AFFORDABLE HOUSING PLAN

BOXBOROUGH, MASSACHUSETTS

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On Behalf
of the
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1 Executive Summary

This document describes an updated and expanded version of the Long Range Affordable Housing Plan (AHLRP) that was based on the 2000 Report of the 2000 Housing Study Committee and was approved by Town Meeting in April 2001. The Report of the Housing Study Committee is included as Appendix A. The Report resulted in the adoption of an Affordable Housing Bylaw, which is included as Appendix B. The April 2001 AHLRP is included as Appendix C. Recently, the AHLRP was slightly modified to provide numerical goals that are more consistent with the requirements of this Planned Production Plan. The revised AHLRP, dated November 30, 2005, has been approved by the Boxborough Housing Board and Board of Selectmen and is included as Appendix D.

This Planned Production Plan, as well as the AHLRP, describes three major elements by which Boxborough will continue its endeavors to provide affordable housing in keeping with the goals of the Commonwealth and the needs of its citizens. These elements are:

- Exchange housing units, primarily condominiums, from market-demand-priced availability to long-term affordable-priced availability by means of deed restriction.
- Collaborate with private architects and developers in the design and construction of town-sponsored, deed-restricted affordable housing, thereby ensuring control over the design of both the site and the units, while at the same time leveraging the use of available land.
- Promote private development of deed-restricted affordable housing through enhanced by-law design that will, in a suitable fashion, shift, to a greater degree, the burden of developing such housing from the town to the developer.

Our numeric goals are summarized by the following tables, which will be discussed in more detail in the body of this document.

Affordable Housing Goals

Phase	*Actual*	*1*	*2*	*3*	*4*	*Total*
Schedule	2001 to 2005	2006 to 2010	2011 to 2015	2016 to 2020	2021 to 2022	2001 to 2022
Number of years	5	5	5	5	2	22
Affordable Housing Units	23	70	70	70	27	260

Breakdown by Affordable Housing Type in the Implementation Plan

Affordable Housing Type	*% of Affordable Housing*	*Total Affordable Housing Units*	*Actual 2001 - 2005*	*Phase 1 2006 - 2010*	*Phase 2 2011 - 2015*	*Phase 3 2016 - 2020*	*Phase 4 2021 - 2022*
Years			5	5	5	5	2
Conversion Units	61%	158	5	46	46	46	15
OSAH Units	17%	43	0	10	12	14	7
Comp Permit	23%	59	18	14	12	10	5
Totals	100%	260	23	70	70	70	27

It is through these avenues that the Town intends to integrate additional affordable housing units into its current and prospective housing stock, while at the same time seeking a balance with the preservation of its historical characteristics, limited land area and rural location.

2 A Historical Perspective

A more detail description of the history and contemporary status of Boxborough can be found in the Boxborough Master Plan, which is included as Appendix E.

Boxborough was formed from parts of Stow, Littleton, and Harvard, when a petition to form a new town was finally approved on February 24, 1783. In the early days, self-sufficient farming was the primary occupation. Farmers grew many different crops, but later evolved into specialists. Apple growing and cattle grazing were prevalent in Boxborough during the early half of the twentieth century. Evolving from their self-sufficiency in the late 1800s to early 1900s, Boxborough farmers began transporting produce to markets in Boston and Worcester. Reminders of these early farms can still be seen in the occasional remains of a foundation surrounded by lilacs and in the myriad stonewalls that still mark the boundaries of the fields.

Commerce evolved as well. In 1814, a turnpike, now known as Route 111, was opened between Harvard and Concord. This road was a privately operated toll road until the owner abandoned it. It was later declared a public highway in 1830. Boxborough's first general store on record opened in 1806 at the north end of Middle Road. In the mid-1980s, at the south end of Hill Road, Nippon Electric Company (NEC) Information Systems built its United States headquarters. The complex was ultimately taken over by Cisco Systems. The company then developed a second campus in the northwest corner of town along Beaver Brook and Swanson Roads, in the early days these were cart paths.

In 1784, Boxborough was originally divided into four school districts, each with its own schoolhouse, and remained so until the middle of the 20th century. More than one current resident was a pupil in one or another of these schoolhouses. In 1946, Arthur Blanchard donated the funds necessary to construct a consolidated elementary school, Blanchard Memorial School. Boxborough regionalized with Acton High School in 1955 and Acton Junior High in 1956. Boxborough's children still go on to the Acton-Boxborough regional schools for grades 7-12. Blanchard Memorial School remains the only elementary school in Boxborough. However, the

old school houses have not disappeared. Several of these are now residences but one remains intact with displays of period costumes and the original furniture.

3 Boxborough Today

3.1 Overview

3.1.1 Recent Growth

Although Boxborough's population has grown 46% in the last decade to approximately 5,000 people, the increase coming primarily from single-families, the Town is often described as a rural community. This is due in part to the fact that approximately 20% of its area is now conservation land. Nevertheless, land consumption has been dramatic, as it has been everywhere in the I-495 area in the past ten years as residential building has proliferated and numerous high-tech companies have located, grown, and expanded in the region. Such development has put pressure on natural resources and will continue to do so as more open land is converted. As a result, the maintenance of the open expanses of land that preserve its historical character and rural makeup, while accommodating the outward push of population and business from the Boston Metropolitan Area, is a continuing challenge for Boxborough.

3.1.2 Development Conditions & Constraints

Boxborough has a typical town government with a five-member elected Board of Selectmen that is supported by a Town Administrator. The other key elected positions in town are the Planning Board, Board of Health, Town Clerk and Tax Collector. The Town is also supported by an appointed Zoning Board of Appeals, Conservation Commission, Housing Board, and Finance Committee. Boxborough has a small police force and fire and rescue squads.

Boxborough has no public water or sewer services at this time, which is likely the most significant development constraint in the community, because any type of dense multi-family development would require permits from the Department of Environmental Protection. Another factor that is affecting development in the western portion of Town along Codman Hill Road is the contamination of the aquifer with salt from the Massachusetts Highway Department's salt storage facility off Swanson Road. The salt content is at a level that requires adjacent property owners to treat the well water through expensive reverse osmosis systems or to buy bottled water.

The Town's Water Resources Committee conducted a comprehensive study in 2002 to estimate future water needs and identify the location of potential water resources. At the 2005 Annual Town Meeting, based on recommendations from the 2002 report, it was voted to move forward with the drilling of a number of exploratory wells. However, it should be noted, that any future public water supply is speculative at present and would be at least five years away due to the extensive permitting required, financial considerations, and construction concerns.

Boxborough electrical service is provided through a joint municipal agreement with the Littleton Electrical Department.

There are approximately 43 miles of roadways in the community, which include State Highways Route 111 and Interstate Route 495. The roads that have been accepted by the Town as public ways are all in good condition and currently support the level of the development within the Town. Depending on the pattern of future development, there are critical intersections that may have to be upgraded or consideration made for future traffic-control devices.

The Town has a minimum lot size of 60,000 square feet for conventional ANR lots and requires 150 ft of frontage on a road meeting the standards of Subdivision Control Law. Of the minimum 60,000 ft^2, 20,000 ft^2 of the lot area must be contiguous upland area. This zoning constraint begins to limit the areas for potential new development. Additionally, the Town's Zoning Bylaw includes a provision requiring that newly created lots contains a quadrangle, which includes 70% of the lot area required for the district. Within that quadrangle, all principal buildings, accessory buildings, structures, well and on-site sewage disposal systems, with the exception of signs, driveways, utility service connections, drainage, fences and light standards are to be located within the quadrangle. The bylaw was put into place to limit the creation of very odd shaped lots, but also limits the level of development.

The rising cost of land in Boxborough is becoming one of the most significant constraints in the development of affordable housing. Five years ago, the average cost for an acre of land was $175,000 to $200,000. Today, the cost of a 60,000 ft^2. lot is $350,000. The last few single family subdivisions have produced custom-built homes with sales prices ranging from $900,000 to over $1.2 million. As the desire to move into this community rises, smaller homes are being bought and either demolished or expanded to the point where they no longer fits in with the neighborhood character.

Some of the means to mitigate these local constraints are as follows:

- Although a few years away, the opportunity to provide public water will be one of the most significant means to mitigate the constraint of density and development.
- The advancements in wastewater technology and Title V flexibility that didn't previously exist now enable a wider range of housing types
- The adoption of Inclusionary Zoning, which is being investigate by the Planning Board, could provide density bonuses for the creation of affordable housing.
- The creation of affordable housing units on land that is currently owned by the Town- or has been the purchased.
- Applicants may apply to the Zoning Board of Appeals for a Reduced Frontage Lot in those cases where the use of the required dimensional regulations will not serve the best interests of the Town so long as the lot to be created has a minimum of 120,000 ft^2 and no less than 75 ft of frontage or 200,000 ft^2 and no less than 50 ft. For reduced frontage lots, the quadrangle requirement does not have to be met.

3.2 Life in Boxborough

Fostering a sense of community has always been an important part of Boxborough's character, and it necessarily involves housing – what kind, at what cost and at what location. Boxborough wants to make housing available for people of all ages and incomes. However, the pricing of recent private housing development has followed market demand, which is not consistent with this goal. Newly built houses have been very large and expensive and, for the most part, beyond the economic means of many employees and longer-term or life-long residents of the Town.

3.3 Demographics

Boxborough contains 10.39 square miles of land and is a small community compared to the surrounding towns – it is about half the size of Acton, Stow, and Littleton, and even smaller when compared to Harvard. Table I illustrates the comparisons. Most of the following

demographic data are based on the 2000 U.S. Census. However, where the 2000 census data was not available, 1990 census data was used and has been noted. Population projections were based on extrapolated 1990 census figures. More recently, the Massachusetts Executive Office of Environmental Affairs has performed build-out analyses for all communities in the state. Although the analysis for Boxborough uses current population projection techniques, the numbers are still projections, not actual data.

Table I
Comparison of Population for Boxborough and Surrounding Towns

Town	*Area (Sq. mi.)*	*2000 Population*	*Density (pop./sq.mi.)*
Massachusetts	8,257	6,349,097	769
Acton	20.29	20,331	1,002
Boxborough	10.39	4,868	469
Harvard	26.97	5,981	222
Littleton	17.55	8,184	466
Stow	18.09	5,902	326

Source: Mass DHCD Community Profiles and 2000 U.S. Census

4 Expected Growth

Reflecting the addition of approximately 770 apartment and condominium units, the population of Boxborough grew rapidly (110%) between 1970 and 1980, from 1,468 to 3,126. There was another growth spurt in the past decade from 3,343 in 1990 to an estimated 4,868 in 2000 (46%). As illustrated in Table II, this is a much faster rate than those of its surrounding communities.

Table II
Comparison of Population Changes in Boxborough and Surrounding Towns

Town	*1970*	*1980*	*1990*	*2000*	*1970-2000*
Acton	14,770	17,544	17,872	20,331	37.7%
Boxborough	1,488	3,126	3,343	4,868	227.0%
Harvard	13,426	12,170	12,329	5,981	*
Littleton	6,380	6,970	7,051	8,184	28.3%
Stow	3,984	5,121	5,328	5,902	48.1%

Boxborough is expected to add another 700 households to its existing 1900 households in the next 20 years. Additionally, the number of persons per household has been increasing as well. According to the 2000 U.S. Census, there were 2.56 persons per household for all vacant and occupied homes (2.63 per occupied homes). This mirrors but does not match the significant change in the number of persons per household in the 1970s, when the above referenced apartment and condominium units were built. In 1970, household size was 3.75; in 1980, it was 2.51 and in 1990, 2.25. The 2000 U.S. Census broke the household size into owner- and renter-

occupied units. The renter-occupied units had 1.84 people per household, while the owner-occupied units had 2.95 people per household. Table III projects that Boxborough's accelerated rate of change will continue.

Table III
Projected Population Trends

Town	*2000*	*Change 1990-2000*	*Est. 2010*	*Change 2000-2010*	*Est. 2020*	*Change 2010-2020*
Acton	20331	13.76%	22704	11.85%	24017	5.78%
Boxborough	4868	45.62%	6285	29.10%	7397	17.69%
Harvard*	5981	-48.5%	NA	NA	NA	NA
Littleton	8184	16.06%	8854	8.19%	9438	6.60%
Stow	5902	10.77%	6662	12.88%	7022	5.40%

A more detailed review of household formation reveals some interesting differences between the growth that occurred in Boxborough in the past decade from that of previous periods, as illustrated by Fig. 1. The population of older adults, in the 35-39, 40-49, 50-59 and 60-69 age groups, grew at faster rates than the population of younger adults. Town records indicate that the census of the 20-29 year age group has decreased by more than 40% in the past decade. (It should be noted that MAPC and MISER each estimated a small increase in this age group.) It is perhaps surprising, but certainly noteworthy, that only two decades ago this was the second fastest growing age group. The decrease in the numbers of 20-29 year olds in recent years can most probably be explained by the price of available housing in Boxborough. Many people in their early twenties go away to college, enter the job market elsewhere, and then find that owning a home in Boxborough is too expensive for them. Under this construct, the cost of housing is a significant barrier to living in Boxborough for those in the 20-29 year age group

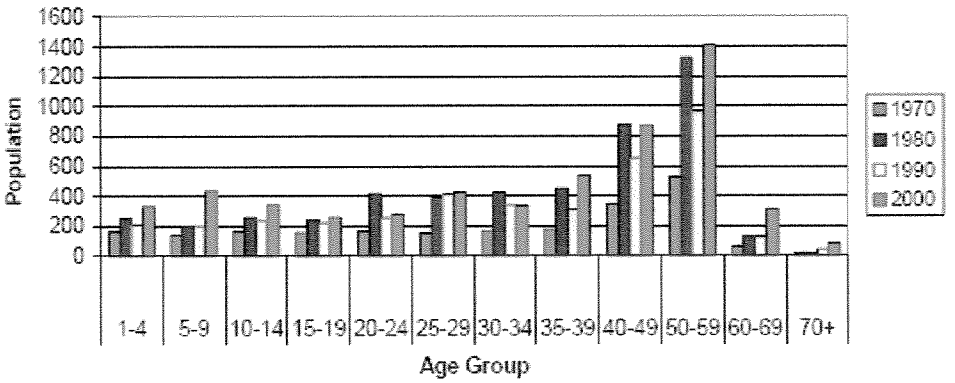

Figure 1. Population growth in Boxborough by age group.

Household formation patterns have also changed. In general, people moving to new housing in Boxborough are families whose adult members are in their 40s and are rearing school-aged children. This is confirmed by a census analysis of new subdivisions in Boxborough. While the average number of people per household increased from 2.25 in 1990 to 2.63 in 2000, the number of people per household in subdivisions built since 1990 increased to 3.96, 40% higher

than the town average. The range of density in these subdivisions was 2.33 to 4.71 people per household. In most cases, more children reside in the new larger homes, and in some cases extended families live in the homes. In the condominium complexes that had children (excluding senior housing) the number of persons per household in 2000 was 1.41. The number of children per household in single-family houses was estimated to be 1.18, while the number of children in the condominium units was estimated as 0.18.

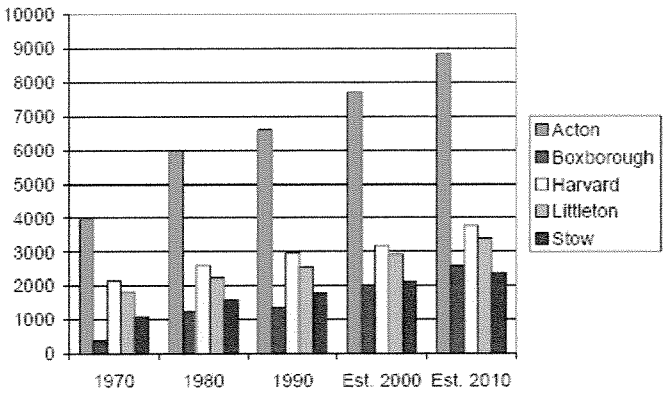

Figure 2: Projected number of households in Boxborough.

Given the pattern of household formation and the number of new single-family homes being built each year, the number of residents in Boxborough will reach 5,735 by 2010 and the number of dwelling units would be 2,121. This population projection is less than the MAPC projection of 6,285 new residents and the MISER projection of 6,186. The increases of these projections will have significant impact upon for town services and facilities. The projected number of households is depicted in Fig. 2.

5 Character of Existing Housing

5.1 Multifamily and Single Family Housing

Boxborough is a residential community consisting primarily of single-family homes. In 1990, there were 1,485 housing units in Boxborough; in 2000, there were 1,906 according to the U.S. Census, an increase of about 28%. The median assessed value increased from $244,100 in 1990 (U.S. Census) to $290,100 in 2000 (Boxborough Assessing Office). Table IV shows the multi-family housing that presently exists in Boxborough.

TABLE IV
Multifamily Housing in Boxborough

Development Name	*Total Number of Units*	*Number of Affordable Units*	*Type of Units*	*General Restrictions*
Tisbury Meadows	12	0	Town House	Age > 55
Sheriff's Meadows	12	0	Town House	Age > 55
Boxborough Meadows	48	12	Town House	None
Summerfields	24	6	Town House	Age 55 or older, no children

Analysis of the town Assessor's data shows the existing Boxborough housing stock is approximately 56% single family homes and 43% condominiums, with less than 2% comprising everything else – predominantly apartment units. These two main segments of the Boxborough housing market display quite distinct market economics. Up until very recently, condominiums have sold at moderate prices affordable to many individuals. New single family construction has been affordable only to affluent families. This is depicted in the pie-chart of Fig. 3.

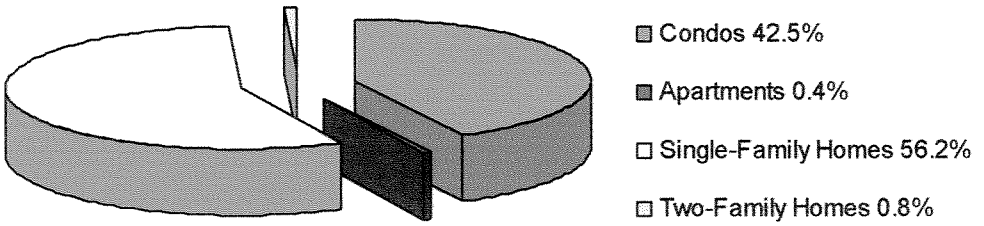

Figure 3. Proportional breakdown of existing housing stock.

5.2 Housing Prices

The condominium market was overbuilt at its peak. During the general economic downturn of the late 1980's prices of such units trended significantly lower. Even for most of the recovering and subsequently booming market of recent years, condominium units have been selling at market prices that have been in line with Ch 40B affordability guidelines. However, since none have deed restrictions to limit the selling price to within the range of income-qualified buyers, they are not affordable in the legal sense. However in the past year, the price of market-rate condos has generally exceeded affordability guidelines. Since about 1992, median 1- and 2-bedroom condominium prices have increased at a compound annual growth rate (CAGR) of about 14%, which increase the price of a $50,000 condo to $275,000 in 13 years.

Figure 4 shows sale pricing trends for single family housing in Boxborough. Data for these analyses were obtained from the town assessor and Multiple Listing Services Property Information Network (MLS) databases. Figure 4 shows that the median price climbed past $300K in 1995 and that the average selling price of single family houses has been moving steadily upward at approximately 11% CAG rate since about 1975.

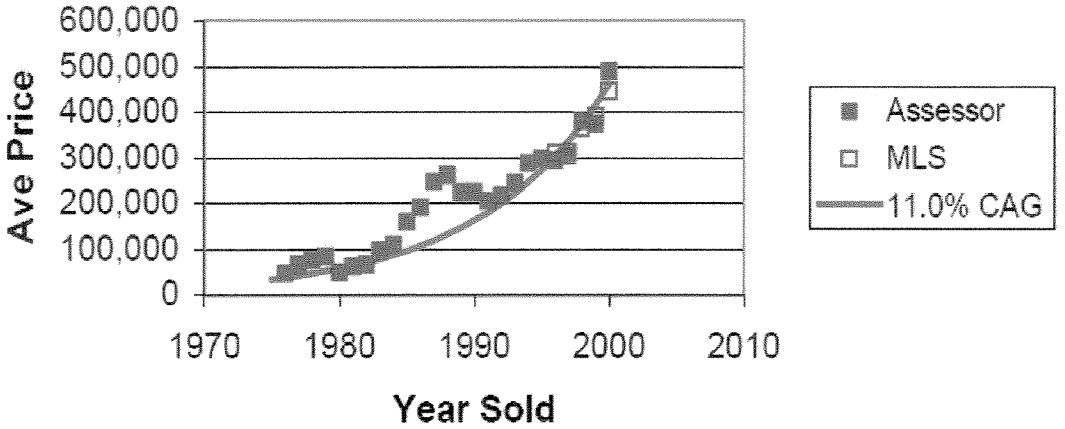

Figure 4. House prices in Boxborough. Assessor and MLS data is used. A 11.0% Compound Annual Growth (CAG) rate fits the data.

Figure 5 shows the distribution of house selling prices by quartiles using assessor (BXB) and MLS data. Median sale price crossed above $300K in 1995, and the lower quartile surpassed this level in 1998. An examination of the quartile selling price distribution shows that even the lowest quartile climbed past $300K in 1998. The lower 75% of the single family market has been tracking fairly closely within a price band or spread of about $100K. However, selling prices of the upper quartile appear to be accelerating at a greater rate of increase. As a result, a clear bimodal population of house pricing has developed with the prices of the upper quartile separated from those of the lower three quartile by about $150-200K.

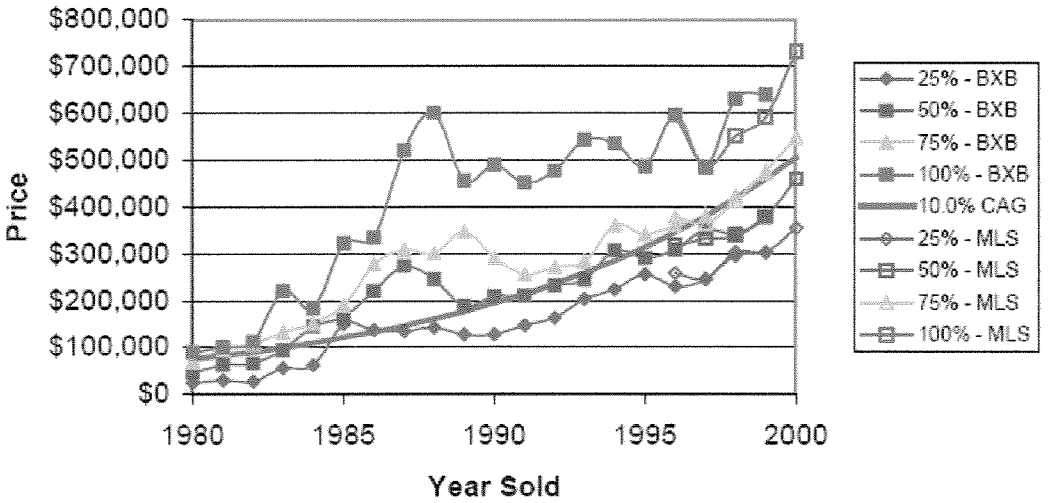

Figure 5. Distribution of house selling prices by quartiles using assessor (BXB) and MLS data. Median price is the 50% quartile, and a line of 10% compound annual growth (CAG) rate is superimposed on the data.

The upper end of Boxborough's housing market also exemplifies a trend that has been underway since about 1970 – the average size of houses has been increasing. New homes in 1970 were about 1750 square feet. In 1998-99, new construction was 3000-3500 square feet. More house costs more money.

5.3 Zoning History

Housing development trends have been influenced by town actions on zoning. When the town first adopted zoning in 1965, apartments (four or more units) were allowed by right in Business and Industrial/Commercial Districts with no density requirements. In 1970, the zoning was changed to require a special permit for an apartment development. In 1971 density requirements were set at ten units per acre and a minimum lot size depending on the number of bedrooms in the unit: Efficiency - 2,500 square feet, 1- bedroom – 4,000 square feet, 2-bedroom 5,500 square feet, and 1,500 square feet for each bedroom in excess of two.

In 1972 apartments were deleted from the list of permitted uses in the Business District and a new Business–1 District was created that allowed elderly or subsidized units at a density of 10 units per acre. A new Residential-1 District, near Liberty Square Road and Massachusetts Avenue was also created at a density of three units per acre. The 1972 zoning amendments were a reaction to the large number of permits for apartments being sought at that time. In 1988, the density in those districts where apartments were allowed was reduced to ten units over 80,000 square feet; and the minimum land area for apartment type was also doubled.

6 Boxborough Affordable Housing Needs

At least five population categories of Boxborough residents that will benefit by affordable housing in Boxborough can be identified. These are:

- Homesteading adult children
- Blanchard teachers
- Share of Acton-Boxborough Regional High School teachers
- Non-school town employees
- Seniors aged 60 or more

In the discussion below, estimates of the current number of potential candidates in each of these categories that might be income-qualified currently are given, and then projected to arrive at estimates for future needs in 10 and 20 years. Estimates of population were obtained from a variety of sources: MAPC (1996), MISER (1999)[1], Massachusetts Department of Education (DOE), Massachusetts Department of Revenue (DOR), and available town data.

6.1 Homesteading Adult Children

Although many children desire to leave their hometown and set up housekeeping elsewhere, or must leave due to circumstances of employment and so on, it is presumed that a small percentage of grown Boxborough children will prefer to settle in town. Lacking any concrete guidance, an estimate (guess) of 3% of adult children was used. Adult children were defined to include high school seniors through college graduates, or roughly ages 19-24. According to MAPC (1996) data, this group is expected to be fairly steady at about 400 people during the next 20 years. Thus, 3% of these, or about a dozen or so, comprises the homesteading group.

6.2 Blanchard Teachers

Blanchard teachers may wish to settle in town, and the town may well benefit from having them as residents. The number of Blanchard teachers that might be income-qualified was determined from town payroll records, using the guideline of 80% of Boston MSA median

income. This group was scaled in proportion to the expected elementary school population to arrive at a crude estimate. No adjustments were made for potential disqualification due to possible additional household income, and no attempt was made to determine what fraction of potentially qualifiable teachers might actually wish to live in Boxborough. It should be noted that teachers in neighboring towns desiring to live in Boxborough might well offset Blanchard teachers choosing to live out of town.

6.3 Resident ABRHS Teachers

This was estimated as 10% of the qualified Blanchard teachers segment. Again, this ignores the possibility of disqualification due to other household income.

6.4 Non-school Town Employees

Town payroll records were used to determine the proportion of current non-school town employees that might be income-qualified, using the guideline of 80% of Boston MSA median income. Again, no adjustment was made for potential disqualification due to other household income or for choice of town for residence. The size of this segment was scaled in proportion to total town population on the assumption that town services and thus the number of employees to provide them must grow apace.

6.5 Seniors

Seniors age 60+ are a growing segment. As shown in Fig. 6, this proportion of Boxborough's population is projected to increase 3-fold over the next 20 years, from about 10% in 2000 to over 30%.

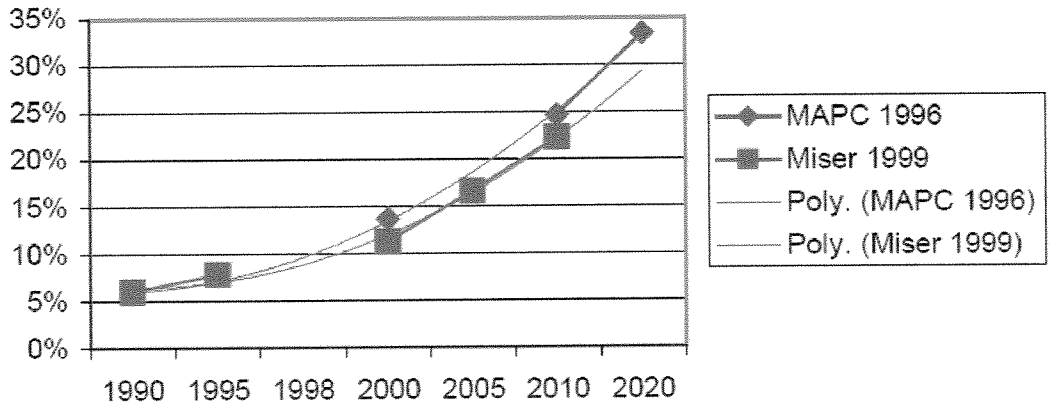

Figure 6. The senior segment (60 and older) of Boxborough's population

An estimate of current senior needs was developed based on information provided by the Town Administrator and the Council on Aging Coordinator on the number of seniors currently expressing interest in, or taking advantage of various assistance programs. This generated an estimate of about 10-12 seniors in the current population who might be considered potential candidates for income-qualified affordable housing should they wish to downsize their current residence and remain in Boxborough. By extrapolation based on population, this leads to an estimate of about 33 seniors in 2020. The number of affordable units for seniors was based on the assumption that 50% of the group would be housekeeping couples, and 50% would be living alone.

6.6 Minority Population

Boxborough does not have a high diversity in the minority population. As reported in the 2000 Census, the community racial population is as follows:

Table V
Boxborough Racial Demographics

Racial Group	*Fraction of Boxborough Population*
Caucasian	89%
African American	0.5%
Asian	9%
Latino	1.1%
Other	0.4%

However, over the past few years, the Town has seen a growth in the Asian population as more families move into town because of the exceptional local and regional school system.

6.7 Total Population Estimates

Boxborough population estimates are shown in Fig. 7.

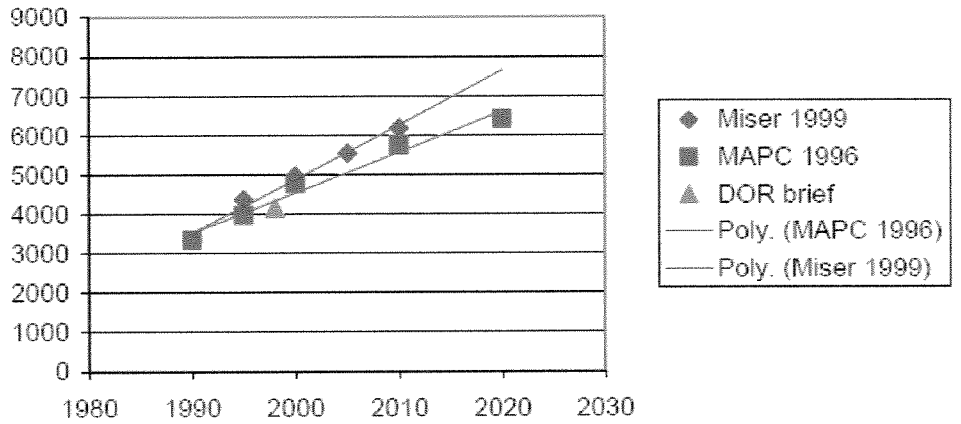

Figure 7. Boxborough population projections

The net result of the estimates described above is shown in Table VI below, which summarizes the affordable housing needs for the various populations.

Table VI
Boxborough Affordable Housing Needs

	2000	2010	2020
Homesteading adult children @ 3%	13	12	12
Resident Blanchard teachers	42	43	43
Resident AB teachers	5	6	5
Non-school town employees	20	26	29
Seniors 60+	8	16	24
Total estimated local unit need	87	103	114

7 Land Options for Open Space Affordable Housing

Land options for Open Space Affordable Housing include privately owned lands that could be purchased by the town for affordable housing purposes, or currently owned municipal lands. Municipal lands are town-owned lands not designated for conservation or other purposes. Of course, acquisition of land by the town automatically renders it municipal land unless it is taken for other specific purpose, such as conservation. Land could be acquired for affordable housing in the Agricultural-Residential (AR), Industrial-Commercial/Business (ICB), or Office Park (OP) zones. Residential building is permitted by right in the AR zone. Construction of affordable housing in ICB or OP zones could be accomplished through several potential mechanisms – rezoning, use of a special permit process, or use of the comprehensive permit process. Although the scenario analysis presented in a following section is useful for planning, the suitability and desirability of these various options depends heavily on the specifics of a given opportunity. Further evaluation of the alternatives should be carried out as part of the detailed implementation planning. Land use options should be subject to broad public discussion and input from the land-use boards. Long-range financial impacts should carefully be examined with guidance from the Finance Committee. There are also considerations of multiple land use to simultaneously meet housing and open space needs.

7.1 Municipal Lands

Selected portions of current municipal land could be designated for Open Space Affordable Housing (OSAH) development. Such a course of action would require careful planning, the weighing of alternative options, a cost/benefit analysis, and approval at Town Meeting.

Municipal land for OSAH may be designated from lands already owned by the town, or acquired in the future for affordable housing purposes. Designation of specific lands for OSAH would require approval by Town Meeting.

A fair cost/benefit analysis of any given proposed OSAH development would need to weigh a number of factors including:

- Benefits of mixed use development, including conservation, recreation and preservation values
- Benefit of future town service cost avoidance resulting from lower population at buildout

- Net present cost of capital
- Sunk and opportunity costs associated with alternative use of municipal lands

7.2 Large Parcels in the Agricultural-Residential Zone

Should the town purchase additional lands for OSAH, it seems most sensible to examine the applicability of a few larger parcels in the Agricultural-Residential (AR) zone. In the February 2000 buildout analysis of the Town Planner, it was estimated that approximately 656 additional single family houses could be built on 60,000 square foot lots in the remaining undeveloped land in the AR zone. This net estimate was based on allowance for unbuildable portions due to wetlands, poor siting, terrain, subdivision roadways, or other factors. Such construction would take place on three types of lots: (1.) existing approved lots, (2.) Approval Not Required (ANR) lots and, (3.) new subdivisions.

Of the total of 656 remaining lots to buildout, about 380 lots are contained in what would be larger subdivisions of 6 or more lots at 60,000 square feet each. Some portion of the larger subdivision potential might be considered for purchase by the town for OSAH purposes, or utilized for affordable housing through a combination of techniques that may be considered by the Planning Board. Such techniques include:

- Conditions on site plan approval
- Special permitting for affordable housing

The potential for town-driven development of OSAH on existing AR lands should be kept in mind when evaluating options to use municipal lands.

The following table shows the breakdown of remaining available lots to buildout according to type and the estimated lots per plan that would be possible.

Table VII
Analysis of Lots Remaining to Buildout as of February, 2000.

Lots / plan	*0-5*	*6-10*	*11-15*	*16-30*	*> 30*	*Total*
Subdivision	50	125	167	97	0	439
ANR	69	27	12	0	0	108
Existing	95	14	0	0	0	109
Total	214	166	179	97	0	656

Of the 439 lots available through subdivision, it is estimated that about 380 would be in lager subdivisions of 6 or more lots each. These larger subdivisions hold the greatest potential interest for OSAH, since it would likely not be feasible or economic to work with the smaller parcels. In the ensuing analysis of OSAH scenarios, it is assumed that only the 380 lots of large future subdivisions are affected, with the remainder plus ANR and existing lots are built out regardless.

7.3 Parcels in the ICB/OP Zones

Parcels may be acquired for affordable housing development in the Industrial/Commercial, Business or Office Park zones, but this should be the exceptional case only since such land is likely to be more valuable to the town for commercial vitality and tax revenue. Furthermore,

such a course would not remove any AR lands from potential buildout, thus leading to greater buildout population than otherwise necessary.

8 Affordable Housing Goals and Strategies

Our approach to affordable housing is to strike a balance between conversion of existing housing units, town-sponsored open space affordable housing, and cooperative Chapter 40B housing developments. In this plan, we continue to affirm the vision of the Affordable Housing Study Committee in 2000,

> *To maintain and broaden its diversity and sense of community, Boxborough will make available a range of housing that is affordable to low and middle-income families of all generations. This housing will be in harmony with open space, conservation and recreation land.*

In this section, we will present the objectives of affordable housing development in Boxborough, together with details of how we will achieve these objectives. In general, we intend to:

- Enable and provide for the phased introduction of ten percent (10%) affordable housing units over the next 20 years, encouraging a mix of both public and private land and public, private and charitable development arrangements.
- Disperse such units throughout the town in a manner such as to avoid unduly concentrating them in any one locale within the town.
- Use such development and financing means that will minimize the effects upon real-estate tax rate in Boxborough.

8.1 Desired Mix of Housing

MGL Ch 40B sets an affordable housing goal for all cities and towns in the Commonwealth of Massachusetts of ten percent (10%) of all available housing in the city or town. In response to both this requirement and our own perceptions of the need for affordable housing in Boxborough, our goal is to have a quantity of MGL Ch 40B-compliant affordable housing in Town equal to 10% of all available housing stock by the end of year 2022. This Affordable Housing Goal shall be achieved primarily through a balanced production of affordable housing consisting of:

- The conversion of existing housing units
- The development of OSAH
- Private development
- Cooperative development with charitable and non-profit groups

8.2 Numbers of Units Required

Approximately 1900 housing units presently exist in Boxborough. We estimate that the total number of housing units will increase to approximately 2,600 [Boxborough Affordable Housing Study Committee Report, dated October 30, 2000] in the years 2020 to 2029. Consequently, in order to achieve the Affordable Housing Goal of 10% of all available housing units being classified as affordable, the Town of Boxborough would need to have approximately 260 such housing units by 2022.

Presently, there are 23 affordable units in Boxborough, as described in Table VIII. Consequently, the Town of Boxborough needs to develop approximately 237 affordable housing units by 2022.

Table VIII
Affordable Housing

Category	Number
Condo Conversions	5
Boxborough Meadows	12
Summerfields	6
Total	23

This Affordable Housing Goal shall be implemented in three phases of 5 years each and one phase of two years throughout the 17-year production period. Each of the four phases has an implementation objective, allowing for attainment of 237 affordable housing units after completion of all four phases, as depicted in Table IX. This translates to 14 units per year, consistent with a rate of affordable housing production 0.75%/year, as required by DHCD guidelines.

Table IX
Affordable Housing Goals

Phase	*Actual*	*1*	*2*	*3*	*4*	*Total*
Schedule	2001 to 2005	2006 to 2010	2011 to 2015	2016 to 2020	2021 to 2022	2001 to 2022
Number of years	5	5	5	5	2	22
Affordable Housing Units	23	70	70	70	27	260

The purpose of the breakdown into phases is twofold. First, it will focus the Boxborough Housing Board (BHB) and the Town on smaller, more tactical objectives in carrying out its goal. Second, it recognizes that market fluctuations, project development time, large project opportunities and other factors can have a substantive impact on the production of affordable housing in the Town. By establishing the three 5-year phases and one 2-year phase, the BHB can focus its energies on the production goals of each phase, rather than being forced to drive implementation of affordable housing aimed at meeting an annual production goal. Some projects may be substantive, offering a great number of units to be developed over a short period of time, while other projects may require more time but result in a smaller number of units.

8.3 Strategies

8.3.1 Overview

Table X shows a breakdown of produced affordable housing units in the categories discussed above for each phase of the implementation plan. These objectives should serve the basis of guiding the BHB in carrying out its responsibilities with respect to the implementation and

management of affordable housing in the Town and in assessing our progress towards our goals. As the Town continues with the implementation of affordable housing, the actual distribution of units produced in any particular phase of the implementation plan can be adjusted to reflect project and economic realities, incorporation of other production methods (i.e. public and private non-profit initiatives).

Table X
Breakdown by Affordable Housing Type in the Implementation Plan

Affordable Housing Type	*% of Affordable Housing*	*Total Affordable Housing Units*	*Actual 2001 To 2005*	*Phase 1 2006 to 2010*	*Phase 2 2011 to 2015*	*Phase 3 2016 to 2020*	*Phase 4 2021 to 2022*
Years			5	5	5	5	2
Conversion Units	61%	158	5	46	46	46	15
OSAH Units	17%	43	0	10	12	14	7
Comp Permit	23%	59	18	14	12	10	5
Totals	100%	260	23	70	70	70	27

8.3.2 Exchange of Existing Housing Units

As described in the Report of the Affordable Housing Study Committee, there are presently 771 market-rate condominiums in Boxborough. Of these, we estimate that about 660 condominiums are suitable for exchange into affordable units. Our objective is that 61% of all affordable housing unit production in Boxborough shall come from the conversion of existing market housing units to affordable housing units. The emphasis of conversion production will be on existing one- and two- bedroom condominium units in Boxborough. A concerted effort will be made to convert those available units that have a market value that is close to the maximum price for affordable housing units as of the date of the conversion of the units. In addition, three-bedroom condominium units and single-family homes may be converted, if units or homes can be found with market-rate prices that are close to the legal maximum affordable price. In all cases, we will enable the conversion by providing funds that make up the difference between the market-rate price and affordable price. We have thus far converted five condominiums in this manner, with the make-up funds coming from Boxborough funds and a Federal Home Loan Bank grant.

8.3.3 Development of Open-Space Affordable Housing

Our objective is that 17% of all affordable housing unit production in Boxborough shall come from the development of Open Space Affordable Housing (OSAH). OSAH is any form of new unit affordable housing production that is constructed on Town owned land, Town acquired land, or land that is made available to the Town in collaboration with a private developer, that contemplates a housing density that is more favorable to the Town than the density that could be reasonably expected with a private comprehensive permit development. OSAH places significant value on the retention of open space within an OSAH development, with construction most likely occurring in clusters on the property. OSAH should provide for a higher affordable housing unit to market unit housing ratio than a typical comprehensive permit development. The

ratio in a traditional comprehensive permit project is 1 affordable housing unit to 3 market rate housing units. The actual ratio with respect to any particular OSAH project would vary depending upon the circumstances of the project.

8.3.3.1 OSAH Implementation

We envision that OSAH will primarily be developed in collaboration with private developers. Private developers bring experience in land development for residential housing purposes, project economics, housing sales and construction to the Town. By collaborating with private developers, the Town is in a position to limit the risk associated with the implementation of OSAH, helping to ensure a successful OSAH implementation and attainment of the AHLRP goal. Costs could also be reduced by entering into arrangements with the developer whereby the Town could sell a portion of the building lots within a suitable OSAH development parcel to the developer, depending on the density and affordable housing to market unit housing ratio goals of the Town for the particular parcel. OSAH will be implemented in a manner that will balance the desire for open space, high affordable housing unit to market unit ratio and costs to the Town.

8.3.3.2 Example of OSAH Implementation

It is envisioned that the Town might utilize a large Town owned or acquired parcel and subdivide that parcel into reasonably sized lots (e.g. 10,000 square feet per lot), reserving a portion of the parcel for open space. The Town could then sell a portion of the lots (e.g. 50% of all available lots) to the developer for the construction of market unit housing, and hire the developer to construct affordable housing units on the remaining lots identified for development within the parcel owned by the Town. The Town could then sell those units to qualified buyers as deed restricted affordable housing units. The affordable housing lots could be leased to the buyer of the units to ensure the Town maintains the ownership of the property. The Town would use the revenue from the sale of the market rate building lots to the developer, along with the revenue from the sale of the affordable housing units to offset the cost of the development. Each project would need to be evaluated on the merits of the project with respect to the affordable housing benefit to the Town, the respect of open space; the use of the Town owned or acquired land and the net costs to the Town.

8.3.4 Private Development

Our goal is that 23% of all affordable housing unit production in Town shall come from the development of affordable housing units initiated by private developers. We expect that some private affordable housing production will occur through comprehensive permit development undertaken by private developers pursuant to MGL Ch 40B. We also anticipate the possible adoption of incentive zoning bylaws in order to provide an economic incentive to private developers to pursue the construction of affordable housing as an attractive alternative to comprehensive permit. The BHB intends to work with the Planning Board and other Town boards to allow such incentives to private developers through bylaw changes. Incentives could be established to encourage affordable housing development by private developers without active Town assistance in the actual project implementation.

Comprehensive permit development is a practical reality. The Boxborough Meadows development added 12 units to Boxborough's affordable housing stock by this process, and the Summerfield's projects added 6 units to the stock. Several other comprehensive permit applications are on the horizon. Our objective work with private developers to ensure that

housing is developed that is appropriate for the Town of Boxborough and consistent with its rural character. The process need not be adversarial. As such, we place strong importance on and set the encouragement of the private development of affordable housing as a priority. Public and Private Non-Profit Initiatives

The Town will pursue projects with public and private non-profit and other groups (e.g., Habitat for Humanity) to develop plans for the production of affordable housing. Although this is not expected not be a substantial aspect to affordable housing in Boxborough and is not specifically identified in the Affordable Housing Implementation Summary below, it is a feasible way to construct affordable housing units and should be pursued.

8.4 Projection of Buildout under the Proposed Affordable Housing Implementation Plan

In a long-term plan of this sort, the effect of buildout of all types of housing must be considered. As a practical matter, the increase of market-rate housing, e.g., single-family homes and subdivisions, will impact the calculation of affordable housing percentage in Boxborough. In order to verify that Boxborough will achieve its goal of 10% affordable housing in the year 2022, as calculated in the year 2022, a simple model that estimates the effect of buildout in Boxborough was developed.

In this model, we assumed that:

1. 656 additional lots are available in the agricultural-residential zone for market-rate residential development.
2. The number of housing units, including both affordable and market-rate units, will increase from 1900 in 2000 to approximately 2600 in 2022, as discussed in Sec. 4.
3. 660 condominiums are available for conversion
4. Comprehensive permit developments will have 25% affordable units, with 3 market units for each affordable unit. NOTE: Boxborough takes pains to scrutinize *pro forma* financial statements submitted with comprehensive permit applications for adherence to profitability limits mandated by the Commonwealth and to monitor actual financial results accordingly. Excess profits, if any, are to be used for the further provision of affordable housing.

The number of housing units in each category were calculated using rates consistent with those of Table XI and with the attainment of approximately 2600 housing units in 2022. In addition, the rate at which conventional market-rate housing depends on the number of lots available for building.

Figure 8 shows the number of affordable units and total number of housing units for years 2000 to 2022. The slowdown in total housing production because of the diminishing number of available lots is evident.

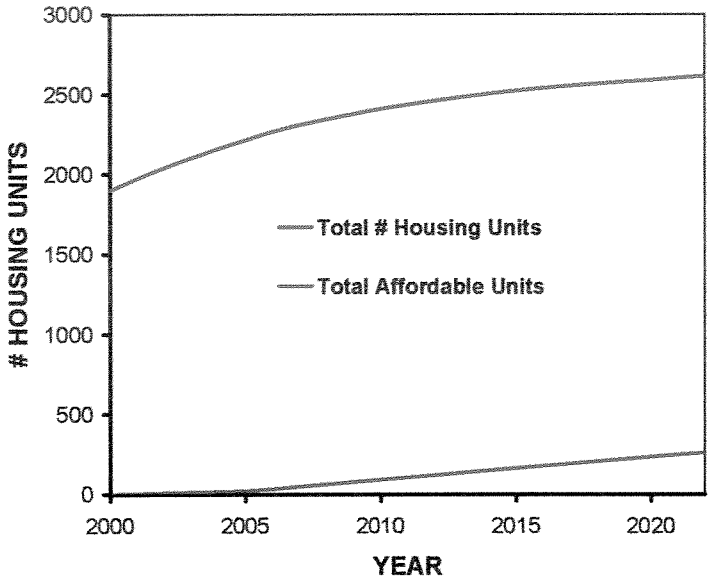

Figure 8. Affordable and total housing units

Figure 9 shows the percentage of affordable housing in the same time frame. The discontinuities due to the reestablishment of total housing base numbers in years 2010 and 2020 are evident. According to the present plan, an affordable housing percentage of 10.04% will be attained in year 2022.

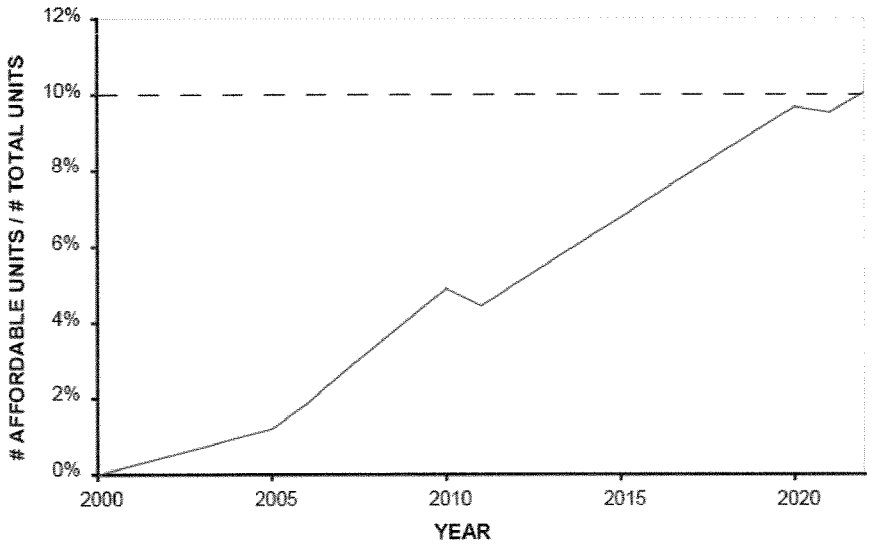

Figure 9. Ratio of affordable housing units to total housing units from 2000 to 2022. A ratio of 10% is achieved in 2022.

9 Description of Use Restrictions

9.1 Deed Restrictions

Figure 10 shows a somewhat simplified depiction of the procedures mandated by the deed rider in the Condominium Exchange Program. As can be seen, several options are provided at various stages to preserve the affordability of the unit.

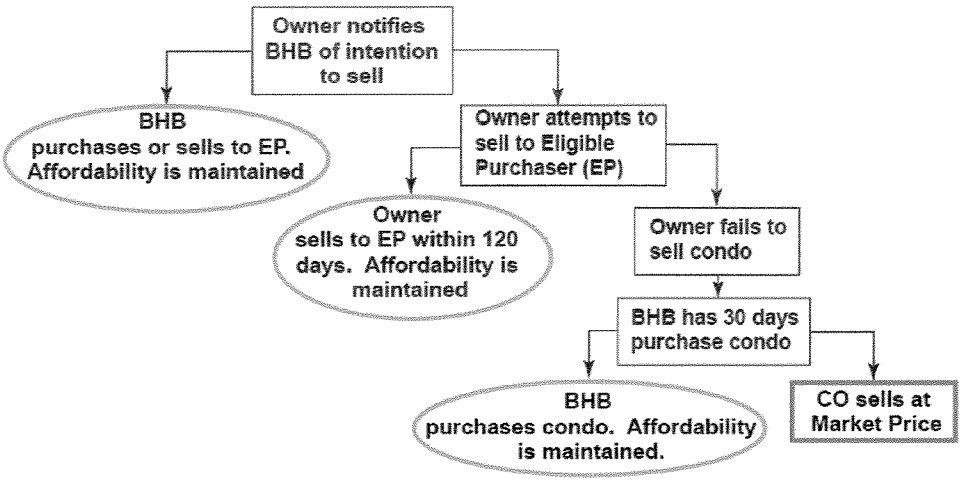

Figure 10. Procedures involved in the resale of an affordable unit in the Condominium Exchange Program. The green ovals indicate outcomes that preserve the affordability of the unit, while the red box indicates an outcome that removes the unit from the affordable pool.

9.2 Sample Condo Conversion Deed Restriction

The deed restriction that Boxborough has used in the Condominium Exchange Program is supplied on the next several pages

TOWN OF BOXBOROUGH

CONDOMINIUM EXCHANGE PROGRAM

AFFORDABLE HOUSING RESTRICTION (the "Restriction")

from _____("Grantee")

to Town of Boxborough, acting by the Boxborough Housing Board

dated _____

WITNESSETH:

WHEREAS, the Town of Boxborough (the "Municipality" or the "Town") acting by and through its Housing Board (the "Housing Board") has created the Condominium Exchange Program through which financial assistance has been made available to first-time homebuyers in the Town;

WHEREAS, the Condominium Exchange Program has been funded through an appropriation of funds by the Town;

WHEREAS, the Grantee is participating in the Condominium Exchange Program, and has been selected by the Housing Board to purchase Unit _____ of the Condominiums at _____ _____, Boxborough, Massachusetts (the "Property"), the Grantee's equity investment for which has been reduced by _____Thousand Dollars ($_____) as a result of downpayment assistance being offered to the Grantee;

WHEREAS, _____Thousand Dollars ($_____) is in the form of a grant from the Town (the "Town Grant").

WHEREAS, pursuant to the Housing Board's Condominium Exchange Program guidelines, eligible purchasers such as the Grantee are given the opportunity to purchase a condominium unit with downpayment assistance if the purchaser agrees to convey the condominium unit on re-sale to an eligible purchaser located by the Housing Board or to the Municipality for a "Maximum Resale Price" that is intended to ensure affordability of the condominium unit to a household earning no greater than eighty percent (80%) of the area median income;

WHEREAS, the "Maximum Resale Price" shall be determined by multiplying the area median income for a four-person household most recently published prior to the resale, by the "Maximum Resale Price Multiplier" as defined herein. The Maximum Resale Price Multiplier shall be a number derived by dividing the original sale price of the unit less the amount of the the Town Grant by the area median income for a four-person household at the time of the initial sale. [For example, if the original formula price of a two-bedroom affordable unit is $100,000, and the median income for a four-person household in the applicable statistical area (Boston Primary Metropolitan Statistical Area) is $50,000, the Maximum Resale Price Multiplier shall be 2. The Maximum Resale Price shall be derived by multiplying the Maximum Resale Price Multiplier (2) by the most recently published area median income for a four-person household.]

WHEREAS, the initial sales price of the Property is _____Dollars ($____ _____) ; the Town Grant is _____Thousand Dollars ($_____); the initial sale price of the Property less the Town Grant is _____Dollars ($____ _____); and the current area median income for a xxx (x) person household is _____ _____Dollars ($_____), a "Maximum Resale Price Multiplier" equal to 0.xx is hereby assigned to be used in determining the "Maximum Resale Price" of the Property;

WHEREAS, the Housing Board has determined that the rights and restrictions granted herein to the Municipality serve the public's interest in the creation and retention of affordable housing for persons and families of low and moderate income and in the restricting the resale price of property in order to assure its affordability by future low and moderate income purchasers;

NOW THEREFORE, as consideration from the Grantee to the Municipality for the conveyance of the Property with downpayment assistance, the Grantee, her heirs, successors and assigns, hereby agrees that the Property shall be subject to the following rights and restrictions which are hereby imposed for the benefit of and shall be enforceable by, the Municipality acting by and through the Housing Board.

1. Right of First Refusal: (a) When the Grantee or any successor in title to the Grantee shall desire to sell, dispose of or otherwise convey the Property, or any portion thereof the Grantee shall first notify the Housing Board in writing of the Grantee's intention to so convey the property (the "Notice"). The Housing Board shall forthwith determine the Maximum Re-sale Price, which is calculated by multiplying the area median income for a four-person household by the Maximum Re-sale Price Multiplier as set forth above. Upon determination of the Maximum Re-sale Price the Grantee shall give notice to the Housing Board, and to the Bank if the notice is given within five years of the date of the initial sale, that the Grantee intends to sell the Property, and advising the Housing Board of a 30-day right of first refusal in favor of the Municipality. Within thirty (30) days of the giving of the Notice by the Grantee, the Housing Board shall notify the Grantee in writing as to whether the Housing Board is proceeding to locate an eligible purchaser of the Property or whether the Municipality shall exercise its right of first refusal to purchase the Property (the "Housing Board's Notice"). For the purpose of this Restriction, an "eligible purchaser" shall mean a household whose income is no greater than 80% of the area median income for a four-person household at the time of purchase, and who, if located by the Housing Board, is ready and willing to purchase the Property within ninety (90) days after the Grantee gives the Notice.

(b) In the event the Housing Board, within said thirty (30) day period, notifies the Grantee that the Housing Board is proceeding to locate an eligible purchaser or that the Housing Board shall exercise the Municipality's right of first refusal to purchase the Property, the Housing Board may locate an eligible purchaser, who shall purchase the Property at the Maximum Re-sale Price subject to a Deed Rider in substantially the same form as this Restriction, within ninety (90) days of the date that the Notice is given, or the Housing Board may purchase the Property itself at the Maximum Re-sale Price within ninety (90) days of the date that the Notice is given. If more than one eligible purchaser is located by the Housing Board, the Housing Board shall conduct a lottery or other like procedure to determine which eligible purchaser shall be entitled to the conveyance of the Property.

(c) In the event that (i) the Housing Board's Notice states that the Housing Board does not intend to proceed to locate an eligible purchaser and that the Municipality does not intend to exercise its right of first refusal to purchase the Property, or the Housing Board fails to give the Housing Board's Notice within thirty (30) days, the Grantee must use diligent efforts to find an eligible purchaser within a one hundred twenty (120) day period from the date the Property is put on the market, as determined by the date of the first advertisement for sale, as set forth below. The term "diligent efforts" as used herein shall mean (A) the placement of an advertisement in the real estate section of at least one newspaper of general circulation for a period of three consecutive weeks which sets forth a customary description of the unit for sale, the Maximum Re-sale Price as determined by the Housing Board, the Grantee's telephone number, and the phrase: *"Sale of unit subject to certain guidelines and restrictions with respect to the maintenance and retention of affordable housing for households of low and moderate income."* and (B) the receipt of satisfactory evidence that the new purchaser qualifies as an eligible purchaser. If the Grantee is unable to locate an eligible purchaser within one hundred twenty (120) days from the date the Property is put on the market, the Grantee may convey the Property to any third party at a price no less than the fair market value of the Property, free of all restrictions set forth herein, provided, however, that prior to the conveyance of the Property at fair market value, the Grantee shall first give notice to the Housing Board of the Grantee's intent to convey the Property at fair market value (the "Second Notice"), and the Municipality shall

have a second right of first refusal to purchase the Property at the Maximum Re-sale Price for a period of thirty days commencing on the date of the Housing Board's receipt of the Second Notice.

(d) In the event that the Property is sold to a third party at fair market value as provided under this Section, all consideration and payments of any kind received by the Grantee for the conveyance of the Property to the third party which exceeds (i) the Maximum Re-sale Price shall be immediately and directly paid to the Municipality (the "Windfall Amount"). Upon receipt of this Windfall Amount, if any, the Housing Board, shall issue to the third party a certificate in recordable form (the "Compliance Certificate") indicating the Municipality's receipt of the excess amount. This Compliance Certificate is to be recorded in the appropriate Registry of Deeds or registered with the appropriate Registry District of the Land Court and such Compliance Certificate may be relied upon by the then owner of the Property and by third parties as constituting conclusive evidence that such excess amount, if any, has been paid to the Municipality, or that no excess amount is payable, and that the rights, restrictions, agreements and covenants set forth herein are null and void. The sale price to a third party shall be subject to the Housing Board's approval, and the Housing Board may withhold its approval if in its sole judgment the purchase price is not consistent with the requirements of this Restriction.

(e) If an eligible purchaser is selected to purchase the Property, or if the Municipality elects to purchase the Property, the Property shall be conveyed by the Grantee to such eligible purchaser or to the Municipality, as the case may be, by a good and sufficient quitclaim deed conveying a good and clear record and marketable title to the Property free from all encumbrances except (i) such taxes for the then current year as are not due and payable on the date of delivery of the deed, (ii) any lien for municipal betterments assessed after the date of the Notice, (iii) provisions of local building and zoning laws, (iv) all easements, restrictions, covenants and agreements of record specified in the Deed of the Property to the Grantee, (v) such additional easements, restrictions, covenants and agreements of record as the Housing Board consents to, such consent not to be unreasonably withheld or delayed, and (vi) in the event that the Property is conveyed to an eligible purchaser, a Deed Rider satisfactory in form and substance to the Housing Board which the Grantee hereby agrees to annex to said deed.

(f) Said deed shall be delivered and the purchase price paid (the "Closing") at the Registry of Deeds in the County where the Property is located, or at the option of the eligible purchaser (or the Housing Board, as the case may be, if the Municipality is purchasing the Property), exercised by written notice to the Grantee at least five (5) days prior to the delivery of the deed, at such other place as the eligible purchaser (or the Municipality, as the case may be, if the Municipality is purchasing the Property) may designate in said notice. The Closing shall occur at such time and on such date as shall be specified in a written notice from the eligible purchaser (or the Housing Board, as the case may be, if the Municipality is purchasing the Property) to the Grantee, which date shall be at least five (5) days after the date on which such notice is given, and if the eligible purchaser is a purchaser located by the Housing Board, or if the Municipality is purchasing the Property no later than ninety (90) days after the Notice is given by the Grantee.

(g) To enable Grantee to make conveyance as herein provided, Grantee may if she so desires at the time of delivery of the deed, use the purchase money or any portion thereof to clear

the title of any or all encumbrances or interests; all instruments so procured to be recorded simultaneously with the delivery of said deed.

(h) Water and sewer charges and taxes for the then current tax period shall be apportioned and fuel value and any common area charges or association fees, if any, shall be adjusted as of the date of Closing and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the eligible purchaser or by the Municipality.

(i) Full possession of the Property free from all occupants is to be delivered at the time of the Closing, the Property to be then in the same condition as it is in on the date on which the Grantee acquired the Property, reasonable wear and tear only excepted.

(j) If Grantee shall be unable to give title or to make conveyance as above stipulated, or if any change of condition in the Property not included in the above exception shall occur, then the Closing shall be extended for up to thirty (30) days and Grantee shall remove any defect in title or to restore the Property to the condition hereby provided for. The Grantee shall use best efforts to remove any such defects in the title whether voluntary or involuntary and to restore the Property to the extent permitted by insurance proceeds or condemnation award. The eligible purchaser (or the Municipality, as the case may be, if the Municipality is purchasing the Property) shall have the election, at either the original or any extended time for performance, to accept such title as the Grantee can deliver to the Property in its then condition and to pay therefore the purchase price without deduction, in which case the Grantee shall convey such title, except that in the event of such conveyance in accordance with the provisions of this clause, if the Property shall have been taken by a public authority, then the Grantee shall, unless the Grantee has previously restored the Property to its former condition, either:

(i) pay over or assign to the eligible purchaser or the Municipality, as the case may be, on delivery of the deed, all amounts recovered or recoverable on account of such insurance or condemnation award less any amounts reasonable expended by the Grantee for the partial restoration, or

(ii) if a holder of a mortgage on the Property shall not permit the insurance proceeds or the condemnation award or part thereof to be used to restore the Property to, its former condition or to be so paid over or assigned, give to the eligible purchaser or to the Municipality, as the case may be, a credit against the purchase price, on delivery of the deed, equal to said amounts so retained by the holder of the said mortgage less any amounts reasonable expended by the Grantee for any partial restoration

2. Right of First Refusal Upon Foreclosure: (a) In the event that a holder of a first mortgage encumbering the Property gives the Housing Board notice of its intent to foreclose upon its mortgage or to accept a deed in lieu of foreclosure pursuant to the provisions of Section 5(a) of this Restriction (the "Foreclosure Notice"), the Grantee shall offer the Property for sale to the Municipality at a price equal to the Maximum Re-Sale Price, and the Municipality shall have the option, subject to appropriation, to purchase the Property at said price pursuant to the terms and procedures set out in Section 1, subsections 1(e)-(j) above, and the word "Notice" in said subsections shall mean the Foreclosure Notice. The Municipality shall also have the option, in

the alternative, also subject to appropriation, to cure whatever default(s) have entitled the mortgage holder to issue the Foreclosure Notice (the "Municipality's Option"). Within thirty (30) days of its receipt of the Foreclosure Notice, the Housing Board shall notify the Grantee and the mortgage holder as to whether the Municipality will be exercising its Option to purchase the Property or cure the default(s) pursuant to the terms of this section. The Municipality's Option may be assigned to an eligible purchaser.

(b) In the event that the Municipality or the Municipality's assignee, within said thirty (30) day period, exercises its Option hereunder, the Municipality, or the Municipality's assignee as the case may be, shall either purchase the Property at the Maximum Re-sale Price, or cure the default(s), within ninety (90) days of the date that the Foreclosure Notice is given. In the event that the Municipality or the Municipality's assignee elects to cure the default(s) in lieu of purchasing the Property, the Municipality or its assignee may attach a lien on the Property subordinate to all pre-existing mortgages and liens for any expenses incurred by the Municipality or its assignee in curing said default(s). In the event that the Municipality or the Municipality's assignee notifies the Grantee and the mortgage holder within said thirty (30) days that it does not intend to exercise the Municipality's Option, or if the Municipality or the Municipality's assignee does not exercise the Municipality's Option within said thirty (30) day period, or if the Municipality or the Municipality's assignee exercises the Municipality's Option within said thirty (30) day period but does not either purchase the Property or cure the default(s) within said ninety (90) day period, the mortgage holder may proceed to foreclose upon its mortgage, or accept a deed in lieu of foreclosure, subject to the provisions of Section 5 herein.

3. Resale and Transfer Restrictions: Except as otherwise stated herein, the Property or any interest therein, shall not at any time be sold by the Grantee, the Grantee's successors and assigns, and no attempted sale shall be valid, unless:

(a) the aggregate value of all consideration and payments of every kind given or paid by the eligible purchaser (as located and defined in accordance with Section 1 above) or the Municipality, as the case may be, to the then owner of the Property for and in connection with the transfer of such Property, subject to customary closing adjustments for fuel, taxes, or similar items, is equal to or less than the Maximum Resale Price for the Property, and (i) if the Property is conveyed to an eligible purchaser, a certificate (the "Eligible Purchaser Certificate") is obtained and recorded, signed and acknowledged by the Housing Board which Eligible Purchaser Certificate refers to the Property, the Grantee, the eligible purchaser thereof and the Maximum Resale Price therefore, and states that the proposed conveyance, sale or transfer of the Property to the eligible purchaser is in compliance with this Restriction, and there is also recorded a new Deed Rider executed by the eligible purchaser which new Deed Rider the Eligible Purchaser Certificate certifies is satisfactory in form and substance to the Housing Board; (ii) if the Property is conveyed to the Municipality, a Certificate (the "Municipal Purchaser Certificate") is obtained from the Housing Board and recorded with the Registry of Deeds, which Municipal Purchaser Certificate refers to the Property, the Grantee, and the Municipality, and states that the proposed conveyance, sale or transfer of the Property to the Municipality is in compliance with the rights, restrictions, covenants and agreements contained in this Restriction and there is also recorded a new Deed Rider which Deed Rider is satisfactory in form and substance to the Housing Board, or

(b) if the Property is conveyed to a third party in accordance with Section 1(d), the Housing Board executes and delivers the Compliance Certificate in accordance with Section 1(d);

Any good faith purchaser of the Property, any lender or other party taking a security interest in such Property and any other third party may rely upon a Compliance Certificate or an Eligible Purchaser Certificate or a Municipal Purchaser Certificate referring to the Property as conclusive evidence of the matters stated therein and may record such Certificate in connection with conveyance of the Property, provided, in the case of an Eligible Purchaser Certificate and a Municipal Purchaser Certificate the consideration recited in the deed or other instrument conveying the Property upon such resale shall not be greater than the maximum permitted price stated in the Eligible Purchaser Certificate or the Municipal Purchaser Certificate as the case may be.

Within ten (10) days of the closing of the conveyance of the Property to the Grantee, the Grantee shall deliver to the Housing Board a true and certified copy of the deed of the Property, together with information as to the place of recording thereof in the public records. Failure of the Grantee, or Grantee's successors or assigns to comply with the preceding sentence shall not affect the validity of such conveyance.

The Grantee understands and agrees that nothing in this Restriction in any way constitutes a promise or guarantee by the Municipality or its Housing Board that the Grantee shall actually receive the Maximum Resale Price for the Property or any other price for the Property.

4. Restrictions Against Leasing and Junior Encumbrances: The Property shall not be leased, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of the Housing Board, provided, however, that this provision shall not apply to a first mortgage granted in connection with this conveyance. In other words, **the Grantee must occupy the Property as his/her year-round residence, and may not rent any portion of the Property without the express written consent of the Housing Board.**

Any rents, profits, or proceeds from any transaction described in the last preceding sentence which transaction has not received the prior written consent of the Housing Board shall be paid to and be the property of the Municipality. In the event that the Housing Board, in the exercise of its absolute discretion, consent to any such lease, refinancing, encumbrance or mortgage, it shall be a condition to such consent that all rents, profits or proceeds from such transaction which exceed the carrying costs of the Property as determined by the Monitoring Agent in its sole discretion shall be paid to and be the property of the Municipality. Notwithstanding the restrictions outlined in the paragraph above, any Property purchased by the Municipality, under its Right of First Refusal, may be rented by the Municipality, at its discretion.

5. Rights of Mortgagees: (a) Notwithstanding anything herein to the contrary, but subject to the next succeeding paragraph hereof, if the holder of record (other than the Grantee or any person related to the Grantee by blood, adoption, or marriage, or any entity in which the Grantee has a financial interest (an "Interested Party")) of an eligible mortgage (as herein defined) granted to a state or national bank, state or federal savings and loan association,

cooperative bank, mortgage company, trust company, insurance company or other institutional lender or its successors or assigns (other than an Interested Party) shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Property in lieu of foreclosure, and provided that such holder has given the Housing Board not less than ninety (90) days prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure and has complied with the provisions of Section 2 herein, the rights and restrictions contained herein shall not apply to such holder upon such acquisition of the Property or any purchaser (other than an Interested Party) of the Property at a foreclosure sale conducted by such holder, or any purchaser (other than an Interested Party) of the Property from such holder, and subject to the disposition of proceeds established in Paragraph 5(b) hereof such Property shall thereupon and thereafter be free from all such rights and restrictions. For purposes of this Restriction an eligible mortgage shall be a first mortgage encumbering only the Property and in an original principal amount not to exceed ninety-five (95%) percent of the sale price stated in the Compliance Certificate recorded with the mortgagor's deed. Any foreclosing mortgagee holding a mortgage which is not an eligible mortgage shall not be entitled to the protections of this section and shall be deemed to be an owner subject to all the restrictions and obligations of an owner under this Restriction.

(b) In the event such holder of an eligible mortgage conducts a foreclosure or other proceeding enforcing its rights under such mortgage or if the Property is conveyed to such holder in lieu of foreclosure and the Property is sold for a price in excess of the sum of the outstanding principal balance of the note secured by such mortgage plus all accrued interest and all reasonable costs and expenses which the holder is entitled to recover pursuant to the terms of the mortgage (the "Mortgagee's Costs"), the holder of said mortgage shall pay to the Municipality any amount received from such foreclosure proceeding that exceeds the greater of (i) the Mortgagee's Costs; and (ii) the Maximum Resale Price applicable on the date of the sale. Such excess (the "Foreclosure Recapture Amount") shall be paid to the Municipality in consideration of the loss of the value and benefit of the rights and restrictions herein contained held by the Municipality and released by the Municipality pursuant to this section in connection with such proceeding. To the extent the Grantee possesses any interest in any amount which would otherwise be payable to the Municipality under this paragraph, to the fullest extent permissible by law, the Grantee hereby assigns its interest in such amount to said holder for payment to the Municipality.

6. Covenants to Run With the Property: (a) The Grantee, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants and assigns to the Municipality, the Municipality's agents, successors, designees and assigns the right of first refusal to purchase the Property as set forth herein, and the right to enforce the rights and restrictions, covenants and agreement set forth in this Restriction. The Grantee hereby grants to the Municipality the right to enter upon the Property for the purpose of enforcing any and all of the restrictions, covenants and agreements herein contained, and of taking all actions with respect to the Property which the Municipality may determine to be necessary or appropriate, with or without court order, to prevent, remedy or abate any violation of the restrictions, covenants and agreements set forth herein. The rights hereby granted to the Municipality shall be in addition to and not in limitation of any other rights and remedies available to the Municipality for enforcement of the restrictions, rights, covenants and agreements set forth in this Restriction. It is intended and agreed that all of the agreements, covenants, rights and restrictions set forth

above shall be deemed to be covenants running with the Property and shall be binding upon and enforceable against the Grantee, the Grantee's successors and assigns and any party holding title to the Property for the benefit of and enforceable by the Municipality and its agents, successors, designees and assigns until the earlier to occur of: (i) fifty (50) years from the date of this Restriction, (ii) the recording of a Compliance Certificate, or (iii) the recording of an Eligible Purchaser Certificate and a Deed Rider executed by the eligible purchaser referenced in the Eligible Purchaser Certificate, which Deed Rider the Eligible Purchaser Certificate certifies is in form and substance satisfactory to the Housing Board as set forth herein. The Housing Board shall be entitled to a fee of one-half of one percent of the sales price of the Property to an eligible purchaser for the services performed in monitoring compliance with this Restriction. This fee shall be paid by the Grantee hereunder as a closing cost at the time of closing, and payment of the fee of the Housing Board shall be a condition to delivery and recording of its certificate, failing which the Housing Board shall have a claim against the Grantee and person claiming under the grantee for which the Housing Board may seek an attachment against the Property.

(b) This Restriction and all of the agreements, restrictions, rights and covenants contained herein shall be deemed to be an affordable housing restriction as that term is defined in M.G.L. c. 184, § 31 and as that term is used in M.G.L. c. 184, § § 26, 31, 32, and 33.

(c) The Grantee intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Restriction and the covenants, agreements, rights and restrictions contained herein shall be and are covenants running with the land, encumbering the Property for the term of this Restriction, and are binding upon the Grantee's successors in title, (ii) are not merely personal covenants of the Grantee, and (iii) shall bind the Grantee, its successors and assigns and enure to the benefit of the Municipality and its successors and assigns for the term of the Restriction. Grantee hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts to be satisfied in order for the provisions of this Restriction to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full.

(d) Without limitation on any other rights or remedies of the Municipality, its agents, successors, designees and assigns, any sale or other transaction or conveyance of the Property in violation of the provisions of this Restriction, shall, to the maximum extent permitted by law, be voidable by the Municipality or its agents, successors, designees and assigns by suit in equity to enforce such rights, restrictions, covenants, and agreements.

(e) Notwithstanding any other provision in this Restriction, after the end of the fiftieth year from the date this Restriction was first placed on the Property by either this Restriction or a preceding or subsequent deed rider or restriction in substantially similar form and substance (the "Termination Date"), the then owner of the Property then subject to this Restriction may sell the Property at a price equal to the fair market value of the Property as of the date of sale and not subject to this Restriction, provided, however that the owner, at the time of such sale must pay to the Municipality the difference between the fair market value as so determined and the Maximum Resale Price which the owner could realize in a sale to an Eligible Purchaser were this Restriction to have remained in effect, and upon such payment the Property will be deeded free and clear of this Restriction. In the event of any failure of any owner to make a payment under this Restriction, the Municipality shall have the right to seek payment from the purchaser of the Property, and his/her successors and assigns, which right shall be prior

to the encumbrance of any mortgage on the Property. The owner of the Property after the Termination Date shall have the right to make a payment by refinancing or from other sources in the same amount to the Municipality as the Municipality would receive were this Restriction to have remained in effect in the event of a sale at fair market value on the date of payment after the Termination Date, and in the event of such a payment the owner shall hold the Property free and clear of this Restriction. The provisions of this paragraph shall survive the expiration of the term of this Restriction.

7. Notice: Any notices, demands or requests that may be given under this Restriction shall be sufficiently served if given in writing and delivered by hand or mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties hereto at the addresses set for below, or such other addresses as may be specified by any party by such notice.

Municipality: Boxborough Housing Board
Town of Boxborough
29 Middle Road
Boxborough, MA 01719

Grantee:

Any such notice, demand or request shall be deemed to have been given on the day it is hand delivered or mailed.

8. Further Assurances: The Grantee agrees from time to time, as may be reasonably required by the Housing Board, to furnish the Housing Board with a written statement, signed and, if requested, acknowledged, setting forth the condition and occupancy of the Property, information concerning the resale of the Property and all other information pertaining to the Property. The Housing Board is authorized to record or file any notices or instruments appropriate to assuring the enforceability of this Restriction; and the Grantee on behalf of herself and her successors and assigns appoints the Housing Board her attorney-in-fact to execute, acknowledge and deliver any such instruments on her behalf. Without limiting the foregoing, the Grantee and her successors and assigns agree to execute any such instruments upon request. The benefits of this Restriction shall be in gross and shall be assignable by the Municipality. The Grantee and the Municipality intend that the restrictions arising hereunder take effect upon the date hereof, and to the extent enforceability by any person ever depends upon the approval of governmental officials, such approval when given shall relate back to the date hereof regardless of the date of actual approval or the date of filing or recording of any instrument evidencing such approval.

9. Waiver: Nothing contained herein shall limit the rights of the Municipality to release or waive, from time to time, in whole or in part, any of the rights, restrictions, covenants or agreements contained herein with respect to the Property. Any such release or waiver must be made in writing and must be executed by the Housing Board or designee.

10. Severability: If any provisions hereof or the application thereof to any person or circumstance shall come, to any extent, to be invalid or unenforceable, the remainder hereof or the application of such provision to the persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and enforced to the fullest extent permitted by law.

11. Should the Housing Board cease to exist, all references herein to the Housing Board shall be to the board or officer of the Municipality performing the functions now performed by the Housing Board, or if no such board or officer exists, to the Board of Selectmen.

Executed as a sealed instrument this _____ day of _____, 2005.

Grantee:

_____

COMMONWEALTH OF MASSACHUSETTS

_____, ss. _____, 2005

Then personally appeared the above-named _____, Grantee, and acknowledged the foregoing instrument to be her/her/their free act and deed, before me.

_____
Notary Public
My commission expires:

ACCEPTANCE BY MUNCIPALITY OF
GRANT OF AFFORDABLE HOUSING RESTRICTION

The above Restriction is accepted this ___ day of _____, 2005.

TOWN OF BOXBOROUGH
HOUSING BOARD

By: _____
Duly Authorized

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss. _____, 2005

Then personally appeared the above-named _____, duly authorized Member of the Boxborough Housing Board, and acknowledged the foregoing to be his/her free act and deed and the free act and deed of the Town of Boxborough, before me.

_____
Notary Public
My commission expires:

9.3 Sample Specific Use Restriction

For affordable housing project not part of the Condo Conversion Program (i.e. Comprehensive Permit, Local Initiative Projects), the Town incorporates language consistent with the following specific use restriction language developed by DHCD:

Affordable units must serve households with incomes no greater than 80% of the area median income for which the units is located. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- For a minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.
- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program does not require such an agreement. The units have been, or will be marketed in a fair and open process consistent with state and federal fair housing laws.

10 Appendix A Report of the Affordable Housing Study Committee

11 Appendix B Affordable Housing Bylaw

12 Appendix C Affordable Housing Long Range Plan, April 2001

13 Appendix D Affordable Housing Long Range Plan, November 2005

14 Appendix E Boxborough Master Plan