

Sammie Kul

From: Takashi Tada
Sent: Monday, March 11, 2019 12:42 PM
To: Sammie Kul
Cc: Mark Haddad
Subject: final CPC application - FY20 Housing Coordinator funding
Attachments: CPC FY2020 Housing Coordinator Application-Final-signed 3-11-2019.pdf; Groton Housing Production Plan 2014_FINAL.pdf

Dear Sammie and CPC members,

Please find attached the final application to the CPC for continued funding for the Housing Coordinator position in FY2020. In response to the CPC's feedback following the February 11th public hearing, please note the following:

- Annual report – The draft application submitted in January included an annual report for the 2018 calendar year prepared by the Housing Coordinator. However, the report was not clearly labeled as one of the attachments. In this final application, all of the attachments are clearly labeled and separated by divider sheets. Please note that the Housing Production Plan (Attachment E) is included as a separate attachment to this email.
- Breakdown of benefits in budget estimate – The budget estimate provided in the January draft application indicated that the amounts were based on the CPC's 62.5% share of the total benefits for Fran Stanley, who serves as Housing Coordinator (25 hours or 62.5%) and Assistant Town Clerk (15 hours or 37.5%). In this final application I have highlighted the cells in the budget estimate table, Attachment B, that indicate the CPC's 62.5% share.
- Letters of support – In Attachment D you will find letters of support from the Planning Board, Housing Partnership, and Affordable Housing Trust.
- PDF format – The application is attached in PDF format, along with a second PDF consisting of the Housing Production Plan.

Thank you for your consideration!

Sincerely,
Takashi

Takashi Tada
Land Use Director/Town Planner
173 Main Street
Groton, MA 01450

(978) 448-1105
ttada@townofgroton.org

Please be advised that the Massachusetts Secretary of State considers e-mail to be a public record, and therefore subject to the Massachusetts Public Records Law, M.G.L. c. 66 § 10.



TOWN OF GROTON

173 Main Street
Groton, Massachusetts 01450
Tel: (978) 448-1105
Fax: (978) 448-1113

LAND USE DEPARTMENT

March 11, 2019

Carolyn Perkins, Chair
Community Preservation Committee
173 Main Street
Groton, MA 01450

Dear Ms. Perkins and Committee members,

Please find attached the final application to the CPC for continued funding for the Housing Coordinator position in FY2020. In response to the CPC's feedback following the February 11th public hearing, please note the following:

- Annual report – The draft application submitted in January included an annual report for the 2018 calendar year prepared by the Housing Coordinator. However, the report was not clearly labeled as one of the attachments. In this final application, all of the attachments are clearly labeled and separated by divider sheets.
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- Letters of support – In Attachment D you will find letters of support from the Planning Board, Housing Partnership, and Affordable Housing Trust.

Thank you for your consideration!

Sincerely,

Takashi Tada
Land Use Director/Town Planner

Cc: Mark Haddad, Town Manager

11. CPA PROJECT APPLICATION FORM

[CPC Use Only: Date Received 3/11/19 By: SAMMIE KUL
Assigned CPC #2020- 12]

If possible, use word processor to fill out form. Please answer all questions, use "N/A" if not applicable.

1. a.) Applicant Name and Organization: Last HADDAD First MARK
Organization(s) (if appropriate) TOWN OF GROTON
- b.) Regional Project: Yes ☐? or No? ☒ If Yes, Town/Organization: _____
2. Submission Date: 01/14/2019
3. Applicant Address: St. 173 Main Street
City/ State: GROTON ZIP: 01450
4. Ph. # (978) 448-1111 Email: mhaddad@townofgroton.org
5. CPA Purpose. Check all that apply:
Community Housing ☒ (Affordable Housing: ☒) Historic Preservation ☐ Open Space: ☐
Recreation ☐
6. Town Committee or boards participating: Select Board, Affordable Housing Trust, Housing Partnership, Planning Board, ZBA
7. Project Location/Address: Town Hall, 173 Main Street, Groton
8. Project Name: HOUSING COORDINATOR
9. Additional Responsible Parties (If applicable):

Role (specify)	Name	Address	Ph. (w) (cell)	Email
Property/Site Owner				
Project Manager				
Lead Architect				
Project Contractor				
Project Consultants				
Other:				
Other				

10. As appropriate, indicate if proposal requires P&S agreement ☐ Deed ☐
Option agreement ☐ Other-describe: _____
11. a.) Assessor info. (map/ block/ lot id.(s)): n/a b.) Tax classification type: n/a
12. Permits required: Zoning: ☐ Historic Preservation: ☐ Other: _____
13. Historic Commission Approval signoff (when required): _____ Date: _____
14. Funding: a.) Requested from CPC: \$ 48,600.20 b.) Committed from other sources: \$ 0.00
c.) Annual anticipated total income: \$ 0.00 d.) Annual anticipated total expense: \$ 0.00
d.) Anticipated net income (loss): \$ 0.00 e.) Estimator name/company: n/a
15. CCP Objectives - use codes from **Section 5** to indicate all that apply: 5.2.1
16. Project Timelines: Proposed Start Date: 07/01/2019 Projected Complete Date: 06/30/2020
17. Estimated Delivery Date of Completion Report to CPC: 12/01/2020

18. Project description and explanation (attach additional sheets as needed): _____

See Attachment A - Housing Coordinator Narrative.

19. Feasibility: See Attachment A - Housing Coordinator Narrative.

20. List of attachments: Attachment A - Housing Coordinator narrative; Attachment B - FY2020 Estimated Budget; Attachment C - Housing Coordinator 2018 Annual Report; Attachment D- Letters of support from Planning Board, Housing Partnership, and Affordable Housing Trust; Attachment E - Housing Production Plan 2014-2019

21. Additional Information: _____

22. Management Plan: The Housing Coordinator position is managed jointly by the Town Manager and the Land Use Director. Budgeting, hiring, policy setting, and general oversight are the Town Manager's responsibility. Day-to-day supervision is provided by the Land Use Director. The Housing Coordinator's desk is situated in the Land Use Department on the second floor of Town Hall.

23. Applicant Signature: William W. Hood Date: 3-11-19

Co Applicant Signature: _____ Date: _____

Co Applicant Signature: _____ Date: _____

ATTACHMENT A
HOUSING COORDINATOR NARRATIVE

ATTACHMENT A
HOUSING COORDINATOR NARRATIVE

18. Project Description

This application requests CPA funding from the Community Housing category to fund the wages and benefits of the 25-hour/week Housing Coordinator position. The essential job functions include:

- Research funding sources available to supplement CPA funds to create affordable housing.
- Prepare and coordinate applications for state and federal resources, including housing grants and loans, assistance and public services, promote, monitor and oversee housing projects throughout the required community application process.
- Act as liaison to various housing groups including the Affordable Housing Trust, Groton Housing Authority, Housing Partnership, and regional housing coordinators group.
- Assist Town boards and committees, and private housing developers during the pre-application process for new affordable housing.
- Provide information, referrals and other support to members of the public seeking affordable housing.
- Coordinate the updating and implementation of the Housing Production Plan.
- Conduct lotteries for affordable housing units.
- Assist in the preparation of Requests for Proposals for housing projects.
- Perform other similar or related work as required.

This application meets several CPC Added Value Criteria (7.5.2):

- a) Proponent has a history of managing successful projects or can demonstrate their ability and competency to manage the project. Specifically, the Housing Coordinator position was added in 2009 and the fact that the work is done by an employee of the Town affords the Town maximum oversight and supervisory authority. The Housing Production Plan 2014-2019 is an example of the Housing Coordinator's competency to manage projects.
- b) Acquires/conserves/protects/preserves/restores/reuses resources, buildings, history threatened by inappropriate development, damage, decay, loss, etc. Depending on the project, the housing coordinator position can support projects and initiatives that conserve, protect and restore existing buildings. For example, the Housing Coordinator position did support Town efforts to renovate historic Kilbridge Antiques building (Calvin Boynton house) at 134 Main Street in the course of adding affordable units there.
- c) Also, the Groton Housing Authority provides the majority of the Groton's rental housing for residents with low and extremely low incomes. The Groton Housing Authority's state and federally funded budgets consistently underfund certain maintenance and capital improvement expenses. The Housing Coordinator position is charged with retaining existing affordable housing and so supporting adequate funding of the Groton Housing

Authority is part of that charge whether those monies come from CPC grants or other Town appropriations.

- d) Serves a currently underserved population. Housing Coordinator position provides information, referrals and other support to members of the public seeking affordable housing. Those requests range from low and moderate income people seeking rentals, moderate income people seeking homeownership, people with disabilities seeking supported or accessible housing.
- e) Preserves the essential character of the Town. The Commonwealth's Chapter 40B mandates creation of ten percent of affordable housing by each municipality. Communities who have not reached the ten percent goal are subject to development projects that override many elements of local zoning. The Town of Groton is directing its own preferred ways of creating affordable housing by having flexible development zoning provisions, housing trust investment in certain affordable housing developments, and also the labor of the Housing Coordinator position to monitor the development of and retention of the Town's stock of affordable housing which allows the Town to assert its interests in a timely way. Directing and shaping development plans that include affordable housing can result in finished projects that are less land consumptive, promote re-use of existing buildings, and align with the essential character of the Town.

19. Feasibility

The continuation of the Housing Coordinator position is feasible because it is an existing staff position that has been very successful since it was established in 2009. The expansion to 25-hours per week in FY 2015 has enabled the Housing Coordinator to take on more projects and provide more services to those in need of housing.

ATTACHMENT B
HOUSING COORDINATOR
FY2020 ESTIMATED BUDGET

**ATTACHMENT B
HOUSING COORDINATOR
FY 2020 BUDGET ESTIMATE**

WAGES			
FY 2019 HOURLY RATE	FY 2019 ANNUAL WAGES	FY 2020 ESTIMATED INCREASE (4%)	FY 2020 ESTIMATED ANNUAL WAGES
\$27.07	\$35,191.00	\$1,407.64	\$36,598.64
		Subtotal Wages	\$36,598.64
BENEFITS			
	FY 2019 HEALTH INSURANCE	FY 2020 ESTIMATED CHANGE	FY 2020 ESTIMATED HEALTH INSURANCE
			(at 62.5% for CPC)
	\$7,032.00	-\$3,341.25	\$3,690.75
			FY 2020 MEDICARE (1.45% OF WAGES)
			(est. \$48 per quarter)
			\$192.00
			FY 2020 LIFE INSURANCE
			(at 62.5% for CPC)
			\$23.28
			FY 2020 RETIREMENT ALLOCATION
			(per Treasurer's report)
			\$8,095.53
		Subtotal Benefits	\$12,001.56
		TOTAL FY 2020 BUDGET ESTIMATE	\$48,600.20

Disclaimer: Please note that this proposed budget is an estimate only.

ATTACHMENT C
HOUSING COORDINATOR
2018 ANNUAL REPORT



Town of Groton
173 Main Street
Groton, MA 01450

Fran Stanley
Housing Coordinator
fstanley@townofgroton.org
978.732.1913

Attachment C - Annual Report 2018

Date: December 20, 2018
To: Carolyn Perkins, Chair of the Community Preservation Committee
From: Fran Stanley
RE: Fiscal year 2019 report

This report will focus on affordable housing activities in Groton. Also, there will be some references to state actions that are expected to impact the Town.

People seeking affordable housing for themselves and their loved ones frequently contact the Housing Coordinator for support and information. The Housing Coordinator follows up on complaints, if any, or any concerns expressed about the operation of subsidized apartment complexes in Town. Groton participates in a regional housing network comprised of volunteers, planners and housing coordinators. Participants in the housing network share information and advice on a variety of housing matters.

This position provides administrative support to the Affordable Housing Trust and reports to the Planning Board as needed on the status of affordable units.

The municipality has some responsibility for all of the affordable housing in town. As a part of that role, the Housing Coordinator monitors a number of homeownership units to ensure that all deed requirements are met. Common monitoring tasks are reviews of capital improvement requests, refinancing and resales.

New affordable homeowners often have questions about the operation of condominium associations, property taxes and developer responsibilities.

Subdivision build-outs and the SHI

In 2018, the Massachusetts housing market was strong throughout the year despite rising mortgage interest rates and recent stock market losses.

The developer of the existing subdivision Academy Hill is building its last two (2) affordable units. One condominium unit has an expected completion date for January, 2019 and the other should be finished by March, 2019.

At the Boynton Meadows subdivision, the final affordable unit closed in November.

At the Reedy Meadow Estates subdivision, both of the required affordable units were sold to approved buyers this summer.

As these new affordable units are sold in accordance with DHCD policies, the last requirement for a subsidized homeownership unit has been met. As this point, the Housing Coordinator applies to have each new unit added to the Town's Subsidized Housing Inventory (SHI).¹

¹ All eligible units have been submitted for inclusion on Groton's SHI.

Current and Future Plans

The Select Board now has a “friendly 40B” policy in place. The developer who was expected to propose a friendly 40B development at 372 Townsend Road revised his plans. Natural Heritage rare species considerations greatly reduced the developable land on the site. As a result, the developer scaled back subdivision plans to a smaller 9-unit project without an affordable component.

The Commonwealth of Massachusetts is planning the partial consolidation of public housing authorities in the towns of Groton, Littleton and Westford. The Groton Housing Authority Board of Commissioners is presently reviewing a plan to regionalize management services only. If approved, then Westford (73 units), Littleton (60 units) and Groton (37 units) will all share management services that will be administered out of the Westford Housing Authority. Westford is the largest office in terms of number of units served. These towns have close proximity, some shared characteristics and are all of a relatively small size for housing authorities.

There is a pending Community Preservation Committee (CPC) application to update the Town's Housing Production Plan which expires June 30, 2019. Policy makers consider it a best practice for all municipalities to create and maintain a current Housing Production Plan.

There is a pending Community Preservation Committee application to fund a housing feasibility study for age 55 and older mixed income housing at the Groton Country Club. A ground lease for a housing development has been suggested, but some people have even imagined selling the entire recreational facility. There are many decisions to be taken before the Town will be in a position to allow housing to be built on this municipally owned site. Townspeople will need to agree on a vision for the entire site in order to determine whether housing would be desirable at this location. Apart from the CPC application, a preliminary engineering look at sewer connections, roads and topographical considerations has been approved and the results are expected to assist with early planning decisions.

Thank you for your interest in Groton's affordable housing.

ATTACHMENT D

LETTERS OF SUPPORT FROM:

PLANNING BOARD

HOUSING PARTNERSHIP

AFFORDABLE HOUSING TRUST



TOWN OF GROTON

173 Main Street
Groton, Massachusetts 01450
Tel: (978) 448-1105
Fax: (978) 448-1113
Planning@townofgroton.org

Office of the
PLANNING BOARD

MEMORANDUM

DATE: January 10, 2019

TO: Community Preservation Committee

FROM: Planning Board

RE: Support for Housing Coordinator funding application

The Planning Board voted on October 25, 2018, to support the application submitted by the Town Manager for funding for the Housing Coordinator position (25 hours per week).

The Planning Board relies upon the Housing Coordinator to assist in the implementation of the Inclusionary Zoning provisions required with special permits for residential development. The Housing Coordinator is involved in the preparation of Regulatory Agreements, Monitoring Agreements, and in some cases acts as lottery agent for units created under local zoning. Such documentation is required by the Department of Housing and Community Development (DHCD) so that the "Local Action Units" will count on the Town's subsidized housing inventory.

The Housing Coordinator participates in Land Use Committee (pre-submission) meetings and Planning Board meetings, as needed, to help keep developers and the construction of the affordable units on track and provides guidance to the Planning Board on affordable housing issues. Once new affordable units are in use, the Housing Coordinator position fulfills the Town's monitoring role to provide homeowner support, ensure compliance with deed restrictions, and assist with resales.

In addition, the Housing Coordinator position provides staff support to the Affordable Housing Trust and the Housing Partnership, and participates in a regional housing network. With an improved economy and an aging population, there appears to be renewed interest in building

residential units targeted at certain demographic sectors. Affordable housing is expected to be a significant component of these forthcoming plans.

The Housing Coordinator was instrumental in preparing the Town's 2014-2019 Housing Production Plan, which was approved by DHCD. The Housing Production Plan is due to be updated, and the Housing Coordinator has begun laying the groundwork for this update.

The Planning Board believes the Town has been well served by the Housing Coordinator. The Board urges the Community Preservation Committee to recommend continued funding of this position at the 2019 Spring Town Meeting.



Housing Partnership
Town Hall
173 Main Street
Groton, Massachusetts 01450
(978) 448-1105

January 25, 2019

Community Preservation Committee
Town of Groton
173 Main Street
Groton, MA 01450

RE: Housing Coordinator

Dear Committee Members,

On January 24, 2019, at a duly posted meeting of the Housing Partnership, a unanimous vote in favor was taken to support the application by the town for the continued funding of the position of Housing Coordinator. This position is critical to Groton maintaining compliance with its affordable housing plan on file with the Commonwealth's Department of Housing and Community Development. The Housing Coordinator also serves as the point person for townspeople seeking information about affordable housing options within our community as well as to prospective developers who are looking to add affordable units to their projects. It is our view that without a position dedicated to this vital function, Groton would fall behind in maintaining compliance with its affordable housing plan and would thereby lose credible influence in how the town addresses this need.

On behalf of the Housing Partnership, your past and future support of the Housing Coordinator position is greatly appreciated.

Sincerely yours,

Peter S. Cunningham, Chairman
Housing Partnership

3/8/2019

Carolyn Perkins, Chair
Community Preservation Committee
173 Main Street,
Groton, MA 01450

RE: Support for Housing Coordinator funding

Dear Ms. Perkins and CPC members,

I am pleased to offer this letter in support of continued funding for the Housing Coordinator position using Community Preservation Act (CPA) funds. The Affordable Housing Trust ("the Trust") has been well served by the Housing Coordinator over the years.

In the past year the Housing Coordinator, Fran Stanley, assisted the Trust in exploring the potential for new opportunities such as building mixed income housing at the municipally owned Groton Country Club or purchasing existing residential structures for conversion to affordable rentals. She also conducted research for the Trust on tax credit financing of affordable housing, as well as income limitations established by various state/federal housing subsidy programs. The Housing Coordinator continued to update the Trust on the approved affordable units at Boynton Meadows, Reedy Meadow Estates, and Academy Hill. In addition, she kept the Trust informed about prospective Local Initiative Projects (LIP or "friendly 40B") on Townsend Road and Gratuity Road.

The Housing Coordinator is an asset to the Town of Groton in general, and the Affordable Housing Trust in particular. On behalf of the Trust, I urge you to recommend continued CPA funding for the position. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart Schulman". The signature is fluid and cursive, with the first name "Stuart" and last name "Schulman" clearly distinguishable.

Stuart M. Schulman, Chair
Affordable Housing Trust

ATTACHMENT E
HOUSING PRODUCTION PLAN
2014-2019

Town of Groton, Massachusetts

Housing Production Plan 2014-2019



GROTON LAND USE DEPARTMENT

January 2014

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1. INTRODUCTION

A. BACKGROUND

Groton is a beautiful town forty miles northwest of Boston, surrounded by the towns of Dunstable, Tyngsborough, Westford, Littleton, Ayer, Shirley, Townsend, and Pepperell. Compared with many Massachusetts communities, Groton has experienced rapid growth in the past twenty years. Together, Groton and Dunstable (the town's regional school district partner) have gained population faster than any of the surrounding northern Middlesex County towns.

Groton has a strong track record for protecting open space and natural resources, and it has been resourceful at creating affordable housing, too. Unlike towns close to Boston, where high housing demand and adequate infrastructure have attracted many comprehensive permit developments, Groton has had to do more on its own to provide affordable housing. By adopting zoning incentives, granting special permits, investing Community Preservation Act (CPA) funds, working cooperatively with developers, and making creative use of tools such as Chapter 43D, the Expedited Permitting Law, Groton has created many affordable housing units that would not have been built without the resourcefulness of town government.

Despite market obstacles, Groton has created more low- and moderate-income housing since the Town's first housing plan was prepared in 2004. The majority of these new units were created under the Town's own zoning regulations, not with Chapter 40B comprehensive permits. The following units were added to Groton's Chapter 40B Subsidized Housing Inventory (SHI) between 2004 and 2013:

- Fawn Terrace; 2 homeownership units
- Groton Residential Gardens (Comprehensive Permit); 11 homeownership units
- Sandy Pond Road; 9 rental units
- Lowell Road; 1 homeownership unit
- 698 Townsend Road; 2 homeownership units
- Academy Hill; 3 homeownership units
- Longfellow Place; 2 homeownership units
- Squannacook Hill (Comprehensive Permit); 5 homeownership units (on and off the Subsidized Housing Inventory)
- Seven Hills Group Homes: 5 units

Though not yet listed in the SHI, Groton's recent support for an innovative project on Main Street, Boynton Meadows, made it possible for a foreclosed historic building to be redeveloped with housing and commercial space. Upon completion, the project will add three affordable units to Groton's SHI and preserve 1.5 acres of open space in the center of town. The fifteen market-rate units to be constructed behind the historic building helped to make the entire project feasible, but the project would not have happened without Groton's decision to provide a \$412,000 CPA subsidy from the Affordable Housing Trust.

B. PRIORITY NEEDS

The purposes of this Housing Production Plan are to increase Groton's inventory of low- and moderate-income housing, address local and regional housing needs, and reduce barriers to affordable housing production. Toward these ends, the plan is intended to help Groton create more affordable housing on a gradual but steady basis, consistent with the state's housing plan regulations at 760 CMR 56.03(4) and the goals and policies of the Groton Master Plan (2012).

Groton's location in a relatively high-growth region, its rural beauty, and its excellent schools make it attractive to developers of market-rate housing. Over time, Groton has adopted some important regulatory tools to promote housing diversity and affordability within market-rate developments, but it is not easy to create affordable housing even under Groton's reasonably successful rules. Whether in Groton or other Massachusetts towns, it is particularly difficult to create housing for the individuals and families with the greatest needs because the subsidies required to help them have all but disappeared – or the limited public resources that are still available do not begin to meet demand. The significant, unmet housing needs in Groton and throughout the region include:

- Deeply subsidized rental units for low-income families: units rarely built under any form of regulatory relief except by public agencies and private non-profit housing development organizations;
- Subsidized and modestly priced studio apartments and single-room occupancy units for one-person households with low or moderate incomes;
- Deeply subsidized rental units for senior citizens;
- Homeownership units for moderate- and median-income households; and
- Universally accessible units.

C. SUSTAINABILITY

The Groton Master Plan (2012) is a **sustainability** plan. For housing and residential development, the Master Plan's key sustainability recommendations include:

- **Equitable housing choices** at all market levels are integral to sustainability, not a byproduct of it. Offering a wider variety of housing in appropriate locations will help Groton achieve its

sustainability goals by bringing people close to goods and services, jobs, and transportation, and by building diverse neighborhoods.

- **Providing affordable housing is far more than a state "mandate."** Access to housing is a fundamental prerequisite to basic human rights. People without the means to house themselves have difficulty accessing jobs, education, and health care: elements of personal security that people with suitable housing take for granted. By providing realistic ways for developers to create new affordable units, Groton will be able to increase its supply of housing for lower-income people and reduce barriers to population diversity.
- **Encourage or require green building practices.** Steps to encourage or require green buildings would further Groton's interests in reducing consumption of non-renewable energy sources and conserving water.
- **Provide for more housing in and around the villages.** Concentrating housing near goods and services would help to reduce auto-dependency (if safe, suitable, and accessible pedestrian facilities are available) and may help to reduce or delay development pressures on undisturbed land and agricultural land.
- **Promote compact development and mixed uses.** Groton's very low-density, segregated land use pattern contributes to its high cost of government services per capita, which in turn reduces affordability for older citizens and young families.

These policies have guided the development of Groton's affordable housing plan.

D. CHALLENGES AND OPPORTUNITIES

Groton is part of a cluster of affluent communities along the western edge of Middlesex County and northern Massachusetts. The wealth that exists here is significant, for Middlesex County is among the top fifty counties in the nation for median family income. Whether maturely developed like Lexington and Wellesley or still having remnants of rural character like Groton and Stow, the prestigious suburbs of Eastern Massachusetts find it very difficult to create and preserve affordable housing. Extraordinarily high land values and a market that favors the production of large, high-end homes frustrate the efforts of affordable and fair housing advocates throughout the region. Not surprisingly, most of these communities do not have anywhere near the number of affordable units they would need in order to meet the 10 percent minimum under Chapter 40B.

Groton has other challenges, too. For example, while Groton owns a considerable amount of land, most of it is protected by conservation restrictions that prohibit future development. Historically, Groton had more wealth diversity among its residents. Nineteenth and twentieth century farms and a farm economy supported moderate-income people who could afford to live and work in Groton. Farmers were land rich, but not cash rich. Over time, the farms that once dotted the region no longer supported families living in town. Many of the mill workers that lived in West Groton left long ago, too. Groton has grown as a place for commuting professionals to raise children. The town has made substantial investments in public schools and raised taxes to maintain a

competitive school system. Increasing property tax assessments have had and continue to have the effect of pushing lower and fixed-income households out of town. Many Groton residents regret this gradual loss of wealth diversity. In a way, the land wealth of former farm families has transferred to the Town in the form of conservation land.

In addition, Groton contends with local capacity challenges that are a function, at least in part, of being a small town. A limited number of volunteers actually participate in housing policy, production, and preservation decisions. The town benefits from their involvement. However, volunteer efforts need to be coordinated, and Groton's government - though somewhat centralized - is nevertheless small. Groton's small population also contributes to the limited funds available for affordable housing preservation and development. Community Preservation Act (CPA) revenue is largely determined by the number of property taxpayers in a given town.

Finally, Groton's approach to zoning for a variety of housing, including affordable housing, is both an asset and a potential liability. Its basic zoning places almost the entire town in a single large-lot district. While this may serve the town's growth management interests, it is not conducive to affordable housing development. However, Groton has made innovative use of tools such as transfer of development rights and town center zoning to provide for a mix of housing and commercial development.

1. Perceptions of Housing Needs

Groton residents are justifiably proud of where they live. The town is beautiful and historic, with quintessential New England buildings and landscapes that residents have worked hard to preserve and protect. Groton is a mix of long-time residents and newcomers who chose Groton for its high quality of life and strong public schools. While some residents think the town needs more economic diversity, not everyone agrees. Some want to keep Groton just the way it is, even if doing so means that Groton will continue to evolve as an exclusive suburb. Still, even among those with life-long connections to the town, there are young adults, families, and seniors who want to stay in Groton, or move back, but cannot afford to do so. Multi-generational living is becoming an economic necessity for a growing number of families in Groton. Adult children with their own children are moving in with parents, and seniors are moving in with their adult children and grandchildren. As one service provider said in an interview for this housing plan, "The last four years have taught many of us that we are all a lot more vulnerable than we thought."

Over the years, thoughtful town administration and planning have recognized Groton's need for more housing options for all income and age levels. Most notably, Groton has built affordable senior and family rental housing at Petapawag Place, Groton Commons, and Winthrop Place. These and other developments have helped to bring Groton's Chapter 40B Subsidized Housing Inventory (SHI) to 5.2% (204 affordable units). Despite the efforts of Groton and other towns to increase the region's supply of affordable housing, local and regional need is outpacing unit creation. The Groton Housing Authority (GHA) reports a two- to four-year waiting list for senior rental housing and ten- to fifteen-year waiting lists for accessible and family rental housing. Social service providers who help people find housing in Groton report that the greatest need is for one, two, and three bedroom rental units. Accordingly, the GHA has been conducting feasibility studies to develop twelve units of family rental housing on 14 acres of land conveyed by the town.

An understandable frustration exists when housing built for low- or moderate-income households sits vacant or fails to meet Massachusetts Department of Housing and Community Development (DHCD) approval for the SHI. Homeownership vacancies have been problematic in most towns due to decreasing market-rate prices and tight home mortgage lending; conditions beyond Groton's control. Still, obtaining DHCD approval for SHI units *is* in the town's control and must be a top priority. At a policy level, Groton favors flexible zoning, limited use of creative zoning tools, and the Local Initiative Program (LIP) as the preferred instrument for creating affordable housing, and Groton is not alone in this regard. Many small towns like Groton take a similar approach. The upside is that local officials and residents feel ownership of the process and the results; the downside is that LIP puts more responsibility on the town – including responsibilities that would otherwise be the developer's problem in a conventional comprehensive permit. The trade-off for relying on LIP to create SHI-eligible housing is that Groton has to work more closely with DHCD from concept through completion to ensure that the design, construction, and regulation of each low- or moderate-income unit will satisfy SHI requirements.

It is worth noting that a few interviewees thought the state should “count” Groton's lower-priced market-rate housing on the SHI. However, market-rate housing that is less expensive by virtue of being small, needing updating or rehabilitation, or being located on substandard lots, is not eligible for the SHI and does not reduce the town's obligations under Chapter 40B. DHCD has a variety of requirements for SHI-eligible affordable housing: design, construction, and housing quality requirements as well as a legally enforceable deed restriction that protects affordability over time.

2. Groton's Affordable Housing Trust Fund

In 2010, Groton adopted the provisions of G.L. c. 44, § 55C and established an Affordable Housing Trust Fund. Two years later, the Trust invested in the Boynton Meadow development at 134 Main Street in the Town Center Overlay District (TCOD). This mixed-use retail and condominium redevelopment project includes three affordable homeownership units that will need LIP approval in order to qualify for listing on the SHI. Groton invested \$400,000 from its CPA fund in the project. In turn, the Trust will receive a share of the developer's profits which it can use to assist other projects in the future. On April 4, 2012, the Trust sponsored its first Housing Seminar to market existing affordable rental and homeownership opportunities in Groton. Eighteen people attended and heard from a panel of speakers about available housing opportunities, eligibility requirements, and how to qualify for affordable rental housing and mortgage products. A Merrimack Valley Housing Partnership (MVHP) home counselor and representatives from the lending community made up the panel. About half of the attendees were interested in renting and the other half in ownership.

3. Senior Housing Challenges

The average 2013 property tax assessment in Groton is \$6,681. Property taxes are especially onerous to Groton's seniors, 46 percent of whom are housing cost burdened. Thirty-two Groton seniors participate in the Tax Work-off Program, which means they receive a \$700 property tax bill reduction in exchange for “volunteering” sixty hours per year in various town offices. The town gives preference to income-qualified seniors who want to participate. A deeper form of property tax relief for eligible seniors is the Senior Property Tax Deferral Program, which defers

real estate tax payments until a property is sold or transferred, allowing housing cost burdened seniors to remain in their homes and for the town to recoup the taxes with interest at a later time. Although these programs do not create SHI-eligible housing, they are important because they help existing seniors remain in their homes as long as possible.

2. HOUSING NEEDS ANALYSIS

A community's total population includes all people counted as residents, regardless of the type of building they live in or their household or citizenship status. Since most people are members of **households**, population characteristics often approximate household characteristics. In small towns like Groton, household characteristics tend to mirror **family** characteristics because the vast majority of households are families. The mix and cost of housing, access to jobs and services, the reputation of local schools, and many other factors tend to influence the make-up of a community's households. Planning for present and future housing needs requires more attention to households than total population because households generate demand for housing.

Groton has grown quite a bit in the past twenty years, but the demographic changes that have occurred here are more noteworthy than the town's population growth rate. These changes attest to the evolution of Groton's housing market. Groton has always been a relatively affluent town, but the economic position of its households is higher today than twenty years ago, and compared with other towns in the region, the cost of Groton's housing is higher, too. Household incomes, household sizes and composition, and lifestyles have changed.

A. POPULATION CHARACTERISTICS

Groton and most of the towns around it are fairly small by Middlesex County standards. Still, while its population is small, Groton is large in area. At 32.8 sq. mi. of land, Groton is the largest town in Middlesex County and one of the largest towns in Massachusetts (state rank = 54). Groton's current population density, 324.6 people

per sq. mi., falls well below that of the county, state, and most of the immediate region. It is a town with limited infrastructure, many areas with difficult-to-develop soils, large-lot zoning, and a history of successful steps to protect open space. Together, these conditions have helped to control growth and preserve Groton's rural ambience. While Groton has grown at the second highest rate for area towns, its growth has unfolded at a relatively manageable pace.

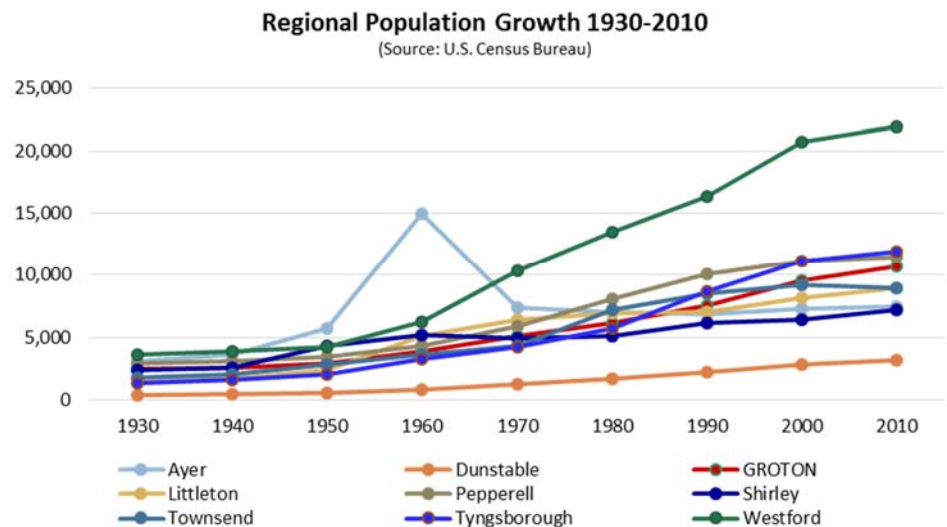


Table 2-1. Recent Population Growth 1990-2010					
Geography	Census 1990	Census 2000	Census 2010	10-Year Growth Rate (2000-2010)	20-Year Growth Rate (1990-2010)
Massachusetts	6,016,425	6,349,097	6,547,629	3.1%	8.8%
Middlesex County	1,398,468	1,465,396	1,503,085	2.6%	7.5%
Ayer	6,871	7,287	7,427	1.9%	8.1%
Dunstable	2,236	2,829	3,179	12.4%	42.2%
GROTON	7,511	9,547	10,646	11.5%	41.7%
Littleton	7,051	8,184	8,924	9.0%	26.6%
Lowell	103,439	105,167	106,519	1.3%	3.0%
Pepperell	10,098	11,142	11,497	3.2%	13.9%
Shirley	6,118	6,373	7,211	13.1%	17.9%
Townsend	8,496	9,198	8,926	-3.0%	5.1%
Tyngsborough	8,642	11,081	11,929	7.7%	38.0%
Westford	16,392	20,754	21,951	5.8%	33.9%
Source: Census 2010 Table DP-1, Census 2000 DP-1, and 1990 Census Table P01.					

1. Population Age

Consistent with national trends, Groton's population is aging. Since 1990, the over-75 population has more than doubled in Groton while the number of people between 25 and 34 years has decreased by more than 40 percent. This decline in 25 to 34-year-olds also contributed to a 16 percent decrease in children under 5 during the same period. In both cases, the changes in Groton between 1990 and 2010 are somewhat exaggerated versions of what happened throughout Massachusetts, which witnessed decreases of 23 percent among 25 to 34-year olds and 11 percent among children under 5. Although the number of seniors has increased in Groton, the fastest-growing age cohort by far consists of people between 55 and 64 years: a group that has more than tripled in size over the past twenty years. By contrast, the same age group increased 56 percent statewide.

Table 2-2. Population Age Trends in Groton 1990-2010									
Age Group	1990	2000	2010	Pct. Change	Age Group	1990	2000	2010	Pct. Change
Under 5	618	837	517	-16.3%	45-54	972	1,505	2,363	143.1%
5-19	1,671	2,436	2,750	64.6%	55-64	469	734	1,438	206.6%
20-24	435	244	384	-11.7%	65-74	351	362	584	66.4%
25-34	1,176	968	672	-42.9%	Over 75	224	306	453	102.2%
35-44	1,595	2,155	1,485	-6.9%	Total	7,511	9,547	10,646	41.7%
Source: 2010 Census Table QT-P1, 2000 Census Table QT-P1, 1990 Census Table 1									

Overall, census data seem to corroborate reports from people interviewed for this plan: the young families Groton traditionally attracted can no longer afford to move into the town. Today, Groton's population is dominated by school-age children and adults at the height of their earning years: 35 to 54 year-olds. These demographic characteristics help to explain Groton's household types, high household wealth, and commitment to providing excellent public schools.

2. Race, Ethnicity, and Culture

Groton's population is overwhelmingly white, non-Hispanic. The second largest racial group, Asians, make up slightly less than 3 percent of the total population, yet significantly, the Asian community in Groton increased 219 percent in the past ten years. The Hispanic and Latino population has also grown almost 80 percent since 2000, but the total number of Groton residents reporting Hispanic origin remains very small: 193 people. In general, Groton is far less racially and ethnically diverse than the Commonwealth or Middlesex County, but it is similar to many neighboring towns.

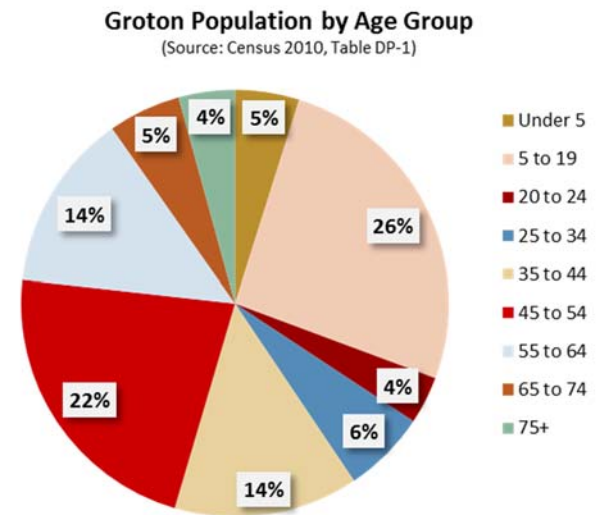


Table 2-3: Groton Population by Race and Hispanic Origin 2000 – 2010

Race/Ethnic Classification	Census 2000	Census 2010	Change
White	9,198	9,964	8.3%
Black or African American	32	45	40.6%
American Indian and Alaska Native	12	7	-41.7%
Asian	92	293	218.5%
Native Hawaiian and Other Pacific Islander	2	1	-50.0%
Other Race (Unspecified)	6	8	33.3%
Two or More Races	96	135	40.6%
Hispanic or Latino (All Races)	109	193	77.1%

Source: 2010 Census Table DP-1 and 2000 Census Table P-004

Approximately 5.5 percent of the population over 5 years speaks Spanish or another Indo-European language other than English at home.¹

3. Educational Attainment, Labor Force & Earnings

Groton's population is exceptionally well educated. In general, education levels throughout the United States have improved in the past thirty years, and Massachusetts stands out for having one of the most highly educated populations in the nation. Still, significant education disparities persist between Massachusetts cities and towns, and this can be seen in Groton's region. Almost 70 percent of Groton's adult population 25 years and older (up from 54 percent in 2000) and over 84 percent of the 25-to-64 population have at least a bachelor's degree. This high level of educational attainment is unsurprising considering the economic position of Groton households

¹ U.S. Census Bureau, American Community Survey (ACS) Five-Year Estimates 2006-2010, Table S1601.

and the relatively high earnings of its employed labor force. However, the average for the state is 38 percent (up from 33 percent in 2000). Westford is the only nearby town that approximates Groton for educational attainment. Moreover, Westford, Littleton, and Groton are the only communities in the immediate region that exceed the Middlesex County average (49 percent) for adults with a college degree or higher.²

For all Groton residents, the median annual earnings in 2010 was \$65,114, but for those with at least an undergraduate degree, it was \$90,768 and for those with a graduate or professional degree, \$96,250.³

Table 2-4: Educational Attainment					
Geography	High School Degree or Less	Some College	Associate's Degree	Bachelor's Degree	Graduate or Professional Degree
Massachusetts	38.0%	16.0%	7.6%	21.9%	16.4%
Middlesex County	31.0%	13.6%	6.1%	25.6%	23.7%
Ayer	34.8%	21.6%	8.0%	21.8%	13.7%
Dunstable	29.3%	16.2%	12.0%	27.8%	14.7%
GROTON	15.5%	9.1%	6.4%	40.9%	28.1%
Littleton	25.7%	14.6%	8.5%	27.8%	23.4%
Lowell	53.8%	16.3%	7.1%	14.9%	7.8%
Pepperell	33.7%	15.5%	11.7%	24.7%	14.3%
Shirley	49.3%	17.6%	4.3%	16.9%	12.0%
Townsend	41.4%	20.0%	9.7%	21.2%	7.7%
Tyngsborough	36.4%	15.0%	9.8%	25.0%	13.8%
Westford	16.9%	11.7%	8.0%	32.6%	30.8%
Source: 2006-2010 ACS Table S-1501					

According to the American Community Survey (ACS), Groton has a very high labor force participation rate – 71.5% – which is consistent with the Town's population age and household characteristics.

4. Disability

There is no current count or estimate of the number of Groton residents with a disability. The decennial census no longer collects disability population data because the ACS now handles this information, but the ACS has not reported disability estimates for small towns. The only source of disability data available for small communities is the 2000 Census. In 2000, the Census reported that 1,118 residents older than five (12.8 percent of the population) had at least one disability. Residents 65 and older were most likely to have a disability, and almost 36 percent of Groton's

² ACS 2005-2009, B15002, and Census 2000, Table DP-2, Profile of Selected Social Characteristics, Massachusetts and Town of Groton.

³ ACS 2006-2010, Table S1501.

seniors had at least one disability. Not surprisingly, the most common disability among Groton's older population is physical or mobility impairment.⁴ Groton has a limited inventory of accessible housing, including a percentage of the public housing units for seniors (which have a two- to four-year wait list) and a group home for adults with severe disabilities. Rivercourt, a 78-unit assisted living facility, includes 15 percent of the units for qualified low-income and adult foster care residents.

The new Groton Master Plan notes the importance of providing for accessibility throughout the Town, not only in transportation and public buildings, but also affordable and market-rate housing. Neither the Town's current zoning nor the state building code mandates universal accessibility for new single-family homes. However, new construction of housing with universal design is less expensive than retrofitting dwellings for accessibility. Building a house with universal design features may add 5 percent to total costs. Once done, universal design virtually eliminates the need for extensive remodeling or special accommodations in order to meet the accessibility needs of individuals. Without such preplanning, retrofitting a conventional home to include accessible features can be twenty times more expensive. In practice, certain proposed retrofits may be so expensive to accomplish that they are cost prohibitive.

B. HOUSEHOLDS

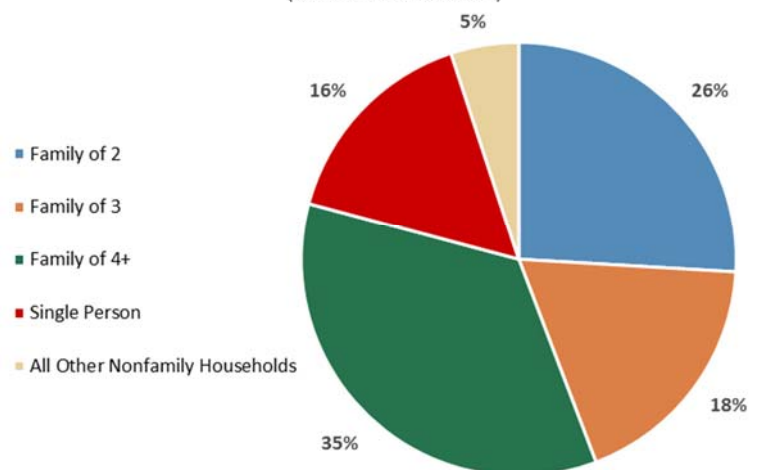
1. Household Characteristics

Communities often focus on population growth as an indicator of changing needs, but for a housing plan, the more important consideration is **household** growth. Between 2000 and 2010, the number of households in Groton increased more rapidly than the total population. The presence of many families with children in Groton and the more limited presence of older citizens and non-family households go hand in hand with the age characteristics of local householders. Compared with the state as a whole and the Boston metro area, Groton has a strikingly small share of young householders and much larger shares of householders well established

in their careers. The overwhelming majority of these mid- and late-career householders are heads of family households, and their households are far more likely to be families than non-families. In fact, the vast majority of Groton's households are **families**, or households of two or more people

Household Sizes and Types: 2010

(Source: U.S. Census Bureau)



⁴ Census 2000, Table QT-P21.

related by blood, marriage, or adoption, as shown in Table 2-5. Almost half (44 percent) of Groton's families have at least three people.

Table 2-5: Households and Families 2000-2010						
Geography	Census 2000		Census 2010		Percent Change	
	Households	Families	Households	Families	Households	Families
Massachusetts	2,443,580	1,576,696	2,547,075	1,603,591	4.2%	1.7%
Middlesex County	561,220	361,076	580,688	366,656	3.5%	1.5%
Ayer	2,982	1,773	3,118	1,831	4.6%	3.3%
Dunstable	923	798	1,063	888	15.2%	11.3%
GROTON	3,268	2,568	3,753	2,867	14.8%	11.6%
Littleton	2,960	2,217	3,297	2,409	11.4%	8.7%
Lowell	37,887	23,982	38,470	23,707	1.5%	-1.1%
Pepperell	3,847	3,016	4,197	3,116	9.1%	3.3%
Shirley	2,067	1,426	2,264	1,561	9.5%	9.5%
Townsend	3,110	2,476	3,240	2,483	4.2%	0.3%
Tyngsborough	3,731	2,949	3,999	3,057	7.2%	3.7%
Westford	6,808	5,806	7,498	6,165	10.1%	6.2%
Source: 2010 Census Table DP-1 and 2000 Census Table DP-1						

Families accounted for a slightly smaller share of all households in 2010 than 2000, but Groton still has the largest percentage of family households in the region. Homebuyers who can afford to choose Groton are attracted to the town in part by its prestigious school district. Almost half of Groton's families are married couples with children under 18 years and, as shown in Table 2-6, Groton has one of the region's largest percentages of married-couple families with dependent children (second only to neighboring Westford).

Table 2-6: Families by Type and Presence of Children Under 18						
Geography	Total Families	Married Couples	Married Couples with Children <18	Single Parents with Children <18	Average Household Size	Average Family Size
Massachusetts	1,603,591	73.5%	31.3%	13.6%	2.5	3.1
Middlesex County	366,656	78.4%	35.8%	10.1%	2.5	3.1
Ayer	1,831	70.3%	31.3%	17.1%	2.3	3.0
Dunstable	888	87.2%	44.3%	5.9%	3.0	3.3
GROTON	2,867	87.3%	47.0%	6.4%	2.8	3.2
Littleton	2,409	86.1%	43.4%	7.7%	2.7	3.2
Lowell	23,707	58.3%	26.2%	23.9%	2.7	3.3
Pepperell	3,116	81.1%	36.6%	9.3%	2.7	3.2
Shirley	1,561	80.1%	32.9%	11.0%	2.5	3.1
Townsend	2,483	81.8%	34.6%	9.7%	2.8	3.1
Tyngsborough	3,057	83.3%	39.9%	8.1%	2.8	3.2
Westford	6,165	88.2%	48.9%	6.1%	2.9	3.3
Source: 2010 Census Table DP-1						

Approximately 24 percent of Groton's households are **non-family households**, including single people living alone and two or more unrelated people living in the same house or apartment. However, the vast majority are one-person households, which helps to explain the average non-family household size of 1.36 persons. Groton and most of the surrounding towns have much smaller percentages of one-person households than either the state or the Boston metropolitan area, but they also have smaller percentages of non-family households in general. About 30 percent of the one-person households in Groton are seniors, mainly women. Since 1990, the characteristics of non-family households in Groton have changed very little.⁵

As Groton's population ages, the need for accessible and affordable elderly housing will most likely increase as well. The Groton Housing Authority (GHA) reports a two- to four-year waiting list for senior housing.⁶ Groton has nearly 300 elderly residents living alone, and 9.7 percent of the population is at least 65 years old. In the next decade alone, an additional 14 percent of Groton's residents will turn 65.

Table 2-7: Over 65 Population and Characteristics of Households with Over-65 Persons				
	65+ Population	Percent of Total Population	Households with Individuals 65+	65+ Population Living Alone
Massachusetts	902,724	13.8%	653,103	270,984
Middlesex County	197,015	13.1%	142,146	57,577
Ayer	849	11.4%	683	353
Dunstable	316	9.9%	226	44
GROTON	1,037	9.7%	763	294
Littleton	1,245	14.0%	830	328
Lowell	10,718	10.1%	7,765	3,191
Pepperell	1,123	9.8%	840	302
Shirley	672	9.3%	504	202
Townsend	856	9.6%	649	193
Tyngsborough	1,005	8.9%	746	238
Westford	2,178	9.9%	1,545	444
Source: 2010 Census Table DP-1				

2. Income and Poverty

Most Groton households seem to live comfortably. Today, Groton's median household and median family incomes rank highest in the region. Thirty-seven percent of all households in Groton have annual incomes of \$150,000 or more, and Groton has the region's largest percentage

⁵ ACS 2005-2009, B11016, and Census 2000, Summary File 1, Table.

⁶ Lisa Larrabee, Director of Groton Housing Authority, interview by Community Opportunities Group, Inc.

of households with incomes over \$200,000 (21 percent). Affluent families account for 90 percent of Groton's highest-income households.⁷

The prevalence of upper-income families in Groton can be detected in nearly every demographic measure of the town, its relationship to the region, and the ways in which Groton fundamentally differs from the economic centers that employ most of its labor force. In Groton, the median income increases by family size, and even Groton's single women with children are comparatively well off, with a median income of \$66,000. However, Groton has families that struggle, too. Nineteen percent of its families have annual incomes below \$75,000, and Groton has an isolated number of households receiving some form of public assistance. In addition, the income picture of Groton seniors is quite different from that of working-age families, for the median income of over-65 households is less than half the median household income for the town as a whole and only 39 percent of the median family income. Overall, however, the statistical picture of Groton is that of a well-resourced, highly educated and socially homogeneous community despite differences in the economic position of some of its households.

Table 2-8 shows that Groton's median household and family income far exceed the state and county medians and is the highest in the area. The family median income in Groton is more than \$131,000, and families with dependent children have higher incomes than all others. Still, there are about 100 households in Groton with annual incomes of less than \$15,000.⁸

Table 2-8: Household and Family Income				
Geography	All Households		Families	
	Percent with Income >\$150,000	Median Income	Median Income	Median Income with children <18
Massachusetts	13.5%	\$64,509	\$81,165	\$82,361
Middlesex County	18.9%	\$77,377	\$97,382	\$103,529
Ayer	8.9%	\$55,863	\$78,809	\$79,545
Dunstable	29.1%	\$113,594	\$118,913	\$117,500
GROTON	37.3%	\$123,853	\$131,620	\$147,663
Littleton	25.6%	\$103,616	\$115,388	\$136,130
Lowell	4.9%	\$50,192	\$55,852	\$48,521
Pepperell	17.3%	\$82,055	\$97,870	\$98,009
Shirley	8.3%	\$72,598	\$75,250	\$77,742
Townsend	10.9%	\$76,533	\$87,227	\$87,526
Tyngsborough	22.8%	\$95,568	\$105,908	\$104,150
Westford	37.0%	\$121,168	\$130,133	\$138,801
Source: 2006-2010 American Community Survey Tables DP-3 and B-19125				

Children and seniors are most susceptible to poverty. Though Groton's poverty rate is lower than that of the state, county, and most other towns in the area, it has residents with financial needs. Almost 4 percent of Groton's over-65 population lives in poverty, and almost 1.5 percent of

⁷ ACS 2006-2010, B19013, B19113.

⁸ 2006-2010 American Community Survey Table DP-3

families with children live below the poverty level. It can be especially daunting to be impoverished in an affluent community such as Groton. Many of the social support networks available in urban areas with high poverty rates do not extend to affluent municipalities. Apart from limited van service for seniors and other programs through the Lowell Regional Transit Authority (LRTA), Groton has no public

transportation. To access the social services offered through federal and state agencies, such as the unemployment office, food support (SNAP or WIC), health programs (MassHealth), or other emergency aid, residents must find their own way to larger population centers of Lowell or Fitchburg.

Table 2-9: Poverty Status

	Families	Families with Children	Elderly Individuals
Massachusetts	7.5%	11.5%	9.3%
Middlesex County	5.1%	7.2%	8.0%
Ayer	12.0%	11.9%	15.3%
Dunstable	3.9%	5.9%	2.7%
GROTON	1.6%	1.4%	3.8%
Littleton	2.2%	0.9%	8.7%
Lowell	15.2%	21.8%	13.2%
Pepperell	0.6%	1.2%	6.0%
Shirley	7.2%	9.7%	8.7%
Townsend	3.3%	2.6%	3.1%
Tyngsborough	3.6%	1.7%	7.6%
Westford	0.9%	0.6%	0.5%
Source: 2006-2010 ACS Table DP-3			

C. HOUSING CHARACTERISTICS

1. Physical and Financial Characteristics

Groton's housing inventory includes some 3,800 units, or slightly less than 12 percent of the region's homes. Due to its size, history, zoning, and location at the outer edge of the Boston metro area, Groton is evolving as a low-density residential community with an average of 117 housing units per square mile (sq. mi.), or 0.18 units per acre. Approximately 13 percent of all housing units in Groton are located in Groton Center, which contains a little more than 5 percent of the town's total land area.

Table 2-10: Median Value of Owner-Occupied Housing Units

Geography	2000 Census	2006-2010 ACS Estimate
Massachusetts	\$185,700	\$352,300
Middlesex County	\$247,900	\$420,800
Ayer	\$171,000	\$314,400
Dunstable	\$266,100	\$472,600
Groton	\$278,700	\$471,200
Littleton	\$243,400	\$401,800
Lowell	\$134,200	\$249,700
Pepperell	\$191,100	\$343,900
Shirley	\$163,400	\$312,000
Townsend	\$159,700	\$291,900
Tyngsborough	\$210,400	\$374,200
Westford	\$278,500	\$451,700
Source: ACS 2006-2010 Table DP-4, Census 2000 Table DP-4		

Single-family homes on fee-simple lots are the most common type of housing in Groton. The town's owner-occupancy rate is among the highest in the area, far exceeding that of Massachusetts or Middlesex County. Housing in Groton is also among the most expensive in the area. The median value of owner-occupied housing in Groton, \$471,200, is \$50,400 higher than in Middlesex County and \$118,900 higher than in the state as a whole.

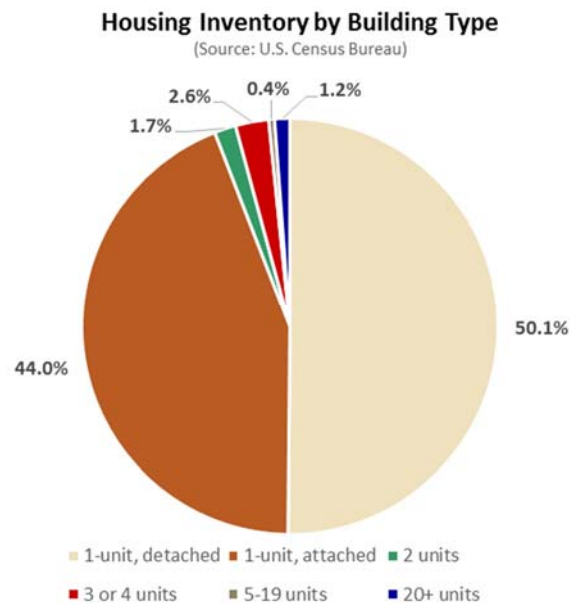
The value of Groton's housing stock relates to the age, size, and condition of most of the homes found here, and the size of the lots they occupy, too.

Although Groton has an impressive collection of historic homes, a fairly large share of its housing is new, i.e., built within the last twenty to thirty years. Regionally, Groton has the second largest percentage of housing units constructed between 2000 and 2012 (13 percent). Furthermore, over half of all housing units in Groton today were built since 1980. The presence of so much new housing has a significant impact on housing values throughout the town. In addition, the housing units in Groton tend to be quite large. Over 66 percent have seven or more rooms, which is substantial compared with conditions in most communities. Groton, Dunstable, and Westford lead the region for the spaciousness of their housing units, and as shown in Table 2-10, they lead the region's housing values, too.

Groton is not unlike its peers in terms of homeownership and median home values. Most of the communities around Groton are fairly affluent and they share many of the same characteristics: high homeownership rate, high home values, and very few rental units. The noteworthy exception is Ayer, which provides a disproportionate share of the region's affordable housing. In communities with such high affluence and low rental rates, affordable housing can be especially difficult to locate and afford. Landlords often require background and credit checks, and even with these lengthy processes, most rental property does not remain vacant for very long.⁹

2. Tenure

Groton and all of its neighbors have witnessed significant changes in housing tenure over the past twenty years. From 1990 to 2009, the number of homeowner households in Groton increased nearly 51 percent, from 2,045 to 3,083. Region-wide, homeowner households increased 39 percent, with the highest growth rate in Dunstable, at 59 percent. Against the backdrop of growth in



⁹ Bob Gosselin, Town Moderator and Real Estate Agent, Interview by Community Opportunities Group, Inc.

homeownership opportunities, the region witnessed a substantial drop in renter households. Groton, Westford, Littleton, and Pepperell all tallied renter-occupied housing losses of 18 percent or more. Today, Groton's region has 7,473 more homeowners and 835 fewer renters than in 1990.¹⁰ These changes speak to the strength of the region's housing market because in many cases, the loss of rental units occurred because of condominium conversions. In virtually every town in Groton's area, the rate of homeownership growth exceeded the rate of total housing growth. As a result, growth in owner-occupied housing was fueled not only by new housing construction but also by modernization and conversion of older multi-family dwellings to for-sale units.

In Groton today, 83 percent of all households own the home they occupy. Groton's high homeownership rate is not surprising. Most of its housing consists of detached single-family homes, which means the town is designed for family homeowners. Most of the surrounding towns are single-family home communities with very high homeownership rates, too. Ayer stands out for its sizeable inventory of renter-occupied housing. Ayer's housing units comprise about 10 percent of all units in the region (excluding Lowell), yet it houses 22 percent of the region's renters. Groton has almost 12 percent of all housing units in the region and about 11 percent of the renters.¹¹

Table 2-11: Homeowners and Renters

	Total Households	Homeowner Households	Percent Owners	Renter Households	Percent Renters
Massachusetts	2,547,075	1,587,158	62.3%	959,917	37.7%
Middlesex County	580,688	361,089	62.2%	219,599	37.8%
Ayer	3,118	1,861	59.7%	1,257	40.3%
Dunstable	1,063	996	93.7%	67	6.3%
GROTON	3,753	3,128	83.3%	625	16.7%
Littleton	3,297	2,804	85.0%	493	15.0%
Lowell	38,470	17,385	45.2%	21,085	54.8%
Pepperell	4,197	3,320	79.1%	877	20.9%
Shirley	2,264	1,669	73.7%	595	26.3%
Townsend	3,240	2,776	85.7%	464	14.3%
Tyngsborough	3,999	3,455	86.4%	544	13.6%
Westford	7,798	6,784	87.0%	714	9.2%

Source: 2010 Census Table DP-1

The homeownership rate for married couples in Massachusetts is 84 percent, but in Groton and most of surrounding towns, the married-couple homeownership rate exceeds 90 percent. In fact, Groton has the

¹⁰ 1990 Census of Population and Housing, Tables H001, H002, H003; Census 2000, Tables H1, H2, H3; and ACS 2005-2009, B25009. Note: these statistics include Shirley, where some of the renter-occupied housing decline stemmed from the closure of Fort Devens in 1995. If the entire loss in Shirley is removed from regional calculations, the net reduction in renter-occupied units is -687.

¹¹ ACS 2005-2009, B25001 and B25003.

highest married-couple homeownership rate in the area (93.7 percent). It also has one of the highest homeownership rates for single-parent families (69 percent) and non-family households (60 percent).

In small towns like Groton, non-family households usually comprise a majority of all renters and they tend to be seniors. However, "non-family" also includes single people living alone and households of two or more unrelated people. While most Groton renters are non-family households, the Town has many married-couple families in rental housing, which may seem odd for a community with such high household wealth. A closer look at demographic characteristics of renter-occupied housing in Groton shows that almost all of the married-couple renters live in single-family homes, not units developed as apartment housing. They also pay regionally high rents. Almost 50 percent of Groton's homeowners are married-couple families. More than 56 percent of renters are non-family households, which include individuals living alone and unrelated individuals living together.

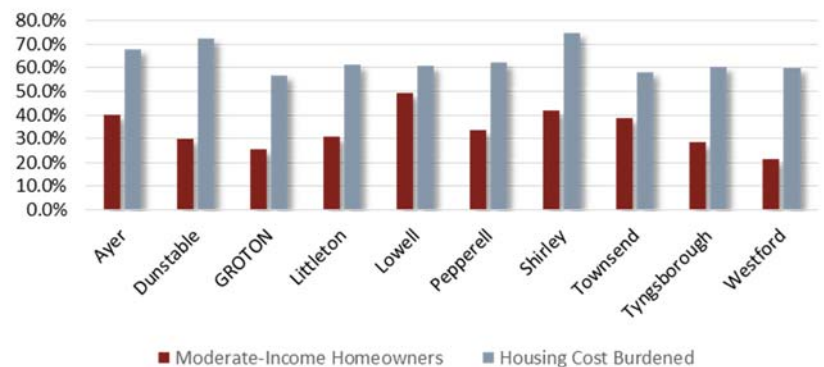
3. Housing Costs

In Groton today, the median monthly housing cost for homeowners is \$2,653. This includes mortgage principal and interest, insurance, and taxes. Most Groton homeowners have at least one mortgage, and some (about 30 percent) carry additional debt as well, e.g., a second mortgage or home equity loan. The income required to support a \$2,653 monthly housing payment, \$106,120, falls comfortably below the median household income for the Town as a whole, so it is not surprising to find

that overall, Groton does not have a large percentage of homeowners with **housing cost burden**. According to data from the Census Bureau, approximately 26 percent of all Groton households have low or moderate incomes. Of the 830 moderate-income homeowners in town, 15 percent have housing cost burdens, which is low for the region. Many but not all of Groton's moderate-income residents are senior citizens.

Similarly, Groton, does not have a large renter population, so rental housing cost burden is a smaller problem for Groton than for most of the surrounding communities. Many renters who live in other communities cannot choose Groton because the town has so little rental housing, let alone affordable rental housing. The median gross rent in Groton, \$1,171, is third highest in the immediate region.

Moderate-Income Homeowners and % Housing Cost Burdened
(Source: U.S. Census Bureau)



D. AFFORDABLE HOUSING

Most towns have some types of modestly priced housing, such as small, post-war single-family homes, multi-family units, apartments with low monthly rents, or lakeside cottages converted for year-round occupancy. These units stay affordable as long as the market will allow. Under Chapter 40B, the state's affordable housing law, all communities are supposed to have housing

that remains affordable to low-income households even when home values appreciate under robust market conditions. The units retain their affordability under a deed restriction that lasts for many years, if not in perpetuity. Both types of affordable housing meet a variety of needs. However, the market determines the price of unrestricted affordable units while a recorded legal instrument regulates the price of deed restricted units. Any household (regardless of income) may purchase or rent an unrestricted unit, but only a low-income household may purchase or rent a deed restricted unit.

Chapter 40B empowers the Zoning Board of Appeals to issue comprehensive permits for developments with low-income housing. The law establishes a 10 percent minimum for affordable units. The 10 percent measure is based on the total number of year-round housing units reported in the most recent decennial census; for Groton, this means that 393 units out of a total of 3,930 (Census 2010) must be affordable to low-income people. The Massachusetts Department of Housing and Community Development (DHCD) maintains a list of deed restricted low-income units in each city and town. Known as the Chapter 40B Subsidized Housing Inventory, the list determines whether a community meets the 10 percent minimum. It also tracks expiring use restrictions, i.e., when non-perpetual low-income housing deed restrictions will lapse. Groton's Subsidized Housing Inventory currently includes 204 low-income units (5.19 percent) as of April 2013.

A Chapter 40B comprehensive permit is a type of unified permit: a single permit that replaces the approvals otherwise required from separate local permitting authorities. The Board of Appeals may approve, conditionally approve, or deny a comprehensive permit, but in towns that fall short of the 10 percent minimum, aggrieved developers may appeal to the state Housing Appeals Committee (HAC).

Several Massachusetts communities, including Groton, have adopted special zoning that encourages or requires developers to provide low-income housing in their projects. If the low-income units meet the same requirements that DHCD imposes on comprehensive permit developments, the units become eligible for the Subsidized Housing Inventory. According to DHCD, over half of Groton's Subsidized Housing Inventory consists of units built without a comprehensive permit. They include eighty-eight rental units (not all of which are actually affordable to low-income households) in three developments and twenty-one homeownership units in several developments. In addition, Groton has used Community Preservation Act (CPA) funds for affordable housing planning and predevelopment costs.

1. Availability of Affordable Housing

Communities sometimes find Chapter 40B frustrating because they already have quite a bit of low-cost housing, yet the units do not qualify for the Subsidized Housing Inventory. However, housing units that are affordable due to their age, condition, or location are not the same as units with a deed restriction that keeps units affordable and available for low- and moderate-income people. In Groton and other towns, homeownership and rental units offered at below-market prices do not always house families with lower incomes. Units listed on the Chapter 40B Subsidized Housing Inventory have to comply with numerous requirements, including price controls and income eligibility rules, regardless of whether the units were constructed under a

comprehensive permit or an inclusionary zoning special permit. However, this is not the case for unrestricted privately owned housing.

HUD tracks and reports an affordable housing barrier known as affordability mismatch, which means housing units that are affordable but unavailable to low-income households because the units are already occupied by higher-income households. In Groton and all of the surrounding towns, the number of units affordable to low-income households significantly exceeds the number of units on the Chapter 40B Subsidized Housing Inventory, yet low-income households remain housing cost burdened. This is partially because an affordability mismatch prevents them from purchasing or renting existing units they could otherwise afford. About half of the rental units in Groton have monthly rents that are technically affordable to low-income households, yet less than 25 percent are actually occupied by low-income tenants.

2. Housing for People with Disabilities

Housing for people with disabilities involves more than providing barrier-free dwellings for people with mobility impairments. For example, the closing of state hospitals has created needs for community-based housing. Groton has housing for people with disabilities, including four of the thirty-four units at Groton Commons on Willowdale Road (constructed for elderly and disabled people) and the assisted living units at the Rivercourt development. Groton's Subsidized Housing Inventory includes five group home units managed by Seven hills for adults with major life-long impairments.

It is difficult to measure local needs for accessible housing. Groton is so small that population surveys fail to capture disability-related information. Moreover, people with disabilities are more likely to live in communities that offer meaningful housing choices, e.g., cities and larger towns. Needs for barrier-free and other accessible housing are likely to increase with the aging of the population, both for those with specific disabilities and people with chronic health problems. In addition, the Groton-Dunstable School District has several students with severe disabilities in out-of-district placements. When these students reach the age of 22, supportive housing will almost certainly be part of their long-term planning needs. Providing housing for veterans with disabilities is also a priority.

3. HOUSING GOALS

A. NUMERICAL TARGETS

By preparing an affordable housing plan and increasing its supply of low- or moderate-income units, Groton may gain eligibility for a flexible approach to managing the comprehensive permit process. In order to qualify for the flexibility that a DHCD-approved Housing Production Plan offers, Groton needs to meet an affordable housing production standard - a minimum numerical target - and obtain certification from DHCD that standard had been met. The minimum target is 0.5 percent of the Town's year-round housing inventory as reported in the most recent decennial census, and the target has to be met within a single calendar year. If DHCD finds that Groton has met the annual standard, the one-year certification will take effect as of the date that Groton actually achieved the numerical target for that calendar year. If the Town's new affordable housing production is equal to or greater than the 1 percent of its year-round housing inventory, the certification will remain in effect for two years. With these basics in mind, Table 3.1 provides a target affordable housing production schedule for the five-year period in which this plan will remain in effect.

Table 3.1. Annual Goals for Affordable Housing Production						
CALENDAR YEAR	2013	2014	2015	2016	2017	2018
Total Year-Round Homes	3,930	3,930	3,930	3,930	3,930	3,930
New SHI-Eligible Units	17	17	17	17	17	17
Chapter 40B Inventory	204	221	238	255	272	289
Revised Chapter 40B %	5.2%	5.6%	6.1%	6.5%	6.9%	7.4%
10% Requirement	393	393	393	393	393	393
Gap	189	172	155	128	121	104
Required # for .50 of 1.0%	17	17	17	17	17	17
Required # for 1.0%	33	33	33	33	33	33
Table is based on existing annual housing production targets under 760 CMR 56.03(4)(c).						

Due to the number of unknowns - housing market conditions, how quickly the Town will be able to implement this plan, the availability and interest of qualified non-profit development partners, and competing demands for CPA funds - the production goals of this plan have been tailored to meet DHCD's *minimum* requirements for a certification of compliance. If Groton has an opportunity to create more affordable units than the minimum required for certification, obviously it should do so because an accumulation of new units permitted in one calendar year may qualify the Town for a two-year certification. Furthermore, a community's long-term ability to control Chapter 40B hinges on reaching the 10 percent statutory minimum. A DHCD-approved housing plan is a tool for managing the comprehensive permit process, but it will only be as effective as the Town's efforts to implement it.

B. PLAN APPROVAL V. CERTIFICATION OF COMPLIANCE

Certification is available to communities that receive DHCD approval of their affordable housing plan and meet their annual production targets. However, the first step involves completing a housing plan that meets state requirements.

When DHCD receives this plan, it has thirty days to conduct a completeness review and notify the Town if the plan has any deficiencies. Once DHCD determines that the plan (as submitted or subsequently revised) meets the regulatory specifications for a Housing Production Plan (760 CMR 56.03(4)), it has ninety days to issue an approval letter.¹² Low- or moderate-income housing production that occurs during the effective period of this plan will position Groton to seek certification if the minimum numerical target is reached within a given calendar year. The units may be entirely within one development or in separate developments, and while all must be approved in the same calendar year, they do not have to be approved on the same date. As soon as the minimum target is reached, the Board of Selectmen should provide DHCD with supporting documentation and request a certification of compliance.

While the certification is in effect, the Board of Appeals would have the option to continue approving comprehensive permits, with or without conditions, or to deny them. If the Board wanted to deny a comprehensive permit or approve one with conditions, it would have to follow certain procedures specified in DHCD's Chapter 40B regulations:

- Within fifteen days of opening the public hearing on a comprehensive permit application, the Board would have to notify the applicant in writing, with a copy to DHCD, that denying the permit or imposing conditions or requirements is consistent with local needs because the Town has been certified by DHCD. The Board has the burden of proving consistency with local needs.
- The Applicant may challenge the Board's position by submitting a written objection to DHCD, with a copy to the Board, within fifteen days of receiving the Board's notice.
- Thereafter, DHCD has thirty days to review the materials from the Board and the applicant and make a decision. This review process tolls the requirement for the Board to complete the public hearing within 180 days. If DHCD does not issue a timely decision, the Board's position automatically prevails.

Assuming DHCD agrees with the Board, a comprehensive permit approved with conditions or denied by the Board of Appeals would not be subject to reversal by the Housing Appeals Committee. Instead, the Board's decision would be deemed consistent with local needs under 760 CMR 56.03(1)(b).

¹² Note: a housing plan could be complete but inconsistent with state regulations and policies, in which case DHCD would issue a denial letter.

C. HOUSING TO MEET LOCAL AND REGIONAL NEEDS

As Groton works to increase its supply of SHI-eligible housing, it will be important to keep both quantitative and qualitative goals in view. Some types of assistance may not qualify units as SHI-eligible housing, but they would still address an affordable housing need.

Based on the Housing Needs Assessment in Chapter 2 and interviews conducted for this housing plan, Groton should consider the following housing needs as it works on implementation strategies:

- **Low-Income Rental Housing for Families.** The renters with the most severe housing cost burdens in Groton and all of the surrounding towns are small families with very low incomes and larger families with low incomes. Groton's SHI currently includes very few apartments for families, which helps to explain the large percentages of cost-burdened families reported in the housing needs assessment. Deeply subsidized multi-family garden-style units would help to address the needs of small family households, and townhouse-style units or single-family homes would provide suitable housing for larger families. The Town could use CPA funds and other sources to purchase existing single-family homes for management by the Groton Housing Authority.
- **Rental Housing for Single People.** There are local and regional needs for studio units and single-room occupancy (SRO) units for single people with low incomes. Groton has one home that provides shared housing for adults with severe disabilities, and the Groton Housing Authority can lease some of its elderly units to people with disabilities who can live independently. However, there is limited rental housing appropriate for single people without disabilities. Populations served by very small, affordable units range from young citizens entering the workforce to divorced or separated individuals with limited means, very-low-income women who formerly qualified as displaced homemakers and are now living alone, and very-low-income seniors. Low-income one-person households have the second highest incidence of housing cost burdens in Groton. DHCD made a similar finding about single, low-income renter households throughout the state in the Massachusetts 2010-2014 Consolidated Plan.
- **Subsidized Rental Housing for the Elderly.** The Groton Housing Authority reports that due to a very low turnover rate, there is a two- to four-year waiting list for senior apartments. The existing senior housing has helped to reduce housing cost burdens for elderly renters. As Groton's population continues to age, however, growth in demand for affordably priced apartments will place further stress on Groton's small inventory of elderly housing. In fact, Groton already needs more deeply subsidized apartments for seniors because the incidence of housing cost burdens among elderly homeowners (47 percent) is very high.
- **Acquisition and Rehabilitation of Substandard Housing.** Groton still has some older, small houses that have gradually lost value in response to market demand for spacious, expensive single-family homes on large lots. Throughout Eastern Massachusetts, the inventory of interwar-era housing has become the prime target of teardowns and mansionization, even in communities with demolition delay bylaws and ordinances (which often fail to protect mid-twentieth-century buildings). However, these are the same homes that traditionally gave

young couples an affordable path to homeownership. Acquiring and rehabilitating some of these dwellings and reselling them as shared equity homeownership units can give Groton a relatively green strategy for creating more SHI-eligible units.

4. IMPLEMENTATION STRATEGIES

1. Zoning Amendments

Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal [760 CMR 56.03(4)(d)(1)].

- Groton recently established a Town Center Overlay District, which provides for multi-unit dwellings and mixed uses. (see TCOD Map). The TCOD is a designated receiving zone for Transfer of Development Rights (TDR) units.

2. Comprehensive Permits

Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects [760 CMR 56.03(4)(d)(2)].

- The Town Center Overlay District, especially near the end of Station Avenue in the vicinity of Court Street.
- Four Corners, a prime commercial area, may support some mixed use development with housing.
- The “Matt/Bob” property, which has an approved comprehensive permit but the development has not been built. The site’s future is unclear, but it is an appropriate location for affordable housing development.

3. Housing Preferences

Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality [760 CMR 56.03(4)(d)(3)].

- Rental units, with both low income and moderate income affordability.
- More DDS housing that could complement and build on the highly regarded pediatric hospital for medically fragile children and young adults already in Town (Seven Hills Pediatric Center). DDS housing has been welcomed in Groton, and the nearby hospital is useful for program managers when organizing staffing for these houses.
- Continue to produce housing units through Groton’s local inclusionary zoning options such as Flexible Development (Section 218-26), Subsidized Elderly Housing (Section 218-27B), and the Town Center Overlay District with Transfer of Development Rights (Section 218-30.2), subject to compliance with DHCD’s Affirmative Marketing Policy (Appendix B).

4. Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing [760 CMR 56.03(4)(d)(4)].

- Squannacook Hall: municipally owned property currently offered via RFP. The Town is open to affordable housing proposals.
- Nashua Road. Work with the Groton Housing Authority to develop what can be built on this 14-acre municipally owned parcel. The Community Preservation Committee (CPC) funded \$25,000 for a feasibility study of the Housing Authority's proposed project. The engineering design has not been completed to date.

5. Regional Collaboration.

Participation in regional collaborations to address housing development [760 CMR 56.03(4)(d)(5)].

Groton has expressed great interest in regional collaboration with surrounding communities, especially when short-term housing is needed for people in times of crisis, e.g. after fires or natural disasters. Groton has also shared staffing resources with the Westford Housing Authority for many years. For example, the Westford Housing Authority director has mentored the Groton Housing Authority's director. Finally, Groton's Housing Coordinator is active in a Housing Coordinators/Planners group with nearby communities including Acton, Carlisle, Medway, Stow, Sudbury, and Westford. The Housing Coordinator's wages are paid with CPA funds.

B. MANAGING COMPREHENSIVE PERMITS

1. Comprehensive Permit Guidelines

Most developers yearn to know the answer to one question: "what do I have to do to get my permit?" Unfortunately, towns sometimes forget that if they want certain outcomes from the development process - any type of development, including but not limited to affordable housing - they need to be clear about what they want to accomplish and their expectations have to be anchored in economic reality. One way to communicate effectively about Groton's comprehensive permit priorities involves developing guidelines, with text, photographs, and maps, that developers can consider in the early stages of planning their projects.

The Board of Appeals is responsible for adopting Chapter 40B administrative regulations and managing the comprehensive permit process in accordance with DHCD regulations and guidelines. However, local project review guidelines serve different purposes:

- To inform developers about the Town's affordable housing concerns and priorities, and
- To provide criteria for boards and staff to use when they review comprehensive permit applications and provide comments to the Board of Appeals.
- To implement this housing plan.

Ideally, comprehensive permit guidelines should be developed by a working group of board members and staff, in consultation with many other town boards. Guidelines usually cover matters such as priority housing needs, the scale and density of developments, design review, areas of town that may be suitable for moderate- to higher-density development, and areas that would not be suitable because they have high natural resources value or significant physical constraints. Ultimately, the guidelines should be approved by the Board of Selectmen and Planning Board (and perhaps other boards as well, depending on how the Town decided to conduct the adoption process). The goal is a set of guidelines that help to unify the Town's approach to comprehensive permit reviews and provide clear direction to prospective developers.

2. Local Initiative Program

Groton needs to ensure that all low- or moderate-income units created pursuant to this plan are eligible for the SHI. Although affordable units in comprehensive permit developments will automatically qualify, units produced under an inclusionary housing bylaw, with CPA assistance, or with other subsidies that may be administered by the Affordable Housing Trust, will need to be submitted to DHCD for approval as early as possible in the development cycle. The mechanism for doing so is the Local Initiative Program (LIP) "Local Action Units" process. An eligible "local action" may include any of the following:

- Zoning approval, such as units created through inclusionary zoning, transfer of development rights, a Chapter 40R overlay district, or a mechanism such as Groton's Town Center Overlay District;
- Financial assistance from funds raised, appropriated, or administered by the town, such as a "buydown" unit made affordable with CPA assistance from the Affordable Housing Trust; or
- Town-owned land or buildings conveyed at a substantial discount from fair market value, i.e., a "public benefit" disposition under M.G.L. c. 30B.

In order to be added to the SHI, Local Action Units have to meet the following requirements:

- They must be produced as a direct result of an action or approval by the Town;
- A Subsidized Housing Inventory "Request for New Units Form" or "LIP Local Action Units" application must be submitted to and approved by DHCD.
- They must be sold or rented in accordance with a DHCD-approved affirmative fair marketing plan and lottery;
- The sale price of affordable homes must be affordable to households with incomes at or below 80 percent of the area median income (AMI). DHCD encourages a pricing strategy that makes units affordable to households at or below 70 percent of AMI. The difference is known as a "window of affordability";
- Rents must be affordable to households at or below 80 percent of AMI; and

- An affordable housing restriction (G. L. c. 184, §§ 31-32) approved by DHCD must be recorded with the Registry of Deeds in order to guarantee long-term affordability.

Managing the process for making Local Action Units eligible for the SHI involves more effort than some people realize. Fortunately, Groton has a Housing Coordinator and Land Use Director, so the Town has adequate internal capacity. The process typically includes the following steps:

- Meet with the developer and explain the requirements for Local Action Units to qualify for the SHI.
- Verify currently acceptable purchase prices and rents with DHCD staff.
- Designate a qualified marketing agent to prepare the Affirmative Marketing Plan, conduct outreach, and coordinate the lottery process.
- Execute and record a Regulatory Agreement (using DHCD's model RA documents) so the Town has the power to enforce long-term affordability requirements.
- Submit a LIP/Local Action Units application and the Affirmative Marketing Plan to DHCD, and obtain DHCD's approval before the marketing process begins.
- Establish and publicize the lottery application period and hold information sessions to explain the application requirements to prospective homebuyers or renters.
- Review lottery applications for income eligibility and other requirements that may apply to the specific project, e g., preferences for larger households to qualify for family-size units.
- Notify lottery applicants of their status.
- Conduct the lottery.
- For homeownership developments:
 - Refer lottery winners to local or regional lenders so they can obtain a mortgage loan commitment;
 - Obtain the deed rider and a resale price certificate from DHCD;
 - Work with lenders as needed through the closing process.
- For apartments, provide technical assistance to lottery winners about the procedures for leasing and occupying their units.
 - Submit documentation to DHCD so the units will be added to the Subsidized Housing Inventory.

- For apartments, institute annual procedures for recertifying the income eligibility renters living in the affordable units.
- Prepare a "Ready Buyers" or "Ready Renters" list for resales or upon tenant turnover.

5. APPENDIX

A. GLOSSARY

Affordable Housing. As used in this plan, "affordable housing" is synonymous with low- or moderate-income housing, i.e., housing available to households earning no more than 80 percent of area median income at a cost that does not exceed 30 percent of their monthly gross income.

Area Median Income (AMI). The median family income, adjusted for household size, within a given metropolitan or non-metropolitan area, updated annually by HUD and used to determine eligibility for most housing assistance programs.

Chapter 40A. G.L. c. 40A, the state Zoning Act. The current version of the Zoning Act was adopted in 1975 (1975 Mass. Acts 808).

Chapter 40B. G.L. c. 40B, § 20-23 (1969 Mass. Acts 774), the state law administered locally by the Board of Appeals in order to create affordable housing. It provides eligible developers with a unified permitting process that subsumes all permits normally issued by multiple town boards. Chapter 40B establishes a basic presumption at least 10 percent of the housing in each city and town should be affordable to low- or moderate-income households. In communities below the 10 percent statutory minimum, affordable housing developers aggrieved by a decision of the Board of Appeals can appeal to the state Housing Appeals Committee, which in turn has authority to uphold or reverse the Board's decision.

Chapter 40R. G.L. c. 40R (2004 Mass. Acts 149, s. 92), a state law that provides for overlay districts with variable densities for residential development and multi-family housing by right (subject to site plan review). At least 25 percent of the units in a Chapter 40R district have to be affordable to low- or moderate-income people.

Chapter 44B. G.L. c. 44B (2000 Mass. Acts 267), the Community Preservation Act, allows communities to establish a Community Preservation Fund for open space, historic preservation, and community housing by imposing a surcharge of up to 3 percent on local property tax bills. The state provides matching funds (or a partial match) from the Community Preservation Trust Fund, generated from Registry of Deeds fees.

Comprehensive Permit. The unified permit authorized by Chapter 40B for affordable housing development.

Department of Housing and Community Development (DHCD). The state's lead housing agency, originally known as the Department of Community Affairs (DCA). DHCD oversees state-funded public housing and administers rental assistance programs,

the state allocation of CDBG and HOME funds, various state-funded affordable housing development programs, and the Community Services Block Grant (CSBG) Program. DHCD also oversees the administration of Chapter 40B.

Extremely Low Income. See Very Low Income.

Fair Housing Act, Federal. Established under Title VII of the 1968 Civil Rights Act, the federal Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

Fair Housing Law, Massachusetts. G.L. c. 151B (1946), the state Fair Housing Act prohibits housing discrimination on the basis of race, color religious creed, national origin, sex, sexual orientation, age, children, ancestry, marital status, veteran history, public assistance reciprocity, or physical or mental disability.

Fair Market Rent (FMR). A mechanism used by HUD to control costs in the Section 8 rental assistance program. HUD sets FMRs annually for metropolitan and non-metropolitan housing market areas (a total of 2,736 FMR areas nationally). The FMR is the 40th percentile of gross rents for typical, non-substandard rental units occupied by recent movers in a local housing market. (See 24 CFR 888.)

Family. A household of two or more people related by blood, marriage, or adoption.

Gross Rent. Gross rent is the sum of the rent paid to the owner plus any utility costs incurred by the tenant. Utilities include electricity, gas, water and sewer, and trash removal services but not telephone service. If the owner pays for all utilities, then gross rent equals the rent paid to the owner.

Group Home. A type of congregate housing for people with disabilities; usually a single-family home.

Inclusionary Zoning. A zoning ordinance or bylaw that encourages or requires developers to build affordable housing in their developments or provide a comparable public benefit, such as providing affordable units in other locations ("off-site units") or paying fees in lieu of units to an affordable housing trust fund.

Infill Development. Construction on vacant lots or underutilized land in established neighborhoods and commercial centers.

Household. One or more people forming a single housekeeping unit and occupying the same housing unit.

Housing Appeals Committee (HAC). A five-member body that adjudicates disputes under Chapter 40B. Three members are appointed by the Director of DHCD, one of

whom must be a DHCD employee. The governor appoints the other two members, one of whom must be a city councilor and the other, a selectman.

Housing Authority. Authorized under G.L. 121B, a public agency that develops and operates rental housing for very-low and low-income households.

Housing Cost, Monthly. For homeowners, monthly housing cost is the sum of principal and interest payments, property taxes, and insurance, and where applicable, homeowners association or condominium fees. For renters, monthly housing cost includes rent and basic utilities (oil/gas, electricity).

HUD. See U.S. Department of Housing and Urban Development.

Local Initiative Program (LIP). A program administered by DHCD that encourages communities to create Chapter 40B-eligible housing without a comprehensive permit, e.g., through inclusionary zoning, purchase price buydowns, a Chapter 40R overlay district, and so forth. LIP grew out of recommendations from the Special Commission Relative to the Implementation of Low or Moderate Income Housing Provisions in 1989. The Commission prepared a comprehensive assessment of Chapter 40B and recommended new, more flexible ways to create affordable housing without dependence on financial subsidies.

Low Income. As used in this plan, low income means a household income at or below 50 percent of AMI. It includes the household income subset known as very low income.

MassHousing. The quasi-public state agency that provides financing for affordable housing.

Mixed-Income Development. A residential development that includes market-rate and affordable housing.

Mixed-Use Development. A development with more than one use on a single lot. The uses may be contained within a single building ("vertical mixed use") or divided among two or more buildings ("horizontal mixed use").

Moderate Income. As used in this plan, moderate income means a household income between 51 and 80 percent of AMI.

Overlay District. A zoning district that covers all or portions of basic use districts and imposes additional (more restrictive) requirements or offers additional (less restrictive) opportunities for the use of land.

Regulatory Agreement. An affordable housing restriction, recorded with the Registry of Deeds or the Land Court, outlining the developer's responsibilities and rights

Section 8. A HUD-administered rental assistance program that subsidizes "mobile" certificates and vouchers to help very-low and low-income households pay for private housing. Tenants pay 30 percent (sometimes as high as 40 percent) of their income for rent and basic utilities, and the Section 8 subsidy pays the balance of the rent.

Holders of Section 8 certificates have to choose rental units with a monthly gross rent that does not exceed the Fair Market Rent (FMR), and the subsidy they receive makes up the difference between 30 percent of their monthly gross income and the actual gross rent for the unit. By contrast, the subsidy for a Section 8 voucher holder is the difference between the FMR and 30 percent of their monthly gross income. Thus, while Section 8 voucher holders may choose units with gross rents that exceed the FMR, they have to make up the difference between the FMR and the monthly gross rent. Section 8 also can be used as a subsidy for eligible rental developments, known as Section 8 Project-Based Vouchers (PBV), which are not "mobile" because they are attached to specific units.

Subsidized Housing Inventory (SHI). A list of housing units that "count" toward a community's 10 percent statutory minimum under Chapter 40B.

Subsidy. Financial or other assistance to make housing affordable to low- or moderate-income people.

U.S. Department of Housing and Urban Development (HUD). The lead federal agency for financing affordable housing development and administering the Fair Housing Act.

Very Low Income. As used in this plan, very low income is a household income at or below 30 percent of AMI. In some housing programs, a household with income at or below 30 percent of AMI is called extremely low income.

B. DHCD AFFIRMATIVE MARKETING REQUIREMENTS

Effective as of June 25, 2008

The Commonwealth of Massachusetts has a compelling interest in creating fair and open access to affordable housing and promoting compliance with state and federal civil rights obligations. Therefore, all housing with state subsidy or housing for inclusion on the Subsidized Housing Inventory (SHI) shall have an Affirmative Fair Housing Marketing Plan (AFHMP). *The affordable Use Restriction documents of said housing must require that the AFHMP, subject to the approval of the subsidizing or funding agency, shall be implemented for the term of the Use Restriction.* Affirmative Fair Housing requirements apply to the full spectrum of activities that culminate with occupancy, including but not limited to means and methods of outreach and marketing through to the qualification and selection of residents. All AFHMP plans must, at a minimum, meet the standards set forth by the Department of Housing and Community Development (DHCD). In the case of M.G.L. c.40B projects, the AFHMP must be approved by the Subsidizing Agency.

The developer (Developer) is responsible for resident selection, including but not limited to drafting the resident selection plan, marketing, administering the initial lottery process, and determining the qualification of potential buyers and/or tenants. The Developer is responsible for paying for all of the costs of affirmative fair marketing and administering the lottery and may use in-house staff, provided that such staff meets the qualifications described below. The Developer may contract for such services provided that any such contractor must be experienced and qualified under the following standards.

Note: As used in these AFHMP Guidelines, “Developer” refers to the Project Developer and/or the entity with which the Developer has contracted to carry out any or all of the tasks associated with an AFHMP.

(April 8, 2008 change: inserted a new third sentence in the first paragraph).

A. DEVELOPER STAFF AND CONTRACTOR QUALIFICATIONS

The entity as well as the individual with primary responsibility for resident selection, whether in-house staff or a third-party contractor, must have substantial, successful prior experience in each component of the AFHMP for which the party will be responsible, e.g. drafting the plan, marketing and outreach activities, administering the lottery process and/or determining eligibility under applicable subsidy programs and/or qualifying buyers with mortgage lenders.

- Subsidizing Agencies reserve the right to reject the qualifications of any Developer or contractor. However, generally, Developers or contractors that meet the following criteria *for each component*, as applicable, will be considered to be qualified to carry out the component(s) for which they are responsible:
- The entity has successfully carried out similar AFHMP responsibilities for a minimum of three (3) projects in Massachusetts *or* the individual with primary responsibility for the resident selection process has successfully carried out similar AFHMP responsibilities for a minimum of five (5) projects in Massachusetts.

- The entity has the capacity to address matters relating to English language proficiency.

“Successfully” for the purposes of these Guidelines means that, with respect to both the entity and the relevant staff, (a) the prior experience has not required intervention by a Subsidizing Agency to address fair housing complaints or concerns; and (b) that within the past five (5) years, there has not been a finding or final determination against the entity or staff for violation of any state or federal fair housing law.

Affirmative Fair Housing Marketing Plan

The Developer shall prepare the following materials which shall comprise an AFHMP:

- Informational materials for applicants including a general description of the overall project that provides key information such as the number of market/affordable units, amenities, number of parking/garage spaces per unit, distribution of bedrooms by market and affordable units, accessibility, etc.
- A description of the eligibility requirements.
- Lottery and resident selection procedures.
- A clear description of the preference system being used (if applicable).
- A description of the measures that will be used to ensure affirmative fair marketing will be achieved including a description of the affirmative fair marketing and outreach methods that will be used, sample advertisements to be used, and a list of publications where ads will be placed.
- Application materials including:
 - The application form.
 - A statement regarding the housing provider’s obligation not to discriminate in the selection of applicants, and such a statement must also be included in the application materials.
 - Information indicating that disabled persons are entitled to request a reasonable accommodation of rules, policies, practices, or services, or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the disabled person equal opportunity to use and enjoy the housing.¹³

¹³ It is important to remember that legal obligations with respect to accessibility and modifications in housing extend beyond the Massachusetts Architectural Access Board requirements, including federal

- An authorization for consent to release information.
- For homeownership transactions, a description of the use restriction and/or deed rider.

The Subsidizing Agency must approve the AFHMP before the marketing process commences. In the case of a Local Action Unit (LAU), DHCD and the municipality must approve the AFHMP.

The AFHMP shall be applied to affordable units¹⁴ upon availability for the term of affordability and must consist of actions that provide information, maximum opportunity, and otherwise attract eligible persons protected under state and federal civil rights laws that are *less likely to apply*.

Outreach and Marketing

Marketing should attract residents outside the community by extending to the regional statistical area as well as the state.

- Advertisements should be placed in local and regional newspapers, and newspapers that serve minority groups and other groups protected under fair housing laws. Notices should also be sent to local fair housing commissions, area churches, local and regional housing agencies, local housing authorities, civic groups, lending institutions, social service agencies, and other non-profit organizations.
- Affordable units in the Boston Metro Area (Boston-Cambridge-Quincy MSA) must be reported to the Boston Fair Housing Commission's Metrolist (Metropolitan Housing

requirements imposed by the Fair Housing Act, the Americans with Disabilities Act, and the Rehabilitation Act. Under state law, in the case of publicly assisted housing, multiple dwelling housing consisting of ten or more units, or contiguously located housing consisting of ten or more units (see M.G.L. c. 151B, § 1 for definitions), reasonable modification of existing premises shall be at the expense of the owner or other person having the right of ownership if necessary for the disabled person to fully enjoy the premises. M.G.L. c. 151B, § 4(7A). See also 24 C.F.R. part 8 for Rehabilitation Act requirements of housing providers that receive federal financial assistance.

¹⁴ The advertising component of the AFHMP applies to all units.

Opportunity Clearing House). Such units shall be reported whenever they become available (including upon turnover).

- Affordable and/or accessible¹⁵ rental units must be listed with the Massachusetts Accessible Housing Registry whenever they become available (including upon turnover). See <http://www.chapa.org>.
- Available affordable ownership units must also be listed with CHAPA's lottery website (see <http://www.chapa.org>) and with the Massachusetts Affordable Housing Alliance (MAHA) website (see <http://www.mahahome.org>).
- Marketing should also be included in non-English publications based on the prevalence of particular language groups in the regional area. To determine the prevalence of a particular language by geographical area, see for example: http://www.doleta.gov/reports/CensusData/LWIA_by_State.cfm?state=MA.


(April 8, 2008 changes: (1) Inserted new first bullet paragraph; (2) modified fourth paragraph to include listing with MAHA website; and (3) modified fifth bullet paragraph which, previously, stated: "...Marketing should also be targeted towards persons with limited English proficiency (LEP), not limited to solely to Spanish speaking persons.")

All marketing should be comparable in terms of the description of the opportunity available, regardless of the marketing type (e.g., local newspaper vs. minority newspaper). The size of the advertisements, including the content of the advertisement, should be comparable across regional, local, and minority newspapers.

Advertisements should run a minimum of two times over a sixty day period and be designed to attract attention. Marketing of ownership units should begin approximately six months before the expected date of project occupancy.

¹⁵ Note: The owner or other person having the right of ownership shall, in accordance with M.G.L. c. 151B, §4(7A), give at least fifteen days notice of the vacancy of a wheelchair accessible unit to the Massachusetts Rehabilitation Commission. Said statute also requires the owner or other person having the right of ownership to give timely notice that a wheelchair accessible unit is vacant or will become vacant to a person who has, within the past 12 months, notified the owner or person or person having the right of ownership that such person is in need of a wheelchair accessible unit.

Pursuant to fair housing laws,¹⁶ advertising must not indicate any preference or limitation, or otherwise discriminate based on race, color, disability, religion, sex, familial status, sexual orientation, national origin, genetic information, ancestry, children, marital status, or public assistance reciprocity. Exceptions may apply if the preference or limitation is pursuant to a lawful eligibility requirement. All advertising depicting persons should depict members of classes of persons protected under fair housing laws, including majority and minority groups.

The Fair Housing logo () and slogan ("Equal Housing Opportunity") should be included in all marketing materials. The logo may be obtained at HUD's website at: <http://www.hud.gov/library/bookshelf11/hudgraphics/fheologo.cfm>.

Availability of Applications

Advertising and outreach efforts shall identify locations where the application can be obtained. Applications shall be available at public locations including one that has some night hours; usually, a public library will meet this need. The advertisement shall include a telephone number an applicant can call to request an application via mail.

Informational Meeting

In addition, the lottery administrator must offer one or more informational meetings for potential applicants to educate them about the lottery process and the housing development. These meetings may include local officials, developers, and local bankers. The date, time, and location of these meetings shall be published in ads and flyers that publicize the availability of lottery applications. The workshops shall be held in a municipal building, school, library, public meeting room or other accessible space. Meetings shall be held in the evening or on weekend days in order to reach as many potential applicants as possible. However, attendance at a meeting shall not be mandatory for participation in a lottery.

The purpose of the meeting is to answer questions that are commonly asked by lottery applicants. Usually a municipal official will welcome the participants and describe the municipality's role in the affordable housing development. The lottery administrator will then explain the information requested on the application and answer questions about the lottery drawing process. The Developer should be present to describe the development and to answer specific questions about the affordable units. It is helpful to have representatives of local banks present to answer questions about qualifications for the financing of affordable units. At the meeting, the lottery administrator should provide complete application materials to potential applicants.

Homeownership – Establishing Sales Prices

Sale prices shall be established at the time of the initial marketing of the affordable units. Thereafter, the prices of homes cannot be increased for lottery winners, even if interest rates and HUD income guidelines change.

For large, phased developments maximum sale prices of units sold in subsequent phases will be calculated prior to the start of marketing for each phase, or approximately 6 months prior to

¹⁶ 42 U.S.C. § 3604(c); M.G.L. c. 151B, § 4(7B).

expected occupancy of the units. In such cases, each phase will require its own affirmative fair marketing efforts and lottery.

C. LOCAL PREFERENCE

If a community wishes to implement a local selection preference, it must:

- Demonstrate in the AFHMP the need for the local preference (e.g., the community may have a disproportionately low rental or ownership affordable housing stock relative to need in comparison to the regional area); and
- Demonstrate that the proposed local preference will not have a disparate impact on protected classes.

In no event may a local preference exceed more than 70% of the (affordable) units in a Project.

The Subsidizing Agency, and in the case of LAUs, DHCD as well as the municipality, must approve a local preference scheme as part of the AFHMP. Therefore, the nature and extent of local preferences should be approved by the Subsidizing Agency (or DHCD in the case of LAUs) prior to including such language in the comprehensive permit or other zoning mechanism.

Allowable Preference Categories

- **Current residents:** A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- **Municipal Employees:** Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
- **Employees of Local Businesses:** Employees of businesses located in the municipality.
- **Households with children attending the locality's schools,** such as METCO students.

(June 25, 2008 change: removed formerly listed allowable preference category, "Family of Current Residents.")

When determining the preference categories, the geographic boundaries of the local resident preference area should not be smaller than municipal boundaries.

Durational requirements related to local preferences, that is, how long an applicant has lived in or worked in the residency preference area, are not permitted in any case.

Preferences extended to local residents should also be made available not only to applicants who work in the preference area, but also to applicants who have been hired to work in the preference area, applicants who demonstrate that they expect to live in the preference area because of a bona fide offer of employment, and applicant households with children attending the locality's schools, such as METCO students.

A preference for households that work in the community must not discriminate (including have a disproportionate effect of exclusion) against disabled and elderly households in violation of fair housing laws.

Advertising should not have a discouraging effect on eligible applicants. As such, local residency preferences must not be advertised as they may discourage non-local potential applicants.

(April 9, 2008 changes: (1) Inserted new fifth enumerated paragraph; (2) addition of “and applicant households with children attending the locality’s schools in eighth paragraph).

Avoiding Potential Discriminatory Effects

The local selection preferences must not disproportionately delay or otherwise deny admission of non-local residents that are protected under state and federal civil rights laws. The AFHMP should demonstrate what efforts will be taken to prevent a disparate impact or discriminatory effect. For example, the community may move minority applicants into the local selection pool to ensure it reflects the racial/ethnic balance of the HUD defined Metropolitan Statistical Area as described below.¹⁷ However, such a protective measure may not be sufficient as it is race/ethnicity specific; the AFHMP must address other classes of persons protected under fair housing laws who may be negatively affected by the local preference.

To avoid discriminatory effects in violation of applicable fair housing laws, the following procedure should be followed unless an alternative method for avoiding disparate impact (such as lowering the original percentage for local preference as needed to reflect demographic statistics of the MSA) is approved by the Subsidizing Agency. If the project receives HUD financing, HUD standards must be followed.

A lottery for projects including a local preference should have two applicant pools: a local preference pool and an open pool. After the application deadline has passed, the Developer should determine the number of local resident minority households there are in the municipality and the percentage of minorities in the local preference pool. If the percentage of minority local resident households in the local preference pool is less than the percentage of minorities in the surrounding HUD-defined area, the Developer should make the following adjustments to the local preference pool:

- The Developer should hold a preliminary lottery comprised of all minority applicants who did not qualify for the local preference pool, and rank the applicants in order of drawing.

¹⁷ Note: This protective measure may not be dispositive with respect to discriminatory effects. For example, the non-local applicant pool may contain a disproportionately large percentage of minorities, and therefore adjusting the local preference pool to reflect demographics of the regional area may not sufficiently address the discriminatory effect that the local preference has on minority applicants. Therefore, characteristics of the non-local applicant pool should continually be evaluated.

- Minority applicants should then be added to the local preference pool in order of their rankings until the percentage of minority applicants in the local preference pool is equal to the percentage of minorities in the surrounding HUD-defined area.
- Applicants should be entered into all pools for which they qualify. For example, a local resident should be included in both pools.
- Minorities should be identified in accordance with the classifications established by HUD and the U.S. Census Bureau, which are the racial classifications: Black or African American; Asian; Native American or Alaska Native; Native Hawaiian or Pacific Islander; or other (not White); and the ethnic classification Hispanic or Latino.

D. HOUSEHOLD SIZE/LARGER HOUSEHOLDS PREFERENCE

General

Household size should be appropriate for the number of bedrooms in the home. It is appropriate to set a minimum. A maximum household size for the units may be established provided that:

- Maximum allowable household size may not be more restrictive than the State Sanitary Code or applicable local bylaws, and may not violate state and federal civil rights laws.
- Maximum allowable household size may not be more restrictive than the Large Household Preference established below.

(April 8, 2008 change: deleted first sentence of paragraph which previously stated "...for example, it may be appropriate for two bedroom homes to set a minimum household size of two persons.").

Larger Household Preference

Within an applicant pool first preference shall be given to households requiring the total number of bedrooms in the unit based on the following criteria:

- There is at least one occupant per bedroom.¹⁸
- A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.

Within an applicant pool second preference shall be given to households requiring the number of bedrooms in the unit minus one, based on the above criteria. Third preference shall be given

¹⁸ Disabled households must not be excluded from a preference for a larger unit based on household size if such larger unit is needed as a reasonable accommodation.

to households requiring the number of bedrooms in the unit minus, two, based on the above criteria.

A “household” shall mean two or more persons who will live regularly in the unit as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship, or an individual.

Lottery drawings shall result in each applicant being given a ranking among other applicants with households receiving preference for units based on the above criteria. Household size shall not exceed State Sanitary Code requirements for occupancy of a unit (See 105 CMR 400).¹⁹

Lotteries

The Lottery Application

Resident selection must generally be based on a lottery, although in some cases it may be based on another fair and equitable procedure approved by the Subsidizing Agency.²⁰ A lottery procedure is preferred over a “first-come, first-serve procedure,” as the latter procedure may disadvantage non-local applicants.

The application period should be at least 60 days. To ensure the fairness of the application process, applicants should not be required to deliver application materials and instead should be permitted to mail them.

The lottery application must address a household’s:

- income
- assets
- size and composition
- minority status (optional disclosure by the household)
- eligibility as a first-time buyer (for ownership units)
- eligibility for local preference

¹⁹ Note, however, that fair housing exceptions may apply; see HUD Fair Housing Enforcement – Occupancy Standard; Notice of Statement of Policy, Docket No. FR-4405-01 (1998).

²⁰ In the case of project based Section 8 properties where resident selection is to be performed by the housing authority pursuant to a Section 8 waiting list, a lottery procedure is not required.

The lottery administrator shall request verification (e.g., three prior year tax returns with the W2 form; 5 most recent pay stubs for all members of the household who are working, three most recent bank statements and other materials necessary to verify income or assets).

Applicants cannot be required to use a specific lender for their pre-approval letter or their mortgage.

Only applicants who meet qualification requirements should be included in the lottery.

Lottery Procedure

Once all required information has been received, qualified applicants should be assigned a registration number. Only applicants who meet the eligibility requirements shall be entered into a lottery. The lottery shall be conducted after any appeals related to the project have been completed and all permits or approvals related to the project have received final action.

Ballots with the registration number for applicant households are placed in all lottery pools for which they qualify. The ballots are randomly drawn and listed in the order drawn, by pool. If a project has units with different numbers of bedrooms, units are then awarded (largest units first) by proceeding down the list to the first household on the list that is of appropriate size for the largest unit available according to the appropriate-unit-size criteria established for the lottery. Once all larger units have been assigned to appropriately sized households in this manner, the lottery administrator returns to the top of the list and selects appropriately sized households for smaller units. This process continues until all available units have been assigned to appropriately sized applicant households.

If the project includes units accessible or adaptable for occupancy by disabled persons, first preference (regardless of applicant pool) for those units shall be given to such disabled persons, including single person households, in conformity with state and federal civil rights laws.

The lottery administrator should retain a list of households who are not awarded a unit, in the order that they were drawn. If any of the initial renters/buyers do not rent/purchase a unit, the unit shall be offered to the highest ranked household on that retained list. This list may generally be retained and used to fill units for up to one year. However, other factors such as the number of households remaining on the list, the likelihood of the continuing eligibility of such households, and the demographic diversity of such households may inform the retention time of the list, subject to the approval of the Subsidizing Agency.

After the initial lottery, waiting lists should be analyzed, maintained, and updated (through additional marketing) so that they remain consistent with the objectives of the housing program and are adequately representative of the racial, ethnic, and other characteristics of potential applicants in the housing market region.

(April 8, 2008 change to the third paragraph: addition of "(regardless of applicant pool)").

Lottery Example

This theoretical lottery has an OPEN pool that includes all applicants and a LOCAL PREFERENCE pool with only applicants from the local area.

- Total applicants in lottery: 100
- Total minority applicants: 20
- The community in which the lottery takes place falls within the HUD Boston Metropolitan Statistical Area which has a minority population of 20.7%.
- Determine the number of applicants who claim a LOCAL preference according to approved criteria.
- Determine the number of minority applicants in the LOCAL preference pool.
- Determine the percentage of minority applicants in the LOCAL preference pool.

Total Applicants in Local Preference Pool	Total Minority Applicants in Local Preference Pool	% Minority Applicants in Local Preference Pool
60	10	16.7%

Since the percentage of minority applicants in the LOCAL preference pool is below the percentage of minority residents in the HUD defined statistical area (16.7% as opposed to 20.7%), a preliminary lottery is required.

- The 10 minority applicants who do not have LOCAL preference are entered into a preliminary drawing and assigned a rank based on the order of their draw. Minority applicants are added to the LOCAL preference pool in order of their rank until the LOCAL preference pool has at least as great a percentage of minority applicants as the larger statistical area. In this example, 4 applicants will be added to the LOCAL preference pool to bring the percentage of minority applicants up to 21.8%.

Total Applicants in Supplemented Local Preference Pool	Total Minority Applicants in Supplemented Local Preference Pool	% Minority Applicants in Supplemented Local Preference Pool
64	14	21.8%

- Draw all ballots from the adjusted LOCAL pool and assign rankings to each household. Preference for appropriately sized households will still apply and all efforts should be made to match the size of the affordable units to the legitimate need for bedrooms of each household.
- Once all units for LOCAL residents have been allocated, the OPEN pool should proceed in a similar manner. All LOCAL residents should have ballots in both pools, and all minority applicants that were put in the LOCAL pool should remain in the OPEN pool as well.

F. HOMEOWNERSHIP

1. Household Eligibility

A Subsidizing Agency housing program may establish eligibility requirements for homebuyers. In the absence of such provisions, the following requirements shall apply.

In addition to meeting the requirements for qualifying a Project or dwelling unit for the SHI (see Section II.A), the household shall not have owned a home within three years preceding the application, with the exception of:

- displaced homemakers, where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner;
- single parents, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of whom the individual has custody or joint custody, or is pregnant);
- households where at least one household member is 55 or over;
- households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
- households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

Individuals who have a financial interest in the development and their families shall not be eligible.

2. Final Qualification and Closing

Once the lottery has been completed, applicants selected to purchase units must be given a reasonable pre-specified time period in which they must secure financing. The Developer should invite the lottery winners to a loan application workshop. The Developer should make prior arrangements with local financial institutions with respect to financing qualified purchasers. Often such institutions will give preliminary approvals of loans, which make the remainder of the process more efficient for all parties.

Before a Purchase and Sale Agreement is signed, the lottery agent should submit income and asset documentation of the applicant to the Subsidizing Agency (to DHCD and the municipality in the case of a LAU). Income verification should include tax returns and W-2s from the past three years, five most recent pay stubs, three months recent bank statements and 401 K reports, reliable documentation as to other sources of income and assets. The Subsidizing Agency (to DHCD and the municipality in the case of a LAU) will then verify that the household's annual income does not exceed 80% of the area median income, or such lower income limit as may have been established for the particular project. The Subsidizing Agency (to DHCD and the

municipality in the case of a LAU) also will verify that household assets do not exceed the maximum allowed. Closing of the sale will also be contingent on the Subsidizing Agency's (to DHCD and the municipality in the case of a LAU) approval of the buyer's financing.

Non-household members should not be permitted as co-signers of the mortgage.

3. Resales

AFHMP requirements apply to the housing for its duration. The AFHMP must include a plan, satisfactory to the Subsidizing Agency (to DHCD and the municipality in the case of a LAU), to address AFHMP requirements upon resale. The proposal must, at a minimum, require that units for re-sale to eligible purchasers be listed with CHAPA and MAHA's homeownership lottery sites as described above and establish minimum public advertising requirements. The proposal cannot impose the AFHMP requirements upon a homeowner other than requiring compliance with requirements of a Use Restriction, reasonable public advertising, and listing with CHAPA and MAHA.

(April 8, 2008 changes: modified second and third sentences to include listing with the MAHA website).

A "ready-buyer" list of eligible buyers maintained by the municipality or other local entity is encouraged. This list may be created through local, regional, and statewide lists and resources. As stated above, the list should continually be analyzed, maintained, and updated (through additional marketing) so that it remains consistent with the objectives of the housing program and is adequately representative of the racial, ethnic, and other characteristics of potential applicants in the housing market region.