

**Planning Board Special Meeting for
the Smart Growth Overlay District Bylaw
May 8, 2019**

Present: Arnold Johnson, Chairman
Gary Florindo, Vice Chairman
Bendrix Bailey, Clerk (*arrived at 7:19 p.m.*)
Michael Murphy, Associate Clerk
John DeMaggio

Absent: Lee Carr
Chris Silveira

Steven Starrett, Town Planner
Marissa Perez-Dormitzer, Recording Secretary

Chairman Johnson called the meeting to order at 7:09 p.m. at the Fellowship Hall of the First Congregational Church and made everyone aware that the meeting was being televised.

BOARD BUSINESS

Zero Waste Solutions

Chairman Johnson stated the site visit at Zero Waste Solutions will take place on May 16, 2019 at 6:00 p.m.

A motion to hold a site visit at Zero Waste Solutions on May 16, 2019 at 6:00 p.m. was made by Associate Clerk Murphy and seconded by Member DeMaggio. **The motion passed by a vote of 4 in favor, 0 opposed, 0 abstained (4-0-0).**

(Clerk Bailey arrived at 7:19 p.m.)

Smart Growth Overlay District Bylaw

The following people were present at the meeting:

Kenneth Steen of Steen Realty and Development Corp.
Ashley Steen of Steen Realty and Development Corp.
Attorney Paul Haverty of Blatman, Bobrowski & Haverty, LLC
Phil Cordeiro of Allen & Major Associates, Inc.
Judi Barrett of Barrett Consulting Group
Jim Kaine of A.D. Makepeace Company, current owner of property

The speakers referred to a Powerpoint presentation on a screen as well as diagrams on easels.

Mr. Haverty explained that Chapter 40R is a statute within the Commonwealth for low income housing. Communities are given benefits by the state to encourage these zoning districts. Location is important to the state. They look for areas of concentrated development, commercial districts, and areas near transit stations. Mr. Haverty explained that 40R requires minimum densities based on the type of housing proposed including 8 units per acre for single family housing, 12 units for acre for 2 to 3 family buildings, and 20 units per acre for multifamily dwellings.

Mr. Haverty reviewed a map of the property showing the areas proposed for housing and the areas proposed for commercial use. The state encourages mixed use development. He showed examples of mapping from other projects.

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Mr. Haverty explained the process for the Zoning Bylaw. They have prepared a draft Zoning Bylaw. The Bylaw was reviewed by Town Counsel Bailey and submitted to the Department of Housing and Community Development (DHCD). DHCD gave tentative approval. The next step is voting on the Bylaw at Town Meeting. If approved, they will submit proof of approval to DHCD and then DHCD will provide final approval.

Mr. Haverty stated that a minimum of 20% of the units are required to be affordable. If they are rental units, DHCD allows all units to be considered affordable to meet the Town's requirement.

A member of the Select Board asked if the developer is required to start construction in order to receive the \$350,000.

Mr. Steen provided a description of the project. They are calling it Rochester Crossroads and it combines commercial and residential uses. There will be both market rate and affordable rental units. There is a bus line up to the Lakeville train station which is the reason the state was willing to look at project. Mr. Steen explained his company was established in 1988 and has overseen the construction of 1,200 residential units including two rental 40Bs and 2 homeowner 40Bs. He explained with 40R, the Town and the developer work together.

An audience member asked if Steen Realty will oversee the day to day maintenance. Mr. Steen responded that they will develop the project, act as general contractor, and maintain the property through a management company which is a DBA of their own development company.

Mr. Steen stated the Town will meet the 10% affordable housing requirement with the project. Based on the 2010 census, the Town needs 187 affordable housing units. The Town currently has 8 units. With this project, there will be a total of 216 affordable housing units which will exceed the requirement by 29 units.

Mr. Steen explained the Town will receive \$350,000 as a zoning incentive payment and \$624,000 as a density bonus, totaling \$974,000 from the state plus \$135,000 in permitting fees. The project will have a net positive annual income stream. In addition, qualifying for Chapter 40S becomes an option for the Town after the 40R is approved. With the 40S funding program, the state provides funds to towns to offset education costs incurred as a direct result of the project. For example, the Town of Lakeville has a 40R with 204 units called Sterling Place. In 2017, Lakeville received \$8,500 per student for 45 students totaling \$380,000.

Mr. Steen stated that Rochester Crossroads will have 208 apartment homes with 52 affordable units. There will be a community building with a theater, workspaces, workout center, and outdoor pool. Mr. Steen noted the sidewalk system will integrate the residential and commercial space. They plan to make a formal bus stop with a shelter where the bus stops at Route 58 and Route 28. Mr. Steen noted the four buildings will have 4 stories with the larger ones containing 64 units. They will have elevators, sprinklers, and central fire alarms. They will be energy efficient buildings.

Mr. Steen stated there are two separate processes – one for the approval of the Bylaw and a second for approval of the specific project by various Town boards and departments as well as MassDOT for a traffic study.

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An audience member asked if the affordable housing would only be affordable for a certain number of years and then sold at market rate. Mr. Haverty responded that the statute requires at least 20% will be affordable in perpetuity. Chairman Johnson added that if the project is approved, they will give local preference on the affordable units to Rochester residents. Mr. Steen stated that once approved there will be a tenant selection plan that would allow a maximum of 70% local preference for the 52 affordable units.

An audience member sought to clarify how the required affordable housing numbers are calculated. Chairman Johnson explained it's based on housing units. Mr. Haverty added there are 1,800 year-round housing units.

Mr. Haverty explained the importance of location. With a 40R, the Town will have the opportunity to review whether this is an appropriate site. The benefit of a 40R is it's a local zoning process. With 40B, the Town doesn't have input into site selection. 40R gives the Town a lot more input and control. Chairman Johnson added that the incentive money is not offered with a 40B.

An audience member asked how the Town fares with the 29 units when Connet Woods is fully developed. Chairman Johnson responded that it's 85% built now and that once it's completed the Town would still be under the cap.

Judi Barrett added that rental housing is more advantageous to the Town because it gets to 10% faster. In small towns, a lot of 40B development is small home ownership developments. In that case the affordable units are added to the subsidized housing inventory, but market rates are not. State policy encourages rental housing because that's where the greatest need is in the state.

An audience member asked Mr. Steen what would stop them in the future from selling off the units as condos. Mr. Steen responded that they wouldn't be complying with the Bylaw if they did so. Mr. Haverty explained there are minimum density requirements. He noted all that's being sought is a zoning amendment, not approval for this specific development.

Judi Barrett, who did the fiscal impact study, provided some background on her experience. She stated that 95% of her work is with cities and towns focused on 40Bs, zoning work, and master plans. She typically starts her analysis by looking at the financial information to get a sense of how the community operates. She was impressed with Rochester and said the Town is a well-run community.

Ms. Barrett stated overall she looked at the fiscal impact of the project and if it will generate enough revenue to pay for the cost of the services that its residents and business will use. She explained to make a forecast about an unknown, she looks at known conditions including the form of government, how revenue and spending patterns have changed, how the community has grown and changed, and what do we know about this type of development in other towns.

Ms. Barrett explained terms she would refer to in her presentation including:
Revenue positive – project is able to pay for itself plus generate surplus revenue
Revenue neutral – pays its own way, isn't costing other taxpayers more money
Revenue-negative – not generating enough revenue to cover its cost

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Ms. Barrett stated that a common myth is that all residential development growth is revenue negative. However, that's not the case. There can be somewhat more demands on public safety. Also, developments like these don't become a crime problem, which is another common myth.

Ms. Barrett's conservative estimate is that the project will generate \$499,300 per year in revenue and \$352,200 in service costs with a net revenue of \$147,100. It's 71 cents in spending for every dollar of revenue. She explained that police, fire and schools are the services most affected. She added that with a fiscal impact study, she looks at the marginal costs as opposed to per capita costs.

Ms. Barrett estimated the revenue from the project from property taxes and vehicle excise taxes: commercial - \$50,100; residential - \$285,400; and local receipts - \$163,800 (vehicle excise taxes).

Ms. Barrett detailed the demands on Rochester services. For public safety, the consideration is the number of calls. She worked with average costs and found the impact on police would be \$36,800 per year and the impact on fire would be \$105,400. There would be more impact on the Town's fire department in multifamily properties because the number of calls is higher and servicing those calls takes more time than single family.

Ms. Barrett estimated an additional 55 students in the schools at a cost of \$222,700. Most of the children will be in the affordable units but not all of them. Ms. Barrett has seen a trend of increasing numbers of divorced parents staying in the community with their children. Some of the 55 students may already live in Town. She included supports costs as well.

She estimated \$10,000 in miscellaneous expenses and \$2,500 for periodic inspections. The total cost of services is estimated at \$377,400; \$352,200 with the ambulance offset taken out.

Ms. Barrett reviewed the financial benefits to the Town including the following: \$350,000 zoning incentive; \$624,000 density bonus; and \$135,000 permits and fees. These are one-time non-recurring payments.

Ms. Barrett explained that Chapter 40S is adopted about a year after 40R. To be eligible, the revenues from the development are multiplied by 51 or 52%; that's what's available for schools. If the number of children from the 40R development cost more than the 51 or 52%, then the Town is eligible. Three communities in Massachusetts so far have received Chapter 40S funding.

Ms. Barrett mentioned that Lakeville is receiving \$353,000 and Lunenburg is receiving \$22,000. She isn't sure if Rochester would receive Chapter 40S revenue. Chapter 40S funding helps to make the community whole for the cost of education.

Town Planner Starrett noted the number for revenue shows 26% coming from the commercial side. He asked if the commercial area will be developed concurrently with residential. Ms. Barrett responded that the commercial side is market driven. The project still has net positive revenue if the commercial is delayed.

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Mr. Steen reiterated the commercial side is market driven. They haven't marketed the commercial property but there has been some interest. Town Planner Starrett asked if the commercial side is controlled by Steen Realty. Mr. Steen responded yes. Town Counsel Bailey stated if the Bylaw passes, the Town's Assessors will immediately assess the two commercial pads out front for more. Ms. Barrett noted the land value will change.

Town Planner Starrett asked who administers the 40S on an annual basis. Ms. Barrett responded that the Town submits a report that the Department of Education and the DHCD reviews. The DHCD makes a recommendation to the Department of Revenue and adds the funds to the cherry sheet. She added that Lakeville has been receiving 40S funds for several years. Chelsea was receiving the funds for a few years, but now they don't qualify. She added if a community's Chapter 70 aid increases, they won't receive 40S funds. The state looks at the whole revenue picture. Chairman Johnson pointed out that 40S is only with a 40R project.

Member DeMaggio asked how Ms. Barrett came up with the number of estimated students as 55. Ms. Barrett responded she has data on 50 developments that are mixed income. There is a perception that multi-family buildings have a lot of kids. The numbers are higher in developments in a high end school district. For average school districts, the multipliers are very consistent at 0.20 to 0.30 children per unit depending on the size of unit. School aged kids are typically in 2 and 3 bedroom units. Affordable units tend to have more kids. Member DeMaggio asked if the assumption would be the same with a 40B. Ms. Barrett responded that it would be the same. Mr. Steen pointed out that Lakeville is a great example with 204 units and 45 students.

Phil Cordeiro of Allen and Major Associates reviewed the site plan. He explained there is a powerline easement running through the site that splits the 30.5 acres in half. The powerline easement limits the development of the land; structures can't be constructed in the easement. They also have limited ability to cross the easement. For that reason, they focused development in the front portion of the land.

Mr. Cordeiro explained to meet the 20 units per acre density, they need to make sure 208 units can exist on the 10 plus acre parcel. There will be small commercial development in the front of the property with parking behind. The residential development is behind the parking lot. The residential development will have parking on the perimeter and green space on the inside. The development doesn't warrant signalization; however traffic studies will be done. Mr. Cordeiro explained they will keep the entrance far away from the intersection.

They are creating a separation between the commercial area and residential area. They want residents to have a feeling of security. They are not sure if the residential area will be gated. There will be a campus feel in the residential area but also a connection to the retail area.

Mr. Cordeiro stated there would be septic fields, stormwater management, and wetlands on the back side of the easement. They will work with the Board of Health and MassDEP on the septic design. A state level permit is required. They will handle the sewage with no municipal impacts.

Overall the site plan is very far along. They have some neighbors to the property. They are constructing the roadway along the property line. They will make sure to not have light glare; the development will need to be well lit for safety.

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Chairman Johnson stated that at Town Meeting, residents will be asked to approve a Smart Growth Overlay Zone that would be specifically tied to this property. It can't apply to other areas in Town. If the project doesn't move forward, the zone still stays there for another potential applicant. Also, the underlying zoning is still there. The Town is adding an option not taking anything away. This is what is being voted on at Town Meeting. He reiterated that the Planning Board will have a full site plan review process with multiple public hearings. The Conservation Commission and other boards would be involved, and all abutters would be notified.

An audience member asked if there will be an impact to the Town's water supply. Chairman Johnson responded that the septic system will be looked at by a peer review engineer and the Board of Health will review the mounding analysis. Mr. Cordeiro stated they have already identified all the wells in the area and there are protective radius's around where they can't put in the septic system. When residents flush the toilet, according to the plan, the water goes to a septic tank for treatment and then to a septic leach field for further treatment. The clean water will go in the ground in the fields in the back. Mr. Cordeiro stated the system will be held to a much higher standard than in individual homes. An audience member asked about drinking water. Mr. Cordeiro explained they have an agreement with Wareham Water that allows them to draw water from a pipeline that was extended several years ago across the intersection.

ADJOURNMENT

A motion to adjourn at 8:38 p.m. was made by Member DeMaggio and seconded by Clerk Bailey. **The motion was passed by a vote of 5 in favor, 0 opposed, 0 abstained. (5-0-0).**

Marissa Perez-Dormitzer, Recording Secretary

Arnold Johnson, Chairman