in Hudson

Project	Type	Size	Units Credited to 40B*	Status	Issues
Simrah Gardens	Rental	158 units, 40 affordable	158	Appr. 10/28/02	
Knott’s Clearing	Condominium	32 units, 8 affordable	8	Appr. 7/23/02	On existing sewer
Coolidge Green	Condominium	32 units, 8 affordable	8	Appr. 10/28/02	On existing sewer
St. Michael’s Condominiums	Condominium	140 units, 35 affordable	35	Approved Spring 04	Intend to market to 55 years and over
TOTAL		350	209		

Source: Comprehensive Permit Applications

* Under the law in effect at the time of this writing. Proposed changes in the law are discussed below.

According to the Department of Housing and Community Development, 6.68% (477 units out of a total of 7,144 units) of the housing units in Hudson qualify as affordable units under the guidelines of MGL Chapter 40B. With the addition of the 209 units included in the recently

approved Comprehensive Permits that count toward the Chapter 40B total, this will rise to 687 qualifying units, or 9.6% of the current units.

Several changes to the 40B regulations have been recommended by the Chapter 40B Task Force that met and prepared a set of findings and recommendations during the spring of 2003. The recommendations that particularly pertain to Hudson include the double counting of the number of home-ownership units that are credited toward the 40B count. A further consideration is the possible counting of some portion of mobile home units as affordable units toward the 40B count. If and when the legislature enacts the recommendations regarding homeownership, Hudson will have 51 more affordable units in the count at the point that the new Comprehensive Permits are counted. It will then have 10.3% as qualified affordable housing under the Chapter 40B Comprehensive Permit regulations. Should the 193 units of mobile homes be counted, Hudson's qualifying affordable units would increase to 13% of the housing stock.

Recent changes in regulations governing the Chapter 40B process allow communities that have a DHCD approved housing development plan certain latitude to reject or postpone new 40B applications. The plan is also referred to as a *Planned Production Plan*. If the municipality has a *Plan* and has permitted at least .75% of additional year-round qualifying 40B housing units during the previous 12 months it can seek an exemption. While Hudson has approved more than .75% in additions to its affordable unit count, they were not strictly undertaken during the last 12 months. Furthermore, Hudson does not have an affordable housing plan approved by DHCD, and building permits have not been or are unlikely to be, issued within the one year required time frame. It may be possible for Hudson to submit this Housing Element to DHCD for approval as its Planned Production plan in the near term, and attempt to have the recently approved Saint Michael's units count toward the .75%. If this is achieved, Hudson will have one-year respite during which it can reject Comprehensive Permit applications without the developer having the ability to easily appeal to the Housing Appeals Committee. (HAC)

A recent discussion with DHCD staff indicates that further regulatory changes are unlikely prior to the anticipated legislative changes. This will afford DHCD the opportunity to determine how much latitude is provided to communities through the legislative changes before additional options are provided through regulatory changes.

Given the likelihood that Hudson will soon reach the 10% subsidized affordable housing threshold, the community now has an opportunity to give greater consideration to the type of affordable housing it may wish to encourage in the future. Many municipalities are looking at ways to consider "friendly" 40B projects collaboratively with developers to help site projects that make sense for the community. In Hudson's case, this may mean working with vacant mill owners to either encourage friendly 40B redevelopment of these sites or re-zoning certain areas to allow these largely abandoned properties to be revitalized with a housing component. Hudson may also want to consider other ways to encourage affordable units to be developed. Many of the options available to Hudson are through zoning changes. These concepts are discussed later in the "Putting it all Together" Section 6.

The recent imposition of a moratorium on sewer connections across the board, but the even more recent partial lifting of that moratorium, has created complications with several of the recent Comprehensive Permits. As of the summer of 2003, the Hudson Board of Selectmen lifted the moratorium and instituted permanent sewer areas in which hook-ups will be allowed. Currently, if you are developing within an area already served by sewer (see the Map in Chapter 1) the

project will be allowed to connect to the sewer. The Simrah development was originally approved with the use of on-site disposal but will be hooking up to sewer as it is now within the sewer area. The St. Michael's development was proposed for a sewer area and should be able to move forward and receive a building permit. The Coolidge Green development is proposed for an area that is not currently sewer and thereby had been in limbo for some time until a recent settlement was reached.

As noted earlier, the multi-family developments in Hudson that were developed with affordable units included have provided popular and important housing options for both low-income families and for elder citizens.

2.2.2 Housing for Seniors and Residents with Disabilities

The Town of Hudson made a big commitment to senior housing recently with the passage of the Retirement Community Overlay District. Since its passage in 1997, this bylaw change has generated two major developments totaling approximately 350 units of home-ownership housing. This initiative, combined with previously existing developments of affordable housing and a mobile home community, will provide attractive housing options for older residents.

The mobile home park with 193 mobile home units is uniquely attractive affordable housing for seniors in the area. These units are age-restricted to over 55, and no children are allowed. Management provides maintenance services and assists with selling units, but provides no community center or other services to its elderly residents. All units are owner-occupied. These mobile homes are popular housing choices, and the management of Meadowbrook Mobile Home Park maintains a waiting list of approximately 75 interested buyers. Roughly 10 units turn-over in a year, almost all from the death of the current owner. Some units are used only on a seasonal basis as the owners also have other seasonal retirement housing often warmer climates.

The first project developed under the Retirement Community Overlay District, Quail Run, is currently under construction. The development is approximately half complete, with some infrastructure and 60 of the 150 units remaining to be constructed. According to Sue MacDonald, the representative of Brigham Realty who is marketing the project, approximately 70% of the units in the development are sold. Sales have been brisk but have slowed during the winter 2003-2004. These units have been generally selling in the low to middle \$300,000s. They include 1,800 square feet, and are 2 bedroom, 2.5 bath homes with full basements.

According to Ms. MacDonald, about one third of the buyers are currently Hudson residents seeking to stay in the community. The remaining two thirds of the buyers come from a variety of towns, but primarily from Eastern Massachusetts. They are generally moving to be closer to children and grandchildren. The average age of these buyers is approximately 62 years old.

Table H-6: Senior Housing in Hudson – Existing, in Planning, or in Development

Senior Housing Development	Number of units	Comments/Issues
Meadowbrook Mobile Home Park	193	
Brigham Circle	126	Public Housing
Norma Oliver Village	92	Public Housing
Peter's Grove	96	25% affordable
Quail Run	150	In construction, 70% sold
Southborough Ventures	@200	Proposed
Saint Michael's	128	Proposed 40B
TOTAL:	985	Approximately 14% of total housing stock

Table H-6 summarizes the housing options for senior residents of Hudson, either over 55 or over 62 years of age. Adding up the subsidized housing units for seniors with the Meadowbrook mobile home units show that there are almost 500 low cost or subsidized units of housing specifically available to seniors. These developments also contain housing for peoples with disabilities, and there are also two 8 unit developments specifically providing housing for residents with specific disabilities.

When adding in the projects in construction and in the planning stages for over-55 and over-62 population, there are a total of 985 units of housing specifically developed or being developed to meet the needs of older residents who are relatively physically and mentally independent. It is noteworthy that Hudson has no housing designed to house older residents when they are in need of more assistance than can be provided in existing housing projects. According to data available from the Massachusetts Executive Office of Elder Affairs and the Medicare Program, there are no assisted living developments and no nursing homes located in Hudson. The need for these options will become more acute in the 10 year time frame as current residents age and can no longer live independently without assistance and services.

From a municipal service perspective, the Hudson Senior Center has already begun seeing an impact by the additional senior housing being constructed in Hudson. Although Quail Run is only 70% occupied, additional bus service and meal delivery is already being provided to seniors in that development. The Town's Outreach Worker at the Senior Center is spending a good deal of time assisting many of the new seniors with health insurance issues.

The Saint Michael's Condominium project is being targeted to slightly older, less independent seniors. It was specifically located near the downtown with the anticipation that not all of the new residents would be able to or want to drive. The developers believe the average entry age for their building will likely be around 65 and this is a full decade older than the age that Quail Run and Hillside development is targeting. As a result, the seniors in this building will likely need assistance even sooner than some of the other seniors moving into town.

In preparation for the anticipated increase in services generated by new senior developments, the Town has begun looking at its Senior Center facility to see if it will be able to adequately meet the needs of the expected senior population. The Town has applied for funding assistance to undertake a complete feasibility study of the existing building with an effort to understand what renovations or expansions might be necessary. It is the Town's present hope to fully renovate the current facility but it has not ruled out the possibility that a relocation of the center might be

necessary due to the anticipated future demand for services. Pending the results of the feasibility study, the Town hopes to seek grant funding to assist it in renovating the Senior Center. In preparation for this, the Town has also recently expanded the senior center parking lot to allow for more users on a daily basis.

2.3 Summary of Existing Housing Stock:

- Hudson has experienced a high rate of growth in ownership units in the last 10 years, but with 29% of total units rental units, it still has a significant number of rental units.
- 67% of rental units are in smaller buildings and provide housing choices for newer residents.
- Two large housing developments designed to contain about 350 units flanking either side of Intel are currently underway using the Retirement Community Overlay District.
- Realtors and property managers report a dramatic increase in vacancies in rental housing in the area mirroring the loss of jobs in the regional economy.
- Hudson has a large number of public housing units and other subsidized units. With four new Comprehensive Permits recently approved, Hudson is very close to having 10% of its housing units qualify as subsidized affordable housing.
- Hudson is making a large commitment to housing for seniors, with a total of almost 1,000 units existing, in construction, or in the approval process

2.4 Indicators of Need for Housing

Section 2.2 has discussed the supply of housing that exists in Hudson and how, where, and at what price new units have been and are being added. Information was also provided on the current and proposed additional affordable units. The other side of the housing picture is the demand for these housing units – who wants to move to or stay in Hudson, and how does their desire for housing get reflected in prices, waiting lists, and market dynamics.

Demand for housing in Hudson can be explored by reviewing **population dynamics** -population size, population growth, the age and income of the population, family size, stability of the population, and special needs. It can also be explored by **market dynamics** - the number of homes that are sold over a period of time, the inflation in the costs of those sales, and the briskness of activity in the housing market. Finally, demand can also be explored through **applying state and regional analyses to the local level**. Interviews with professionals associated with the housing market have also shed light on the demand for housing in Hudson.

2.4.1 Population Dynamics

The pattern of Hudson's growth in population reflects state and national dynamics. Hudson shows a population decline in the 20-34 year age group, which generally follows national demographic trends, and is the result of the Second World War, the following baby boom and the subsequent drop in birth rates following the boom. Overall demographic declines in the early adult years (20-34) could suggest there might be less demand by first-time home-buyers in this age group.

It has also been suggested through local interviews that the construction and installation crews hired to fit out the expansion at Intel several years ago filled some of the middle and upper end rental units for periods of time, but that when that construction was completed early in the decade the demand for these units dropped significantly. These workers may well have been in the 20-34 year age category.

Likewise, the demand to house the 45-64 year age group as the baby boom ages, may require senior or assisted living units in the next 10-20 years. This age group is relatively larger in Hudson than in the MAPC Region, with a greater differential in its size vs. the proportion of the population in the over-75 age group at the present time. Hudson has prepared to meet these demands through zoning changes. There are no housing options for assisted living or nursing homes that exist, are planned, or are in construction in Hudson to allow residents to stay in their community as they age. With the construction of the units summarized in Table H-7, the relative proportion of elderly in Hudson vs. the region may be even greater in the 2010 Census.

A key factor that reflects the demand for housing is the age composition of the community. Overall, the age distribution in Hudson shows some key differences from the MAPC region overall. While Hudson and MAPC show similar percentages of school age children, MAPC has noticeably higher percentages of young people in the 20-34 age group that tend to be people who are completing their education, beginning

Table H-7: Age Composition in 1990 and 2000, Hudson and MAPC Region

Ages	Hudson Population				Percent of Total 2000 Population	
	1990	2000	Projected 2010	% Change 1990-2000	Hudson	MAPC Region
0-19	4,422	4,681	4,445	5.9%	25.9%	24.8%
20-34	4,781	3,560	2,937	-25.5%	19.6%	23.1%
35-44	2,705	3,383	2,620	25.1%	18.7%	16.7%
45-64	3,480	4,275	5,579	22.8%	23.5%	22.1%
65-74	1,110	1,270	1,098	14.4%	7.0%	11.4%
75+	735	944	740	28.4%	5.2%	1.8%
TOTAL	17,233	18,113	17,419			

Source: 2000 U.S. Census; MAPC projections

employment, living in apartments, and seeking to buy starter homes. Hudson has 1.1% greater percentage of young people in the 0-19 age group but has a 3.5% lower percentage of people in the 20-34 age bracket. The lower percentages of young people in the 20-34 age group (relative to the MAPC area) suggests that Hudson may not have sufficient entry-level housing to meet the needs of this population group. The price of housing and the availability of starter homes or apartments may not be adequate to enable young people to live in Hudson. This is often cited in anecdotal information as a problem for those who grew up in town and can not easily afford to stay here to start a family.

Hudson also has many fewer residents in the 65-74 year age group – residents are likely to be still active, who may still have disposable income, who contribute no children to the school systems, and who actively participation in town government. The larger percentage of residents in Hudson in the 75 and over age group could reflect the availability of housing for this population.

Population of residents over 65 makes up 13.5% of the Massachusetts population, thus both Hudson and the MAPC Region are just below this figure.

A more detailed look at housing by age categories should prove instructive. Generally, the most difficult populations to house are low-income residents, typically young people forming households, and senior citizens. According to detailed data from the 2000 Census, almost 60% of households of residents in the 25-34 year old age bracket own the unit they are in while about 40% rent their unit. While this is a higher proportion of renters than the population overall (29% rent), this does demonstrate a relatively high rate of home-ownership among this population.

The size of the household has been discussed as a contributing factor in determining a community's housing needs and in influencing a community's interest in building housing to meet these needs. Communities have expressed concern that building rental units, particularly units with larger numbers of bedrooms, attract families with larger numbers of children to housing units that do not cover the costs of educating these children through the payment of taxes. Table H-8 provides information on household tenure and household size. Overall, rental households are considerably smaller than are owner households, with 77% of the households having two or fewer members, while only 56% of owner households have two or fewer members. In all cases, the four person family households – two adults with two children – comprise a very small percentage of the households in either category.

Table H-8: Tenure by Percent of Persons/Household

Table H-9 provides more detailed information on family patterns. Married Couple families comprise almost 70% of home-owners, but only 32% of renter households. Within those categories, 46% of the married couple families in owner units have school-aged children while 40% of rental families do. Rental households with “other families”, that is single parent households, are much more likely to have school-aged children than such families in ownership units. It appears that rental households fill a housing need for people experiencing death of a spouse or divorce and who still are caring for children. In both cases, the “other family” category is quite a small percentage of total households. There is almost an even split between the "non-family" households that choose to own their home in Hudson vs. those who rent. Those non-families in rental, however, are the most common household type for all rental categories. In sum, it appears that rental housing does not attract households with a disproportionate number of school-aged children in married couple families than do ownership units. Rental units do provide a living option for single parent families in crisis to house them and their school-aged children.

Household Size	Owner	Renter
1	19%	51%
2	37%	26%
3	18%	12%
4	16%	6%
5 or more	10%	5%

Source: 2000 U.S. Census, Table H-17

Table H-9: Tenure by Type of Family, with Children Under 18 Years

	Owner		Renter	
Married Couple Family	3,407	69%	644	32%
W/ children<18 years	1,550	46%*	260	40%*
Other Family**	524	11%	310	15%
W/ children<18 years	194	37%*	196	63%*
Nonfamily	1,028	21%	1,077	53%
	4,959		2,031	

* These percentages indicate the percentage of each family type that has children under 18 living with them

** Other family households consist of either male householders with no wife present, or female households with no husband present

Source: 2000 U.S. Census, Table HCT-1

According to 2000 Census data on residential owner occupancy by number of bedrooms, there is a marked difference in number of bedrooms. Seventy-five percent of owner units have 3 or more bedrooms, while 78% of rental units have 2 or fewer bedrooms. Given the balance of household size and family patterns by occupancy, the current pattern probably impacts the number of school-aged children in rental units. Considering the pronounced difference in unit sizes, the production of additional rental units with larger bedroom sizes may meet a market need without seriously affecting the balance of school-aged children.

We have reviewed the type of households and families who live in Hudson and may need housing here in the future. The final table in this discussion reviews household tenure and where they lived previous to moving here. Hudson residents are somewhat more stable than in Middlesex County overall, with 64% of the population having lived in Hudson five years before the Census was taken. Most residents moving to Hudson over the five years from 1995 to 2000 lived within the region before settling in Hudson. Even with the high proportion of technology based jobs, and the national and international trend of movement of high tech workers, Hudson showed fewer new residents coming from outside the region and outside the country than did the rest of Middlesex County. One could conclude then, that households that are seeking housing in Hudson, having already lived in Massachusetts, probably move to Hudson knowing the kind of community they are seeking and make a conscious decision to select Hudson.

Table H-10: Percent of Residents in 2000 by Place Lived in 1995

Location of Residence in 1995	Hudson	Middlesex County
Same House in 1995	64%	60%
Different house in Middlesex County	22%	22%
Different house in MA outside Middlesex County	6%	7%
Elsewhere in U.S.	5%	9%
Foreign Country or at sea	3%	5%

Source: 2000 U.S. Census

2.4.2 Market Dynamics

A very important indicator of demand for housing for low and moderate income residents can be garnered from the waiting lists of subsidized multi-family housing developments that keep waiting lists. Each of Littlebrook Apartments and Peter's Grove has 96 units, while Littlebrook

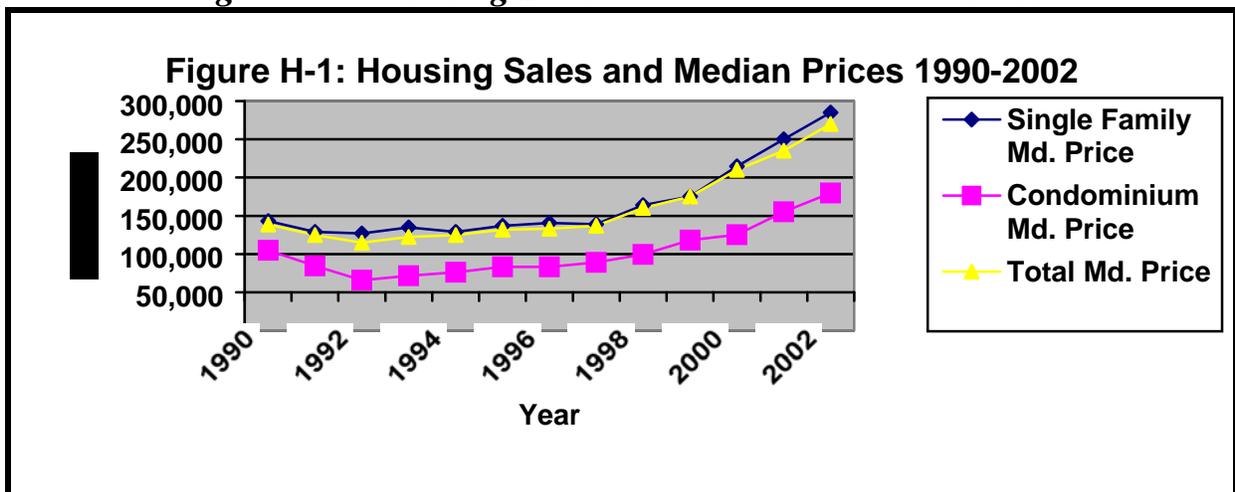
Apartments houses primarily families and Peters Grove is senior housing. Homeless residents are required to sign up for many waiting lists for subsidized units in order to maintain eligibility for homeless assistance. As a result, it is believed that waiting lists may be inflated with people in need signing on to many waiting lists. Peter’s Grove reports that it seldom occurs, however, that anyone offered a unit in Peter’s Grove rejects the offer.

Waiting lists for both these developments is managed by State Street Development Management Corporation, the management entity for these developments. Because Littlebrook Apartments’ affordable units were developed so that the ongoing subsidy is derived from housing tenants with Section 8 certificates, 5 of their 24 affordable units are vacant due to a shortage of residents with Section 8 certificates choosing a Hudson location. Management is prohibited from filling these units with market-rate tenants. There is no waiting list for this development or these affordable units. There are also about 20 vacant units of its market rate units.

Peter’s Grove has a waiting list 71 residents long for all of its units - including 35 for its one bedroom units, 31 for its two bedroom units, 5 for its 22 studio apartments, and several for its 9 accessible units. There is little turnover in this building – less than 10 during the last year. Some of the tenants moved in 19 years ago when the project was developed.

Interviews with other realtors and the rental agent for the Country Squire development supports the information provided by State Street Development Management Corporation. These sources report a significant drop in the demand for rental units at both the middle and upper ranges of rents. Country Squire, an 84 unit development with 60 two-bedroom units and 24 one-bedroom units is running a roughly 10% vacancy rate with all their vacancies in their two bedroom units. The rental agent reports that this drop in demand has been present for about one year. All the vacancies are in two-bedroom units that rent in the \$950-1,075 range, within a range affordable to residents in Hudson. Further, about 50% of the tenants in these units are families.

Figure H-1: Housing Sales and Median Prices 1990-2002



Source: The Warren Group. Town Stats (www.thewarrengroup.com)

Market information on the prices of units on the market and the number of units on the market provide a sense of the availability and affordability of ownership housing. Using market data for the past thirteen years, the information provided in Figure H-7 demonstrates how the prices for single family homes and condominiums have risen. Between 1990 and the first 10 months of

2002, housing prices have increased from \$143,000 to \$283,700, an increase of almost 100%. The increase in prices for condominiums started at \$104,900 in 1990 and has risen to \$178,000, for an increase of about 70%. These increases occurred slowly during the early years, but picked up rapidly after 1998. The increase in costs for condominiums did not rise as quickly and remains more affordable in 2002. These price increases in just the last several years compare to an increase in median income in Hudson of 23% in the decade from 1990 to 2000. Noting the larger number of homes on the market in recent years than earlier, and the quite low vacancy rate, it appears that there may be an important shift of population, with residents leaving and arriving in relatively larger numbers than in previous years.

Market data also provides useful information about the level of demand for home-ownership, in the asking price versus sale price, and number of days on the market. Information made available from the Multiple Listing Service for the period May 1, 2002 through April 30, 2003, shows that there were a total of 180 listings for single family homes in Hudson. The average time on the market for these listings was 64 days – a relatively short period of time. The average sale price of \$336,841 was \$6,031 less than the average list price of \$342,872. This information suggests an active market, but one that still has significant price compromises. The 94 condominium units that were sold during the same time span demonstrate a similarly brisk market. The average time on the market was longer – 71 days – while the list price to sale price only declined by \$1,401 from \$234,905 to \$233,504. In both cases these figures demonstrate an active interest in the Hudson housing market, but not overheated.

The data presented above certainly includes the approximately 100 units that have already been sold at the Quail Run development. The active but not overheated housing market is supported by their sales experience also. They have pre-sold homes that are not yet built, but they have not had to develop a priority list or waiting list.

The needs analysis provided here presents a mixed picture on the demand for housing in Hudson. Specific developments including affordable units appear to be attractive to a large number of potential residents who seek to be on a waiting lists to live there. Once residents are able to secure a unit in these developments, and in the Meadowbrook Mobile Home Park, they apparently stay in these units for a long period of time, reportedly with death of the tenant being the most common access to new units. Market rate ownership (both single family and condominiums) are sold in a relatively short period of time for close to the asking price. This represents an active, but not over-heated housing market. Rental units are reportedly not in high demand as reported by realtors and property managers although many of the rental units are in smaller buildings with market data unavailable for analysis.

It appears that first time homebuyers are able to buy housing in Hudson. It also appears that the decline in population in this age range may largely be the result of a demographic shift and not the inability of citizens in this age range to find housing in Hudson within their price range.

2.4.3 Regional Analysis

A landmark study was prepared by Northeastern University in 2000 – “A New Paradigm for Housing in Greater Boston”. This study used the difference between ideal vacancy rates and actual vacancy rates to estimate the number of housing units that are needed in order to create a market that has healthy turn-over, and would be described neither as a “buyers” or “sellers”

market. According to the study, these healthy vacancy rates are 6 percent for rental units and 2 percent for home-ownership units. According to Table H-2, the ownership vacancy rate is .4% and the rental vacancy rate is 3.1%. In order to bring these vacancy rates up to the suggested levels, there would have to be an additional 80 ownership units and 60 rental units added to the housing stock. The vacancy rate method is simplistic, but indicative of what the level of need is in a relatively closed system.

As noted earlier, the current reports from local realtors and property owners indicates a significant decline in demand for rental housing, and that the current vacancy rate may well be at that “healthy” 6% or more. This change in the rental market was also described by a September 21, 2003 article in the Boston Globe noting that demand for rental housing has “plummeted” in Greater Boston, “creating the best market for renters in at least five years.” This article credits the decline to an increase in unemployment and low interest rates that have spurred renters to enter the ownership market instead of ranting.

2.5 Summary of Housing Market Conditions

- Renter households are considerably smaller than owner households, with more than half of renter households being single member households and only 23% have three or more household members
- Owner households are much more likely to have children under 18 living in them (79%), than do renter households (47%)
- Renter households live in smaller units. 75% of owner units have 3 or more BRs, while 78% of renter units have 2 or fewer BRs.
- Only rentals restricted to seniors are in constant demand. Undedicated rental units show increasingly higher vacancies.
- Prices for single family and condominium units has steadily increased since 1996, with an overall increase between 1990 and 2000 of about 100%.
- The housing market in Hudson is active, but not overheated.

2.6 The Housing Gap: Availability and Affordability

The gap between need for housing and availability can result from one of three factors: too few units for the demand, units that are too expensive for people who need or are seeking housing, or units of the wrong design (too large, too small, not accessible, etc.) We have already seen that the number of housing units has grown faster than the population at large, family size has declined, and vacancies have declined.

According to the Commonwealth, the median income for the Boston, MA-NH PMSA for 2003 is \$80,800. These regional figures are commonly used to apply to communities within the area. According to the U.S. Census taken in the spring of 2000 but using income data for the previous year – 1999 - the median household income in Hudson was \$58,549, up 23% from the median of \$45,191 in the 1990 Census. The importance of the median income is, of course, whether households with various levels of income, from 30%, 50%, and 80% of median up to 150% of median and more, can afford to buy or rent homes in a particular community. The corollary

question, of course, is also whether homes in the needed price ranges exist in a particular community.

An important measure of how affordable the housing is in a particular community is the percent of income that is required by a household in order to cover all the costs of housing – including mortgage or rent, insurance, taxes, and other costs. The rule of thumb used by a variety of state and federal agencies is that housing costs as a percent of gross income should not exceed a figure that is somewhere between 28% and 33%. Table H-11 provides a useful summary of the percent of gross income of households in Hudson that is required to cover the costs of housing.

Table H-11: Percent of Household Income Going to Housing, 1999

An impressive percentage of Hudson households pay a very low percentage of their incomes for housing. This is particularly the case for home-owners, many of whom have old mortgages or have paid them off. The number of concern are the percentages of households paying more than 30% of gross income on housing costs – 17.5% of homeowners and

% of Monthly Income	% Owners	% Renters
Less than 15%	35.0%	23.4%
15-19.9%	19.7%	16.1%
20-24.9%	17.9%	11.5%
25-29.9%	9.2%	11.2%
30-34.9%	6.8%	9.6%
35% or more	10.7%	19.9%
Not computed	.6%	8.4%

Source: 2000 U.S. Census

29.6% of renters. The federal and state housing assistance programs have established 30% (and more recently 32%) of income the maximum that can be spent on housing costs and still leave enough other income for the rest of life’s necessities. It can be concluded that these households may be over-extended. Since these data were collected in 1999, it is likely that the number of households in these categories has increased into a more serious problem.

When renters are further broken down into age categories, the financial pinch of rent on income becomes more apparent. Younger households pay a significantly lower portion of their income on rent than do older residents. Only 21% of the householders 25-34 pay more than 30% of their income as rent, with less than 20% of the 35-44 year age group spending over 30%. These numbers are quite different for most other categories, with 43% of over 75 year olds, and 44% of 45-54 year olds paying rent in excess of 30% of their incomes. It seems more likely then that younger households can save some funds for a down-payment to put towards home ownership, while the older age groups have little resources for even discretionary spending.

Table H-12: Number of Workers by Family Status in Hudson

Number of Workers	Married-couple Family	Other Family*
0 Workers	7.1%	8.7%
1 Worker	20.0%	46.9%
2 Workers	54.4%	32.1%
3 Workers	18.5%	12.3%

*Other families consist of make householder, no wife present or female householder, no husband present
Source: 2000 U.S. Census

Table H-12 adds an additional variable to the understanding of which families can afford housing and which struggle with house payments or rent. The number of workers in a family is key to the level of household income. The National Low Income Housing Coalition (www.nlihc.org) summarizing ability to cover housing costs by the total number of hours that a family at minimum wage (\$6.75/hour) has to work to cover housing costs. This can run up to 133

hours/week to cover the Fair Market Rent for the area for a two bedroom unit of \$1,165 (2003). The wage required in Massachusetts for one full-time worker to afford such a unit is \$22.40/hour. Table H-12 demonstrates that many more married-couple families have two workers than do other families. This provides them with the distinct advantage of being able to cover basic housing costs, and obtain and retain home ownership. This supports the information in Table H-9 showing that 69% of married-couple families own homes vs. 32% for other families.

The ability of current residents to afford their housing has been discussed above. The question remains whether households today can afford to buy homes in Hudson. The following methodology sheds some light on the ability of households with specific incomes of concern to this Housing Element to purchase a single family home or condominium in Hudson.

Table H-13: Ability to Pay for Home Ownership or Rental Housing of Hudson Households of Varying Income Levels

Income Level % of Md. Income*	Annual Income**	Monthly Income	Maximum Monthly Debt Service	Price of Unit Affordable	Cost of Rental Unit Affordable to Household
30%	\$17,564	\$1,463	\$ 194	\$ 32,500	\$440
50%	\$29,224	\$2,439	\$ 506	\$ 84,600	\$730
80%	\$46,839	\$3,903	\$ 975	\$162,800	\$1,172
100%	\$58,549	\$4,879	\$1,561	\$215,000	\$1,460
150%	\$87,833	\$7,318	\$2,068	\$345,400	\$2,195

Source: 2000 U.S. Census

* The median income used here is a consolidated median. The median income for homeowners in Hudson is \$71,998, but for current renters only \$32,998 (a number closer to 50% of the overall median). While this reflects the very low rents at the HHA, it is still clear that the rental market attracts people considerably below the overall median income. (Table HCT-12)

**Assumes monthly housing expense of 32% of income, including insurance at \$58, mortgage financing at 7%, 30 years, 10% down payment.

Table H-13 summarizes the ability of residents of various levels of income in Hudson to enter the home ownership and rental markets. When comparing the Assessors' data provided earlier, and comparing the median market prices for single family and condominium units, it becomes apparent that the family with a median income as recorded in the 2000 Census falls short of being able to buy a home in Hudson today. When comparing the prices in 2000 from actual market data contained in Figure H-1, the \$215,000 home affordable to the median income household matches reasonably well with the median price at that time of \$214,900. The median condominium unit price in 2000 of \$125,450 appears to be affordable to households with incomes as low as about 65% of median income.

Hudson households also are relatively able to afford rental units. Fair market rents are determined by the Federal Department of Housing and Urban Development as rents that are affordable to families of specific sizes, or when generalized, to a family of four. Housing units that were developed or subsidized with public assistance can charge no more than that amount of rent. The Fair Market Rent for the Worcester-CT PMSA for a family of 4 in 2000 was \$681 (based on a median income of \$54,400 – more like the Hudson median than is the Boston, MA-NH PMSA median income of \$65,500. Based on reported rents in 2003, it appears that there are

rental units available in Hudson that are affordable to households with a range of incomes, including 50% of income.

Another method for determining if housing costs are affordable to residents in town, these costs can be compared to the ability of specific resident groups to afford to live in Town. There is general agreement that a goal of housing availability is to be able to house Town employees within the Town. The Hudson Treasurer-Collector's office provided data on the median income of Hudson employees in the school system and in town government in general. Unfortunately, all the Census information and HUD assessment of affordable rents is collected for households, many of which have two workers. Nevertheless, the data is instructive.

The median income for Hudson School Department employees is \$43,141, while it is \$39,477 for Town employees (In both cases, employees considered clearly less than part-time – earning \$8,000 or less – were left out of the analysis). In both cases, by far the largest number of employees live in Hudson. Town employees living in Hudson had a very similar median income as employees overall, while School Department employees living in Hudson had a median income of \$34,345, considerably less than the overall median. Some surrounding communities housing Hudson employees showed employees living there have much higher median incomes, including Worcester, Stow, Southborough, and Shrewsbury. A higher percentage of Town employees live in Hudson (71%) than do School Department employees (37%).

This information is not definitive in describing whether Town employees overall can afford to live in Hudson. It certainly suggests that in most cases a second worker in the household is necessary in order to afford housing in Hudson.

2.7 Summary of Availability versus Affordability:

- 10.7% of owners and 19.9% of renters spend above the maximum amount of their income for housing that is recommended by federal housing agencies
- Older renters are more likely to exceed the recommended maximum percent of income on housing that are younger renters.
- When the 2000 U.S. Census was taken in 2000, households earning the median income in Hudson were able to afford homes for sale at the median. Since that time, housing prices have continued to increase.
- Based on rents reported in 2003, some rental units were available in Hudson that are affordable to households with a range of incomes, including 50% of median income.
- Based on median income of employees working in the Hudson School system and in other town departments, most employees living in Hudson need a second worker in the household to afford to live in Hudson.

2.8 The Municipal and Community Role in Housing

2.8.1 Hudson's Zoning Bylaws and Housing Development

There is, at the time of preparation of this Plan, a great deal of residential planning and building activity in Hudson. The building is taking place in "Retirement Community" developments added to the Hudson Zoning Bylaws in 1999, and the planning in several projects that have

gained or are seeking approval under MGL Chapter 40B. These developments are testaments to the importance of zoning provisions in encouraging developments. As a result of the recent zoning change and the use of Chapter 40B, affordable developments and senior housing is being added to the housing inventory. Zoning changes that can provide additional housing units, and at the same time accomplish other public goals, have also been explored as part of the development of this CD Plan.

The Town of Hudson's Zoning Bylaw contains basic elements of residential zoning that can accommodate more affordable housing through the Comprehensive Permit process, as well as housing that is affordable through development by right. Most of the town (47%) is zoned for single family residential on 40,000-60,000 square foot lots. Two districts are zoned for multi-family residential development on 15,000 square foot lots totaling .64% of the total land area. Mobile homes are allowed in Hudson, and these Mobile Home Districts comprise .92% of the total land area. Residential uses are permitted in most of the commercial districts, either by-right as allowed in the Residence District, or by special permit where the commercial and residential uses do not conflict. Mixed-use buildings are allowed by special permit with commercial on the first floor and residential on the upper floors. Multi-family developments are prohibited in the Industrial Districts. Multi-family dwelling units appear to be allowed as an adaptive reuse of former municipal buildings that were in existence when the Bylaw was adopted.

Accessory dwelling units are often considered a good option for allowing development of affordable housing. The Hudson Zoning Bylaw does allow the "conversion of a one (1) family dwelling existing at the time of the original adoption of the Protective Zoning Bylaws...into a two (2) family dwelling, provided that the exterior appearance is not changed from the character of a single family dwelling..." Further, the property must be owner-occupied. Accessory buildings providing housing are not allowed in Hudson.

Concern has been expressed through this planning process that there is not sufficient affordable family housing opportunities. Public participants and members of the Steering Committee have discussed a desire to explore zoning options that would encourage the development of smaller more affordable single family homes, the consideration of duplexes and accessory units, and the encouragement of affordable housing options for families. Mill-reuse concepts have been suggested as possible locations for some family housing. The identification in this plan of several appropriate sites for multi-family developments might assist in projects in moving forward.

While Hudson does have some diversity in zoning districts and provisions for a variety of housing options, it has not undertaken many of the newer, more comprehensive efforts to diversify zoning options for housing development. The one successful effort in this regard is the adoption in 1997 of the Retirement Community Overlay District. This section of the bylaw was developed in order to provide residents over fifty-five years of age with residential choices "designed specifically for their needs, equipped with the appropriate amenities and located within reasonable proximity to shopping and services." While the section of the bylaw describes the size of the unit and requires individual attached yards, the bylaw is silent about on-site services and appropriate components of such developments, including common areas for recreation and service delivery, exercise rooms, and other activities normally associated with senior living. Currently, two developments with approximately 350 units are being developed using this bylaw change.

There are a variety of innovative zoning bylaws that other communities have adopted within the last ten years to encourage housing development of a type that enhances community character. Many of these new zoning innovations have been added through the use of “Overlay Districts” which provide new options while easily integrating with existing zoning bylaws. Overlay Districts can be added as an almost entirely new section, similar to the format used by Hudson for its Retirement Community Overlay District and its the Watershed Protection District.

As part of this planning process, the CD Plan Committee reviewed model by-laws and discussed what options might be available to Hudson to influence housing and development patterns in a way consistent with present community goals. Although there are a limitless variety of options and zoning provisions, the Committee chose to focus on three zoning concepts including, incentive zoning for housing development, conservation subdivision design, and mill overlay districts. Mill overlay districts typically provide redevelopment alternatives that were not available to the property owner through the conventional underlying zoning. For instance alternatives could include prospects such as mixed use retail with housing or light manufacturing with office uses. Conservation subdivision design is often used as an alternative to conventional subdivision design. It is a creative approach to preserving open space by allowing for the same amount of density a site could yield under the traditional approach. Often lot size is reduced and houses are built closer together while at the same time some land is left open. It is important to note the typically Conservation Subdivision design by-laws do not allow for greater density of housing. The final type of zoning examined is Incentive Zoning. This option provides incentives to developers to incorporate some affordable units within conventional development. Incentive Zoning is sometimes called “Inclusionary Zoning”. All three of these zoning concepts vary in their application from one community to another. However, the central themes are consistent.

This CD Plan is recommending that Hudson seriously consider each of these options to allow mixed use development of several mills in town, to allow construction of residential developments while at the same time preserving more open space within each development, and to encourage residential development to add affordable units to the housing stock in Hudson. Towards that end, we have begun the process of reviewing sample by-laws that might be suitable for Hudson with the intent that something be brought before Town Meeting for consideration in the upcoming year. While still under review and consideration, samples of these three recommended bylaw changes are included in the Appendix (see Model By-Laws on Conservation Subdivision Design, Mill Overlay District, and Incentive Zoning). Prior to bringing these by-laws before Town Meeting they must first be carefully and deliberately reviewed to adequately customize them to the unique needs of Hudson and to ensure they meet the Town’s requirements.

There are several areas within the Hudson Zoning Bylaw that with minor changes can both increase the availability of housing units, while adding few new buildings, and can improve the quality of life for Hudson residents. Such changes include making it easier to add accessory units to existing buildings, and allowing multiple housing units on one lot. The definitions section of the Hudson Zoning Bylaw has few definitions and does not define an accessory unit or multiple units on one parcel. Accessory units are allowed only in residential properties built before the Zoning By-Law was adopted. This limits the ability of many areas within Hudson to have accessory units. With a restriction that at least one unit be owner-occupied, the benefits to the owner in being able to house an aging relative, an independent adult child, a nanny, etc. could be

quite significant. Good accessory unit by-laws also limit the relative size of the total accessory unit and dictate that only one accessory unit can be built per main unit.

Multiple units on one parcel are allowed only in one small area in the residential zones, the SB-1 District where multiple residences are already allowed. They are also allowed in most commercial districts, except C-1, the downtown area, and C-11 and C-12 (in the south Washington St. area) Extending this provision to selected residential districts near the downtown area could encourage more residential development within walking distance of downtown and enhance revenue for homeowners on the site. Both multiple units and accessory units also enhance the options for extended families to reduce their housing costs.

Mixed uses (residential and commercial) are currently allowed by special permit in the C-1 District, the downtown area. Removing some of the restrictions on mixed uses would facilitate their use, to the benefit of the property owners and the community. Such relaxation of restrictions could include allowing mixed uses in new construction buildings, allowing mixed uses in buildings where first-floor commercial tenants presently serve food, and allow it in some instances by-right instead of by special permit.

2.8.2 Other Municipal Tools that Support Housing

Hudson has used some municipal tools to try to encourage housing affordable to the residents and potential residents of Hudson. The location of Hudson with two entrances onto I-495 has allowed the Town, with its dual tax rate, to both attract significant business development and to utilize the tax revenues from the business sector to also benefit the residential population. Residential property is taxed at a rate of \$11.51 per \$1,000 of valuation vs. \$21.90/1,000 for commercial/industrial/personal property. The business tax revenue represents 66.1% of the total tax revenue in Hudson. The median tax bill for Hudson residents is \$2,598 for a single family home. Economic development in Hudson has allowed the Town to keep taxes on residential properties relatively low for the area.

2.8.3 Community-based Housing Activity in Hudson

Hudson is not affiliated with any regional non-profit entity, such as a community development corporation or CAP agency, to encourage affordable housing development with the theoretical exception of Habitat for Humanity which operates statewide. As a result, the Hudson Housing Authority has organized a non-profit housing entity that is able to develop and manage non-profit affordable housing developments. Named "Assabet Valley Affordable Housing Inc.," the entity has not yet undertaken any development projects. The organization plans to undertake rehabilitation of dilapidated rental properties for affordable housing, the development of assisted living projects for the elderly, and the administration of a first-time homebuyer program. It is located in the offices of the Hudson Housing Authority and administered by its staff. With the absence of any new funds to undertake public housing developments, this is a logical move to continue development of affordable housing, as well as to assure administration of housing developments by a competent organization with primary concern for the public interest.

2.9 Summary of Housing Needs in the Context of Supply and Gap in Affordability

The following list summarizes the housing needs that have been identified in the Housing Element of the Hudson Community Development Plan. Given the proposed changes to Chapter 40B, and the recent approvals of 4 Comprehensive Permits that will put Hudson over the 10% affordable units goal, it seems reasonable for this Plan to suggest housing development options assuming that responding to Comprehensive Permits will not be required. It is still, however, important to maintain the development of affordable units in proportion to all new units to maintain the housing diversity in Hudson.

Rental Housing – since 29% of the housing units in Hudson in 2000 were rental units (with many more planned), and since reportedly there is an oversupply of rental units in the Metrowest/495 area at the current time:

1. There does not appear to be the present need to plan for or construct sizable multi-family rental housing designed to be available to the population at large. However, this does not mean the all age groups are being adequately served by the rental housing market.
2. Based on the high percentage of seniors paying more than 30% of their income in rent, and the existence of waiting lists for senior affordable rental developments, development of any new rental housing should be affordable units for this population.
3. The opportunity presented by several largely abandoned mill buildings near downtown for multi-family housing should be explored for their use as assisted living developments or senior rentals as noted above.
4. Development of some rental units with 3 or more bedrooms to accommodate larger families in need of rental housing should be considered.
5. Consideration should be given to supporting the addition of rental or condominium units where these units can assist in the economic viability of buildings (mills and downtown upper stories) or family needs and household economic viability (accessory units).

Ownership Housing – since Hudson has a generally older housing stock and since most new construction home-ownership opportunities are being constructed in Retirement Community Overlay developments:

1. Programs that support young and lower-income households to afford and repair ownership units should be pursued, including first-time homebuyer programs, housing rehabilitation programs, and other home-ownership programs.
2. The opportunity presented by several largely abandoned mill buildings should be explored for first-time home-buyer condominium units.
3. Consider providing home-ownership information to town and school department employees and provide some preference for them in access to affordable units.

2.10 Goals:

H-1 Develop a Plan for Housing Growth and Planned Production

H-2 Promote development of specific types of housing identified as needed and appropriate in the Hudson location and context, including low density assisted living units

H-3 Encourage denser housing in existing buildings in need of rehabilitation and in areas already served by existing sewers. Avoid denser development of affordable units, particularly in areas where there are already affordable developments.

H-4 Provide incentives to owners and developers to rehabilitate existing buildings into residential properties, such as assistance with state grant and loan programs

H-5 Consider flexible zoning provisions to enable development similar to what is available through the Comprehensive Permit process

H-6 Emphasize development of home-ownership units, and conversion of rental units to condominiums, to improve maintenance of units and grounds

2.8 Recommendations and Action Items

H-1 Craft a Plan for Housing Development

H-1.1 Complete the Hudson Community Development Plan taking into account the planning requirements of Housing Certification, to provide the preferred location for housing development and a strategy for developing this housing

H-1.2 Seek to have the plan endorsed by the various Land Use Boards.

H-1.3 Meet with representatives of Intel to discuss roles they could play in the encouragement of meeting the housing needs of their employees and of the Town's residents.

H-1.4 Consider adopting the Community Preservation Act that can provide revenue to the Town to undertake ongoing housing planning, identify parcels, provide soft costs for the Town's role in development, and allow the community to be a player in assisting in the preservation and affordability of existing housing.

H-1.5 Establish review criteria for Comprehensive Permits to assure that they are evaluated in ways consistent with the housing plans and goals for the Town of Hudson

H-2 Promote development of specific types of housing identified as needed in the Hudson location and context, and that utilize existing building stock

H-2.1 Consider developing an accessory unit and possibly accessory building by-law.

H-2.2 Consider development of a mill overlay district to allow development of residential units in these built resources

H-2.3 Encourage development of existing mill buildings into assisted living developments or first-time homebuyer condominium units with services and amenities. Such efforts could include meeting with the owner of each mill complex to discuss goals for development, identifying issues and financing questions, and working collaboratively.

H-3 Encourage housing in existing buildings in need of rehabilitation and in areas already served by existing sewers. Avoid denser development of affordable units, particularly in areas where there are already affordable developments.

H-3.1 Consider developing a mill overlay district to allow development of existing mill properties in single family neighborhoods to be developed into multi-family condominium units with affordable units.

H-3.2 Hudson and the Assabet Valley Affordable Housing can explore development of housing, both affordable and market rate, on sites identified during the Visioning process, including Map 18, lot 93 on Central Street; the Tower Street mills; the Stark/Maloney property on Map 51, lot 08, and in the mills buildings at 43 Broad St. and 50 Houghton St.

H-4 Provide incentives to owners and developers to rehabilitate existing buildings into residential properties, such as forgiveness of back taxes, density bonuses, assistance with state grant and loan programs, and use of the new TIF for housing

H-4.1 Consider adopting new options for mixed-use development in downtown Hudson, building off new state law allowing tax agreements for residential development and for downtown redevelopment

H-4.2 Pursue working with property owners in downtown Hudson to undertake residential rehabilitation projects using the Community Development Block Grant funds or other State, Federal, and private resources

H-5 Consider flexible zoning options to enable development similar to what is available through the Comprehensive Permit process

H-5.1 Consider developing and adopting an incentive zoning provision that encourages the inclusion of affordable units for housing developments of a particular size in exchange for density bonus on site

H-5.2 Consider developing and adopting flexible zoning to limit housing development to specific portions of a site and protect the remainder of the site as open space. This can limit the impact of housing on services and infrastructure, in exchange for the protection of the land on site, and/or include a density bonus on-site in exchange for the protection of land off-site

H-6 Emphasize development of home-ownership units, and conversion of rental units to condominiums, to improve maintenance of units and grounds and respond to decline in demand for rental units

H-7 Identify and encourage assistance programs that support the housing choices of populations in need

H-7.1 Encourage school and municipal employees to live in town through preference programs for affordable units.

H-8 Work with private developers to locate assisted living or nursing home options within existing mill complexes closest to downtown

H-8.1 Review state needs assessments for housing/care options to identify market options for this niche since Hudson is building extensive senior housing developments with no options for residents to continue living in Hudson when they are no longer able to care for themselves.