



TOWN OF GROTON

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April 26, 2024

Scott Wilson, Chair
Planning Board
Town of Groton
173 Main Street
Groton, MA 01450

RE: Age Restricted Multifamily, 797 Boston Road
Corrected and Revised

Dear Mr. Wilson:

Good morning. I am writing to comment on the need for affordable housing in Groton. Specifically, I will address the need for rental units for households earning up to 80% of the Area Median Income. Please accept my apologies for the factual inaccuracies in my initial letter of April 25, 2024. Please enter this revised letter into the record which describes that the proposed affordable units will have a level of affordability set at the 80% AMI, not 50% AMI.

First, a senior with an income under the 80% AMI is not impoverished and can be relatively more well off than many other households. The 80% AMI income limit for a single person is \$68,500 and for a couple the limit is \$78,250. Assets are typically reviewed only to ensure that income derived from those assets are included in the income calculation. The future residents of the affordable units of 797 Boston Road development are apt to have some assets in addition to their income. Under the rules for leasing such units, a senior could have over \$68,000 in retirement income plus the cushion of money in savings and still qualify for an 80% AMI rental unit. A one-bedroom unit might rent for about \$1,775 and, for a two-bedroom unit, around \$2,130. Affordable rents are expected to step up over time but are structured to insulate tenants from large rent increases that may occur in an unrestricted unit located in a strong market.

As an entry point, Groton does not have very many rental units as about 87% of the housing units are homeownership. There are few openings in the market rate rental market. As of today, there are only 3 apartment vacancies advertised. And a month ago in March 2024, the median rent in town was calculated at \$2,500/month. While Massachusetts is known to have expensive housing, this amount is \$452/month more than the national median rent.

The National Low Income Housing Coalition recently released a report on the Massachusetts rental market for households at the 80% AMI level. [80% AMI is the level of affordability required under Groton zoning for this project.] Across Massachusetts, there are only 88 rental units per 100 households. That statistic is drawn from 2022 data. With the worsening housing crisis of the past 2 years, there is apt to be greater scarcity now. Over half (53%) of households in this income range are 'cost burdened' according to the researchers' data.


As seen in media coverage, what started as an affordable housing crisis for those with little income and few other resources is 'climbing up the ladder' and affecting people at higher income levels with more resources to call upon. Groton has some senior rentals targeting households with this income level located in the existing developments of the Groton Housing Authority's Petapawag Place and RCAP Solutions' Groton Commons. Both developments are oversubscribed with a several year waitlist¹. And, as stated previously, there is an overall paucity of available market rate rentals. For Groton seniors who feel a pressure to downsize into an apartment, more senior apartments are needed to allow a reasonable chance for people to remain in the community after selling their home. Altogether, there is a great need for this proposed development.

It appears that an unexpected upside of rising rents is that the favorable rental environment for new construction rentals has enabled the developer to see a path to feasibility under this multifamily zoning provision even though half of the units will have restricted rents.

Noted researcher of Massachusetts housing Amy Dain recently opined that "[i]t can help to allow flexibility for small projects, which tend to be the most challenging to develop." Amy Dain was referring to the challenge of economic feasibility for a small affordable development. I hope that the Planning Board will grant this special permit -- recognizing all the fine attributes of this small 24-unit project -- and not hesitate because as we know no one development can answer every wish.

Thank you for your attention to this matter.

Sincerely,



Fran Stanley
Housing Coordinator

¹ More context: The demographic bump of baby boomers that now are of an age to qualify for senior units and the income sensitive rents has created huge demand that exceeding supply.