



TOWN OF IPSWICH

IPSWICH, MASSACHUSETTS 01938

PLANNING BOARD
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Town of Ipswich Planning Board Regulation Inclusionary Housing Payment-in-Lieu-of Fee Option

On Thursday, April 12, 2018, following a public hearing held pursuant to Section I.3.a.i of the Ipswich Protective Zoning Bylaw ("Zoning Bylaw"), the Planning Board ("Board") amended its regulations governing inclusionary housing payment-in-lieu fees, promulgated on March 9, 2006, and previously amended on June 19, 2008. 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 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 or residential mixed use developments of fewer than ten units;
 - b. multi-family or residential mixed use developments of more than ten units, for those units where the application of the ten percent (10%) affordability requirement results in a fractional housing unit of less than one-half (1/2) of a dwelling unit;
 - c. Open Space Preservation Zoning subdivisions of five or more single-family detached or attached dwellings.
3. **Authorization:** Section IX.I.3.a.ii of the Zoning Bylaw establishes a fee of \$10,000 per unit for developments up to nine units, to be calculated on a pro rata basis. A fee is also imposed on certain other developments, per Section IX.I.3.a.i and b of the Zoning Bylaw. The provision states that the fee "may be adjusted by the Planning Board from time to time through the issuance of guidelines or regulations."
4. **Fee Schedule:** The payment in-lieu-of fee option for rental dwelling units remains at \$10,000 per dwelling unit. The revised payment-in-lieu-of fee option for for-sale dwelling units is revised so that it is established on a sliding scale, based on the number of newly created units, and calculated as a percentage of the gross sales price of the units in the development. In no event, however, shall the fee be more than \$25,000 per unit, nor less than \$10,000 per unit, except as provided below. The percentage to be applied to the gross sales price of each unit shall be as follows:

One Unit:	2.5%	Six Units:	3.8%
Two Units:	2.5%	Seven Units:	4.2%
Three Units:	2.5%	Eight Units:	4.6%
Four Units:	2.9%	Nine Units:	5.0%
Five Units:	3.3%		

(Example: A six-unit multi-family development is proposed and the developer opts to make a payment instead of providing an affordable housing unit. The gross sales price of each unit in the development is \$400,000. The developer would multiply \$400,000 by 3.8%, resulting in a payment-in-lieu-of fee requirement of \$15,200 per unit, or a total of \$91,200.)

For developments of ten or more single-family units built in accordance with Section IX.A Open Space Preservation Zoning (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 \$272,175: 25 units times \$382,000 [Jan. 2018 published median home price] times 2.85%.)

5. 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.