

SECTION II: AFFORDABLE HOUSING GOALS

HOUSING VISION

A family-oriented community with an abundance of open space and valuable natural resources, the Town of Pepperell maintains its small-town character, provides a wide variety of housing options for its population, and balances the preservation of its natural resources and historic areas with the housing and economic needs of the community.

HOUSING GOALS

- ❖ **Provide a variety of housing opportunities that serves all segments of the community**
 - Identify opportunities to develop housing units that are both affordable and desirable to young families, the elderly, and those with special needs
 - Modify land use regulations to accommodate a wider range of housing types
 - Expand availability of apartments and condominiums in the Center
 - Redevelop underutilized commercial and/or residential space
 - Explore zoning changes necessary to encourage development of accessory apartments
 - Promote assisted living opportunities and any land use regulations needed for such development
 - Encourage the construction of smaller, compact units suitable for the elderly and small households
 - Create incentives for developers to include affordable housing in their developments
 - Consider using Town-owned land for affordable elderly and assisted living housing
 - Work with local banks on a First Time Homebuyer Program
 - Participate in state grant programs

- ❖ **Maintain the rural, residential, and historic character of town as more development occurs**
 - Encourage appreciation of historic homes
 - Encourage preservation of architectural character and diversity of style
 - Promote the use of cluster zoning to create higher density subdivisions to protect open space and resource areas for conservation, recreation, and water supply
 - Manage housing development in environmentally sensitive areas to protect the Town’s environmental assets

- ❖ **Identify a range of public and private sector strategies to foster a needed mix of an additional 269 units of housing so that the Town can address the 40B requirement of 10% affordability.**
 - Utilize Local Initiative and “friendly” 40B projects to create non-state and federal subsidized affordable units

SECTION III: AFFORDABLE HOUSING STRATEGIES

Achieving an Affordable Housing Plan: Affordable Housing Units, Strategies and Locations

Based on the gap analysis and discussion of development constraints, a plan detailing the location, type, and quantity of affordable and market-rate housing units that Pepperell should aim to develop is summarized below. An additional 269 units of subsidized housing are needed to attain a total of 10% subsidized housing. 40B projects currently being discussed will help close the housing gap, as shown in the table on page 7. If these developments are all permitted, the gap would be reduced to 249 subsidized units.

A Planned Production Action Plan has been recommended to attain the required 10%. Desirable alternative housing types, specific strategies, and locations for affordable housing have been identified. The following table suggests the number of needed affordable units for various household types, locations and strategies to address these needs. The estimation for various housing types most needed in Pepperell represents a reasonable scenario based on the Town’s demographics.

Priority strategies have been identified to assist the town in ensuring that additional affordable housing units are developed. To accommodate the types of housing needed by Pepperell residents, changes in the Town’s zoning are necessary. A number of zoning strategies are recommended that will promote affordable housing including the establishment of smart growth overlay districts with smaller lot requirements for affordable apartments, condos, and single family homes provided there is the provision of affordable housing, inclusionary housing, and in-law/accessory apartments. Locations where these strategies might best be adopted have also been identified. These locations include the Downtown, Inner Core, Outer Core and Rural Growth Management Areas.

A number of tasks under the direction of the Affordable Housing Committee have also been recommended to ensure that there is an ongoing commitment. Formalizing the role of the Housing Committee, working with the Housing Authority, nonprofit organizations, and the Planning Board and ZBA on project review for affordable housing commitments will facilitate planned production.

The following table shows a preliminary plan for developing additional affordable and market-rate housing in Pepperell. In order to obtain the needed 269 subsidized units, a combination of strategies was assumed. These include inclusionary zoning, OSRD, and the Local Initiative Program (LIP) to produce affordable units in various infill developments to generate a broader range of affordable and market units. Accordingly, it was assumed that it will take 750 market units to produce 289 subsidized units.

This is an ambitious plan. The schedule will need to be adjusted given the timeline of 40B developments, Town Meeting reaction to proposed zoning changes, and the leadership of the Housing Committee. The role of the Housing Committee will be essential in building support for zoning changes, assisting the Planning Board and ZBA in reviewing the affordability requirements of housing developments, and working with the Housing Authority and other nonprofit organizations.

Table 26, Allocating Future Growth, 2005-2010

	Market	Affordable	Total	SHI ¹	Household Type	Location ²
Rental Units Subtotal*	130	58	188	188		
Higher Density Mixed Use	60	15	75	75	Young adults	Downtown
Proposed 40B Multifamily	6	2	8	8	Young Adults Elderly	Downtown & Inner Core
Two Family (40B)	30	10	40	40	Young adults Older adults Single Parents Elderly	Downtown & Inner Core
Multifamily (40B)	34	11	45	45	Young adults Single Parents Elderly	Downtown & Inner Core (with water & sewer)
In-law Apartment (LIP units)	0	20	20	20	Elderly Special Needs	Any (with conditions)
Ownership Units Subtotal*	461	101	562	101		
Proposed 40B	36	12	48	12		
Single Family	3	1	4	1	Families Older adults	Outer Core & Rural
Two Family	33	11	44	11	Young adults Single Parents Older adults Elderly	Rural
Inclusionary Zoning	119	21	140	21		
Single Family	68	12	80	12	Families Older adults	Any except Downtown
Two Family/Multifamily	51	9	60	9	Elderly Single Parents Young adults Older adults	Downtown & Inner Core (with water & sewer)
Open Space Residential Development	170	30	200	30		
Single Family	128	22	150	22	Families	Outer Core & Rural
Two Family/Multifamily	42	8	50	8	Older adults Single Parents	Outer Core
Other	136	38	174	38		
Higher Density Mixed Use	80	20	100	20	Young adults	Downtown
Other 40B	42	14	56	14	All	Any
Live/Work Space	14	4	18	4	Young adults	Downtown & Inner Core
Total Units	591	159	750³	289	269 units SHI needed	

RR = Rural Residence; TR = Town Residence; RCR = Recreational Residence; SR = Suburban Residence; UR = Urban Residence; C = Commercial; I = Industrial

As indicated on the Vision Map, the following priority areas have been identified for locating affordable housing.

Table 27, Proposed Growth Management Areas

Growth Management Areas	Existing Zoning Districts Within Growth Management Area	Vision
Downtown	Industrial Commercial Urban Residence	Encourage affordable housing, infill housing, mixed use, greater densities
Inner Core	Suburban Residence Town Residence Recreation Residence Rural Residence	Because of the presence of infrastructure, municipal facilities, and existing neighborhood areas, encourage higher density to facilitate the preservation of large older homes, infill development, and the development of a variety of housing types
Outer Core	Town Residence Recreation Residence Rural Residence	Promote utilization of the Open Space Residential Development Bylaw to facilitate flexible, village type development*
Rural	Rural Residence Recreation Residence Town Residence	Promote utilization of the Open Space Residential Development Bylaw to facilitate cluster development*

*The Open Space Residential Development Bylaw was approved by Town Meeting on May 2, 2006.

AFFORDABLE HOUSING STRATEGIES

The Comprehensive Plan identified several strategies to address the Pepperell’s housing needs. These strategies, and others, are presented in the table below. The following steps need to be undertaken by the Committee and the consultant in order to facilitate identification and implementation of these strategies.

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|---|----------------------|
| 1. Evaluate and prioritize affordable housing strategies
(see Table below) | Committee |
| 2. Undertake Town-Directed Affordable Housing Tasks | Committee/Consultant |
| 3. Undertake Zoning Strategies | Committee/Consultant |

The following table assigns each of the strategies listed below a priority ranking. When evaluating these strategies, Committee members assigned each strategy a priority ranking. This ranking may be used to determine a timeframe for their implementation. When determining whether a strategy was considered to be of low, moderate, or high priority, the following criteria were considered.

- *Can this strategy be deemed a Positive Growth Management Tool?*
- *What is the degree of difficulty in implementing this strategy?*
- *What number of affordable units could potentially be developed upon this strategy’s implementation?*

Affordable Housing Strategy Priority Implementation

Strategies	Priority		
	High	Moderate	Low
Town-Directed Affordable Housing Tasks			
Make Housing Committee permanent	X		
Work with Common Ground D.C.(Community Teamwork, Inc., Lowell) on affordable housing strategies	X		
Create and approve criteria for acceptable 40B projects	X		
Consider other alternative development models		X	
Re-use or redevelopment of underutilized property	X		
Acquire Town-owned land for new affordable housing		X	
Work with Housing Authority			X
Consider passage of the Community Preservation Act			X
Zoning Strategies			
Smart Growth Overlay Zoning	X		
Inclusionary Zoning Bylaw		X	
Accessory Apartment Bylaw			X
Mixed Use Overlay District (Mill site)	X		
Open Space Residential Development Bylaw	X		
40R Smart Growth Overlay			X

FACILITATE TOWN-DIRECTED AFFORDABLE HOUSING TASKS

1. Make Affordable Housing Committee permanent

- ❖ Selectmen and Town Meeting should establish the AHC as a standing committee

2. Work with Common Ground Development Corporation (Community Teamwork, Inc., Lowell) on affordable housing strategies

- ❖ To ensure that expiring use affordable housing developments continues as affordable housing
 - ◆ Pepperell Meadows, 40 units of subsidized housing, is due to expire in 2009
- ❖ To assist town in negotiations for affordable units in the proposed mill conversion
- ❖ To pursue other development alternatives

3. Create and approve criteria for acceptable 40B projects: Work with the Planning Board, the Selectmen, and the ZBA on criteria for acceptable 40B projects and other housing developments with an affordability component

- ❖ Vision: The Affordable Housing Committee will work to ensure that Pepperell has a variety of housing in price and type that allows for young families, the elderly, local employees and other long-term residents to live in the town.
- ❖ Recommend that private developers seeking zoning relief provide a percentage of affordable housing (10-15%) utilizing the Local Initiative Program (LIP) to ensure the units count on the Subsidized Housing Inventory
- ❖ Inclusionary Housing Guidelines for providing affordable housing and receiving a positive recommendation from the Housing Committee
 - ◆ Homeowner projects: Minimum 10% of units affordable to households earning at or below 80% area median income (AMI); Additional 5% of units affordable to households earning at or below 50% AMI
 - ◆ Rental projects: Utilize “friendly” 40B option so 25% of units will be affordable and therefore all units will be counted on inventory
- ❖ Siting Guidelines
 - ◆ Proximity to downtown
 - ◆ Located within boundaries of sewer district

4. Consider other alternative development models

- ❖ LIP: Affordable units dedicated through local zoning/development review approval process will count as affordable units as long as they meet income, marketing, and use restriction criteria comparable to 40B project units
- ❖ 40R (see page 11)
- ❖ Housing Authority/Housing Trust as developers of affordable housing
- ❖ Regional Nonprofit Housing Corporations
- ❖ Community Land Trust

- ❖ Local Housing Trust Fund

5. Re-use or redevelopment of underutilized residential and commercial space

- ❖ Identify State funding (Lowell Common Ground)

6. New construction on Town-owned Land

- ❖ Identify and dedicate municipally owned parcels to develop affordable housing
- ❖ Apply for grants through the Office for Commonwealth Development (OCD), Department of Housing and Community Development, or Housing Authority

7. Work with Housing Authority

- ❖ Organize a brainstorming workshop with a consultant who specializes in advising Housing Authorities
- ❖ The Housing Authority, possibly working with or as a local nonprofit Housing Trust organization, utilizes new strategies and funding in concert with the private sector to produce affordable housing

PURSUE ZONING STRATEGIES

1. Smart Growth Overlay Zoning

- ❖ Requirements for additional density within the proposed smart growth overlay areas may include:
 - ◆ Site Plan Review with design standards
 - ◆ Smaller minimum lot sizes with inclusion of affordable housing
 - ◆ Appropriate buffering from commercial and other residential uses
 - ◆ Preservation of historic homes
 - ◆ Infrastructure Improvements

Development Requirements

Growth Management Area	Existing Zoning	Proposed Overlay Zoning	
		With Water & Sewer and Affordable Housing	With Septic
Downtown			
Commercial	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 10,000 sq. ft. for multifamily ◆ Multifamily allowed by SP ◆ Dwelling units above first floor commercial allowed by right 	<ul style="list-style-type: none"> ◆ Mixed Use by right ◆ 1 dwelling unit / 10,000 sq. ft. for two family with affordable housing inclusion ◆ 1 dwelling unit / 5,000 sq. ft. for multifamily with affordable housing inclusion ◆ Establish minimum lot size for commercial uses 	
Urban Residence	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 40,000 sq. ft. ◆ 1 dwelling unit / 10,000 sq. ft. for multifamily ◆ Two family allowed by right ◆ Multifamily allowed by SP 		
Inner Core	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 80,000 sq. ft. (TR) ◆ 1 dwelling unit / 40,000 sq. ft. (SR) 	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 10,000 sq. ft. ◆ Allow two family and multifamily housing by SP 	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 40,000 sq. ft.
Outer Core	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 80,000 sq. ft. 	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 30,000 sq. ft. 	<ul style="list-style-type: none"> ◆ With Flexible/Back Lot Development: 1 dwelling unit / 40,000 sq. ft.
Rural	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 80,000 sq. ft. 	<ul style="list-style-type: none"> ◆ Monitor new OSRD Bylaw to ensure that incentives for affordable housing production are sufficient 	

2. Inclusionary Zoning

- ❖ Study alternatives for inclusionary zoning (mandatory and voluntary)
- ❖ Within the Inner Core Overlay District, allow an increase in density by special permit in exchange for the provision of affordable housing, historic preservation, public infrastructure, or mixed use
- ❖ In the Outer Core Overlay District, allow increased density (40,000 sq. ft. lot area unless sewerred; otherwise 30,000 sq. ft.) by special permit with OSRD, flexible or back lot development, and affordable housing inclusion

Total Housing Units	Required Affordable Units
6-10	1
11-16	2
17-23	3
24-30	4
31-36	5
37-40	6
Above 40	15% of total

3. Accessory Apartment Bylaw

- ❖ Units will have to be deed restricted, meet all codes and meet Title V requirements

4. Mixed Use Overlay District

- ❖ Pepperell adopted a Mixed Use Overlay District on May 1, 2006
 - ◆ Allows for a mix of commercial and residential uses
 - ◆ Includes a mandatory affordable housing component of 10%

5. Open Space Residential Development

- ❖ Pepperell adopted an Open Space Residential Development Bylaw on May 2, 2006. This bylaw allows for a percent increase in density in exchange for:
 - ◆ A density bonus for the provision of housing affordable to low-income and/or moderate-income households
 - ◆ The provision of open space beyond base requirement
 - ◆ The use of Low Impact Development/Better Site Design Practices for stormwater management
 - ◆ The connection of open space to existing conservation lands

6. 40R Smart Growth Overlay

- ❖ Overlay District must be an eligible location i.e. “Area of Concentrated Development” and a “Highly Suitable Location”
- ❖ Density requirements
 - ◆ Single Family = 8 dwelling units per acre
 - ◆ Two and Three Family = 12 dwelling units per acre
 - ◆ Multifamily = 20 dwelling units per acre
- ❖ Affordability requirement of 20% of which 10% of units must be 3 bedrooms
- ❖ Design Standards must be adopted; Site Plan Review cannot unduly restrict as of right development

AFFORDABLE HOUSING ACTION PLAN

The Town of Pepperell's Planned Production Affordable Housing Action Plan must be designed to produce at least 29 units of subsidized housing annually beginning in 2006. Assuming broad support and funding, this plan will be updated as existing steps are refined and new action steps are identified until a total of 269 additional units of subsidized housing are developed. This will bring the total number of subsidized housing units in Pepperell to 391 units in the year 2010 as required under 760 CMR 31.07(1)(i).

Planned Production Affordable Housing Action Plan

Action		Total Units	Market Rate Units	Affordable units	SHI Units*
Chapter 40B Units as of May 2005					122
Additional SHI Units Needed					269
2006	131 Lowell Street	4	3	1	1
	Bayberry Phase I	44	33	11	11
	42 Lowell Street (rentals)	8	6	2	8
Subtotal		56	42	14	20
Additional SHI Units Needed					249
2007 - 2010	Inclusionary Zoning	140	119	21	21
	Open Space Residential Development	200	170	30	30
	In-law apartments, other scattered units (LIP)	20	0	20	20
	Two Family & Multifamily rental units (40B)	85	64	21	85
	Live/Work Space	18	14	4	4
	Higher Density Mixed Use (Ownership)	100	80	20	20
	Higher Density Mixed Use (Rental)	75	60	15	75
	Other 40B (includes 196 Nashua Road)	56	41	14	14
Subtotal		694	548	145	269
Total		750**	591	159	289

*SHI units are units that will be counted on the 40B Subsidized Housing Inventory. These units count towards the 29 units Pepperell must produce each year to regulate affordable housing production.

**This number is a preliminary estimate based upon assumptions concerning the mix of housing.

SECTION IV: USE RESTRICTION GUIDELINES

This section of the Affordable Housing Plan states the Town's agreement to adopt a variety of use restrictions and affirmative marketing strategies to ensure that the affordable housing meets the standards established by 760 CMR 31.07(1)(i).

The Town of Pepperell is committed to maintaining its affordable housing inventory for as long a period as possible. Deed restrictions or affordable rental restrictions should guarantee affordability in perpetuity. The monitoring of the resale restrictions and annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to the Pepperell Housing Authority or other housing organization approved by the Town.

Qualifying Families

Families who earn 80% or less than the current area median income qualify for affordable housing. Applicants must meet the program income limits in effect at the time they apply for a unit and must continue to meet the program income limits in effect at the time of all subsequent reviews.

Buyer/tenant selection process must be fair and equitable; a publicly advertised lottery is encouraged.

Determining Rental/Sales Prices

Affordable units must be priced at levels affordable to buyers with a range of incomes. Sale prices are based upon principal, interest, and insurance payments assuming a 5% down payment and the low or moderate families spending no more than 30% of their income on housing costs.

Marketing

Affirmative marketing to minority households whereby the percentage of minority ownership is equal to the greater of the percentage of income eligible minority households in the community *and* the percentage of income eligible minority households in the regional planning area.