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# Fear of Affordable Housing: Perception vs. Reality

Affordable housing developments are often controversial and give rise to claims of dire consequences for quality of life and property values. But once they are built, does anyone realize they are there?

By [Rachel G. Bratt](#), [Alexandra DeGenova](#), [Brendan Goodwin](#), [Shannon Moriarty](#), and [Jeremy Robitaille](#) Posted on October 10, 2012



(Brendan Goodwin)

When a housing development containing affordable units is proposed, neighbors, other town residents, and public officials often oppose it, claiming that a series of negative outcomes will result. The fears tend to relate to increased traffic; additional school costs; increased demands on other municipal services, such as fire and police; stresses on water and sewer systems; concerns about developer quality or experience; decreases in property values; various types of environmental degradation; and,

perhaps least tangible of all, adverse changes in the character of the town. These claims may often mask underlying biases and racist attitudes.

Contrary to these common assumptions, several studies have consistently found that, if affordable housing is well designed, fits in with the surrounding neighborhood, and is well managed, there appear to be no negative impacts of that housing on the property values of neighboring houses. Other studies have shown that population growth associated with new affordable housing does not necessarily yield higher municipal costs, and there is actually less increase in school costs related to the construction of multifamily developments than there is with new single-family houses.

However, there have been few, if any, studies comparing the specific controversies that surface prior to a development with the outcomes of the developments in question.

To fill this gap, in 2009, Boston-based Citizens' Housing and Planning Association asked Tufts University to examine outcomes for housing developments with affordable units built under the guidelines of Massachusetts Chapter 40B (see page 31) that had been strongly opposed by



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local residents or town officials. We looked at the actual arguments presented by the opposition and assessed the extent to which the articulated fears and concerns had materialized two to three years after occupancy.

Developments selected for the study had to be: (1) completed within the prior 10 years, but at least two-and-a-half years old; (2) developed amid an identifiable and documented controversy, recorded in the public record; (3) located within 30 miles of Boston, to facilitate student access; and (4) not located in or near communities that had pending 40B permits under review, to avoid reigniting controversy and/or interfering with those processes.

We selected four developments. The research process included review of local newspapers, community meeting minutes and documents, and electronic media; site visits; and semi-structured interviews with a total of 40 stakeholders. Here's what we found:

#### h6. Hastings Village, Wellesley

Wellesley is 13 miles west of Boston and consistently ranks among the wealthiest communities in Massachusetts. Prior to the development of Hastings Village, Wellesley's affordable housing stock stood at only 4.5 percent (less than half of the state-mandated 10 percent goal), and municipal employees were typically unable to afford homes in town. The scarcity of affordable housing had been recognized by many residents and town officials as a problem; nevertheless, proposals for dense developments had encountered heated opposition in the name of "preserving the character" of the town.

Hastings Village was developed in 2005 only after a decade-long debate, including a lengthy legal battle. Bob Engler, consultant to the developer, says it was "easily the most controversial" 40B development he had worked on, out of about 100. The local zoning board rejected the comprehensive permit, a decision that was overturned by the state Housing Appeals Committee under 40B. The town then appealed and the committee's decision was upheld in the state's Superior Court. The state's ability to override local zoning allowed the development to proceed.

Hastings Village describes itself as a 52-unit luxury rental community. It is situated between a commercial area, a school, town-owned open space, and the Sheridan Hills neighborhood, a residential area comprising almost entirely single-family "starter" homes, which in Wellesley means they cost about half a million dollars. As a 40B development, at least 25 percent of Hastings Village units (13) must be affordable to households at or below 80 percent of area median income. The remaining 39 units have rents of \$2,600-3,100.

Although some Sheridan Hills neighbors noted a slight increase in traffic noises after the development was occupied, the overriding sense from interviews with town officials and local neighbors was that there were no major impacts. One homeowner who has lived in the neighborhood for over 20 years, noted that "this development has not had any effect on my property value." Other interviewees said, "For the most part, it's out of sight and out of mind" and "In spite of my fears, it's a nice-looking development." Nevertheless, some residents were concerned about whether the buildings would hold up over time.

The battle over Hastings Village consumed millions of private dollars and public resources, as well as thousands of volunteer hours. Many of those interviewed suggested that the project would not have been so seamlessly incorporated into the neighborhood if it had not been for the high level of community involvement in the development process. A notable outcome of resident input was a reduction from 87 to 52 units. However, it is not clear whether the larger development would have created any discernible negative

to the people who have gotten to move there.



impacts; each of the major concerns highlighted by those opposed to the development has been largely unrealized (see chart 1).

**CHART 1: HASTINGS VILLAGE**

CONTROVERSY	CONCERNS	OUTCOMES
<b>Traffic</b>	The addition of residential units will increase the volume of traffic, causing potential safety issues and increased number of accidents.	No increase in accidents.
<b>Environmental Impacts</b>	The building footprint (an impermeable surface) will create excess storm water runoff into the town water supply, potentially causing contamination.	No known impacts.
<b>Infrastructure Impacts</b>	Existing sewer lines will not accommodate the additional output.	No known impacts.
<b>Developer's Track Record</b>	The developer will not follow through; development will be shoddy and an eyesore.	Development is attractive and well-maintained.
<b>Property Values</b>	Dense rental development will decrease the abutting property values.	Property values do not appear to have been affected.

**h6. Dickson Meadow, Weston**

Weston, 12 miles west of Boston, is also one of the wealthiest communities in Massachusetts. Its subsidized housing inventory was 2 percent prior to the Dickson Meadow development. Although two affordable housing developments had already been built in the town, Dickson Meadow generated a great deal of controversy. The nearly 11-acre site had been donated to a nonprofit developer by Weston residents for the express purpose of developing affordable housing. Of its 18 new for-sale units, 6 were sold to households at or below 80 percent of AMI, 2 to households up to 120 percent of AMI, and 10 at market-rate.

While the plan called for clustering the homes with most of the parcel retained as open space, neighbors were unhappy about the loss of a beautiful meadow surrounded by trees.

The developer, The Community Builders, a highly successful nonprofit organization with a substantial development track record across a number of states, worked with town officials and residents. While the number of units was not reduced, as those with abutting properties had requested, the homes were rearranged into a ring around 2.5 acres of the existing meadow. The remaining 8 acres (82.5 percent of the original parcel) were permanently preserved as open space.

The town used Chapter 40B as a way of increasing the density of the development without changing the zoning. As a so-called “friendly 40B,” the development was approved at the local level without the need for a hearing before the state Housing Appeals Committee.

The donors of the property, the Dicksons, did not anticipate that the new development would inconvenience anyone: “The development would be next to us, and the other end of it was vacant. We did not know where any potential opposition would come from. As it turns out, they [opponents] surfaced all up and down Highland Street.” At least 10 immediate neighbors organized a forceful opposition group, encouraging the town to buy the parcel



of land so that the town could oversee the development of a smaller mixed-income development on the property.

Despite the fears, negative impacts did not materialize (see chart 2). Interviewees agreed that the houses are very well constructed and the landscaping and overall look are attractive. Subsequent affordable developments in the town have proceeded with little opposition.

### CHART 2: DICKSON MEADOW

CONTROVERSY	CONCERNS	OUTCOMES
<b>Density</b>	Too many units for land area.	18 units built on about 2.5 acres of the nearly 11 acre parcel.  No direct negative impacts found.
<b>Open Space</b>	Development will destroy open space that should be preserved.	Homes replaced some open space.  About 8.5 acres preserved as conservation land.
<b>Site Plan, Architecture, and Impact on Surrounding Land</b>	<p>Unsafe road design.</p> <p>Inadequate septic and drainage systems.</p> <p>Risk of poor quality or unattractive construction and landscaping.</p> <p>Development will not fit into the neighborhood.</p> <p>Problems with development or unappealing aesthetics could lessen surrounding property values.</p>	<p>No reported problems with road design, septic and drainage systems, building construction, or landscaping.</p> <p>Development blends with its surroundings.</p> <p>No known impact on surrounding property values.</p>

#### h6. Kayla’s House, Newton

Newton is a suburban city six miles west of Boston. Although not quite as affluent as Weston and Wellesley, its median income far exceeds state averages and prior to the development of Kayla’s House, Newton’s affordable housing percentage was similar to Wellesley’s, at just below 5 percent. Newton has a reputation of being supportive of affordable housing, with many “friendly 40Bs” readily gaining the support of key town committees; therefore the opposition to Kayla’s House came as a surprise.

The development plan involved renovating an existing building into five rental transitional-housing units for young, at-risk women and four owner-occupied condominiums (three market rate and one targeted to a lower income homeowner at a much-reduced, deed-restricted price). A neighborhood association organized the opposition movement, particularly concerning the transitional housing, saying it would attract “dangerous men” and include “delinquent children.” Other concerns centered around environmental and health risks, expected increases in traffic, and the developer’s inexperience with producing market-rate units. Opponents also attacked the city’s decision to provide financial assistance (via federal CDBG and McKinney Act funding) to the nonprofit developer, Citizens for Affordable Housing in Newton Development Organization, Inc., to purchase the land without any community input.

After the first public meeting, the local neighborhood association leafleted the community in an effort to halt the proposed development. A local resident

who got one of their pamphlets instead mobilized other neighbors in support of the proposed development, which was likely an important factor in its eventual approval. Since the zoning board approved the project (albeit with some 34 conditions that the developer had to fulfill), it was able to proceed without a hearing before the state Housing Appeals Committee.

None of the concerns voiced by opponents were realized and the community has, for the most part, accepted the development (see chart 3). As a result of the experience with Kayla's House, the Newton Planning and Development Department has integrated more sophisticated community involvement processes into its development efforts.

### CHART 3: KAYLA'S HOUSE

CONTROVERSY	CONCERNS	OUTCOMES
<b>Community Process</b>	City provided developer with financial support prior to approaching the community about the proposed development.	City encouraged future 40B developers to elicit community input early in the development process.
<b>Environment/ Public Health</b>	Noise and air pollution will adversely affect the health of existing and prospective residents.  Construction will reduce green buffer zones.	No complaints have been reported.  Additional tree screening was added and the ZBA required the developer to maintain landscaping.
<b>Traffic</b>	The higher density will bring additional traffic to a poorly maintained portion of a street with poor visibility.	Almost half as many traffic accidents from 2003 to 2007 as from 1996 to 2000.
<b>Experience of Developer</b>	Lack of development experience evidenced by failure to present a contractor's bid and perceived overvaluation.	City required the contractor to have 15 years of experience and at least 10 low- and moderate-income housing projects in its portfolio.

#### h6. The Preserve, Walpole

Walpole is a growing community located 13 miles from Boston and 23 miles from Providence, Rhode Island. Its residents are a mix of blue-collar and white-collar workers, and both home values and incomes have been rising. Yet, compared with the other three municipalities in this study, Walpole is a significantly less affluent community. Walpole is home to the largest development included in our research, The Preserve, which consists of 300 units of rental housing on 42 acres of land. The project was developed by a division of The Gatehouse Companies, a private for-profit multi-state developer of apartment communities.

Before the development of The Preserve, less than 2 percent of Walpole's housing units were affordable and all but 12 of those units were for elderly or disabled individuals. The Preserve was not only the town's first full-rental project, but also its first major 40B development.

While there was no opposition from residents, town government officials were concerned about increased burden on schools, sewer and water, and public safety and emergency services. They were also concerned about the loss of a potentially valuable site for commercial development. Despite a denial by the local zoning board, The Preserve was granted permission to proceed by the state's Housing Appeals Committee under chapter 40B.

As a result of the negotiation process, the size of the development was scaled down from 408 units to 300, and the affordable units were increased from 25 to 50 percent of the total and targeted to a lower income group—60 percent of AMI instead of 80.

The concerns raised by town officials were largely over-estimated and unrealized (see chart 4). A dramatic increase in school enrollment did not occur and, in fact, according to Michael Stanton, principal of Boyden Elementary, “[The Preserve] has brought a lot to the school in a positive sense ... the school is more diverse...This is an encouraging sign that the original intent of the law—to combat some of the racial and economic segregation that exclusionary zoning practices can encourage—is being realized.”

Town officials admitted that the controversy surrounding The Preserve helped them better understand the town’s need for affordable housing and they articulated a commitment to creating smaller-scale affordable housing developments.

h6. Common Themes

In all four developments, either the articulated pre-development concerns did not materialize or they were far less serious than had been anticipated (e.g., school enrollments or impacts on water/sewer). In each case, resident input, even under contentious circumstances, resulted in improvements in the overall design of the developments. While resident involvement can serve to delay a development, it can also result in a higher level of acceptance, greater continuity with the existing neighborhood, and prevention of real problems. For example, the Wellesley zoning board responded to resident concerns by insisting on various requirements to mitigate potential environmental, drainage, and traffic impacts. The Newton zoning board did the same with conditions to monitor the engineering, landscaping, and contracting decisions of the developer.

The public nature of the approval process served to heighten awareness of the need for affordable housing in the various communities. But this side-benefit may not translate into support for future developments. Although there were repeated comments about how much each development sensitized the community to housing needs, with some opponents going on to become housing advocates, a subsequently proposed five-unit development in Wellesley, with just one affordable unit, met with significant opposition. But in Weston, a 69-unit development (including 7 affordable units) encountered little opposition.

A study based on four developments cannot be viewed as conclusive, but it certainly bolsters the econometric studies that have found few negative effects to well-constructed and well-designed affordable housing. While resident input must be taken seriously, and encouraged, it is critical that researchers continue to explore the actual impacts of these developments. So far, we conclude that many of the common fears about affordable housing are either overstated or simply wrong.

**CHART 4: THE PRESERVE**

CONTROVERSY	CONCERNS	OUTCOMES
<b>School Impacts</b>	Influx of 260–564 new students creating a crisis state for the district.  Need to hire 13 new teachers.	90 additional students (2008–2009), who appear to have been accommodated well.  1.5 staff positions created for English language learners.
<b>Emergency</b>	Response times will	No major incidents;



<b>Services and Pedestrian Safety</b>	be a problem due to distance from center of town and from increased traffic during stadium events.	Gillette Stadium pays for police and fire calls at The Preserve during events.
	Insufficient water pressure for firefighting.	Sufficient pressure; no problems experienced.
	Lack of sidewalks.	No incidents reported; sidewalks were not required for other commercial and market-rate developments.
<b>Sewer and Water Capacity</b>	Sewer system will fail with increased demand.	Demand was remedied with pump system.
	Development will consume 200,000 gallons of water/day.	Average consumption is 35,000 gallons/day.
	Infrastructure improvements will not be made before the development is completed.	All improvements were completed before project completion.
<b>Inconsistency with Community Planning</b>	Loss of 42 acres that could have been used for economic development	Town advertised many opportunities and spaces for commercial development after construction of The Preserve.
	Loss of commercial tax revenue.	Development generates approximately \$371,000 in tax revenue per year.

Rachel G. BRATT is a Professor in the Department of Urban and Environmental Policy and Planning, Tufts University.

Alexandra DeGenova, Brendan Goodwin, Shannon Moriarty, and Jeremy Robitaille were, at the time this research was undertaken, M.A. candidates at Tufts; all have since completed their graduate degrees.

[More information about Rachel G. Bratt, Alexandra DeGenova, Brendan Goodwin, Shannon Moriarty, and Jeremy Robitaille](#)

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- The full report on which this article is based can be found at: [http://www.nhi.org/go/CHAPA/40BStadiumValues?A Review of the Literature](http://www.nhi.org/go/CHAPA/40BStadiumValues?A%20Review%20of%20the%20Literature), by Mai Thi Nguyen. *Journal of Planning Literature*, 2005.
- ["Does Affordable Housing Detrimentially Affect Property Values? A Review of the Literature."](#) by Mai Thi Nguyen. *Journal of Planning Literature*, 2005.
- [Effects of Mixed-Income, Multi-Family Rental Housing Developments on Single-Family Housing Values.](#) by Henry O. Pollakowski, David Ritchay, and Zoe Weinrobe. MIT Center for Real Estate, 2005.
- [The Fiscal Impact of Mixed-Income Housing Developments on Massachusetts Municipalities.](#) by Eric Nakajima, Kathleen Modzelewski, and Allison Dale. The University of Massachusetts Donahue Institute, 2007.

**COMMENTS** [Susan Stott](#) 6 Nov 12, 5:21 pm I think there was a study done by MIT on 40B's showing no impact on property values 10-15 years ago. Using statistical analysis it compared values in an area around several 40b's before and after their development showing no statistically significant change.

[Mitzi Barker](#) 3 Dec 12, 3:22 pm The Denver Regional Council of Governments (DRCOG) did a study in the early 1980s comparing property values of properties in the vicinity of an affordable housing development before and after the occupancy of the affordable housing and concluded that there was no statistically significant variance.

[S Conley](#) 11 Apr 14, 6:36 pm While 40b housing is a good thing what happens in a 40b condo development when the expenses are not shared equally? 40b units pay substantially less. Who picks up the majority of maintenance costs and additions to capital reserves?

[Susan Stott](#) 14 Apr 14, 9:48 am I have a good friend living in a market rate unit in a 40b development. When she asked me what to say to other residents who complained the 40b units were not paying their fair share in condo fees my answer was, the market rate units (much lower cost than other housing in my town) would not be there without the affordable units. Leads to a good philosophical conversation about what is fair?  
Susan

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