



LOCAL IMPLEMENTATION Implemented on Cape Cod

OVERVIEW

M.G.L. Chapter 40Y allows for creation of Starter Home Zoning Overlay District(s) where a community determines they may be appropriate. Within the approved 40Y district, 10% of the units must be affordable to households earning 110% of AMI. This requirement only applies to proposed developments of more than 12 starter homes. The districts must be approved by Executive Office of Housing and Livable Communities (EOHLC) upon finding that the District complies with all requirements of a 40Y district and any conditions set by EOHLC for approval. Similar to 40R districts, a one-time zoning incentive payment upon approval entitles a town to between \$10,000 and \$600,000 in state funding, plus an additional \$3,000 for each home created in the starter home zoning district. The starter home district must be adopted by Town Meeting/Town Council like other zoning bylaws.

CHALLENGES ADDRESSED

- Not Allowed to Build Multi-family Housing
- Too Expensive to Build New Housing
- Too Expensive to Secure or Maintain Housing
- Hard to Find Year-round Housing

POTENTIAL BENEFITS & CONSIDERATIONS

- Projects developed in 40Y districts may be more financially viable given the more flexible affordability requirements compared to projects developed in 40R districts or under Chapter 40B
- The 40Y district does not need to be in contiguous areas
- 40Y is a relatively new law, so there are few precedent districts
- Developing a 40Y district requires the time and effort associated with zoning changes
- Significant community engagement may be needed for successful adoption of the starter home district at Town Meeting/Town Council

RESOURCES

Mass. General Laws c.40Y - The state has yet to release guidance on the statute. As such, the law itself is currently the best resource. Towns wishing to create a 40Y district should reach out directly to the Executive Office of Housing and Livable Communities.

KEY REQUIREMENTS OF STARTER HOME DISTRICTS

An eligible starter home zoning overlay district can be any location that a community determines is suitable. Among other elements:

- Starter home districts must allow permitted by-right density of at least 4 dwelling units per acre of developable land area
- At least 50% of starter homes in the district must have 3+ bedrooms
- A starter home is defined as “a single-family home not exceeding 1,850 square feet in heated living area”
- Accessory Dwelling Units (ADU) of up to 600 sf can also be allowed if a community desires, as long as the ADU is on the same lot as the primary use Starter Home

Visit the Commonwealth’s website for full details: <https://www.mass.gov/lists/mass-general-laws-c40y>