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# Bellingham Housing Production Plan

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Local Technical Assistance program

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## **Section I: Introduction**

## **I. Introduction**

This Plan was prepared to comply with the Massachusetts Department of Housing and Community Development's Planned Production Regulations, 760 CMR 56.03(4). The Plan was developed with input from a visioning session, and a series of public meetings with the Bellingham Planning Board. The Planning Board is also in the process of updating the Bellingham Master Plan.

## **Section II: Inventory/ Supply and Demand**

## **II. Inventory/Supply and Demand**

### **Population Key Findings**

Bellingham's population is projected to remain relatively stable in the future; however the town is projected to see a decline of families with children and an increase of population over 55. Because of these demographic shifts, the average household size may decline, and the town may need additional smaller housing units.

Bellingham's population has grown slowly since 1990, adding roughly 1,000 residents. According to MAPC's MetroFuture projection, the town's population will decline slightly but stabilize around 15,000 residents. The alternate "Current Trends" projection shows a small amount of growth – only 700 additional residents by 2030.

The age profile of the town is projected to change in the coming years. According to MAPC projections, the number of people under 30 will decline by almost 1,000, and the town will gain population over 55. These changes will increase the number of non-family households, and decrease the number of families with children under 18. They may also increase the demand for smaller housing units, attached housing, and multi-family housing as older residents will have smaller household sizes and may prefer smaller housing units with their lower associated costs and maintenance responsibilities. The average household size in 2000 was 2.75 people, down from 2.95 in 1990.

Bellingham's racial profile closely matches the entire Southwest Advisory Planning Committee Subregion, with 96.1% White, 1.2% Hispanic, and 0.9% African American, Asian, and other races. According to the 2000 Census, 492 people, or 3.2%, were foreign born.

Fig. 1

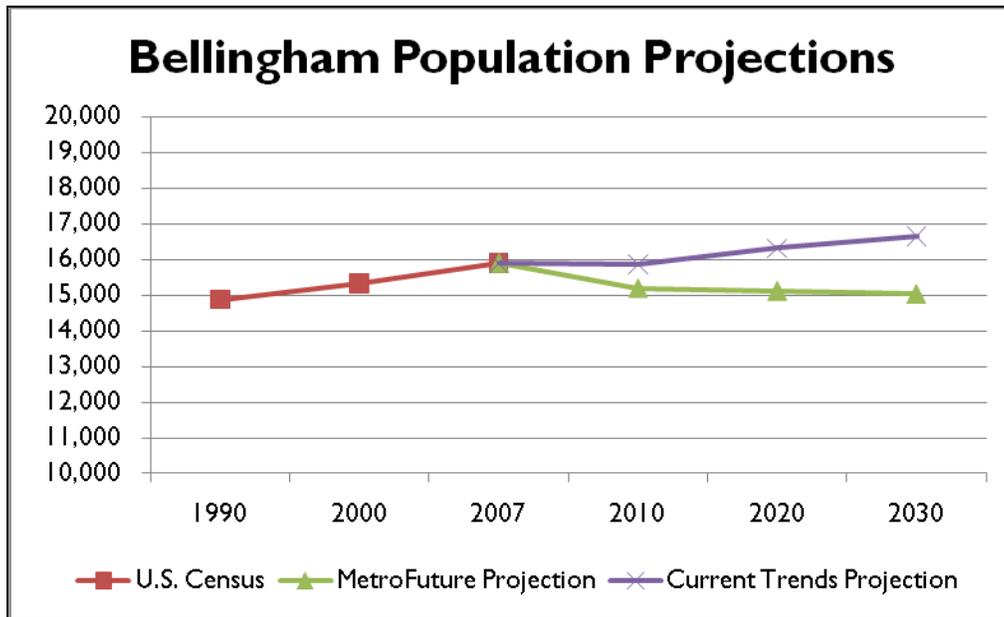
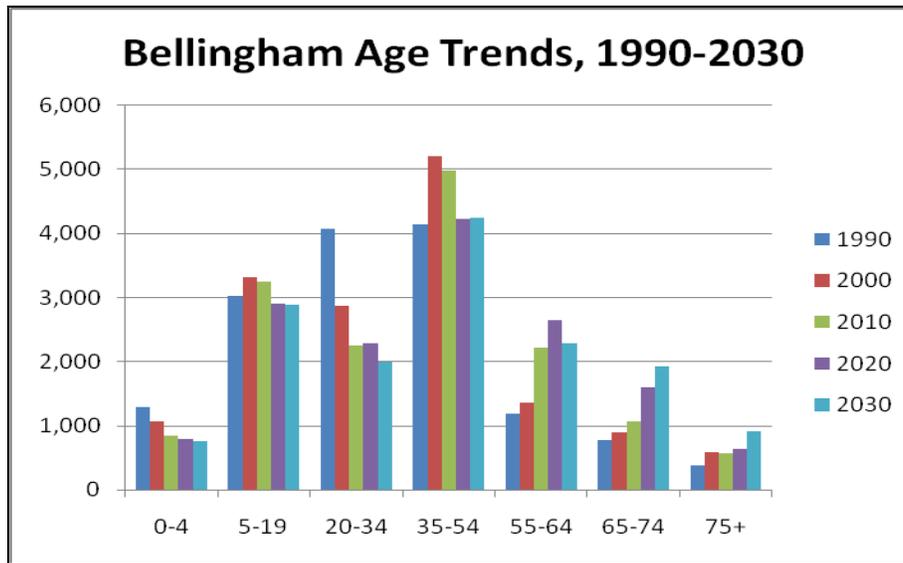


Table 1

Age Group	1990	2000	2010	2020	2030	2000-2030 Change
00-04	1,289	1,077	854	802	759	-318
05-09	1,023	1,172	1,103	1,012	1,059	-113
10-14	952	1,233	1,136	1,016	1,028	-205
15-19	1,058	907	1,016	883	801	-106
20-24	1,054	576	764	693	583	7
25-29	1,484	924	681	707	580	-344
30-34	1,540	1,377	804	894	837	-540
35-39	1,348	1,607	1,140	1,061	1,204	-403
40-44	1,154	1,393	1,315	1,036	1,188	-205
45-49	873	1,170	1,368	1,077	1,009	-161
50-54	768	1,041	1,160	1,053	845	-196
55-59	619	764	1,190	1,366	1,066	302
60-64	567	590	1,020	1,274	1,220	630
65-69	446	476	660	938	1,095	619
70-74	324	427	403	664	833	406
75-79	217	325	289	372	521	196
80-85	93	158	203	196	324	166
85+	68	97	83	73	75	-22

Sources: Census 1990 & 2000, MetroFuture Projection

Fig. 2



	Bellingham 2000	2000%	SWAP 2000	2000%	Bellingham - SWAP Difference
Under 5 years	1,077	7.0%	11,714	8.1%	-1.1%
5 to 9 years	1,172	7.7%	12,486	8.6%	-1.0%
10 to 14 years	1,233	8.1%	11,497	8.0%	0.1%
15 to 19 years	907	5.9%	8,517	5.9%	0.0%
20 to 24 years	576	3.8%	4,959	3.4%	0.3%
25 to 34 years	2,301	15.0%	18,400	12.7%	2.3%
35 to 44 years	3,000	19.6%	29,709	20.6%	-1.0%
45 to 54 years	2,211	14.4%	22,004	15.2%	-0.8%
55 to 64 years	1,354	8.8%	11,445	7.9%	0.9%
65 to 74 years	903	5.9%	7,369	5.1%	0.8%
75+	580	3.8%	6,284	4.4%	-0.6%
<b>TOTALS</b>	<b>15,314</b>	<b>100.0%</b>	<b>144,384</b>	<b>100.0%</b>	

Table 2. Number of Households by Type in Bellingham, 2000

	Bellingham 2000	Percent of Total
<b>Total Family</b>	4,282	100.00%
<b>Families with Children &lt;18</b>	2,104	49.14%
<b>Families with Single Parent living with Children &lt;18</b>	358	8.36%
<b>Total Non-Family</b>	1,275	29.78%
<b>Non-Family Living Alone</b>	1,010	23.59%
<b>Non-Family 65+ Living Alone</b>	340	7.94%
<b>Data Source: U.S. Census</b>		

## Existing Housing Stock

### Key Findings:

- Bellingham’s housing stock is overwhelmingly composed of single-family homes, permitting no units in buildings with five or more units since 2000.
- Bellingham’s foreclosure rate is among the highest of any municipality in eastern Massachusetts.
- Median home prices peaked in 2005 with a value of \$315,000. Although the median home price has declined to \$257,700, the rate of decline has slowed and home prices have still increased by 51.7% in the past eight years.
- In 2008 Bellingham’s Subsidized Housing Inventory (SHI) as defined by the Department of Housing and Community Development dropped below 10% of the total Census 2000 housing stock, the threshold to be exempt from the comprehensive permit process (40B).

The majority of Bellingham’s housing stock is single-family units, 77.6% are single-family, detached, and 5.9% are single-family, attached. There are 477 duplexes, or 8.5% of the total. The town has 433 units in buildings with 3 or more units, including 111 in buildings with 20 or more units. The majority – 83.8% -- are owner occupied. In 2000, the vacancy rate for both owner-occupied and rental housing units was very low, 0.4% and 1.5%, respectively.

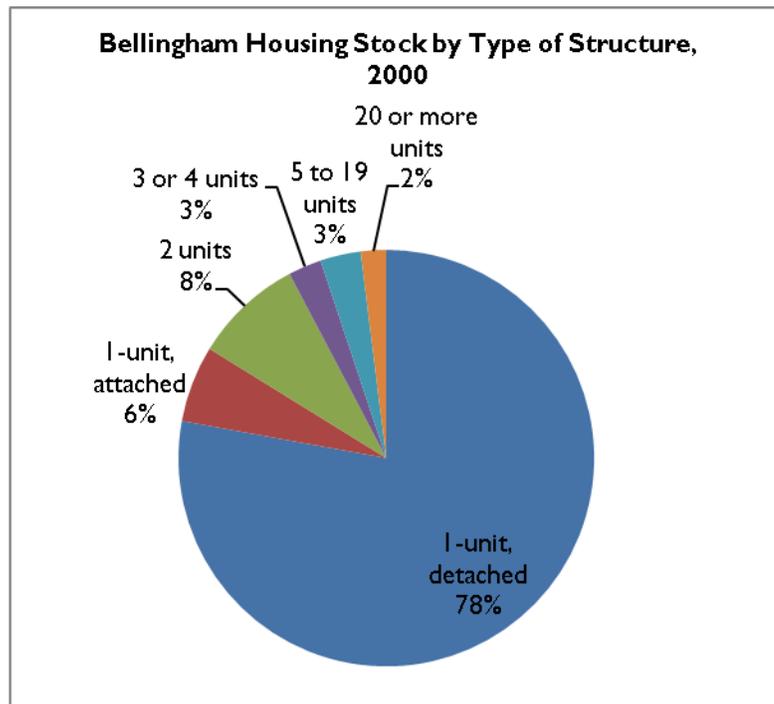
	<b>1990</b>	<b>2000</b>	<b>SWAP 2000</b>
<b>Housing Units:</b>	5173	5642	51,231
<b>Occupied Housing Units:</b>	5050	5557	50,197
<b>Vacant Housing Units:</b>	123	85	1,034
<b>Owner Occupied Housing Units:</b>	4133	4658	36,134
<b>Renter Occupied Housing Units:</b>	917	899	9,666
<b>Owner Occupied Housing Units (%):</b>	81.8	83.8	72.0
<b>Renter Occupied Housing Units (%):</b>	18.2	16.2	28.0
<b>Vacant Housing Units (%):</b>	2.19	1.3	2.0
<b>Vacant Owned Housing Units (%):</b>	0.96	0.4	N/A
<b>Vacant Rental Housing Units (%):</b>	3.07	1.5	N/A
<b>Average Household Size of Owner Occupied Units:</b>	3.08	2.87	N/A
<b>Average Household Size of Rental Occupied Units:</b>	2.33	2.13	N/A
<b>Median Housing Value:</b>	\$142,200	\$158,800	N/A
<b>Median Rent:</b>	\$557	\$586	N/A
<b>Data Source: U.S. Census, MAPC Analysis</b>			

The growth in the housing stock has been steady over the past few decades, according to the U.S. Census Building Permits Service, permitting 706 units in the 1980s and 674 in the 1990s. Between 2000 and 2007, the town permitted 488 new housing units. None were in structures

with 5 or more units, and 50 were in 2-4 family structures, and the remainder, 433, was single family units.

Home prices in Bellingham increased moderately in the 1990s, the median home price increasing from a low of \$100,000 in 1991 to \$169,900 in 2000, according to Banker & Tradesman data. From 1990 to 2000, the average appreciation rate was 4.2% per year. Between 2000 and 2005 the median home price jumped 85% to \$315,000, but declined to \$257,700 in 2008. Although the median home price has declined, it has still increased 51.7% -- or an average of 6.5% per year, since 2000.

**Fig. 3**



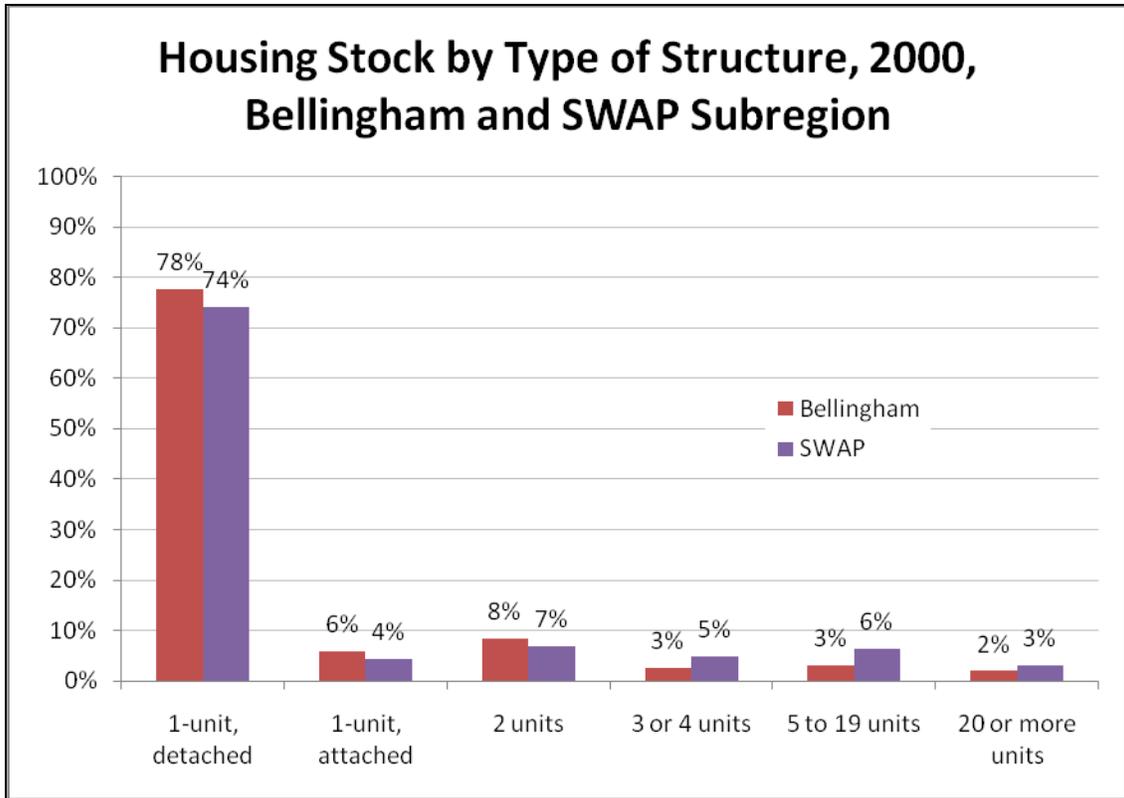
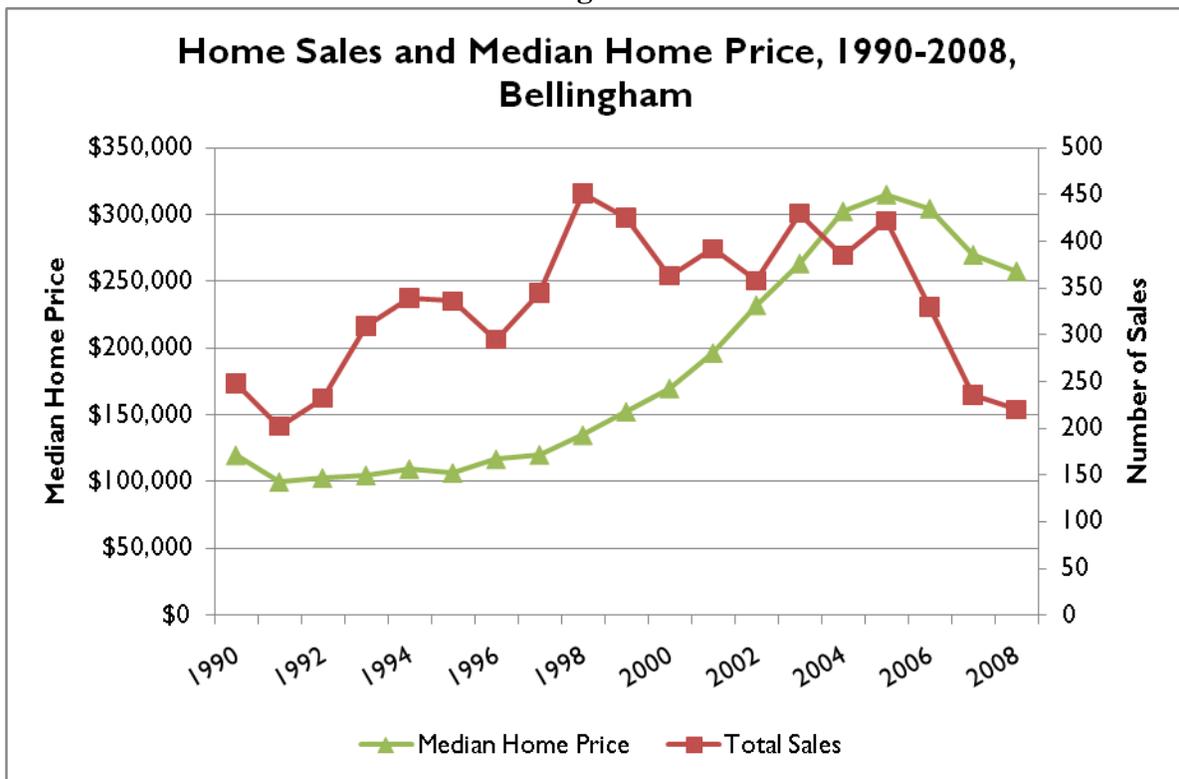
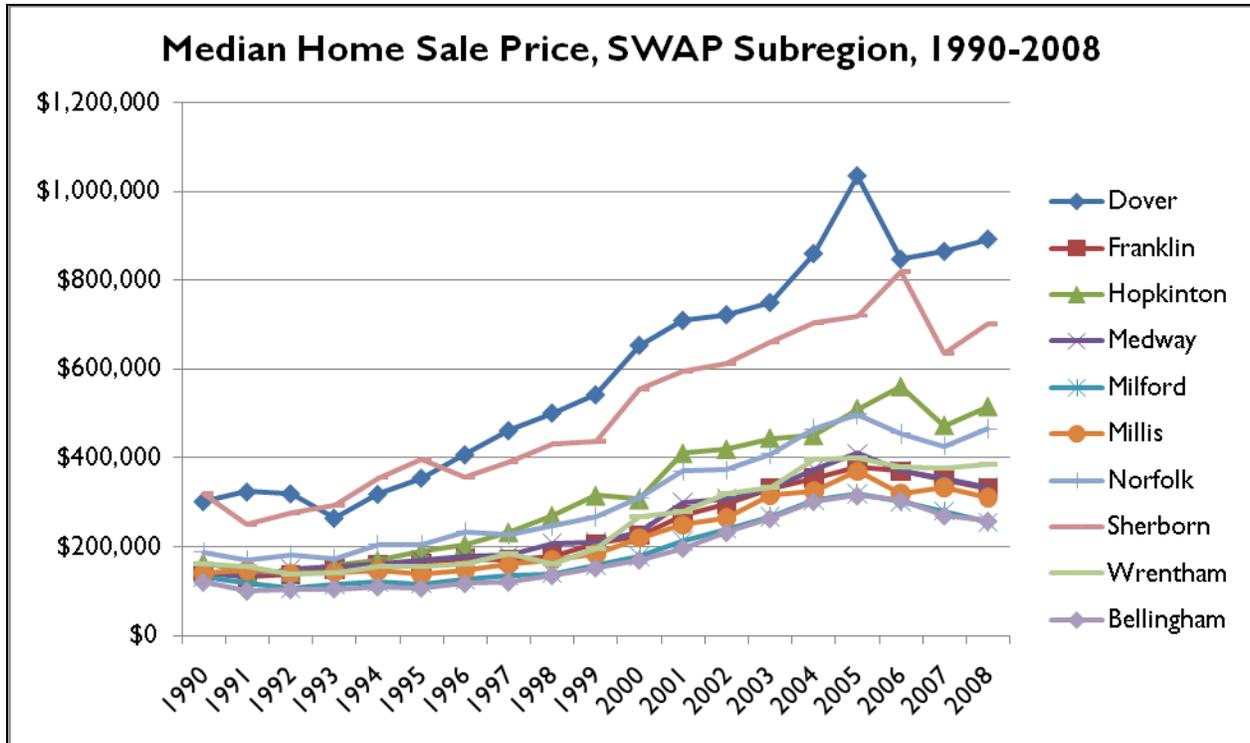


Fig. 4



Data Source: The Warren Group/Banker and Tradesman



### Foreclosures

Bellingham had 80 properties foreclosure in 2008. The 2008 foreclosure deeds were 1.42% of the 2000 total housing units. According to the 2008 Greater Boston Housing Report Card, only four municipalities had higher scores on this measure: Wareham, Randolph, Carver, and Brockton.

### Affordability

According to Census 2000 SF3 data, 18% of the households in Bellingham paid more than 30% of their household income to rent or other housing costs. Given the increase in housing costs since then, this group may have increased. Renters had an even higher cost burden: 20.9% paid 35% or more of their household income in rent, 28.8% paid over 30% of their household income as rent.

	Number	Percent
Less than 15 percent	1214	28.7
15 to 19 percent	1015	24
20 to 24 percent	752	17.8
25 to 29 percent	459	10.8
30 to 34 percent	225	5.3
35 percent or more	544	12.8
Not computed	26	0.6
Data Source: Census 2000, SF3		

Bellingham’s median household income in 1999 was \$64,496, however different groups differed. All home owners had an even higher income, \$69,127, where renters’ income was less than half

that, \$28,147. Households headed by someone over 75 had the lowest median household income, \$15,660, as households headed by people under 25 were also lower, at \$24,286.

Fiscal Year 2009 Fair Market Rent for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2009 FMR	\$1,080	\$1,146	\$1,345	\$1,609	\$1,767
Annual Income Needed to Afford FMR	\$43,200	\$45,840	\$53,800	\$64,360	\$70,680
HMFA Median Income: \$90,200					

Source: HUD

### **Current M.G.L. Chapter 40B – Subsidized Housing Inventory**

Bellingham has made significant progress developing affordable housing in the community and currently 31 units shy of the 10% goal. Chapter 40B Planned Production regulations allow a community which has fewer than the 10% affordable housing inventory goal to meet interim goals by producing affordable units at a minimum annual rate until the goal of 10 percent is reached. A community must permit at least half of one percent (0.5 percent) of its year-round housing stock annually as affordable housing. For Bellingham, this equates to a minimum addition of 28 units of affordable housing each year. The Town is granted a one year exemption from comprehensive permits if at least 0.5% units are permitted. The Town is granted a two-year exemption from comprehensive permits if at least 1.0% or 56 units are permitted.

Please note the following procedure regarding certification and permitting. If the Town achieves certification within 15 days of the opening of the local hearing for a Comprehensive Permit, the ZBA shall provide written notice to the Applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be Consistent with Local Needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation.

If the Applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent with local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

The current affordable housing inventory in Bellingham can be found in Appendix III.

## **Section III: Housing Needs Analysis**

### **III. Housing Needs Analysis**

The Housing Needs Analysis is organized into three sections: the community profile presents demographic information about Bellingham's current and projected population; income and educational attainment. The next section provides detailed information on Bellingham's housing characteristics, including age and ownership of existing housing, home sales activity and housing values. The last section examines the housing affordability gap.

#### **Community Profile**

The community profile provides an overview of population and income changes from 1990 to 2000, and projections for 2010 and 2020. This information is relevant for determining growth trends and the future needs for housing, public facilities and services in the community.

#### **Key Findings**

- Slow rate of population growth, with projections for slight overall decline
- Steady increase in the population over age 65
- Household income has been increasing, with fewer households in the lowest ranges, and increasing numbers of households in the higher income ranges

Bellingham is characterized by a slow rate of population growth. The 1990 population of 14,877 grew by 437 people or 2.9% to 15,314 in 2000. The 1998 Bellingham Master Plan estimated year 2000 population at 15,900 and year 2010 at 16,100. Current MAPC population projections for 2010 suggest a slight decrease in population to 15,189, and for 2020 a further decrease to 15,117 for a percent change of -1.3% between 2000 and 2020.

The projections for the next 10 years indicate that as the adult population matures, and their young children age, the senior population (65+) will significantly grow by 51% in 2020. This trend indicates a stable demand for housing overall, but projected changes in the distribution of the population have important implications for the type and affordability of the housing. The population over 55 years of age is expected to increase, while the number of families with children is expected to decrease slightly, resulting in smaller household size. From 1990 to 2000, there was a slight decrease in household size, from 2.95 persons in 1990 to 2.75 in 2000.

See Table 3-1, below, for a summary of population data.

Table 3-1

Current and Projected Population in Bellingham												
	1990		2000		1990-2000 Change		2010 Projected		2020 Projected		2000-2020 Change	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Total Population</b>	14,877	100	15,314	100	437	2.9	15,189	100	15,117	100	-197	- 1.3
<b>Population 0-4</b>	1,289	8.6	1,077	7	-212	-16	854	5.6	802	5.3	-275	-25
<b>Population 19 &amp; Under</b>	3,033	20.3	3,312	21.6	279	9	3,254	21.4	2,911	19.2	-401	-12
<b>Population 20-64</b>	9,407	63	9,442	61.6	35	3.7	7,093	46.7	9,161	44.6	-281	- 3
<b>Population 65+</b>	1,148	7.7	1,483	9.6	335	29.2	1,638	10.8	2,243	15	760	51

Source: U.S. Census, 1990 and 2000; MAPC projections

Table 2 below summarizes the projected changes in the number of households. Households are defined in the Census as including all families as well as non-related heads of households. The number of households in Bellingham increased from 4,981 in 1990 to 5,557 in 2000, an increase of 576 households, or approximately 11.5%.

Table 3-2

Number of Households in Bellingham, 1990-2030		
Year	Total Households	Change from Previous
<b>1990</b>	4,981	--
<b>2000</b>	5,557	576
<b>2010 Projected</b>	6162	605
<b>2020 Projected</b>	6649	487
<b>2030 Projected</b>	7076	427
<b>TOTAL</b>		2095

Source: U.S. Census, MAPC

Of the total 5,557 households, 4,282 or 77% are families with children, while 1,275, or 23% are non-family households. Of the 1,275 non-family households, 340 are 65 years of age or older. The ratio of families vs. non-family households may be expected to remain relatively the same for the projected households, primarily due to the large supply of single family homes in Bellingham. The average size of family households was 3.15 persons.

**Income**

The median household income for Bellingham in 1999 was \$64,496, up 42 % from the 1989 median income of \$45,397. Of the 5,557 total households in 1999, 258 or 4.6 % had incomes below \$10,000 while 229 households or 4.1 % had incomes of more than \$150,000. More than 25.5 % of the households were earning between \$50,000 and \$74,999. Those earning \$75,000 or more included 39 % of households, up significantly from 15 % in 1990. A comparison of 1989 and 1999 income distribution is shown below in Table 3. For 2010 and 2020, the relative income distribution of households is expected to follow the historic trends. Table 3 reveals the increasing affluence of Bellingham, with decreases in both the numbers and percent of lower income households. Those households earning more than \$75,000 more than doubled over the decade, outpacing what would be expected due to inflation.

Table 3-3

Income Distribution by Households 1989 -1999				
	1989		1999	
	# Households	% of Total	# Households	% of Total
Under \$10,000	345	6.9	258	4.6
\$10,000-\$24,999	682	13.7	531	9.5
\$25,000-\$34,999	630	12.6	418	7.5
\$35,000-\$49,999	1,082	21.7	754	13.5
\$50,000-\$74,999	1,491	29.9	1,424	25.5
\$75,000-\$99,999	580	11.6	1,212	21.8
\$100,000-\$124,999	128	2.6	524	9.4
\$125,000-\$149,999	35	.7	227	4.1
\$150,000-\$199,999	8	-	122	2.2
\$200,000 or more	-		107	1.9
Median Income	\$ 45,397		\$ 64,496	
Total # HH	4,981		5,557	

Source: 1990 and 2000 Census (Income for the previous year is reported)

**Poverty Status**

The next table indicates the poverty status in the community. The number of individuals below the poverty level increased in absolute numbers, as well as percentage of the total population, from .84% in 1989 to 2.5%. The most dramatic change was the decrease in number of female headed households in poverty, from 12.5% in 1989 to 5.2% in 1999. The percent of those individuals over 65 years of age in poverty could continue to increase as that population grows, as projected in the next 20 years.

Table 3-4

<b>Poverty Status 1989-1999</b>				
	<b>1989</b>		<b>1999</b>	
	<b>#</b>	<b>% of Category</b>	<b>#</b>	<b>% of Category</b>
<b>Individuals Below Poverty</b>	126	.84	384	2.5
<b>Married Couple Families</b>	179	5.0	70	1.6
<b>Female-headed Households</b>	56	12.5	26	5.2
<b>Individuals 65 and Over</b>	60	5.2	88	6.0

Source: U.S. Census, 1990 and 2000

The final table in the section shows the changes in educational attainment. Bellingham exceeds both Norfolk County and the Commonwealth in percent of residents, 25 years and older, who have completed high school. The Town lags slightly behind State-wide figures for completion of 4 years of college. In 2000, Bellingham had an additional 32.5% of its population who either attended some college, or had obtained an associates degree. This trend of over 50% of the adult population obtaining post-secondary education correlates with increasing incomes in the community between 1990 and 2000.

Table 3- 5

<b>Educational Attainment Bellingham, Norfolk County and State, 2000</b>				
	<b>% Without High School Diploma*</b>	<b>% Completed High School</b>	<b>% Completed 4 Years College</b>	<b>% Completed Graduate/Professional</b>
<b>Bellingham</b>	11.8 %	33.7%	15.6 %	6.3 %
<b>Norfolk County</b>	8.1 %	24.2%	25 %	17.9 %
<b>Massachusetts</b>	13.6 %	27 %	19.5 %	14 %

\* Includes less than 9<sup>th</sup> grade, and 9<sup>th</sup> – 12<sup>th</sup> grade, no diploma.

Source: U.S. Census 2000

## Housing Characteristics

The next section presents data and analysis about the housing stock in Bellingham.

### Key Findings

- While median housing prices have decreased by almost \$90,000 in the last 4 years, low and moderate income households in Bellingham still lack housing options
- Housing choices are limited by the high proportion of single family units: 83.5% of all units and extremely low vacancy rates for owner-occupied (.4%) and rentals (1.5%).

Table 3-6

Age of Housing Stock in Bellingham, 2000			
Year Built	Age	Number of Units	Percent
1939 or earlier	More than 70 years	779	13.8
1940 to 1959	50 – 69 years	1254	22.2
1960 to 1969	40 - 49 years	1535	27.2
1970 to 1979	30 – 39 years	694	12.3
1980 to 1989	20 – 29 years	706	12.5
1990 to 1999	19 -10 years	674	11.9
Total		5642	
2000-2007*		488	Permitted by Town

Source: U.S. Census 2000; \* US Census Building Permits Service

There is a wide range in age of the Bellingham housing stock, with 14 % of the units built in 1939 or earlier, 12% built in the last 20 years, and 488 additional units permitted between 2000 and 2007. The largest number of units, 1535, was added to Bellingham’s housing stock between 1960 and 1969. Each decade since then has added less than half of that amount, ranging from 706 to 674. Over 80% of all housing units are single family; either detached (77.6%) or attached (5.9%). As discussed in the Housing Supply Inventory and Demand Analysis, there are 4658 owner occupied housing units, or 83.8% and 899 renter occupied housing units, or 16.2%. Vacant units comprise 85 units, or 1.3% of the housing stock as of the 2000 Census.

Table 3-7

2000 Housing Values		
Value	Number of Units	% of Units
Less than \$ 50,000	7	.2
\$ 50,000 to \$ 99,999	161	3.8
\$100,000 to \$149,999	1,572	37.1
\$150,000 to \$199,999	1,674	39.5
\$200,000 to \$299,999	695	16.4
\$300,000 to \$499,999	126	3.0
\$500,000 to \$999,999	-	-
Median Value (dollars)	\$158,000	

Source: U.S. Census 2000/derived from Bellingham Assessing data

In 2000, the median house value was \$158,000, up 11% from the median 1990 of \$ 142,200. In 2000, only 168 units, or 4% of the total housing stock was valued at less than \$100,000. Over 75% of the housing units were valued in the range of \$100,000 to \$200,000.

### Housing Sales Activity

The following two tables were developed by The Warren Group, publisher of Banker & Tradesman. Table 8 lists single family and condominium median sales prices for the past twenty years, from 1989 through September 2009). Table 9 shows the actual number of sales, for both condominiums and single family homes between 1989 and 2009.

The highest prices for single family homes occurred in 2005 (\$320,000), falling \$89,000 or 27.8% in 2009. Similarly, median prices for condominiums peaked in 2004, at \$309,900, and have decreased in price by \$78,900 to \$231,000. Home prices overall have increased 51.7% since 2000.

Bellingham has one of the highest foreclosure rates among municipalities in eastern Massachusetts. In 2007, the 115 foreclosure deeds filed represented 2.04% of the 2000 housing units.

Table 3-8

<b>Bellingham, MA - Median Sales Price - Calendar Year</b>				
<b>Year</b>	<b>Period</b>	<b>1-Fam</b>	<b>Condo</b>	<b>All</b>
2009	Jan - Sep	\$231,000	\$231,000	\$231,250
2008	Jan - Dec	\$265,000	\$239,200	\$257,700
2007	Jan - Dec	\$309,000	\$257,250	\$305,000
2006	Jan - Dec	\$303,000	\$265,000	\$310,000
<b>2005</b>	<b>Jan - Dec</b>	<b>\$320,000</b>	\$298,000	\$320,000
<b>2004</b>	<b>Jan - Dec</b>	\$294,950	<b>\$309,900</b>	\$309,900
2003	Jan - Dec	\$270,000	\$259,900	\$269,950
2002	Jan - Dec	\$242,500	\$225,750	\$235,000
2001	Jan - Dec	\$215,000	\$178,500	\$207,500
2000	Jan - Dec	\$187,000	\$148,500	\$174,000
1999	Jan - Dec	\$165,450	\$130,000	\$158,000
1998	Jan - Dec	\$153,000	\$115,000	\$141,950
1997	Jan - Dec	\$134,900	\$107,000	\$128,250
1996	Jan - Dec	\$127,450	\$100,500	\$121,450
1995	Jan - Dec	\$123,000	\$ 94,500	\$116,000
1994	Jan - Dec	\$121,000	\$ 86,500	\$116,500
1993	Jan - Dec	\$119,000	\$ 88,000	\$114,500
1992	Jan - Dec	\$116,750	\$ 86,000	\$114,000
1991	Jan - Dec	\$119,100	\$ 87,750	\$112,000
1990	Jan - Dec	\$132,500	\$105,450	\$127,250
1989	Jan - Dec	\$139,900	\$119,950	\$136,400

Source: The Warren Group, 2009

Note the correlation between the highest prices and the some of the highest sales volumes for housing. The highest median sale price for a single family home (\$320,000) home occurred in 2005, when the number of sales of single family homes was the highest in six years. Similarly, the highest sales price for a condominium (\$309,900) occurred in 2004, the year the largest number ever of condominiums was sold in Bellingham.

Table 3-9

<b>Bellingham, MA - Number of Sales - Calendar Year</b>				
<b>Year</b>	<b>Period</b>	<b>1-Fam</b>	<b>Condo</b>	<b>All</b>
2009	Jan - Sep	101	34	152
2008	Jan - Dec	137	48	220
2007	Jan - Dec	131	52	220
2006	Jan - Dec	171	71	314
<b>2005</b>	<b>Jan - Dec</b>	<b>248</b>	77	383
<b>2004</b>	<b>Jan - Dec</b>	208	<b>103</b>	365
2003	Jan - Dec	220	100	400
2002	Jan - Dec	203	74	339
2001	Jan - Dec	201	71	351
2000	Jan - Dec	215	69	345
1999	Jan - Dec	284	70	401
1998	Jan - Dec	277	81	410
1997	Jan - Dec	187	71	326
1996	Jan - Dec	174	69	280
1995	Jan - Dec	193	50	301
1994	Jan - Dec	221	41	297
1993	Jan - Dec	219	31	286
1992	Jan - Dec	160	27	210
1991	Jan - Dec	121	27	171
1990	Jan - Dec	141	34	216
1989	Jan - Dec	177	48	272

Source: The Warren Group, 2009

**Affordability of Existing Housing**

The next table shows the income required to purchase a home or condominium in Bellingham. The calculations for income required are based on the following assumptions: 95% mortgage (5% down payment); for a 30 years, fixed rate conforming loan interest rate of 5.50% (the interest rate is variable, based on credit scores and fluctuations in the mortgage rates); and projected tax and insurance costs. The annual income required assumes no more than 30% of income will be spent on housing.

Table 3-10

<b>Affordability of Existing Housing</b>			
<b>House Type</b>	<b>Price</b>	<b>Estimated Monthly Cost</b>	<b>Annual Income Required</b>
Condominium: 2 bedroom, one bath	\$200,000	\$1,408.80	\$ 56,320
House, single family, 3 bedrooms, 1 bath	\$245,000	\$1,751.53	\$ 70,000
House, single family, 3 bedrooms, 1.5 baths	\$310,000	\$2,085.47	\$ 83,420
House: single family, 4 bedrooms, 2.5 baths	\$475,000	\$3,402.56	\$136,100

Source: Multiple Listing Service, October 16, 2009

As housing prices increase, the affordability gap widens. The affordability gap is defined as the difference between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. Thirty percent of gross income is also referred to as a household's "borrowing power". To afford the median sales price of \$265,000 for a single family house in Bellingham in 2008 (from Table 8, above, data from The Warren Group), a household would have to earn \$ 70,376.00, or approximately \$6,000 more than the 2000 median household income of \$ 64,496. A household earning the median income of \$64,496 could afford a home priced at \$221,700, assuming it spent no more than 30% of gross income on housing costs. The affordability gap is \$43,300, the difference between the median cost of a house (\$265,000) and the cost of a house affordable to a household earning the median income (\$221,700). This gap may in fact be narrowing, because median prices for both homes and condominiums sold in 2009 have fallen to \$231,000, while the 2000 median household income should be adjusted for inflation.

### **Affordable Housing**

In 1969, Chapter 40B, the Massachusetts Comprehensive Permit Law was passed to facilitate the development of affordable housing for moderate and low income households. The legislation defined affordable housing to include any housing subsidized by the federal or state government under any program to assist in building housing for those earning less than 80% of median income. Chapter 40B allows developers creating low and moderate housing to obtain a

Comprehensive Permit to override local zoning and other restrictions if that community has less than 10% of its year round housing available for low and moderate income households.

Bellingham has 532 units in its Subsidized Housing Inventory (SHI). This represents 9.4% of the total housing units of 5642 identified in the 2000 census. The target number of affordable units is adjusted as the number of housing units increases in the community. At this time, the community has identified seven subdivisions that have been approved and if all are constructed will result in 224 new housing units for 2009-2010.

Proposed projects that include an affordable component include Lakeview Estates, currently in the State's 40B appeal process. This proposed condominium project on South Main Street would include 250 units, with 63 affordable units. An application by South Center Realty for the same South Main Street property includes 250 residential units, with 204 single family units, 23 duplexes, and 53 affordable units. This application was filed in September, 2009.

The following table from the U.S. Census Building Permits Survey shows the permits, by single and multi-family type, since the 2000 census. The total number of single family units permitted from 2000-2008 is 442. From the permitting data, an additional 44 units of affordable housing is required to keep pace with housing construction.

Table 3-11

<b>Bellingham Building Permits</b>		
<b>Year</b>	<b>Single-Family</b>	<b>Multi-Family</b>
2000	44	12
2001	44	8
2002	61	23
2003	71	0
2004	71	2
2005	84	0
2006	43	10
2007	15	0
2008	9	2

Source: U.S. Census Building Permits Survey

### **Bellingham Housing Authority**

According to the Bellingham Housing Authority, there were 12 applications for elderly housing on the waiting list, and 34 applications for non-elderly/handicapped subsidized units on the waiting list as of September, 2009. A summary of the Bellingham Housing Authority's units is below.

Table 3-12

<b>Bellingham Housing Authority Developments</b>	
<b>Name of Development</b>	<b>Number of Subsidized Units</b>
Depot Court	64
Wrentham Manor	56
115/117 Center Street	2
Arthur Street	1
TOTAL counted toward SHI	123

The U.S. Department of Housing and Urban Development (HUD) provides annual estimates of Area Median Income (AMI) for communities across the United States. From this amount, percentages of affordability are calculated. For example, for the Boston Area (Bellingham is included in the Boston Area) a household of 4 persons is eligible for subsidized housing with an income range of from \$27,050 to \$59,550. The incomes represent 30% of the Area Median of \$ 90,200 up to 80% of the household median. Various programs provide housing for varying income levels, with the households earning up to 30% of the Area Median generally targeted for rental opportunities, while those from 50 to 80% eligible for ownership opportunities.

<b>Table 3-13 2009 Targeted Income Levels for Affordable Housing in the Boston Area</b>			
<b>2009 Boston Area Median Income: \$ 90,200</b>			
<b># Persons in Household</b>	<b>30% of Area Median Income</b>	<b>50% of Area Median Income</b>	<b>80% of Area Median Income</b>
1	\$ 18,950	\$ 31,550	\$ 46,300
2	\$ 21,650	\$ 36,100	\$ 52,950
3	\$ 24,350	\$ 40,600	\$ 59,550
4	\$ 27,050	\$ 51,000	\$ 66,150
5	\$ 29,200	\$ 48,700	\$ 71,450
6	\$ 31,400	\$ 52,300	\$ 76,750
7	\$ 33,550	\$ 55,900	\$ 82,050
8	\$ 57,000	\$ 59,550	\$ 87,350

Source: U.S. Department of Housing and Urban Development (HUD)

## Needs Analysis

This section will identify the housing needs in the community according to particular segments of the community: including low and moderate income households and priority populations such as the elderly and people with disabilities. For purposes of this report, elderly refers to ages 65 and older based on U.S. Census criteria.

### Key Findings

- The demand for housing for elderly residents is expected to increase significantly in the next 20 years
- Alternatives to single family housing will provide opportunities not currently available to individuals living alone, single-parent households, empty-nesters and younger couples with children

### Low and Moderate Income Households

As discussed above in the Affordability section of Part II, HUD calculates the median income for U.S. metropolitan and non-metropolitan areas each year. HUD establishes three income groups according to households whose incomes fall within specific percentages of the area's median income. Most state and federal programs are available for households who earn up to 80% of the area median income, adjusted for household size. Characteristics of the three income groups, very low, low, and moderate, are summarized below, and use data from the 2000 U.S. Census.

**Very Low Income** - Households with incomes from 0 to 30% of Area Median Income  
Approximately 497 of a total of 5557 households in Bellingham were classified as very low income. This represents 8.9% of all households. These households are evenly split between renters (245) and homeowners (252). Almost 69% of the owner households pay over 30% of their income for housing costs. For example: a householder with up to 30% of Boston Area Median in 2000 would have an income not exceeding \$19,348.00. If 30% of this income is spent on housing costs ((\$5,804 or \$484 per month), the householder would have \$13,544 left after paying housing costs for all other expenses, or approximately \$1,128 per month. For households whose housing costs exceed 50% of annual income, they would spend \$9,674 per year, or \$806 per month for housing, leaving another \$806 left for all other expenses. Almost 48% of the very low income owner households and 31% of the renter households in Bellingham spent more than 50% of their income on housing costs. See Table 14.

**Low Income** - Households with incomes from 31% to 50% of Area Median Income  
Almost 7% of Bellingham's households, 379, may be categorized as low income households, meaning their annual incomes fall between 31% and 50% of the Area Median Income. The 2000 Census indicates that 154 rent their housing unit, with 48%

paying more than 30% of their income for rent and another 6.5% spending more than 50% of their income on rent. For homeowners, 40% spent more than 30% of their income on housing costs, and 20% spending over 50%.

**Moderate Income** - Households with incomes from 51% to 80% of Area Median Income. Almost 12% or 662 households in Bellingham fall within the moderate income category. Within this group, 76% or 504 households own their housing unit, with 158 households renting. A little over half (58%) of the owners spent more than 30% of their income on housing, and 18% spent more than 50% on housing. For renters, 19% spent more than 30%, with none spending more than 50%.

Table 3-14

<b>Housing Expenditures of Very Low Income Households</b>			
<b>2000 Area Median Income (Boston Area)</b>	<b>Annual Income: 0-30% of AMI</b>	<b>Amount of income used if 30% is needed for housing</b>	<b>Amount of income used if 50% is needed for housing</b>
\$ 64,496	Up to \$19,348	\$5,804	\$9,674

There is a need for affordable homeownership opportunities for families (smaller families in particular) and singles. There are 20.3% of total households that qualify for affordable housing and 20.1% of those households pay over 30% of their income for housing.

**Elderly**

Mirroring the greater Boston region, Bellingham’s elderly population is projected to increase. Estimates produced as part of the Metropolitan Area Planning Council’s regional plan, MetroFuture show that the number of persons aged 65 and over in the region will increase by 261% between 2000 and 2020. Approximately 15% of Bellingham’s population will be over 65 by 2020, a 51% increase since 1990. Additional housing will be needed to meet the needs of “empty-nester” couples (those who children no longer live in the household).

According to the 2000 Census, there were 455 elderly households with household incomes equal to or less than 50% of the area median. This represents 8.2% of all Bellingham households, and includes both renters and owners. Another 150 elderly households (30 rental and 120 homeowners) earned between 50% and 80% of area median, and could be classified as moderate income households. Altogether, almost 11% of elderly residents would be income eligible for most state and federal housing programs.

The majority of households over 65 own their home, having done so for many years. This usually means that elderly homeowners no longer have a mortgage on their property, and monthly housing costs should be lower. However, due to a proportionately lower income, an elderly homeowner pays a greater percentage of income to remain in his/her home. Also, since most elderly are on fixed incomes, their income will not rise to meet increasing housing costs and the expenses of maintenance and repair that aging properties require. Currently, there are few affordable ownership options. As Bellingham’s population continues to age, appropriate ownership housing for elderly residents will be needed.

The following two tables, using data from 2000 give additional information on households identified as having “problems.” This is defined as households spending more than 30% of income on housing.

Table 3-15

<b>Housing Expenditures by HUD Income Categories</b>					
<b>Owners</b>					
<b>Household by Type, Income, &amp; Housing Problem</b>	<b>Elderly 1 &amp; 2 member Households</b>	<b>Small Related (2 to 4)</b>	<b>Large Related (5 +)</b>	<b>All Other Households</b>	<b>Total Owners</b>
<b>Household Income (HHI) &lt;=30% MFI</b>	145	39	4	64	252
% with any housing problems	72.4	74.4	100	54.7	68.7
% Cost Burden >30%	72.4	74.4	100	54.7	68.7
% Cost Burden >50%	44.8	64.1	100	39.1	47.2
<b>HHI &gt;30% to &lt;=50% MFI</b>	95	80	15	35	225
% with any housing problems	0	62.5	100	71.4	40
% Cost Burden >30%	0	62.5	100	71.4	40
% Cost Burden >50%	0	37.5	0	42.9	20
<b>HHI &gt;50 to &lt;=80% MFI</b>	120	240	34	110	504
% with any housing problems	33.3	64.6	100	59.1	58.3
% Cost Burden >30%	33.3	64.6	100	59.1	58.3
% Cost Burden >50%	16.7	16.7	44.1	13.6	17.9
<b>HHI &gt;80% MFI</b>	350	2,429	525	369	3,673
% with any housing problems	7.1	9.2	5.7	13.3	8.9
% Cost Burden >30%	7.1	9.1	5.7	13.3	8.8
% Cost Burden >50%	2.9	1.9	0	4.1	1.9
<b>Total Households</b>	710	2,788	578	578	4,654
% with any housing problems	23.9	16.4	14.4	30.1	19
% Cost Burden >30	23.9	16.3	14.4	30.1	18.9
% Cost Burden >50	13.4	5	3.3	12.1	7

Table 3-16

<b>Housing Expenditures by HUD Income Categories</b>					
<b>Renters</b>					
<b>Household by Type, Income, &amp; Housing Problem</b>	<b>Elderly 1 &amp; 2 member households</b>	<b>Small Related (2 to 4)</b>	<b>Large Related (5 +)</b>	<b>All Other Households</b>	<b>Total Renters</b>
<b>Household Income (HHI) &lt;=30% MFI</b>	160	45	0	40	245
% with any housing problems	37.5	77.8	N/A	50	46.9
% Cost Burden >30%	37.5	77.8	N/A	50	46.9
% Cost Burden >50%	18.8	77.8	N/A	25	30.6
<b>HHI &gt;30% to &lt;=50% MFI</b>	55	54	0	45	154
% with any housing problems	18.2	72.2	N/A	55.6	48.1
% Cost Burden >30%	18.2	72.2	N/A	55.6	48.1
% Cost Burden >50%	0	18.5	N/A	0	6.5
<b>HHI &gt;50 to &lt;=80% MFI</b>	30	54	4	70	158
% with any housing problems	0	37	0	28.6	25.3
% Cost Burden >30%	0	18.5	0	28.6	19
% Cost Burden >50%	0	0	0	0	0
<b>HHI &gt;80% MFI</b>	0	155	24	160	339
% with any housing problems	N/A	9.7	0	0	4.4
% Cost Burden >30%	N/A	9.7	0	0	4.4
% Cost Burden >50%	N/A	0	0	0	0
<b>Total Households</b>	245	308	28	315	896
% with any housing problems	28.6	35.4	0	20.6	27.2
% Cost Burden >30	28.6	32.1	0	20.6	26.1
% Cost Burden >50	12.2	14.6	0	3.2	9.5

Source: U.S. Department of Housing and Urban Development (HUD) CHAS Data: Housing Problems Output for all Households, Data as of 2000

## **Gaps between Existing Housing Needs and Current Supply**

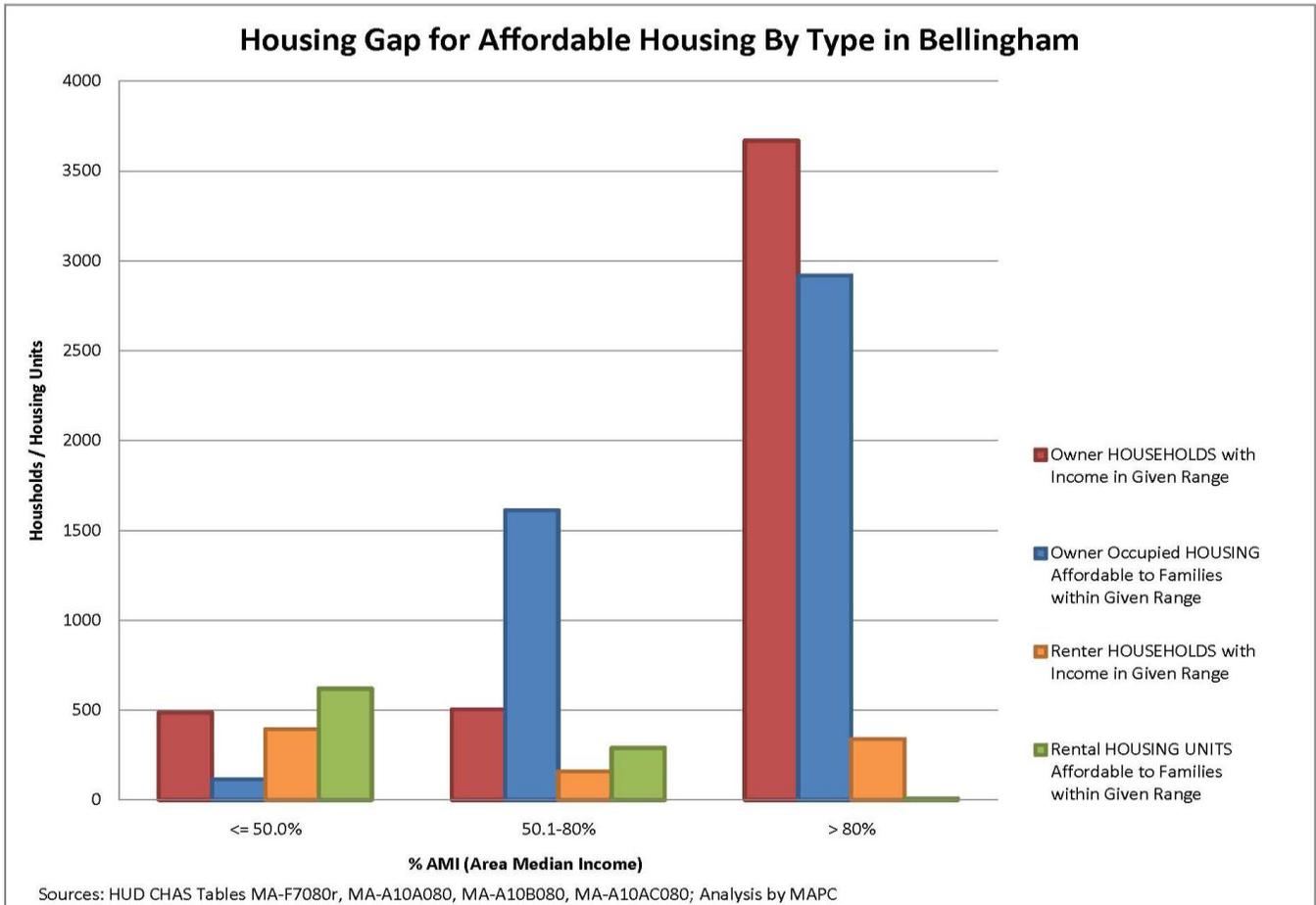
As the above discussion indicates, there are some gaps between what most current Bellingham residents can afford and the current housing opportunities. However, recent trends such as the decrease in housing prices and lower mortgage rates may ameliorate some of the barriers to housing affordability. It is important to note that the Census 2000 data indicate that there is a shortage of total housing available to households earning at or below 50% of the area median income. Further, there appears to be a housing gap for “market rate” housing, assuming that the market rate approximates housing affordable to households earning at or above 80% of the area median income (Fair Market Rent). In other words, there are more households that could afford market rate housing than there are household units renting at or above a fair market rent.

Summarizing:

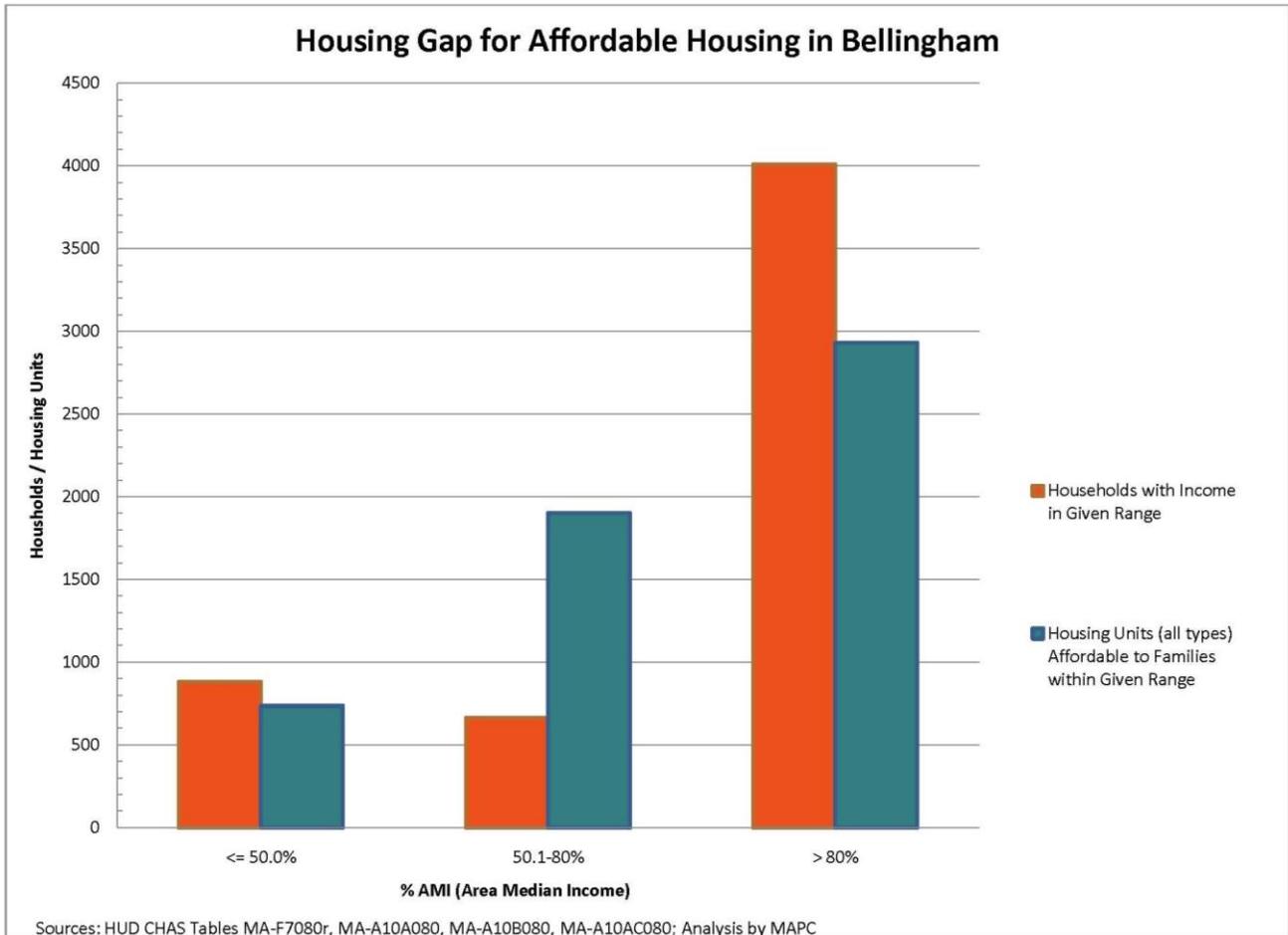
- At least 369 very low income homeowners paid more than 30% of income on housing.
- There were 384 individuals, including 88 individuals 65 and over; and 70 families that were classified as living in poverty. There were also 26 female-headed households in this category in 1999.
- 258 households had incomes of less than \$10,000
- The Bellingham Housing Authority has a waiting list of 46 applicants, five of whom are Bellingham residents

## **Key Findings**

- Bellingham’s population has shown a stable growth rate, and is projected to decrease slightly
- The number of elderly residents in Bellingham is expected to increase significantly in the next 20 years. For those with fixed incomes considerably less than the Area Median, housing costs will consume a disproportionate amount of annual income.
- The income levels of Bellingham residents have increased between 1990 and 2000, but remain slightly less than the Boston Area Median.
- Younger families seeking to purchase a home, or remain in the community, have a range of options as long as they are at or above the area median income

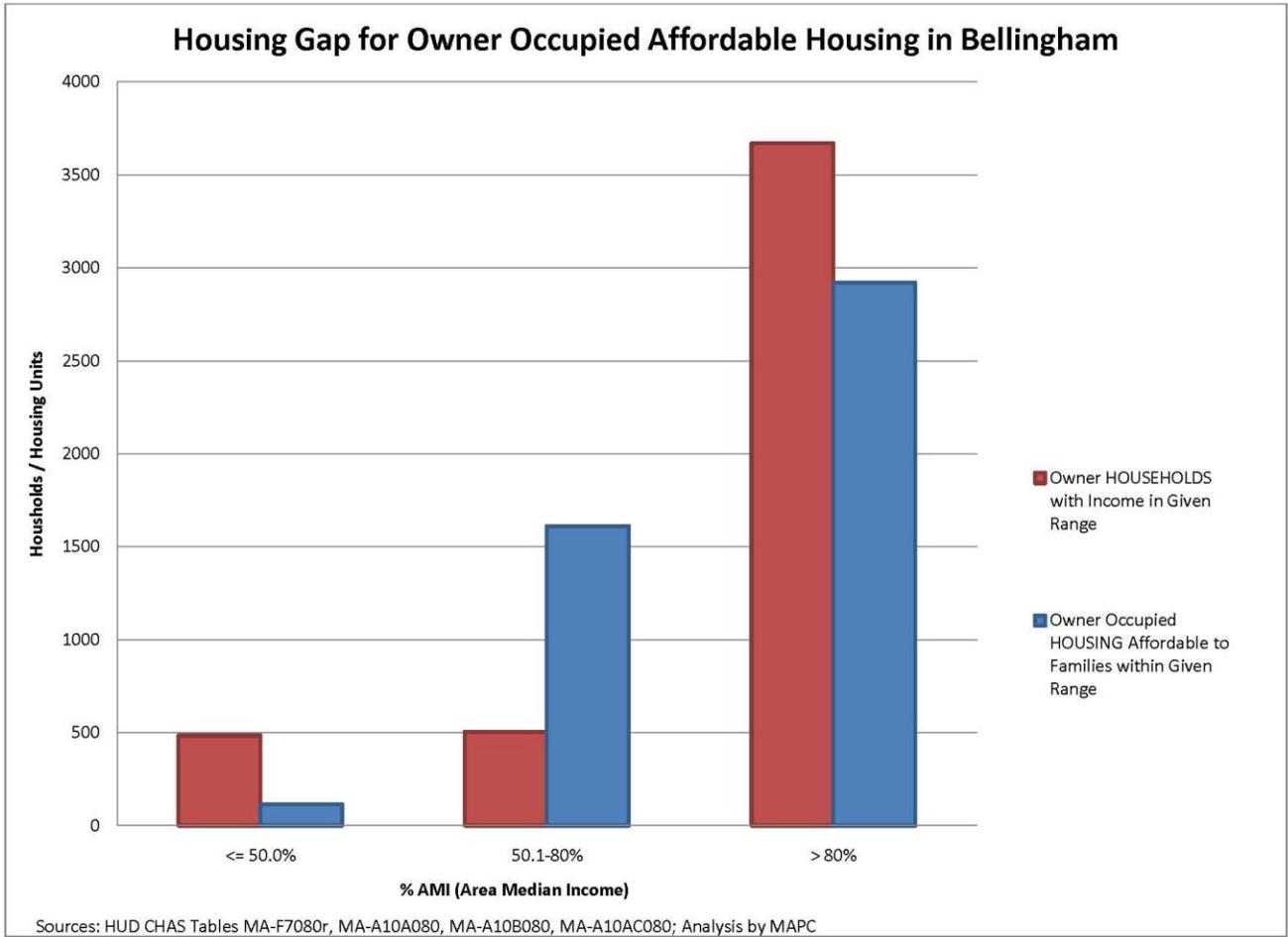


In the chart above, the warm colors (red and orange) represent the number of HOUSEHOLDS in the designated income range that are homeowners or renters respectively. The cool colors (blue and green) represent the number of units that are affordable to households in the designated income range with blue denoting owner occupied households and green denoting renter households. For example, if we look at the two left most bars, we see that nearly 500 households earn 50% or less of area median income. At the same time, only a little over 100 homes are affordable to families earning 50% or less of the area median income. Houses are considered affordable to a households if that household needs to spend no more than 30% of its income on rent. Thus, the graph shows that at least 369 low income families are paying more than 30% of their income on housing.



The graph above combines the housing units (rental and ownership) and the households (renter and owner) for each income group. In other words, it displays the housing gap without concern for housing tenure or type.

The graph shows that there is a shortage of housing units for households earning less than 50% AMI, but plenty of housing units for the local population of households earning 50%-80% AMI. Thus, affordable housing programs should be geared towards making homes affordable to households earning less than 50% AMI.



## **Section IV: Housing Vision**

#### **IV. Housing Vision**

**Vision:**

Bellingham believes that housing should be created and preserved to serve a wide-range of income needs, including individuals and families who are very low income. Housing will be created and preserved to serve a range of household sizes. The town places a high priority on and encourages transit-oriented developments. Preservation and conservation of open space and natural resources are important to the community; new development should reflect this value by incorporating open space into residential designs and considering reuse of existing properties. The Town will support existing and new development with infrastructure upgrades, traffic calming measures, and connect developments to opportunities that encourage healthy lifestyles, including bicycling, pedestrian, and passive and active open space opportunities.

On June 18, 2009, the Metropolitan Area Planning Council facilitated a public meeting attended by 75 people to create a vision for future residential development. This vision helps to inform the Housing Production Plan for the Town.

The discussion was divided into three distinct components. The first component was a discussion about Housing Assets. Second, the group discussed Housing Challenges. Finally, the group was asked to list Opportunities for new housing in the community. Participants then voted for what they considered to be the Town's highest priorities for addressing the Town's housing assets, challenges, and opportunities. The votes are shown in parentheses.

#### **Assets**

- Commuter Rail is in Franklin – could be extended to Bellingham could be funding available for developments near transit (22)
- Open Space – parks are tucked away (19)
- Pearl Street Mill is available for reuse (overlay district is in place) - (16)
- Bank foreclosed properties could be acquired and used for affordable units. (13)
- Housing Authority units (family and disabled – need improvement – elderly 677 units in program) - (13)
- Keep things the same – no growth (5)
- High Ridge cluster development (4)
- Tucked away neighborhoods primary and secondary roads – preserve neighborhoods (4)
- Zoning – (2)
- Jefferson at Bellingham 20% affordable – currently all occupied (1)

## Challenges

- Infrastructure would need to be upgraded to support additional density = need to address sewer needs of existing units (25)
- Traffic generated by developments roads/ bicycling/ walking (17)
- Need for useable open space, not just wetlands (13)
- Lack of surface transportation other than automobiles (10)
- Need 30+ units to meet 40B goal of 10%/ town should require payments for affordable housing by developers of market rate units (9)
- Concerns over changing demographics brought by affordable housing (6)
- How are we going to fund the affordable housing (6)
- How to provide the housing for young, single new graduates (4)
- Question of adequacy of water supply
  - already on Water Ban due to several wells being shut down temporarily
  - have adequate long term supply. (4)
- Much out of town traffic in town (3)
- Lack capacity in monitoring existing subsidized housing units (3)
- Want to keep Bellingham residents in Bellingham (2)
- Housing Authority units need to be improved to accommodate people with disabilities. (low wait list, need funding) – (2)
- Challenge of figuring out needs due to the uncertainty of future growth (2)
- Sewer limits DEP prefers groundwater recharge through septic systems will limit growth potential (2)
- Access to newer developments is already difficult (Dover Village infrastructure) – (1)
- North Bellingham has very limited sewer infrastructure (1)

## Opportunities

- Create more housing opportunities for extremely low income individuals and families (elderly) – (16)
- Build small affordable homes not expensive condos (16)
- Make developers pay mitigation to help offset costs of transportation improvements associated with new developments (15)
- Open space acquisition (400-500 acres have been devoted to conservation) – (15)
- Accessory apartments for family and affordable (11)
- Partner with developers to generate the housing types that meet community goals (9)
- Promote market rate senior housing (7)
- Shops at Bellingham – space is available – need to build offices to produce higher income jobs (7)
- Accessibility (6)

- Consider cooperative housing – multigenerational housing with separate unit but shared space also (2)
- Calls to Housing Authority (moderate income individuals) in search of housing – 5 acres lot is available/ demolition or rebuild (1)

It is important to note that many of the challenges listed are also opportunities for the Town. For example, achieving the State-mandated 10% affordable housing goal may be a challenge for the Town. Once achieved, the Town might consider its affordable housing an asset. Further, the Pearl Street Mill is an asset and an opportunity for the Town to redevelop. While an excellent opportunity, it has been difficult to secure funding to move this project forward.

## **Section V: Goals and Objectives**

## **V. Goals/Objectives**

As part of the community process to develop the Housing Production Plan, one meeting with the Planning Board focused on developing goals for affordable housing goals. At this meeting the Planning Board review the top Housing Challenges, Assets, and Opportunities as expressed at the Community Visioning Workshop. The following Goals were determined:

- To meet or exceed the 10% state standard for affordable housing, including facilitating “friendly” 40B’s.
- To meet local housing needs for a full range of incomes in Bellingham, creating opportunities for seniors and young couples.
- To encourage housing that takes advantage of the proximity of Bellingham to the Franklin commuter rail station.
- To provide a range of housing styles.
- To maximize the opportunities within the existing housing stock.

## **Section VI: Constraints on Development**

## **VI. Constraints on Development**

Residential development is influenced by various factors, including historical development patterns, local land use regulations, availability of developable land, natural constraints and municipal infrastructure. This section provides an overview of the development constraints impacting residential development in Bellingham, and some of the regulatory and physical obstacles to the creation of affordable housing.

### **Permitting Constraints: Zoning**

Zoning bylaws regulate the type and location of development. Ideally, zoning reflects land use decisions reached during development of the community's Master Plan. Many small towns discourage multi-family housing, which is usually cheaper to build and offers an affordable option to a wide range of households. A town Master Plan often does not identify areas for higher density housing except for where such uses already exist. Often, the only community consensus that is reached concerning density is that existing single family neighborhoods do not want increased density, preferring development that mirrors the "status quo".

The Bellingham zoning bylaw includes three Residential zones: Suburban District (S); Residential district (R) and Multifamily Dwelling District (M). Single and two-family dwellings are Permitted (or allowed as of right) in the Agricultural zone (A). There are additional zoning regulations for Major Residential Development, Special Residential Uses and the Mill Reuse Overlay District. Almost 75% of Bellingham's land is zoned for either agriculture or residential use. The remainder of the land is zoned for Business 1 or Business 2, primarily along Route 140 and portions of Route 126 or in the Industrial zone in the northern part of Bellingham, surrounding Route 495.

The following table provides information on residential uses allowed in each of Bellingham's zoning districts. Single and two-family homes are Permitted (shown as "YES" in the Use Table) in every district, including business districts. A Special Permit from the Planning Board (PB) is required for Townhouses, even in the Multifamily Dwelling District. Also Permitted in the Residential districts are municipal, religious, educational, cemetery and golf course uses.

ZONING DISTRICT						
ACTIVITY OR USE	A	S, R	M	B-1 B-2	I	
<b>RESIDENTIAL USES</b>						
<b>Dwelling</b>						
Single-family	YES	YES	YES	YES	NO	<sup>9</sup>
Two-family	YES	YES	YES	YES	NO	
Townhouse <sup>12</sup>	PB	PB	PB	PB	NO	
Other multifamily	NO <sup>10</sup>	NO <sup>10</sup>	PB <sup>11, 12</sup>	NO <sup>10</sup>	NO <sup>10</sup>	
Assisted elderly housing <sup>16</sup>	PB	PB	PB	PB	NO	
Boarding or rooming	NO <sup>10</sup>	NO <sup>10</sup>	BA	NO <sup>10</sup>	NO <sup>10</sup>	
Motel, hotel	NO	NO	NO	BA	YES	
Mobile home	NO	NO	NO	NO	NO	
Public housing	YES	YES	YES	YES	NO	
Major Residential Development <sup>17</sup>	PB	PB	PB	PB	NO	

**Footnotes:**

YES indicates a Permitted Use

NO indicates an Excluded Use (Appeals for Use variances are allowed in zoning bylaw)

PB indicates a Special Permit by the Planning Board is required

BA indicates a Special Permit by the Board of Appeals is required

10. Except that an existing dwelling may, on Special Permit from the Board of Appeals, be altered to house up to four families or for boarding or lodging, provided that the Board of Appeals shall find that the structure could not reasonably be used or altered and used for any permitted purpose.

11. Except that multifamily shall not include public housing.

12. See Sections 3400 and 4420. Section 3400 is the Major Proposals bylaw. This requires a Concept Plan Approval by Town meeting prior to Planning board consideration of an application for a Special Permit. Section 4420 pertains to Assisted Elderly Housing. This section provides for Assisted Elderly housing construction by Special Permit from the Planning Board.

Minimum lots sizes for single family homes are 40,000 sf (almost one acre) in the Residential zones, and 80,000 sf in the Agricultural zone.

Of the total 12,000 acres of land within the Town of Bellingham, a little more than half has been developed. Another 2,000 acres are either wetlands/undevelopable or publicly-owned. The balance, approximately 4,000 acres, is available for development. Because almost half of the

remaining developable land is zoned Agricultural the potential total build-out is less than might be expected, approximately 2,000 units, assuming the 80,000 sf minimum lot size is maintained.

The following additional bylaw provisions are relevant to housing development and the provision of affordable housing in Bellingham.

### **Section 4300 Major Residential Development (MRD)**

The purpose of the Major Residential Development is greater flexibility for construction of residential development, while preserving open space. This is the bylaw designed to allow “cluster housing”, where houses are permitted on smaller lots in exchange for leaving portions of the development as common open space. MRD developments are required to obtain a special permit from the Bellingham Planning Board, as well as subdivision approval. A two-step decision process is required, with the Planning Board first identifying the Preferred Plan, and then in the second step, determining if the plan complies with the bylaw provisions. An applicant may choose to combine both steps, based upon the level of plan detail provided in the application.

### **Section 4400 Special Residential Uses**

Special Residential uses are Townhouses, Assisted Elderly Housing, Public Housing and Other Multi-Family Housing, all as defined in Section 4400 and in Article V, “Definitions”. Development of any of the Special Residential Uses requires the granting of a special permit from the Planning Board. The Other Multi-family Housing (which is defined as a structure containing three or more dwelling units) may be constructed only in the two existing Multi-family zoning districts, or by the conversion of an existing dwelling. Conversion of a dwelling requires a special permit from the Bellingham Zoning Board of Appeals, in addition to the Planning Board special permit. A 20-acre minimum lot area is required for Townhouse dwellings, defined as three, but not more than eight dwelling units separated by party walls, each unit with a separate exterior entrance and held in separate ownership. For Assisted Elderly Housing, the required lot area may be reduced by one-half, provided the housing is designated as “Targeted Housing” by the Planning Board. “Targeted Housing” includes projects developed under a Comprehensive Permit (MGL Chapter 40B).

### **Natural Resource Limitation**

Natural resources, such as wetlands, surface water, and endangered species habitats may be considered constraints on development. The presence of wetlands or endangered species habitat on a parcel may render that portion of the property unbuildable, or may require mitigation measures.

## **Wetlands and Floodplains**

One of the most distinguishing characteristics of Bellingham's natural environment is its location between the watersheds of two rivers: the Charles and the Blackstone. Land in the flood zone along the Charles River, which flows through the northern half of Town, is protected by the U.S. Army Corps of Engineers, under the Natural Valley Storage program, and housing construction in the permanently protected flood zone would not be permitted. In addition, Massachusetts environmental law requires a 100 ft. River Protection Buffer. Development within this buffer is generally forbidden. An additional 100 ft. zone is protected to a lesser degree, and this is considered a partial constraint on development.

Bellingham contains 1627 acres of wetlands. Wetlands are important because they provide floodwater retention, groundwater recharge and wildlife habitat. Many of the wetlands resources are located within the Charles/Blackstone Rivers floodplains. The wetlands are considered an absolute constraint on future development in residential districts because they cannot be included in minimum lot area calculations.

## **Rare and Endangered Species Habitats**

Estimated Habitats for Rare Wildlife are regulated under the Massachusetts Wetlands Protection Act, and any development within the Habitat must be reviewed under the State's Natural Heritage and Endangered Species Program. There are scattered sites within Bellingham, mostly along the Charles River, that would fall under this program.

## **Municipal Infrastructure**

### **Water**

Bellingham is fortunate to have ample access to water. Water is drawn from both the Blackstone River and the Charles River aquifers. The Town's drinking water supply system includes seventeen groundwater wells, nine pumping stations, three storage tanks, and approximately ninety miles of water main. Thirteen wells, which are controlled by five pumping stations, are located in the southern part of Town. These draw water from the Blackstone River basin underground aquifer. Four wells, each operated by its own pumping station, are located in the northern part of Town and they draw water from the Charles River basin underground aquifer.

The chart below, from the Bellingham Department of Public Works, provides water supply data from 2008.

**BELLINGHAM DRINKING WATER SUPPLY DATA 2008**

<b>Pumping Station</b>	<b>Location</b>	<b>River Basin</b>	<b>Million Gallons</b>
PS #1	Cross St	Blackstone	53.7
PS #2	Cross St.	Blackstone	27.9
PS #3	Wrentham Rd.	Blackstone	60.3
PS #4	Wrentham Rd.	Blackstone	71.8
PS #5	Taunton St.	Charles	37.8
PS #7	Hartford Ave.	Charles	20.7
PS #8	Hartford Ave.	Charles	52.6
PS # 11	Wrentham Rd.	Blackstone	31.5
PS # 12	Cliff Rd	Charles	171.1
Total Pumped From Wells			527.5
Total supplied to System			519.9
Average Daily Amount Supplied			1.42

A Town Bylaw enforces use restrictions to conserve water, typically in the summer months. The Town is permitted by DEP to draw 3.0 million gallons per day, and in 2008, Bellingham drew 1.4 million gallons per day. Residential development in Bellingham is not constrained by water supply issues.

**Water Resource District**

Bellingham’s zoning bylaw includes the Water Resource District. This overlay zone includes the Charles River and the tributaries to the Blackstone River. Development, including reconstruction or expansion of existing buildings that will render more than 30% of any lot or parcel requires a Special Permit from the Planning Board. Some activities, such as uses that generate or dispose of hazardous waste, and junkyards are prohibited within the designated Water Resource District. This is not an absolute constraint on development, but if a project requires a Water Resource District special permit, a system for groundwater recharge must be provided that does not degrade groundwater quality.

## **Wastewater Management**

Just as Bellingham obtains its water from two different sources, public sewer services are provided by two different entities depending on topography: The Charles River Pollution Control District (CRPCD) in Medway operates a regional sewage treatment plant that serves the northern portion of Bellingham. The Woonsocket, Rhode Island Regional Wastewater Commission serves the southern part of Bellingham. The portion of Bellingham north of Blackstone Street, served by the CRPCD, is within the Charles River Basin. The Charles River Pollution Control district, also servicing parts of Franklin, Medway and Millis, allows Bellingham to send 300,000 gallons per day to the treatment plant.

The Interstate Agreement between Rhode Island and Massachusetts for the Woonsocket system allows Bellingham to send 1.6 million gallons per day for treatment. In anticipation of the reconstruction of Pulaski Boulevard, the sewer was extended to portions of the Boulevard not currently sewered.

Approximately 25% of Bellingham's population is served by one of the sewer systems. The other 75% uses individual on-site disposal systems, typically septic systems. There have been efforts over the past 20 years to explore alternatives, for while there is excess capacity in the southern part of Town, served by the Woonsocket system, there is no capacity at all available in the north. This prevents existing homes from connecting to the sewer, but also hampers business and industrial growth, particularly in the industrially-zoned areas in the vicinity of Interstate 495. In turn, this creates greater dependence on the existing residential tax base for town services.

In the mid 1990's the Massachusetts environmental permitting authorities adopted a "keep water local" philosophy complicating what could have been fairly simple physical system modification to evenly allocate sewer capacity. After a \$800,000 engineering study exploring the extension of sewers, the Town voted down the funding of the proposed \$47.0 Million sewer extension plan.

At this time, there are no development constraints due to sewer capacity south of Blackstone Street. North of Blackstone Street, any development, including residential development, must utilize on-site treatment options, such as septic systems or package plants.

## **Schools**

Bellingham has three elementary schools (grades K-4); a middle school (grades 5-8) and a high school for grades 9-12. In addition, it has an alternative high school for special needs students and an early childhood program. There are over 2500 students enrolled. Under the maximum potential buildout of 1800-2000 units, 700-750 new students could be anticipated. As in all communities in the Commonwealth, escalating school costs are a concern.

### **Conclusions**

- Certain provisions of the zoning bylaw, such as the Major Residential Development and Special Residential Uses pose constraints on the development of affordable housing.
- Protection of the town's river resources, including aquifer protection, and flood prevention, are environmental constraints on all development to ensure an adequate and good quality water supply.
- Potential development in the northern part of town is constrained by lack of wastewater treatment options. This is not the case in the southern half of Bellingham.

## **Section VII: Implementation Strategies**

## **VII. Implementation Strategies**

This housing strategy is designed to increase affordable housing opportunities with increases in production, retention of existing units, and programs and policies that support these goals. All of these recommendations have been developed from an analysis of existing housing issues and from the applicable goals found in earlier parts of this plan.

The Town's primary housing goal is to ensure that it meets the state's goal of 10% subsidized housing. To ensure the existing housing on the Subsidized Housing Inventory is maintained, the Town should monitor and track all housing projects. In keeping with this goal, the Town should achieve certification of this Housing Production Plan by achieving annual unit production goals as established by the State and referenced in the Affordability section of this Plan. Further, the Town should update this Plan in five years.

To facilitate this goal, the Town might consider establishing guidelines for new Chapter 40B projects to encourage "friendly 40Bs". These Housing Guidelines for Privately-Sponsored Affordable Housing Development would prioritize the types of projects acceptable to the community including but not limited to unit mix, 1, 2, 3 bedroom; design criteria; location; size and density, open space, parking, and landscaping. The Town might consider waiving application fees or other administrative barriers to the creation of affordable housing developments.

### **Strategy 1: Amend Zoning where appropriate**

Identify zoning alternatives and incentives for residential development with the goal of encouraging the creation of low, moderate, and middle-income housing in multi-family developments and residential subdivisions. While recommendations for a change to the Town of Bellingham Zoning Bylaw can be made by any Town committee, including the Affordable Housing Trust Fund Board (see Strategy 2), the Planning Board is responsible for bringing forth zoning changes needing approval by Town Meeting.

#### **G1.1 Adopt town-wide Inclusionary Zoning**

Inclusionary Zoning is a land use tool that either requires builders of eligible residential projects to set-aside a portion of housing units in a development for low- or moderate-income households or provides incentives for them to do so voluntarily either off-site or through other mechanisms. Inclusionary Zoning requirements primarily trade off developments with higher-density for the development of affordable housing.

While uniformity of structure type permitted within a zoning district must be mandated within the Bylaw, more specific requirements including affordability, term of

affordability, monitoring authorities, in-lieu of payments, and threshold requirements for example can be modified based on community needs and goals of the Bylaw. Inclusionary zoning, as seen in various By-Laws throughout the United States, can be broken into four groups: incentive-based, semi-mandatory, compensated mandatory or uncompensated mandatory. Communities in Massachusetts have bylaws that are mandatory or incentive-based.

Inclusionary Zoning is typically triggered by a set unit threshold in a development, for example when a developer proposes to build 8 or more units in a specific district or town-wide, at least 10% of those units must be reserved as affordable. Affordability can be defined based upon local needs and designed to be flexible to accommodate changes in local needs. For example the City of Boston mandates a set-aside of units for households earning between 80-120% of the median income or middle-income families.

The Massachusetts Zoning Act, General Law Chapter 40A does not specifically state provisions on how communities develop and adopt Inclusionary Zoning provisions. Belmont, Duxbury, Newton, and Tewksbury, and communities throughout the Commonwealth have or are considering adopting such provisions.

**G1.2** Adopt an Accessory Dwelling Unit Bylaw to allow accessory apartments to be developed in existing single family homes and/ or in a detached accessory structure. Accessory Dwelling Units provide options for elderly to gain rental income, supportive living arrangements for persons with disabilities and the elderly, and may be an affordable option for households with lower incomes.

**G1.3** Amend Cluster Zoning to include affordability requirement.

**G1.4** Allow Affordable Development on Nonconforming lots targeting development opportunities on smaller lots.

**G1.5** Revisit the adoption of Mixed-Use zoning for Pulaski Boulevard and possibly the Town Center to allow apartments above retail uses and greater densities of housing in key locations.

**G1.6** Allow greater densities for housing reserved for the elderly residents and encourage affordable housing for the elderly through alternative residential programs such as life-care, assisted, or congregate living arrangements.

**G1.7** Evaluate affordability programs to encourage elderly housing development.

## **Strategy 2: Build Local Capacity**

**G2.1** Create a Municipal Affordable Housing Trust Fund per M.G.L. Chapter 44 Section 55c. The most important step that the Town of Bellingham can take to improve housing is to establish a group of committed local people to lead the housing program – an Affordable Housing Trust Fund. The Trust would help solve housing issues with locally administered input and programs and would examine housing supply and policies. It might also be responsible for the following actions:

- Coordinate goals and efforts,
- Seek funding opportunities,
- Provide outreach for tenants,
- Establish supply and demand for housing,
- Identify target areas for housing development,
- Collaborate with nonprofit housing development corporations to act on housing development opportunities,
- Maximize utilization of resources, and
- Educate the general public about affordable housing needs and current opportunities.

Once created, to successfully implement actions, the Trust will need to identify all stakeholders and coordinate goals and objectives as well as focus on implementation strategies. From a functional standpoint, the Trust may need to begin by seeking housing funds and grants to support its operation and actions. This might include fees from payments-in-lieu of housing. The Board of Selectmen would be responsible for forming the Affordable Housing Trust Fund and Town Meeting approval would also be needed.

## **Strategy 3: Preserve Existing Affordable Housing**

There are multiple strategies the Town should employ to preserve affordable housing. These are as follows:

**G3.1** Monitor Expiring Use Properties - Retain, support, and expand existing affordable housing sites that are scattered throughout town.

**G3.2** Establish or work in collaboration with a neighboring community on a housing rehabilitation program to stabilize housing and create additional affordable rental units.

These programs are invaluable in assisting lower-income elderly households and people with disabilities to address code violations and remove barriers to living independently. These programs can also facilitate energy efficiency and abate or contain lead-based paint hazards.

**G3.3** Pursue funding programs available for assisting with housing efforts. For example, the Town might consider developing or working with a neighboring community to develop a buy-down or similar program to stabilize single family housing and other vacant housing for first-time homebuyers.

These strategies can be pursued by Town staff currently responsible for maintaining the Town's Subsidized Housing Inventory. A consultant could be hired to assist with identifying funding programs or opportunities of benefit to the Town for the development of affordable housing.

#### **Strategy 4: Produce Affordable Housing in Key Locations**

The Town of Bellingham is a key player and stakeholder in the creation of housing consistent with the above stated policy, goals and objectives. The Town reaffirms its commitment to ensure that a variety of housing opportunities exist to meet the diverse needs of its existing and future citizens. The Town looks forward to working with a broad coalition of public and private entities to achieve its affordable housing goals.

**G4.1** The Town should encourage the development of multi-family housing at appropriate locations in Bellingham and encourage adaptive reuse of existing buildings, including the Pearl Street Mill, for future residential use. Mixed-use and mixed-income developments can be created by the Town providing financial incentives, addressing development impacts, and identifying potential development sites. The Town could also work with current multi-family property owners to create affordable housing developments through incentives such as density bonuses.

**G4.2** Make the re-use/re-development of the Pearl Street Mill for affordable housing a priority

All of these strategies might be implemented by the Affordable Housing Trust Fund Board of Trustees in collaboration with the Planning Board and Planning staff. Town Meeting approval would be needed if Town-owned land or buildings are sold as surplus property for the development of affordable housing.

## IMPLEMENTATION MATRIX

Strategy/ Action	Responsible Entities	Timeframe
<b>Strategy 1. Amend Zoning</b>		
<b>G1.1</b> Adopt town-wide Inclusionary Zoning	Planning Board	Near Term –FY11 (October Town Meeting 2010 or May Town Meeting 2011)
<b>G1.2</b> Adopt an Accessory Dwelling Unit Bylaw	Planning Board	Long term / ongoing
<b>G1.3</b> Amend Cluster Zoning to include affordability requirement	Planning Board	Near Term –FY11 (October Town Meeting 2010 or May Town Meeting 2011)
<b>G1.4</b> Allow Affordable Development on Nonconforming lots targeting development opportunities on smaller lots.	Planning Board as recommended by the MAHTF	Long term / ongoing
<b>G1.5</b> Revisit the adoption of Mixed-Use zoning for Pulaski Boulevard and possibly the Town Center	Planning Board as recommended by the MAHTF	Long term / ongoing
<b>G1.6</b> Allow greater densities for housing reserved for the elderly residents, including alternative residential programs such as life-care, assisted, or congregate living arrangements.	Planning Board as recommended by the MAHTF	Long term / ongoing
<b>G1.7</b> Evaluate affordability programs to encourage elderly housing development.	MAHTF	Long term / ongoing
<b>Strategy 2 Build Local Capacity</b>		
<b>G2.1</b> Create a Municipal Affordable Housing Trust Fund (MAHTF) per M.G.L. Chapter 44 Section 55c	Planning Board, Board of Selectmen	Mid Term FY12
<b>Strategy 3: Preserve Existing Affordable Housing</b>		
<b>G3.1</b> Monitor expiring-use properties	MAHTF; Board of Selectmen	Mid Term FY12 / ongoing
<b>G3.2</b> Establish or work in collaboration with a neighboring community on a housing rehabilitation program	MAHTF	Long term / ongoing
<b>G3.3</b> Pursue funding programs available for assisting with housing efforts.	MAHTF	Long term / ongoing
<b>Strategy 4: Produce Affordable Housing in Key Locations</b>		
<b>G4.1</b> Encourage the development of multi-family housing at appropriate locations	MAHTF	Long term / ongoing
<b>G4.2</b> Prioritize the reuse/redevelopment of the Pearl Street Mill for affordable housing	MAHTF	Immediate

### **Long Term Use Restrictions**

In an effort to support housing that is affordable in perpetuity, the Town intends to explore methods for preventing the expiration of existing affordable units and to achieve the following through use restrictions.

The town intends to base its regulatory agreements and deed riders on those used in the Local Initiative Program (LIP). To the greatest extent possible housing units created through local approvals will be restricted in perpetuity.

The town will seek to have affordable sale and resale prices calculated according to HUD's latest median area income statistics. Affordable prices will be determined by creating a marketing window so that buyers within a range of incomes may qualify for a mortgage for the affordable home despite possible interest rate fluctuations. The resale price will be established within a window of affordability for housing incomes between 70% and 80% of the areas (Metropolitan Statistical Area) median income. The maximum resale price will be based upon principal, interest, property tax, and insurance payments with the assumption of a 5% down payment.

The town will endeavor to establish the affordable resale price based on low and moderate income households spending no more than 30% of their income on housing costs. Housing costs include all payments made toward the principal and interest of any mortgages placed on the unit, property taxes, and insurance, as well as homeownership, neighborhood association or condominium. These calculations are similar to those used in the LIP program and the town will work with DHCD to insure the resale price established is consistent with state regulations and policies at the time the resale occurs.

The monitoring of the resale restrictions and annual recertification in the case of rental agreements will be the responsibility of the project sponsor. Where applicable, the project sponsor will be required to submit information to the Town Administrator's Office on an annual basis.

## **Appendix I: Subsidy Programs**

## **APPENDIX I**

### **Eligible Subsidy Programs**

#### State Programs

Affordable Housing Trust Fund

Chapter 167 (Special Needs Housing)

Chapter 200 (Veterans' Housing)

Chapter 667 (Elderly Low Income Housing)

Chapter 689 (Special Needs Housing)

Chapter 705 (Family Low Income Housing)

DHCD Capital Improvement and Preservation Fund (CIPF)

DHCD Commercial Area Transit Node Housing Program (CATNHP)

DHCD Community Based Housing Program (CBH)

DHCD Community Development Block Grant (CDBG) including:

Homeowner Rehab, HDSP (some uses), and CDF (some uses)

DHCD Facilities Consolidation Fund (FCF)

DHCD Homeownership Opportunity Program (HOP) <sup>1</sup>

DHCD Housing Innovations Fund (HIF)

DHCD Housing Stabilization Fund (HSF)

DHCD Local Initiative Program (LIP)

DHCD Mass Rental Voucher Program (MRVP) Project Based Vouchers Only

DHCD Tax Exempt Local Loans to Encourage Rental Housing (TELLER)

DMH Community Based Housing (Group Homes)

DMR Community Based Housing (Group Homes)

MGL Chapter 40R (Smart Growth Zoning Act)

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<sup>1</sup> Private HOP projects are eligible to count towards the SHI.

Massachusetts Low Income Housing Tax Credits (LIHTC)

Massachusetts Housing Partnership Fund (MHP) MATCH Program

Massachusetts Housing Partnership Fund (MHP) Permanent Rental Financing Program

EOT Transit Oriented Development (TOD) Infrastructure & Housing Support Program

MassHousing Chapter 13A Interest Reduction Subsidy Program

MassHousing Chapter 236 Program

MassHousing 80/20

MassHousing Elder Choice

MassHousing Expanding Rental Affordability (ERA)

MassHousing Housing Starts

MassHousing Multi-Family Rental

MassHousing Options for Independence

MassHousing Rental Development Action Loan (RDAL)

MassHousing State Housing Assistance for Rental Production (SHARP)

### Federal Programs<sup>2</sup>

FHLBB Affordable Housing Program (AHP)

FHLBB New England Fund (NEF)

Federal Low Income Housing Tax Credit Program (LIHTC)

HUD CDBG (Homeowner Rehabilitation in some cases)

HUD Federal Public Housing

HUD HOME Program (Rental Production, Project-Based Homeownership, Homeowner Rehab)

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<sup>2</sup> HUD is the U.S. Dept. of Housing and Urban Development; FHLBB is the Federal Home Loan Bank; USDA Rural Housing Service was the Farmers' Home Administration.

HUD Section 202 (Supportive Housing for the Elderly)

HUD Section 221(d)(3)

HUD Section 231

HUD Section 236

HUD Section 8 Demo Dispo (administered by MassHousing)

HUD Section 8 Mark-to-Market (administered by MassHousing)

HUD Section 8 Moderate Rehabilitation Program (some units administered through DHCD)

HUD Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program

HUD Section 8 New Construction

HUD Section 8 Project Based Assistance

HUD Section 8 Project-Based Rental Certificate Program

HUD Section 8 Substantial Program

HUD Section 811 (Supportive Housing for Persons with Disabilities)

HUD Shelter Plus Care (Project-Based Rental Assistance and SRO-Based Assistance only)

USDA Rural Housing Service (RHS) Rural Rental Housing 515 Program

### **Ineligible Subsidy Programs**

The following programs, as well as programs not appearing anywhere on this listing are not usually deemed low- or moderate-income housing programs for purposes of G.L. c. 40B§ 20-23, 760 CMR 56.00.<sup>3</sup>

DHCD Alternative Housing Voucher Program (AHVP)

DHCD Community Development Action Grant (CDAG)

DHCD Massachusetts Rental Voucher Program (formerly Chapter 707 Program)

DHCD Soft Second Loan Program (also administered through MHP)

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<sup>3</sup> This listing does not attempt to be all-inclusive because of the large number of housing related programs and programs that have a housing component. This list provides examples of programs that are frequently mistaken as an eligible housing program.

Hospitals

HUD Shelter Plus Care (Tenant-Based Rental Assistance, Sponsor-Based Rental Assistance)

HUD Emergency Shelter Grants Program

HUD HoDAG (Housing Development Action Grant)

HUD HOME Program (Tenant Based Rental Assistance, Homeownership Purchaser Based)

HUD HOPE (Home Ownership for People Everywhere)

HUD Section 8 Housing Choice Voucher Program (HCVP)

HUD Section 8 Loan Management Set-Aside Program

HUD Section 8 Property Disposition Set-Aside Program

HUD Section 8 Rental Certificate Program

HUD Section 221(d)(2) & 221(d)(4)

HUD Urban Development Action Grant (UDAG )

Military Housing

Prisons

Special Needs Schools

USDA Rural Development Section 502 Program

## **Appendix II: Definition of Subsidized Housing**

For the purposes of creating a Housing Production Plan, affordable housing has a specific definition by law. That definition is as follows:

“Low or Moderate Income Housing – means any units of housing for which a Subsidizing Agency provides a Subsidy under any program to assist the construction or substantial rehabilitation of low or moderate income housing, as defined in the applicable federal or state statute or regulation, whether built or operated by any public agency or non-profit or Limited Dividend Organization. If the applicable statute or regulation of the Subsidizing Agency does not define low or moderate income housing, then it shall be defined as units of housing whose occupancy is restricted to an Income Eligible Household.”<sup>4</sup>

According to the Subsidized Housing Inventory released September 9, 2008<sup>5</sup> (most recent available), Bellingham had 532 units that count towards the state’s Subsidized Housing Inventory, or 9.4% of the town’s 2000 number of housing units. There are 5,632 year-round housing units<sup>6</sup> in Bellingham. This number is used as a denominator for determining the number of affordable housing units needed to meet the State’s required 10% goal by municipality and in calculating the required minimum annual progress toward affordable housing as regulated under Planned Production for certification of a Housing Production Plan.

Housing units must meet the following criteria in order to be included on the Subsidized Housing Inventory consistent with the provisions of 760 CMR 56.03(2) and with the following requirements:

“Eligible Subsidy Programs - The housing programs listed in Appendix I are considered low or moderate-income housing programs for purposes of G.L. c.40B, §§ 20-30, 760 CMR 56.00.<sup>7</sup> Subsidizing Agencies periodically modify existing programs and create new low- or moderate-income housing programs...

1. Affordability – Household Income In order for a household to be eligible to rent or purchase a restricted unit the household’s income shall not exceed 80% of the area median income, as defined by HUD at 24 C.F.R. 5.609, adjusted for household size. A Subsidizing Agency may

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<sup>4</sup> MA DHCD Comprehensive Permit Guidelines, Introduction, July 30, 2008.

<sup>5</sup> This data is derived from Information provided to the Department of Housing and Community Development (DHCD) by individual communities and is subject to change as new information is obtained and use restrictions expire.

<sup>6</sup> This figure includes single- and multi-family homes, apartments, condominiums, and other year-round residences.

<sup>7</sup> This listing does not provide a conclusive indication as to whether any housing development or housing unit is within the statutory definition of low- or moderate-income housing, though this listing is generally accurate as a reference and is used by DHCD in making such determinations. Such determinations are subject to review by the Housing Appeals Committee in the context of formal appeals concerning particular housing proposals.

establish lower thresholds for its programs.

2. Affordability - Household Assets - The Subsidizing Agency may establish, for its housing programs, asset limitations for eligible households. With respect to homeownership and Continuing Care Retirement Communities (CCRCs) Projects, in the absence of such provisions, eligible households shall be subject to the following asset limitations:

- For age-restricted homeownership Projects, household assets shall not exceed \$75,000 in value, provided that the purchaser household may additionally own a dwelling (to be sold) in which the purchaser has no more than \$200,000 in equity. (Note: For New England Fund, Housing Starts, and the Local Initiative Program, this asset limit applies for projects which applied for a determination of project eligibility on or after February 22, 2008. For such projects which applied for a determination of project eligibility prior to that date, then-existing program asset limits apply.)
- For non-age restricted homeownership units, household assets shall not exceed \$75,000 in value.

3. Housing Cost - Generally, the housing program, through its statutory basis, regulations, or guidelines establishes the maximum monthly housing cost. In the absence of such a provision, the following provisions shall apply:

- Rental -- monthly housing costs (inclusive of utilities) shall not exceed 30% of monthly income for a household earning 80% of area median income, adjusted for household size. If there is no city trash collection, a trash removal allowance shall be included. If the utilities are separately metered, they may be paid by the tenant and the maximum allowable rent will be reduced to reflect the tenants' payment of utilities, based on the area's utility allowance. Developers should secure the amount of the current Section 8 utility allowance for the specific unit size and type from the local/regional housing authority.
- Homeownership
  - Downpayment must be at least 3% of the purchase price, at least half of which must come from the buyer's funds.
  - Mortgage loan must be a 30-year level-payment, amortizing mortgage for not more than 97% of the purchase price with a fixed interest rate that is not more than 2 percentage points above the current MassHousing interest rate ([www.masshousing.com](http://www.masshousing.com)).
  - Monthly housing costs (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium or homeowner

association fees) shall not exceed 38% of monthly income for a household earning 80% of area median income, adjusted for household size.

- Continuing Care Retirement Communities
  - Entry Fee -- Any requisite entrance fee policy must be reasonable, taking into account that many otherwise eligible households may not have owned a home previously, and therefore the value of their Household Assets may be limited. A policy that sets a minimum entry fee for such households at a figure that is equivalent to 10% downpayment on a homeownership unit for which a household at 80% of area median income, adjusted for household size, would be eligible, shall be deemed to be reasonable.
  - Monthly fees – generally may not exceed 35% of household income plus an allowance for meals, if provided. The allowance for meals shall be established by an objective cost of living analysis<sup>8</sup> approved by the Subsidizing Agency and shall be calculated on the basis of the number of meals provided for the household.
  - Health care reserve fund – to the extent required, such fund must be reasonable and must be held for the benefit of the household for the exclusive purpose of paying for acute and skilled nursing care. The health care reserve fund shall be funded prior to determining whether a household has sufficient resources for the entrance deposit and shall be excluded from calculation of assets for the purposes of determining asset eligibility.

4. Use Restriction - All Use Restrictions must meet the following minimum standards:

- Runs with the land and recorded at the appropriate registry of deeds or filed with the appropriate land court registry district for a term of that shall be not less than 15 years for rehabilitated units and not less than 30 years for newly created units.
- Identifies the Subsidizing Agency and monitoring agent, if applicable.
- Effectively restricts occupancy of Low and Moderate Income Housing to Income Eligible Households. A Use Restriction may require that an Income Eligible Household must have a lower percentage of area median income than 80%.

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<sup>8</sup> One example of such an objective source would be the Elder Economic Security Standards set out in “The Elder Economic Security Standard for Massachusetts,” Gerontology Institute, University of Massachusetts Boston and Wider Opportunities for Women, December 2006.

- Requires that tenants of rental units and owners of homeownership units shall occupy the units as their domiciles and principal residences.
- Provides for effective administration, monitoring, and enforcement of such restriction.
- Contains terms and conditions for the resale of a homeownership unit, including definition of the maximum permissible resale price, and for the subsequent rental of a rental unit, including definition of the maximum permissible rent.

5. Affirmative Fair Housing Marketing Plan - The affordable housing units shall be subject to an Affirmative Fair Marketing and Resident Selection Plan that, at a minimum, meets the requirements set out in the following Section III, Affirmative Fair Housing Marketing Plan.

## **Appendix III: Affirmative Fair Housing Marketing Plan**

## **Affirmative Fair Housing Marketing Plan (Including Resident Selection)**

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

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

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

### **A. Developer Staff and Contractor Qualifications**

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

Subsidizing Agencies reserve the right to reject the qualifications of any Developer or contractor. However, generally, Developers or contractors that meet the following criteria *for each component*, as applicable, will be considered to be qualified to carry out the component(s) for

which they are responsible:

- The entity has successfully carried out similar AFHMP responsibilities for a minimum of three (3) projects in Massachusetts *or* the individual with primary responsibility for the resident selection process has successfully carried out similar AFHMP responsibilities for a minimum of five (5) projects in Massachusetts.
- The entity has the capacity to address matters relating to English language proficiency.
- “Successfully” for the purposes of these Guidelines means that, with respect to both the entity and the relevant staff, (a) the prior experience has not required intervention by a Subsidizing Agency to address fair housing complaints or concerns; and (b) that within the past five (5) years, there has not been a finding or final determination against the entity or staff for violation of any state or federal fair housing law.

**B. Affirmative Fair Housing Marketing Plan**

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

- Informational materials for applicants including a general description of the overall project that provides key information such as the number of market/affordable units, amenities, number of parking/garage spaces per unit, distribution of bedrooms by market and affordable units, accessibility, etc.
- A description of the eligibility requirements.
- Lottery and resident selection procedures.
- A clear description of the preference system being used (if applicable).
- A description of the measures that will be used to ensure affirmative fair marketing will be achieved including a description of the affirmative fair marketing and outreach methods that will be used, sample advertisements to be used, and a list of publications where ads will be placed.
- Application materials including:
  - The application form.
  - A statement regarding the housing provider’s obligation not to discriminate in the selection of applicants, and such a statement must also be included in the application

materials.

- Information indicating that disabled persons are entitled to request a reasonable accommodation of rules, policies, practices, or services, or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the disabled person equal opportunity to use and enjoy the housing.<sup>9</sup>
- An authorization for consent to release information.
- For homeownership transactions, a description of the use restriction and/or deed rider.

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

The AFHMP shall be applied to affordable units<sup>10</sup> upon availability for the term of affordability and must consist of actions that provide information, maximum opportunity, and otherwise attract eligible persons protected under state and federal civil rights laws that are *less likely to apply*.

### Outreach and Marketing

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

- Advertisements should be placed in local and regional newspapers, and newspapers that serve minority groups and other groups protected under fair housing laws. Notices should also be sent to local fair housing commissions, area churches, local and regional housing agencies, local housing authorities, civic groups, lending institutions, social service agencies, and other non-profit organizations.

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<sup>9</sup> It is important to remember that legal obligations with respect to accessibility and modifications in housing extend beyond the Massachusetts Architectural Access Board requirements, including federal requirements imposed by the Fair Housing Act, the Americans with Disabilities Act, and the Rehabilitation Act. Under state law, in the case of publicly assisted housing, multiple dwelling housing consisting of ten or more units, or contiguously located housing consisting of ten or more units (see M.G.L. c. 151B, § 1 for definitions), reasonable modification of existing premises shall *be at the expense of the owner* or other person having the right of ownership if necessary for the disabled person to fully enjoy the premises. M.G.L. c. 151B, § 4(7A). See also 24 C.F.R. part 8 for Rehabilitation Act requirements of housing providers that receive federal financial assistance.

<sup>10</sup> The advertising component of the AFHMP applies to all units.

- Affordable units in the Boston Metro Area (Boston-Cambridge-Quincy MSA) must be reported to the Boston Fair Housing Commission's Metrolist (Metropolitan Housing Opportunity Clearing House). Such units shall be reported whenever they become available (including upon turnover).
- Affordable and/or accessible<sup>11</sup> rental units must be listed with the Massachusetts Accessible Housing Registry whenever they become available (including upon turnover). See <http://www.chapa.org>.
- Available affordable ownership units must also be listed with CHAPA's lottery website (see <http://www.chapa.org>) and with the Massachusetts Affordable Housing Alliance (MAHA) website (see <http://www.mahahome.org>).
- Marketing should also be included in non-English publications based on the prevalence of particular language groups in the regional area. To determine the prevalence of a particular language by geographical area, see for example [http://www.doleta.gov/reports/CensusData/LWIA\\_by\\_State.cfm?state=MA](http://www.doleta.gov/reports/CensusData/LWIA_by_State.cfm?state=MA).

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

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

Pursuant to fair housing laws,<sup>12</sup> advertising must not indicate any preference or limitation, or otherwise discriminate based on race, color, disability, religion, sex, familial status, sexual orientation, national origin, genetic information, ancestry, children, marital status, or public assistance recipients. Exceptions may apply if the preference or limitation is pursuant to a lawful eligibility requirement. All advertising depicting persons should depict members of classes of persons protected under fair housing laws, including majority and minority groups.

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<sup>11</sup> Note: The owner or other person having the right of ownership shall, in accordance with M.G.L. c. 151B, §4(7A), give at least fifteen days notice of the vacancy of a wheelchair accessible unit to the Massachusetts Rehabilitation Commission. Said statute also requires the owner or other person having the right of ownership to give timely notice that a wheelchair accessible unit is vacant or will become vacant to a person who has, within the past 12 months, notified the owner or person or person having the right of ownership that such person is in need of a wheelchair accessible unit.

<sup>12</sup> 42 U.S.C. § 3604(c); M.G.L. c. 151B, § 4(7B).

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

### Availability of Applications

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

### Informational Meeting

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

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

### Homeownership – Establishing Sales Prices

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

For large, phased developments maximum sale prices of units sold in subsequent phases will be calculated prior to the start of marketing for each phase, or approximately 6 months prior to expected occupancy of the units. In such cases, each phase will require its own affirmative fair marketing efforts and lottery.

## **C. Local Preference**

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

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

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

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

#### Allowable Preference Categories

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

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

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

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

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

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

#### Avoiding Potential Discriminatory Effects

The local selection preferences must not disproportionately delay or otherwise deny admission of non-local residents that are protected under state and federal civil rights laws. The AFHMP should demonstrate what efforts will be taken to prevent a disparate impact or discriminatory effect. For example, the community may move minority applicants into the local selection pool to ensure it reflects the racial/ethnic balance of the HUD defined Metropolitan Statistical Area as described below.<sup>13</sup> However, such a protective measure may not be sufficient as it is race/ethnicity specific; the AFHMP must address other classes of persons protected under fair housing laws who may be negatively affected by the local preference.

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

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

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

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<sup>13</sup> This protective measure may not be dispositive with respect to discriminatory effects. For example, the non-local applicant pool may contain a disproportionately large percentage of minorities, and therefore adjusting the local preference pool to reflect demographics of the regional area may not sufficiently address the discriminatory effect that the local preference has on minority applicants. Therefore, characteristics of the non-local applicant pool should continually be evaluated.

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

#### **D. Household Size/Larger Households Preference**

##### General

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

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

##### Larger Household Preference

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

- a. There is at least one occupant per bedroom.<sup>14</sup>
- b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of

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<sup>14</sup> Disabled households must not be excluded from a preference for a larger unit based on household size if such larger unit is needed as a reasonable accommodation.

sharing.

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

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

Lottery drawings shall result in each applicant being given a ranking among other applicants with households receiving preference for units based on the above criteria. Household size shall not exceed State Sanitary Code requirements for occupancy of a unit (See 105 CMR 400).<sup>15</sup>

## **E. Lotteries**

### The Lottery Application

Resident selection must generally be based on a lottery, although in some cases it may be based on another fair and equitable procedure approved by the Subsidizing Agency.<sup>16</sup> A lottery procedure is preferred over a “first-come, first-serve procedure,” as the latter procedure may disadvantage non-local applicants.

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

The lottery application must address a household’s:

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

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<sup>15</sup> Note, however, that fair housing exceptions may apply: see HUD Fair Housing Enforcement—Occupancy Standard; Notice of Statement of Policy, Docket No. FR-4405-01 (1998).

<sup>16</sup> In the case of project based Section 8 properties where resident selection is to be performed by the housing authority pursuant to a Section 8 waiting list, a lottery procedure is not required.

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

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

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

#### Lottery Procedure

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

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

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

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

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

Lottery Example

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

- Total applicants in lottery: 100
- Total minority applicants: 20
- The community in which the lottery takes place falls within the HUD Boston Metropolitan Statistical Area which has a minority population of 20.7%.

1. Determine the number of applicants who claim a LOCAL preference according to approved criteria.
2. Determine the number of minority applicants in the LOCAL preference pool.
3. Determine the percentage of minority applicants in the LOCAL preference pool.

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

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

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

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

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

**F. Homeownership**

1. Household Eligibility

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

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

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

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

## 2. Final Qualification and Closing

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

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

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

## 3. Resales

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

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

## **Appendix IV: Town of Bellingham Subsidized Housing Inventory**

**Please insert most recent SHI here**

## **Appendix V: Housing Maps**

**Please insert five maps here**









