

DRAFT

Affordable Housing Plan

Town of Pepperell, Massachusetts



Prepared by

Town of Pepperell Affordable Housing Committee

and

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This report was prepared in accordance with 760 CMR 31.07(1)(i).

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EXECUTIVE SUMMARY

INTRODUCTION

The Pepperell Affordable Housing Plan presents the Town's goals and strategies for the production of affordable housing. The goals of this plan are to demonstrate how Pepperell will develop a minimum of 29 subsidized housing units per year, enabling the Town to regulate future M.G.L. Chapter 40B developments, and to illustrate the housing needs of Pepperell residents. If a total of 58 subsidized units are constructed in a given year, Pepperell could deny permits for up to a two year period if the town felt the project was not consistent with its goals and plan.¹ Pepperell will have to demonstrate continued progress toward implementing the Housing Plan to maintain Plan Certification.

Given the 40B projects currently being considered, the Town of Pepperell has the opportunity to have a Plan certified in the coming year.

This Affordable Housing Plan Executive Summary addresses the following topics: 1) Housing Needs, 2) Affordable Housing Goals, 3) Affordable Housing Strategy, and 4) Use Restriction Guidelines. This plan has been prepared in accordance with 760 CMR 31.07(1)(i).

SECTION 1: HOUSING NEEDS ASSESSMENT

Pepperell needs 269 subsidized housing units to meet the 10% goal of 391 units. The town currently has 122 subsidized housing units that count toward its goal, placing it at 3.1%.

There is a need for a wider variety of affordable housing types to serve the needs of Pepperell's population.

- ❖ Pepperell has a relatively diverse housing stock, with 73% single family homes and the balance consisting of multifamily, two family and townhouse structures.
- ❖ However, there is a substantial gap between the number of houses available and the number of households with incomes large enough to pay for the available housing as either owners or renters.
- ❖ Existing demand is probably well served by the amount of multifamily that exists in the community, but there is a likely need for additional development of housing alternatives such as townhouses, condominiums and accessory apartments.
- ❖ Low income households comprise 20% of all households in Pepperell but only 4% of homes are valued in a price range that is affordable to this income level.

❖ 91% of local households cannot afford the average 2005 selling price of \$370,000 for a single family home in Pepperell.

There is a need for affordable housing options for the elderly.

- ❖ Over a quarter of elderly renters spend over 30% of their income on housing costs while 43% of renters aged 55 to 74 years spend 30% or more of their income on housing costs.

Many of Pepperell's essential residents, such as teachers and policemen, as well as the elderly would be eligible for subsidized housing as they earn less than \$58,000 per year.

¹ To meet Chapter 40B requirements a total of 391 subsidized units, or 10% of Pepperell's 2000 housing stock, must be developed. To be able to regulate 40B developments, 29 units (three-fourths of 1% of 3,905) must be constructed per year. The Town has 122 subsidized housing units; an additional 269 units are needed. The state only recognizes those units that have a recorded deed restriction that limits the occupancy of the unit to individuals or families that meet certain federal affordability criteria.

A wider variety of housing types is needed to serve the needs of Pepperell residents. An estimation of the demand for different housing types for various groups is given in the table below. Pepperell needs to add an additional 269 units to the Subsidized Housing Inventory (SHI) to be in conformity with 760 CMR 31.07(1)(i). The table proposes a total of 193 affordable units; 275 units will count on the SHI due to the presence of rental units.

Summary of Pepperell Housing Needs

| Housing Type | SHI Units | Household Type | Location |
|------------------------------------|------------|---|---------------------------------------|
| Rental Units | 188 | | |
| Higher Density Mixed Use | 75 | Young adults | Downtown |
| Proposed 40B Multifamily | 8 | Young adults, Elderly | Downtown & Inner Core |
| Two Family (40B) | 40 | Young adults, Older adults, Single Parents, Elderly | Downtown & Inner Core (Water & Sewer) |
| Multifamily (40B) | 45 | Young adults, Older adults, Single Parents, Elderly | Downtown & Inner Core (Water & Sewer) |
| In-law Apartment (LIP units) | 20 | Elderly Special Needs | Any (with conditions) |
| Ownership Units | 101 | | |
| Proposed 40B | 12 | | |
| Single Family | 1 | Families, Older adults | Outer Core & Rural |
| Two Family | 11 | Young adults, Single Parents, Older adults, Elderly | Rural |
| Inclusionary Zoning | 21 | | |
| Single Family | 12 | Families, Older adults | Any except Downtown |
| Two Family/Multifamily | 9 | Elderly, Single Parents, Young adults, Older adults | Downtown & Inner Core (Water & Sewer) |
| Open Space Residential Development | 30 | | |
| Single Family | 22 | Families | Outer Core & Rural |
| Two Family/Multifamily | 8 | Older adults, Single Parents | Outer Core |
| Other | 38 | | |
| Higher Density Mixed Use | 20 | Young adults | Downtown |
| Other 40B | 14 | All | Any |
| Live/Work Space | 4 | Young adults | Downtown & Inner Core |
| Total affordable units | 289 | 269 units would be on SHI | |

Constraints

A significant portion of Pepperell is not developable because of natural resource areas, public ownership, and conservation and agricultural restrictions. Public water supplies are available to 80% of the Town; public sewer availability is restricted to the eastern part of Pepperell.

Opportunities

A Vision Map has been prepared based on an assessment of protection and development areas. This plan identifies four general subareas. Additional analysis and further public discussion will be needed to build public support for the zoning changes and staff support needed to carry out the plan.

1. Downtown Area
2. Inner Core Growth Management Area
3. Outer Core Growth Management Area
4. Rural Area

SECTION 2: HOUSING GOALS

- ❖ Provide a variety of housing opportunities that serve all segments of the community.
- ❖ Maintain the rural, residential, and historic character of town as more development occurs.
- ❖ Identify a range of public and private sector strategies to foster a needed additional 269 units of subsidized housing so that the Town can address the 40B requirement of 10% affordability.

SECTION 3: AFFORDABLE HOUSING STRATEGIES

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

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.

- | | |
|--|----------------------|
| 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 Housing Committee assigned a priority ranking to the strategies based upon the following criteria:

- 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 |

SECTION 4: 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). Families who earn 80% or less than the current area median income qualify for affordable housing. Affordable units must be marketed at levels affordable to buyers with a range of low/moderate incomes, retained for a long-term “lock in” period as affordable units, and sold/rented under an affirmative marketing plan.

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.