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**Town of Ipswich
Planning Board Regulation
Inclusionary Housing Payment-in-Lieu-of Fee**

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On Thursday, June 3, 2021, following a public hearing held pursuant to Section IX.I of the Ipswich Protective Zoning Bylaw (“Zoning Bylaw”), the Planning Board (“Board”) amended its regulations governing inclusionary housing payment-in-lieu-of fees, promulgated on March 9, 2006, and previously amended on June 19, 2008 and April 12, 2018. The Board’s regulation is as follows.

1. Purpose: The purpose of this regulation is to revise the fee schedule for the payment-in-lieu-of fee option described in “Section IX.I Inclusionary Housing Requirements” of the Zoning Bylaw.
2. Applicability: The regulation applies to certain dwelling units created in developments requiring a special permit from the Board and described in Section IX.I.3.a and b of the Zoning Bylaw; specifically:
 - a. Multi-family dwellings, residential multi-family developments, or residential mixed use developments;
 - b. Multi-family dwellings, multi-family residential developments or residential mixed-use developments that utilize Footnote 11 to the Table of Dimensional and Density Regulations in Section VI of the Zoning Bylaw; and
 - c. Open Space Preservation Zoning subdivisions that satisfy the requirements of Section IX.I.3.b.
3. Authorization: Sections VI. Footnote 11 to the Table of Dimensional and Density Regulations, and IX.I.3.a. of the Zoning Bylaw establish a fee per unit for developments described above in 2. Applicability, to be calculated on a pro rata basis. The provision states that the fee “may be adjusted by the Planning Board from time to time through the issuance of guidelines or regulations”. This Regulation shall be reviewed at least once per calendar year in consultation with the Ipswich Housing Partnership and Affordable Housing Trust Fund Board.
4. Fee Schedule: The required payment-in-lieu-of fees for multifamily dwellings, residential multi-family developments, residential mixed-use developments, Open Space Preservation Zoning subdivisions and those developments that utilize Footnote 11 to the Dimensional and Density Regulations are provided below.

The Town prefers to have affordable units created rather than to accept payments in lieu. When the size of a development triggers a requirement for one full affordable unit, the unit must be created. Payments may only be made when less than one full unit is required (i.e., development less than seven total units) or for fractions of units beyond one or more full units. Because the Town uses these payments to create affordable housing elsewhere in the community, the payments are calculated to approximate a subsidy amount needed to reduce the cost of market rate housing to

affordable levels; in other words, the payment is intended to approximate the cost of creating affordable units. The Planning Board has estimated these subsidy amounts or deemed costs based on market rate home price and rent data, and on current affordable home prices and rents as dictated by the State's 40B statute and regulations. The established figures at the time of this June 3, 2021 amendment are \$182,500 for sales units and \$70,000 for rental units. Payments for projects of ten or more units include a 10% premium on this base cost both because the larger developments are strongly encouraged to provide affordability rather than pay the fee, and because larger scale developments should be able to absorb the fee, if that is what they choose to do, more easily than smaller ones.

a. Multi-family dwellings, residential multi-family developments, or residential mixed-use developments.

i. Ownership units

Fraction of new units that must be affordable: 15%

Deemed cost of creating affordable unit: \$182,500

Premium applied for projects of 10 or more units: 10% (\$200,750 affordable unit cost)

Number of units	Payment in Lieu fraction required	Number of mandatory affordable units	Payment in lieu amount required
1	0.15	-	\$27,375
2	0.30	-	\$54,750
3	0.45	-	\$82,125
4	0.60	-	\$109,500
5	0.75	-	\$136,875
6	0.90	-	\$164,250
7	0.05	1	\$9,125
8	0.20	1	\$36,500
9	0.35	1	\$63,875
10	0.50	1	\$100,375
15	0.05	2	\$1,037.50
20	0	3	\$0
50	0.50	7	\$100,375

ii. Rental units

Fraction of new units that must be affordable: 15%

Deemed cost of creating affordable unit: \$70,000

Premium applied for projects of 10 or more units: 10% (\$77,000 affordable unit cost)

Number of units	Payment in lieu fraction required	Number of mandatory affordable units	Payment in lieu amount required
1	0.15	-	\$10,500
2	0.30	-	\$21,000
3	0.45	-	\$31,500
4	0.60	-	\$42,000
5	0.75	-	\$52,500
6	0.90	-	\$63,000
7	0.05	1	\$3,500
8	0.20	1	\$14,000
9	0.35	1	\$24,500
10	0.50	1	\$38,500
15	0.05	2	\$3,850
20	0	3	\$0
50	0.50	7	\$38,500

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b. Multi-family dwellings, residential multi-family developments, or residential mixed-use developments that utilize Footnote 11 to the Table of Dimensional and Density Regulations in Section VI of the Zoning Bylaw. For Footnote 11 units, the number of mandatory units and payment in lieu of fee is based on the 20% affordability requirement in Section VI., Footnote 11 to the Table of Dimensional and Density Regulations.

i. Ownership units

Fraction of new units that must be affordable: 20%

Deemed cost of creating affordable unit: \$182,500

Number of units	Payment in lieu fraction required	Number of mandatory affordable units	Payment in lieu amount required
1	0.20	-	\$36,500
2	0.40	-	\$73,000
3	0.60	-	\$109,500
4	0.80	-	\$146,000
5	1	1	\$0
6	0.20	1	\$36,500
7	0.40	1	\$73,000
8	0.60	1	\$109,500
9	0.80	1	\$146,000
10	1	2	\$0
15	1	3	\$0
20	1	4	\$0
50	1	10	\$0

ii. Rental units

For rental units using Footnote 11 the PIL fee amount is \$20,000 per unit.

c. Open Space Preservation Zoning subdivisions that satisfy the requirements of IX.I.3.b.

For OSPZ developments, the payment-in-lieu option fee shall be \$27,375 per unit (the same cost per unit for ownership multifamily dwellings and developments).

5. Open Space Preservation Zoning (OSPZ):

For developments of five or more single-family units built in accordance with Section IX.A OSPZ of the Zoning Bylaw, which either: (a) exceed the open space set-aside requirement of said Section by at least thirty percent (30%); (b) place permanent pricing restrictions on at least ten percent (10%) of the total dwelling units in the development so that they are affordable to households earning no more than 120% of the Regional Household Median Income [RHMI] (as determined by the U.S. Department of Housing and Urban Development); or (c) provide a combination of additional open space set-aside and dwelling units affordable to households earning no more than 120% of the RHMI, in an amount determined satisfactory by the Board, provided that the additional open space is no less than 20% of the open space requirement and the percentage of discounted dwelling units is no less than five percent of total units, the total payment-in-lieu-of fee shall be capped at an amount

established as follows: multiply the total number of housing units in the development by the median single-family house price (as listed in the most recent publication of “MA Median Sales,” published by the Massachusetts Association of Realtors), multiplied by 2.85%. (Example: A 25-unit OSPZ development approved by Board special permit that provides at least 65% of its acreage as protected open space would have a total payment-in-lieu-of fee cap of \$376,913: 25 units times \$529,000 [April 21, 2021 published median home price] times 2.85%.)

6. Segmentation: A developer or property owner may not phase or segment a project or transfer ownership of contiguous properties to evade, defer or curtail the affordability or payment-in-lieu-of fee requirements of this regulation. The Board shall consider all circumstances as to whether various applications or activities, taken together, comprise a single development or independent undertakings, regardless of whether there is more than one developer or property owner, including any time interval(s) between the applications or activities. The Board may impose such additional payment-in-lieu-of requirements on segmented developments as are needed to ensure that, as a whole, a development makes the full payments warranted.

This revised regulation shall take effect upon its adoption.