

**TOWN OF DOUGLAS, MASSACHUSETTS**

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**HOUSING PRODUCTION PLAN 2009**



**PREPARED BY**

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## EXECUTIVE SUMMARY

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### OVERVIEW

The Douglas Housing Production Plan presents the Town's goals and strategies for the production of affordable housing. The goals of this plan are to illustrate the housing needs of Douglas residents, establish long-term priorities for housing development, and demonstrate how Douglas will develop a minimum of 12 subsidized housing units per year, enabling the Town to regulate future Chapter 40B developments while ensuring that the Town will achieve the objective of having 10% of its housing stock, or 251 affordable units, over the next 5 years.

M.G.L. 760, which identifies the terms of Housing Production stipulates that if a total of 25 subsidized units are constructed in a given year, Douglas may have a two-year reprieve from granting comprehensive permits for projects inconsistent with its goals and plan.<sup>1</sup> If the North Village 40B development is carried out, there will be more than enough affordable units to earn a two-year reprieve in permitting.

This Housing Production Plan lays out a blueprint for the town to assist in guiding the implementation of North Village while also achieving the broader objectives of the town's Housing Production Plan. A local Housing Committee, as well as regional housing resources such as the NeighborWorks Home Ownership Center of Worcester, can work together to assist the Town in addressing the issues of local preference at North Village, foreclosures, need to assist First Time Homebuyers, Fair Housing, and affordable housing development opportunities as laid out in the Plan. In this manner the Town will work towards achieving the 10% affordable housing strategies laid out in this plan.

### HOUSING NEEDS ASSESSMENT

#### Changing Housing Stock

- ❖ The abundance of single-family, owner-occupied homes does not serve the aging and/or disabled population of Douglas.
- ❖ In an increasing number of single-family houses has created a shortage in affordable rental units; more than 30% of renters have a high-cost burden.

#### Changing Population

- ❖ **Substantial population growth:** Between 2000 and 2020, population growth rate of at least 44%.
- ❖ **An aging population:** A decline in the young adult population and an aging baby boomer population.

By 2020, residents aged 65 and over are projected to increase by over 15%.

#### Douglas' Housing Gap & Future Housing Needs

While Douglas is getting closer, with the development of North Village, to reaching its 10% goal for subsidized housing, the housing needs of many residents remain unfulfilled. A range of housing options is needed to serve Douglas' households, both in terms of

Approximately one-third of renters have a high cost burden, 70% of which are over the age of 65.

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<sup>1</sup> To meet Chapter 40B requirements a total of 251 subsidized units, or 10% of Douglas' 2000 housing stock, must be developed. To be able to regulate 40B developments, 12 units (one-half of 1% of 2510) must be constructed per year. The Town has 140 subsidized housing units; an additional 111 units are needed. The state only recognizes those units that have a recorded deed restriction that limits the occupancy of the unit to individuals or families that meet certain federal affordability criteria.

price and style of unit, to preserve the town’s housing diversity. Douglas’ elderly population and first-time homebuyers need suitable options that allow them to stay in the community. Examples include recreation-oriented retirement communities and village-style, high density affordable starter homes.

- ❖ **Housing in the moderate income price range:** Although there is adequate housing to serve moderate income households, there is a danger of being priced out of the housing market as home prices inflate faster than incomes.
- ❖ **Affordable rental housing for low-income households:** There is a substantial shortage of rental housing affordable to most households.
- ❖ **Housing for the elderly:** There are not a sufficient number of retirement-style and assisted living communities available or affordable to Douglas’ aging population
- ❖ **Homes affordable to the elderly and young adults:** Over 1/3 of homeowners over the age of 75 spend more than 30% of their income on housing costs.

**Areas for Development**

The Housing Opportunities Map identifies areas of town that are best suited for various types of land uses. For purposes of analysis, the town can be divided into areas with development potential and areas with constraints to development. A Housing Vision Map has been prepared based on this assessment of protection and development areas. For purposes of growth management planning, five areas have been identified.

**District Vision**

District	Location	Current Zoning	Vision
Gilboa Street/North Street	Adjacent to East Douglas Village	Commercial	Mixed Use Development
West Street	Between Main St. and Riddlebrook Apartments	Village Residential	Village Residential
Manchaug Road	Between Caswell Court and Mumford St.	Rural Agriculture/Village Residential	Village Residential
Route 16 Parcels	Route 16 at Reidell Road	Commercial	Limited Commercial/Residential Development
Schuster Property	East Douglas Village	Village Residential	Village Residential

**HOUSING VISION**

**Ensure a Variety of Housing Options for an Economically and Age Diverse Population**

Douglas has a very homogeneous housing stock, with an abundance of single-family homes. Our community will work to offer housing opportunities that meet the needs of Douglas residents of all ages and income levels, as well as meeting the Commonwealth’s guidelines to provide *at least* ten percent of our housing stock at affordable levels. As we strive to provide a range of housing choices, we will aim to do so in a manner that is consistent with smart growth principles, promoting housing opportunities within the downtown area thus preserving the open space and natural resources of Douglas.

## HOUSING GOALS & OBJECTIVES

- ❖ **Increase the diversity of housing options in order to maintain housing affordability and accommodate households with varying housing needs and family structures.**
- ❖ **Ensure that housing growth rates and locations are consistent with the Town’s ability to provide public facilities and services, protect the environment, preserve and enhance community character, and foster economic growth.**

## AFFORDABLE HOUSING STRATEGIES

- ❖ **Encourage the re-establishment of a local Housing Committee and the formation of a local Housing Authority in order to monitor local preference for the proposed North Village Development and future developments.**
- ❖ **Encourage cooperation between the Housing Committee and the NeighborWorks Homeownership Center of Worcester to work on issues of foreclosure, First Time Homebuyers, and Fair Housing.**
- ❖ **Housing Committee to work with developers to encourage development in priority areas to provide for a variety of housing types including mixed use and village centered development affordable to a range of incomes and household types.**
  1. Encourage sewer extensions and zoning amendments to support this development.
- ❖ **Promote building rehabilitation of under-utilized properties in East Douglas Village by pursuing a variety of revitalization strategies.**
  1. Town to pursue DHCD “Home” funding to permit conversions of upper floors of vacant mixed residential/commercial buildings to housing.
- ❖ **Consider feasibility of assisted living opportunities, and recreation-oriented golf course, resort/hotel, retirement communities in West Douglas.**
  1. Explore residential reuse options and compare cost/benefits of industrial options for the town-owned parcel off Northwest Main Street.
  2. Possible areas include: Properties on south side of Route 16 and Douglas Village

- ❖ **Work with local banks on a First Time Homebuyers program.**
- ❖ **Utilize local initiative and “friendly” 40B projects to create non-state and federal subsidized affordable units which meet local needs.**
  1. Adopt Use Restriction Guidelines in order to enable Town to approve Local Initiative Program projects which will enable the Town to count affordable units developed outside of a 40B process.
- ❖ **Interview knowledgeable individuals to understand and assess the housing needs in Douglas.**

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## INTRODUCTION

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The Douglas Housing Production Plan presents the Town's goals and strategies for the production of affordable housing. The requirements for a Housing Production Plan (HPP) are detailed in M.G.L. 760 CMR 56.03(4). This regulation stipulates that municipalities may adopt an affordable housing plan that is based upon a comprehensive housing needs assessment and includes strategies for the production of low- and moderate-income housing. To be eligible for housing certification by the Department of Housing & Community Development (DHCD), the plan must demonstrate how Douglas will increase the number of Subsidized Housing Inventory (SHI) Eligible Housing units by at least 0.50% of the total units during each calendar year included in the HPP until the total percentage exceeds the minimum set forth in M.G.L. 760 CMR 56.03(2).

*Communities can use the development rate provision as a tool to encourage Chapter 40B development that meets stated planning objectives, while ensuring that they can reject more undesirable development proposals.*

Following approval by the Douglas Planning Board, the Board of Selectmen, and DHCD, Douglas may request certification of compliance with the plan by submitting proof that the required number of qualifying housing units has been produced during the current calendar year.

Douglas must create at least 12 subsidized housing units per year until it achieves a total of 251 units, or 10% of its 2000 year round housing stock. Douglas currently has 140 affordable units and must develop an additional 111 units to achieve 10%.

Plan Certification within 15 days of the opening of the hearing for a comprehensive permit application will enable the Board of Appeals to deny the comprehensive permit on the grounds that it is not consistent with local needs. If 25 units, or 1.0% of Douglas' 2000 housing stock, are constructed in one year, the community may have a reprieve from granting comprehensive permits for two years. Currently there is only one affordable housing project in the pipeline, and it has yet to pass the Zoning Board of Appeals. Even if that development is approved, Douglas will still have to develop a substantial number of affordable housing units to meet the 10% goal.

In 2010 the Federal Census will provide a new housing unit count and the town will, given past building permit activity and current proposed developments, have to increase its annual production by at least 2-3 units per year. This figure assumes an increase of 124 units at the North Village Development creating a total of 2,718 total housing units in 2010.<sup>2</sup>

This Housing Production Plan will address the following topics: 1) Housing Needs Assessment, 2) Affordable Housing Goals, 3) Strategies for Affordable Housing Implementation, and 4) Use Restriction Guidelines. This plan has been prepared in accordance with 760 CMR 56.03(4).

### **Preparing a Housing Production Plan**

Following is an outline of the five steps of this Housing Production Plan. Beginning with a review of the Douglas Housing Needs section, goals and strategies are identified regarding where and when affordable housing should be built in Douglas.

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<sup>2</sup> Larry Koff & associates, estimate based upon discussions with William Cundiff

1. **Douglas Housing Needs Assessment:** Analysis includes current population and expected growth, development constraints and opportunities, and Douglas’ infrastructure’s ability to handle current population and projected growth and development.
2. **Affordable Housing Goals:** What type of housing is most needed and most feasible based on Douglas’ demographics and infrastructure.
3. **Strategies for Affordable Housing Implementation:** Tasks/strategies for implementing affordable housing.
4. **Potential Locations for Affordable Housing:** Possible locations were identified and ranked (See Housing Vision Map).
5. **Action Plan:** Strategies identified to allow Douglas to meet its housing needs.

**Definition of Affordable Housing**

The population in need of affordable housing varies based on which definition of affordable housing is being used. According the U.S. Department of Housing and Urban Development (HUD), no household should pay more than 30% of their income on housing. If they do, they may have trouble paying for basic necessities like food, clothing, shelter, transportation, and medical expenses. According to HUD, an estimated 12 million people pay more than 50% of their income towards housing.

Affordable housing is also defined according to percentages of median income for the area, and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$23,900 for a family of four for the Worcester PMSA area) and very low-income is defined as households earning less than 50% of area median income (\$39,850 for a family of four). Sometimes 60% of area median income is used for particular low-income programs (\$47,820 for a four person household). Low-income generally refers to the range between 51% and 80% of area median income (\$63,750 for a family of four at the 80% level), and moderate-income from 81% to 100%, and sometimes 110% and 120% of median income (\$71,730, \$87,670 and \$95,640, respectively, based on a family size of four). These income levels are summarized in the table below:

**2009 TARGETED INCOME LEVELS FOR AFFORDABLE HOUSING IN THE WORCESTER AREA**

<b># Persons in Household</b>	<b>30% of Median Income</b>	<b>50% of Median Income</b>	<b>80% of Median Income</b>
1	\$16,750	\$27,900	\$44,650
2	\$19,100	\$31,900	\$51,000
3	\$21,500	\$35,850	\$57,400
4	\$23,900	\$39,850	\$63,750
5	\$25,800	\$43,050	\$68,850
6	\$27,700	\$46,250	\$73,950
7	\$29,650	\$49,400	\$79,050
8+	\$31,550	\$52,600	\$84,150

**2009 Median Household Income for the Worcester PMSA: \$79,700**

In counting a community’s progress toward the 10% threshold, Massachusetts counts a housing unit as affordable if it is subsidized by state or federal programs that support low- and moderate-income households at or below 80% of area median income. Additionally, most state-sponsored housing

assistance programs are targeted to households earning at or below 80% of area median income, as well as some at lower income thresholds.

In general, programs that subsidize rental units are targeted to households earning within 50%-60% of median income, \$39,850 for a family of four, while first-time homebuyer programs often apply income limits of up to 80% of area median income. The Community Preservation Act allows resources to be directed to those within a somewhat higher income threshold – 100% of area median income, or \$79,700, commonly referred to as “community housing.”

The Chapter 40B definition of affordable housing is as follows:

- 1) Must be part of a “subsidized” development built by a public agency, non-profit, or limited dividend corporation.
- 2) At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels. Restrictions must run at least 15 years for housing rehabilitation and at least 30 years for new construction.
- 3) Development must be subject to a regulatory agreement and monitored by a public agency or nonprofit organization.
- 4) Project sponsors must meet affirmative marketing requirements.

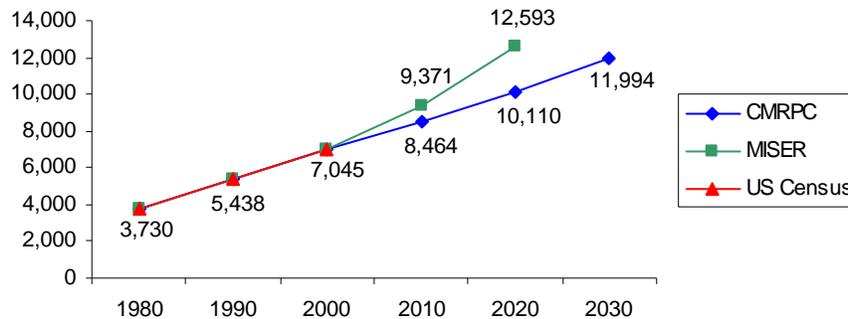
## NEEDS ANALYSIS

### HOUSING DEMAND

#### Population Growth

As of 2007, the population of Douglas was 7,924, according to the U.S. Census. Population in Douglas rose steadily between 1980 and 2000, with a net population gain of 3,315 or 88.9%. The Central Massachusetts Regional Planning Commission (CMRPC) and the Massachusetts Institute for Social and Economic Research (MISER) predict that this positive rate of population growth will continue over the coming decades. By 2020, MISER projects a growth rate of 79% for a total population of 12,593. CMRPC's projections are more conservative; a total population of 10,110 is projected by 2020 (44%), followed by an increase of 19% for a total of 11,994 by 2030.

**Figure 1. Douglas Population Estimates and Projections**



- ◆ Douglas' population grew by nearly 90% between 1980 and 2000, the fastest of all of the towns in the Blackstone Valley Region.
- ◆ Mendon experienced the second highest growth rate, 70%, over this period. The towns of Millbury and Northbridge had growth rates under 10%.

**Table 1, Comparison of Population Growth in Douglas and Region**

Municipality	Population 2000	1980 - 2000	
		Population Increase	% Change
Blackstone	8,804	2,234	34.0
<i>Douglas</i>	7,045	3,315	88.9
Grafton	14,894	3,656	32.5
Hopedale	5,907	2,002	51.3
Mendon	5,286	2,178	70.1
Millbury	12,784	976	8.3
Millville	2,724	1,031	60.9
Northbridge	13,182	936	7.6
Oxford	13,352	1,672	14.3
Sutton	8,250	2,395	40.9
Upton	5,642	1,756	45.2
Uxbridge	11,156	2,782	33.2
Webster	16,415	1,935	13.4

- ◆ The rate of increase in households is greater than that of the population; thus, the number of persons per household has fallen in the past thirty years. This trend is expected to continue.

**Table 2, Population and Household Growth**

	Population	% Change	Households	% Change	Total Additional Households	Persons per Household
1980	3,730	--	1,276	--	--	2.92
1990	5,438	45.8	1,889	48.0	613	2.88
2000	7,045	29.6	2,476	31.1	587	2.85
2007	8,444	19.9	2,827	14.2	351	2.75
2010	8,464	20.1	3,029	22.3	553	2.79
2020	10,110	19.5	3,684	21.6	655	2.74
2030	11,400	12.8	4,446	20.7	762	2.70

Source: U.S. Census, Town of Douglas 2007 Annual Report

### Demographics

- ◆ The population of Douglas is getting older. Although those aged 60 and over have continually accounted for a smaller percentage of the population over the past 20 years, this trend is predicted to reverse in the coming decades. At the same time, those younger than 60 are predicted to comprise a smaller percentage of the population by 2020.
- ◆ The median age of Douglas residents has climbed from just under 30 years in 1980 to over 34 years in 2000.

The number of persons aged 0-19 years has continually decreased in relative percentage of the population while increasing in number, a trend expected to continue over the next 20 years. Those aged 20-34 decreased significantly between 1990 and 2000 in terms of percentage of the population. Between 2000 and 2010, this population is predicted to decrease in percent but increase in number. These figures are expected to rise in both percent and number during the following decade. Those aged 35-59, the age at which people typically have children living at home, increased substantially between 1980 and 2000. MISER projects a small percent increase by 2010, followed by a decrease in percentage over the next decade. After a decline in both number and percent over the last 20 years, those aged 60-74 are expected to increase substantially during the coming decades. Finally, those aged 75 years and older are predicted to continue increasing in number but declining in percent. The increase in the elderly population and the decrease in those aged 35-59 indicate a growing need for a wider variety of housing types in the coming decades.

**Table 3, Town of Douglas Age Profile, 1980 – 2020**

	1980	%	1990	%	2000	%	2010	%	2020	%
0 – 19 years	1,278	34.2	1,738	32.0	2,253	32.0	2,956	31.5	3,890	30.9
20 – 34 years	915	24.5	1,376	25.3	1,393	19.8	1,667	17.8	2,412	19.1
35 – 59 years	920	24.7	1,610	29.6	2,699	38.3	3,704	39.5	4,319	34.3
60 – 74 years	480	12.9	477	8.8	436	6.2	773	8.3	1,596	12.7
Over 75	137	3.7	237	4.3	264	3.7	270	2.9	374	3.0
<b>Total</b>	<b>3,730</b>	<b>100.0</b>	<b>5,438</b>	<b>100.0</b>	<b>7,045</b>	<b>100.0</b>	<b>9,370</b>	<b>100.0</b>	<b>12,591</b>	<b>100.0</b>
Median Age	29.7		32.1		34.2					

Source: U.S. Census, MISER

### School Enrollment

- ◆ There has been large growth in the number of school children in Douglas over the past decade; preprimary and kindergarten enrollment has increased by 122% while elementary and high school enrollment has increased more modestly, but still significantly, by 41%. The number of pupils enrolled in college has decreased 1%.
- ◆ Overall school enrollment has increased by 39% since 1990. School enrollment is expected to continue to increase, as the number of school-age children is predicted to continue rising.
- ◆ As of 2006, there were a total of 1,746 students enrolled (CMRPC).

**Table 4, School Enrollment in Douglas, 1990 and 2000**

Type of Educational Institution	1990 Enrollment Figures			2000 Enrollment Figures			Total % change
	Public	Private	Total	Public	Private	Total	
Preprimary				136	46	182	
Kindergarten				134	17	151	
<b>Preprimary/Kindergarten</b>	<b>93</b>	<b>57</b>	<b>150</b>	<b>270</b>	<b>63</b>	<b>333</b>	<b>122.0</b>
Grades 1-4				453	26	479	
Grades 5-8				422	34	456	
Grades 9-12				401	22	423	
<b>Elementary/High School</b>	<b>853</b>	<b>111</b>	<b>964</b>	<b>1,276</b>	<b>82</b>	<b>1,358</b>	<b>40.9</b>
College undergraduate				213	81	294	
Graduate/Professional School				19	29	48	
<b>Post High School</b>	<b>237</b>	<b>108</b>	<b>345</b>	<b>232</b>	<b>110</b>	<b>342</b>	<b>-0.9</b>
<b>Total</b>	<b>1,183</b>	<b>276</b>	<b>1,459</b>	<b>1,778</b>	<b>255</b>	<b>2,033</b>	<b>39.3</b>

Source: U.S. Census

### Disabled Individuals

- ◆ There are 790 non-institutionalized individuals aged 5 and over (12.3% of total population over age 5) that report to have a disability (2000 Census).<sup>3</sup>
- ◆ 36% of elderly residents (over age 65) report to have a disability.
- ◆ Of the reported disabilities, 7.0% are sensory in nature, 19.8% are physical, 17.8% are mental, 6.2% are self-care, 19.5% are unable to go outside of the home, and 29.6% are employment related.

### Employment and Local Labor Force

Businesses in Douglas employed a total of 917 people in 2009. The number of jobs in town falls drastically short of the number of people in the Douglas labor force; for every job in Douglas there are approximately four people in the labor force.

The unemployment rate in Douglas in 2007 was 4.8%, compared to a statewide average of 4.3. This rate was a decrease from the 2002 rate of 5.1% and 5.3% for Douglas and the state, respectively.

Douglas jobs provided an average annual wage of \$36,712 in 2007. In every industry the average annual wage falls below low and moderate income guidelines for the Worcester PMSA. Many

**Table 5**

Jobs to Labor Force Ratio 2007	
Douglas jobs	917
Douglas resident labor force	<u>4,574</u>
<b>Jobs/Labor Force Ratio</b>	<b>0.20</b>

Source: Mass DET

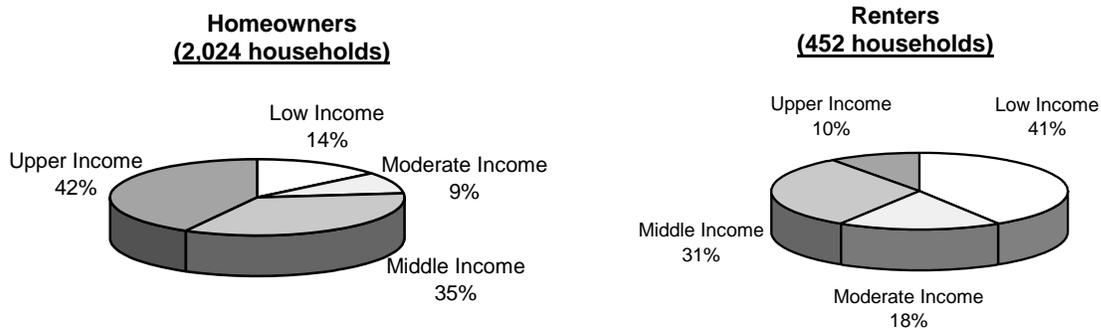
<sup>3</sup> The Census defines a disability as “A long-lasting physical, mental or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business”.

employees live in households with more than one income, and/or many residents may not be employees in the town, as indicated by the jobs to labor force ratio.

**Income**

- ◆ The majority of Douglas residents are middle or upper income. 77% of homeowners and 41% of renters fall into this category.
- ◆ 41% of renters are low income, which is more than double the percent of those earning a moderate income.
- ◆ Income levels are based on the 2007 area-wide median income for the Worcester PMSA (of which Douglas is a part) of \$79,700.
- ◆ 95 householders aged 75 and older in Douglas earn less than \$30,000/year; this accounts for over 60% of all householders over 75 in town.

**Figure 2, Douglas Residents by Income Level**



\*Income data is from 2000 U.S. Census.

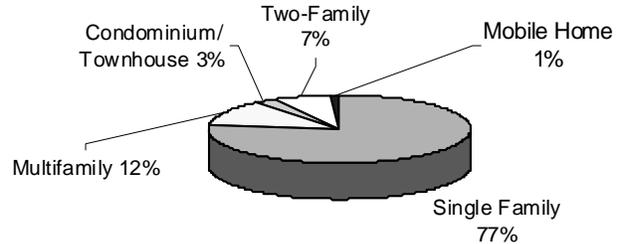
\*Definitions for income levels are taken from EO418 Housing Certification requirements. Low Income is defined as less than 50% of median income, Moderate is 80% of median income, and Middle Income is up to 150% of median income.

## HOUSING SUPPLY INVENTORY

### HOUSING INVENTORY

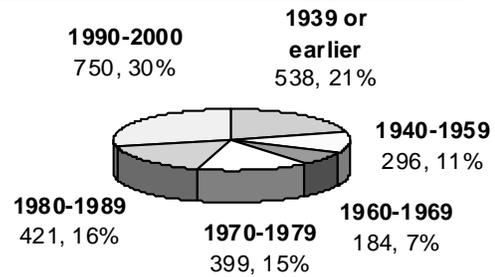
According to the U.S. Census, there were 2,588 housing units in Douglas in 2000, an increase of 397 units (16.3%) since 1990. The Assessor reported a total of 2,095 single family units for FY 2008. The distribution of units by types is shown utilizing data from the 2000 U.S. Census.

**Figure 3. Housing Types, 2000**



- ◆ The town's housing stock is relatively new; **nearly 70% of the homes were built after 1960.**
- ◆ The majority of the housing stock is owner-occupied; 82% of the units are owner-occupied and 18% are renter-occupied (2000). In 1990, this composition was slightly more balanced; 77% of the units were owner-occupied and 23% were renter-occupied.

**Figure 4. Homes in Douglas by Year Built**



- ◆ Douglas has a relatively high number of housing units being constructed each year compared to other communities in the region, outnumbered only by Grafton, Northbridge, and Uxbridge (Table 6). Neighboring towns issued permits to construct new dwelling units ranging from 13 to 159 units per year.

**Table 6. Regional Housing Growth, 2000-2007**

Municipality	Avg. # single family units/year	Avg. # multifamily units/year
Douglas	53	<1
Grafton	159	6
Mendon	33	0
Millbury	33	27
Millville	13	<1
Northbridge	83	2
Oxford	37	<1
Sutton	48	0
Uxbridge	77	4
Webster	51	2

- ◆ Along with Mendon, Millville, and Oxford, Douglas has built less than one multifamily unit per year over the past eight years. Over 350 single family homes have been constructed during this time (Table 6).

**Table 7. Douglas Housing Growth, 2000-2007**

	2000	2001	2002	2003	2004	2005	2006	2007
Units in Single Family	78	58	58	59	63	53	26	27
Units in Multifamily	0	0	0	0	2	0	0	2
<b>Total Units</b>	<b>78</b>	<b>58</b>	<b>58</b>	<b>59</b>	<b>65</b>	<b>53</b>	<b>26</b>	<b>29</b>

Source: U.S. Census Building Permits

## Housing Ownership

82% of the units are owner-occupied, while 18% of the units are renter-occupied (2000 U.S. Census). The ratio of owner-occupied to renter-occupied units has grown slightly since 1990, when the number of owner-occupied units was closer to 75%. This trend is expected to continue as new single family units (which are generally owner-occupied) continue to be added to the housing stock, rental units are converted to condominiums, and few new rental units are constructed.

**Table 8, Regional Housing Occupancy**

Municipality	% Owner Occupied
Douglas	82%
Millbury	71%
Oxford	75%
Sutton	89%
Uxbridge	79%
Webster	54%

## Renter-Occupied Households

According to the 2000 Census, 453 (18%) of Douglas' 2,476 occupied housing units were renter-occupied. Of the rental units, 50% (225) were occupied by families (two or more related people). This percentage is in line with the state, county and the majority of surrounding communities. Of the rental households, 29% are married couples, which is slightly higher than the state, county, and most of the surrounding communities' percentages. Douglas' percentage of renter-occupied units led by a single female is comparable to the state and county percentages. Within the region, these percentages vary widely.

**Table 9, Regional Comparison of Renter Family Households**

Area	Total Renter Households	% Married Couples	% Single Parents (Female)
Douglas	453	29%	15%
Millbury	1,412	27%	16%
Oxford	1,257	23%	19%
Sutton	313	32%	11%
Uxbridge	849	28%	15%
Webster	3,177	26%	17%
Worcester County	101,823	26%	17%
Massachusetts	935,528	25%	17%

Source: 2000 U.S. Census

Of the 453 renter households, over 40% were people living alone, the majority of which were females. 17% were elderly living alone. Within Worcester County, Douglas is slightly below the average with respect to the types of non-family households. The towns of Sutton and Uxbridge have the highest proportion of elderly living alone, while Douglas has the fewest.

Table 10, Regional Comparison of Renter Non-Family Households

Area	Total Renter Households	% Living Alone	% Under 64 Years	% Elderly Living Alone
Douglas	453	42%	34%	17%
Millbury	1,142	43%	37%	29%
Oxford	1,257	44%	38%	27%
Sutton	313	41%	36%	30%
Uxbridge	849	43%	32%	37%
Webster	3,177	42%	37%	28%
Worcester County	101,823	41%	37%	27%
Massachusetts	935,528	41%	41%	13%

Source: 2000 U.S. Census

Douglas' housing diversity is reflected in the types of housing occupied by renter households, and again, very comparable to the surrounding communities' average. Close to half of the renter households live in apartment buildings with five or more units (the highest proportion of all of the surrounding towns), while nearly 50% live in single-family or two-family houses. Renters in surrounding towns (with the exception of Webster) are more likely to occupy larger apartment buildings.

Table 11, Renter Households by Housing Type

Area	% Renters by Housing Type					
	Single Family	Townhouse	Two Family	3-4 Units	5+ Units	Other
Douglas	23%	0%	25%	12%	41%	0%
Millbury	22%	5%	22%	25%	27%	0%
Oxford	17%	4%	20%	28%	30%	1%
Sutton	26%	3%	33%	18%	19%	0%
Uxbridge	21%	1%	29%	25%	24%	0%
Webster	8%	1%	19%	37%	34%	0%
Worcester County	10%	3%	7%	30%	40%	1%
Massachusetts	10%	4%	18%	24%	44%	0%

Source: 2000 U.S. Census

### Homeowner Households

The proportion of households who own their own homes increased from 77% of units (1,889) to 82% (2,476) between 1990 and 2000. Slightly more than 5% of homeowners in Douglas are elderly (75 years or older). The proportion of young homeowners, 19%, is well above average for the county and the state, reflecting the availability of moderately priced homes for first-time homebuyers. Of the young homeowners (Under 35 years), 92% own attached or detached single family homes, 2% own units in buildings containing two to four units, the remaining 6% own

units in larger buildings. Among neighboring towns, Douglas has the highest proportion of young homeowners, while Webster has the highest proportion of elderly homeowners.

**Table 12, Homeowners by Household Type**

Area	Total	Elderly (>75 years)	Young Adults <35 Years
Douglas	2,023	6%	19%
Millbury	3,515	10%	12%
Oxford	3,801	8%	14%
Sutton	2,498	6%	14%
Uxbridge	3,139	8%	16%
Webster	3,728	16%	12%
Worcester County	182,104	11%	12%
Massachusetts	1,508,052	12%	11%

Source: 2000 U.S. Census

Not surprisingly, the majority of Douglas' homeowner families are married couples. The percentage of married couples is above that of the county and state. In terms of single parent homeowners, Douglas' percentage is lower than the state, county, and all surrounding communities with the exception of Sutton.

**Table 13, Homeowner Families by Household Type**

Area	Total Homeowner Family Households	% Married Couples	% Single Parents
Douglas	1,712	75%	10%
Millbury	2,783	67%	12%
Oxford	3,001	67%	12%
Sutton	2,132	76%	9%
Uxbridge	2,622	74%	10%
Webster	2,747	62%	12%
Worcester County	142,986	67%	11%
Massachusetts	1,150,361	64%	12%

Source: 2000 U.S. Census

Minority homeowners are not prevalent in the region; by far the majority of Douglas homeowners are non-Hispanic whites. Like all communities in the region, Douglas falls below Worcester County and the state as a whole in terms of minority and Hispanic homeownership.

**Table 14, Homeowner Families by Household Type**

Area	Total Minority Population	Total Minority Homeowners	Black Homeowners	Asian Homeowners	Hispanic Homeowners
Douglas	2.5%	1.2%	0.4%	0.7%	0.0%
Millbury	2.2%	1.6%	0.0%	0.8%	0.7%
Oxford	2.7%	2.1%	0.0%	0.5%	1.2%
Sutton	2.1%	0.4%	0.3%	0.0%	0.4%
Uxbridge	1.5%	1.1%	0.0%	0.6%	1.1%
Webster	5.9%	1.6%	0.2%	0.3%	0.4%
Worcester County	10.4%	5.8%	0.8%	1.4%	1.6%
Massachusetts	15.5%	6.5%	2.4%	2.0%	1.7%

Source: 2000 U.S. Census

As is typical in Massachusetts, the majority of homeowners occupy single family homes. Douglas' proportions of homeowner household type are on par with neighboring communities. Aside from single family homes, the highest proportion of Douglas households own units in townhouses. Compared to neighboring communities with comparable housing diversity, Douglas has a higher proportion of "other" housing types, which includes mobile homes.

**Table 15, Homeowner Households by Housing Type**

Area	% Homeowners by Housing Type					
	Single Family	Townhouse	Two Family	3-4 Units	5+ Units	Other
Douglas	88%	4%	3%	0%	2%	2%
Millbury	88%	4%	2%	3%	0%	0%
Oxford	87%	4%	5%	0%	4%	0%
Sutton	95%	2%	2%	1%	0%	0%
Uxbridge	81%	6%	8%	2%	2%	0%
Webster	75%	4%	12%	6%	2%	0%
Worcester County	83%	4%	6%	4%	1%	1%
Massachusetts	78%	4%	8%	4%	5%	1%

Source: 2000 U.S. Census

## HOUSING COST

Until recently home prices have risen steadily, mirroring regional conditions. However, beginning in 2008 with the economic downturn, prices have begun to steadily decline. Between 2000 and 2009 the median selling price of a single family home in Douglas increased 27% from \$180,000 to \$227,900. At the same time, condominium costs have increased by nearly 90%, from a median price of \$97,750 in 2000 to \$184,900 in 2008. Overall, over the past decade, median prices of all homes have increased from \$134,950 to \$220,575 (The Warren Group).

**Table 16, Median Sales Price, 2000-2009**

Year	Single Family	% Increase Single Family Sales	Condominium	% Increase Condominium Sales	All Sales	% Increase All Sales
2009	\$227,900	n/a	n/a	n/a	\$220,575	n/a
2008	\$316,500	-4.3	\$184,900	-22.2%	\$270,000	-14.9
2007	\$319,700	-3.9	\$232,500	12.5%	\$295,750	-33.3
2006	\$351,250	-8.1	\$231,950	-50.0%	\$329,900	-3.3
2005	\$329,450	3.3	\$216,250	-23.8%	\$292,500	16.4
2004	\$329,000	23.7	\$211,500	40.0%	\$284,500	23.0
2003	\$275,000	0.0	\$182,000	50.0%	\$240,438	-0.6
2002	\$265,000	-4.9	\$165,000	-33.3%	\$220,000	-13.5
2001	\$224,450	0.9	\$128,000	25.0%	\$204,810	-7.5
2000	\$180,00	-20.5%	\$97,750	-29.4	\$159,227	-13.8

Source: The Warren Group

The average assessed value of all single family homes in Douglas in FY 2008 was \$311,745, up 134.5% from \$132,966 in FY 2000 (MA State Dept. of Revenue). The U.S. Census reported the average value for owner-occupied housing units in 2000 to be \$186,400.

There were 351 new single family homes constructed between 2000 and 2007; there were 4 multifamily units constructed during this time. In the current housing market, new homes are not selling for significantly higher prices than older homes. Local realtors report the average selling price for homes is \$269,390 (August 2008). Homes in the Douglas market are comparable to surrounding communities, although higher than homes in neighboring Webster and Oxford, and slightly less expensive than those in Sutton and Uxbridge.

In 2008 there were 97 properties sold in Douglas, including 66 single family and 7 condominium residences (The Warren Group). Conversations with local realtors indicate that the average length of time a home stays on the market is 165 days (May 2008 through April 2009). There are 59 single-family home, 5 condominium, and 6 multi-family home listings on the Douglas market; 63 homes have been sold over the last twelve months. The 2000 U.S. Census reports the total vacancy rate to be 4.3%, of which 3.0% is for seasonal, recreation or occasional use. The homeowner vacancy rate is 0.1% and the rental vacancy rate is 2.4%.

Rental availability in Douglas is scarce. When rental units are available, they are quickly filled. According to the 2000 U.S. Census, the median rent in Douglas was \$608 per month. Local officials report the average rent for a two bedroom apartment is between \$800 and \$900 per month.

**Table 17, Regional Housing Market, 2008**

Community	Single Family Homes		Condos	
	Median Selling Price	# of Sales	Median Selling Price	# of Sales
Douglas	\$316,500	66	\$184,900	7
Grafton	\$324,500	110	\$218,000	61
Mendon	\$395,000	34	\$192,500	4
Millbury	\$234,750	80	\$240,000	21
Millville	\$297,500	32	N/A	0
Northbridge	\$299,450	100	\$175,000	31
Oxford	\$204,400	88	\$182,039	36
Sutton	\$325,000	54	\$275,000	19
Upton	\$370,000	37	\$303,000	5
Uxbridge	\$265,000	81	\$275,000	49
Webster	\$210,000	111	\$160,500	18

Source: The Warren Group

**Affordable/Subsidized Housing Units**

- ◆ The number of affordable units in the surrounding communities varies from 707 in Webster to 20 in Millville. Douglas falls in between and below the average for the 11 communities in the region.
- ◆ According to the standards set by Massachusetts Chapter 40B, Douglas should have 251 subsidized housing units, or 10% of the number of permanent residences counted in the 2000 census.
- ◆ Douglas currently has 140 units on the 40B housing inventory. The town does not own any subsidized housing; both Riddlebrook Apartments and Hayward Landing are owned by private corporations.
- ◆ Riddlebrook Landing contains 41 affordable units. The units are all Section 8 housing for senior citizens and handicapped/disabled people regardless of age. There is a 2 to 4 year waiting list for the apartments, mostly consisting of Douglas residents, who are given priority. Hayward Landing contains 96 units, 25 of which are available under Section 8. The Housing Authority is interested in converting existing buildings and acquiring land to create a supply of town-owned affordable housing.
- ◆ Currently there is one proposed 40B development in Douglas. North Village, located off Brown Street in the northeast section of town, consists of 124 units in duplexes, 25% of which (31) will be affordable. This development is currently awaiting a decision from the Zoning Board of Appeals.

**Table 18, Comparison of Affordable Housing Availability**

	Ch. 40B Units*, 2008	Total Units in 2000	% Subsidized Units of 2008 Total Units
Douglas	140	2,510	5.6
Grafton	311	5,820	5.3
Mendon	49	1,870	2.6
Millbury	220	5,086	4.3
Millville	20	956	2.1
Northbridge	379	4,930	7.7
Oxford	402	5,209	7.7
Sutton	45	2,869	1.6
Upton	178	2,083	8.5
Uxbridge	249	4,080	6.1
Webster	707	7,343	9.6

\*Does not include Section 8 Mobile Vouchers or State MRVP vouchers  
Source: Mass Department of Housing and Community Development

**Table 19, Chapter 40B Subsidized Housing Inventory**

Project Name	Address	Funding Agency	# affordable unit	# of 40B Units	Year Ending
Hayward Landing	26 North Street	DHCD/MHFA	25	96	2021
Riddlebrook Apts.	13 West Street	RHS	41	41	2002
<b>Total</b>			<b>66</b>	<b>137</b>	

Source: Mass DHCD

**REGULATORY AND PHYSICAL ENVIRONMENT**

**Existing Development**

- ◆ The Town of Douglas is a rural community; developed land uses cover less than 14% of the town. Residential uses comprise about 89% of the developed land area and 12% of the total area. Just over 1% of the Town, or 3% of developed areas, is developed for industrial and commercial uses.
- ◆ The town contains several small village areas: Douglas Center, East Douglas, and Tasseltop Village. East Douglas is the most developed of the three.
- ◆ Residential development is scattered throughout the town with the densest development in the northeast section of Douglas near East Douglas Village.
- ◆ There is practically no development of any kind west of Wallum Pond Street, Wallis Street, and North West Main Street. This area is classified as NHESP Core Habitat and Priority Habitat for endangered species and contains a significant amount of wetlands.
- ◆ The Route 146 Corridor is receiving increasing developer interest for major office and commercial development, particularly after the completion of the Route 146/Mass Pike interchange.
- ◆ Future development patterns are likely to follow existing trends toward low density residential development throughout much of Douglas, with commercial development limited to the eastern section of Route 16 (near Davis Street) and industrial development concentrated in the northeast corner where the towns of Sutton, Uxbridge, and Northbridge converge with Douglas along Route 146. The development of the Route 146 Corridor is likely to occur with a view toward balancing local land use, providing more commercial services and employment to residents, and creating a broader tax base.

**Table 20, Existing Land Use**

Land Use Category	Area (Acres)	% of Town Area	% of Developed Area
Residential (Single Family)	2,856	12.01	88.48
Residential (Multifamily)	8	0.03	0.25
Commercial	50	0.21	1.55
Industrial	39	0.16	1.21
Public/Recreation <sup>1</sup>	253	1.06	7.84
Transportation/Utilities <sup>2</sup>	22	0.09	0.68
<b>Total Developed</b>	<b>3,228</b>	<b>13.58</b>	<b>100.00</b>
Agriculture	498	2.09	
Vacant <sup>3</sup>	19,258	81.00	
<b>Total Undeveloped</b>	<b>19,756</b>	<b>83.09</b>	
Water	793	3.34	
<b>Total Town Area</b>	<b>23,777</b>	<b>100.00</b>	

<sup>1</sup> Includes "urban open", and all recreation categories.

<sup>2</sup> Includes Transportation, waste disposal, and power lines.

<sup>3</sup> Includes forest, wetlands, mining, open land.

Source: Mass GIS

**Zoning**

The Town of Douglas has eight zoning districts, including four residential districts, two commercial districts, one industrial district, and one open space district. Additionally, Douglas has two overlay districts. Single family residences are allowed in the residential and Central Business zoning districts. Minimum lot sizes for single family dwellings vary from 90,000 square feet (RA and RC2 districts) to 20,000 square feet in the VR AND RC1 district. Two-family development is allowed by special permit in the VR, RC2 and VB districts.

Accessory apartments are allowed by special permit in any residential district provided that one of the units is owner-occupied and the occupants of both units are related or the occupant of one unit is an individual hired to provide medical assistance or custodial care to those in the other unit. Conversion to two family or multifamily dwellings is permitted with a special permit in specific districts.

- The “Flexible Development” by-law provision allows for an alternative to standard subdivision development. It enables the creation of a diversity of housing alternatives, encourage development that preserves the town’s natural environment and historical and archaeological resources, and promotes better overall site planning. Flexible Development projects would authorize upon issuance of a special permit by the Planning Board that 10% of the units must be affordable to those qualifying as low income or 15% of the units must be affordable to those qualifying as moderate income. A minimum of 40% of the site must be set aside as contiguous open space. Density bonuses may be awarded under certain circumstances.

<b>Residential</b>	
Residential Agricultural	RA
Village Residential	VR
Residential Commercial One	RC1
Residential Commercial Two	RC2
<b>Nonresidential</b>	
Central Business	CB
Commercial	C
Industry	I
State Forest Open Space	SFOS
<b>Overlay</b>	
Water Resource Protection Overlay District	WRPOD
Adult Entertainment Overlay District	AEOD

- The Assisted Living Facilities (ALF) provision provides guidelines for development of ALF in a manner that conserves the Town’s natural and historic resources and is in harmony with surrounding land uses. An ALF may be constructed upon issuance of a special permit by the Planning Board in all districts except the Industry and State Forest Open Space districts. Each applicant must submit several plans and reports, as well as meet certain standards detailed in the Zoning Bylaw. For every affordable housing unit, the developer may add two market rate units, as long as the total number of units does not exceed 20% of the maximum number of units/ bedrooms prescribed in the bylaw (16 bedrooms/acre).
- The Water Resource Protection Overlay District (WRPOD) is superimposed over other Zoning Districts. When the WRPOD imposes greater or additional restrictions than the zoning district, the WRPOD restrictions prevail. Use provisions are categorized as Permitted Uses, Prohibited Uses, and Special Permits Uses.

**Buildout Analysis**

In 2001, EOEА oversaw the preparation of a buildout analysis for the town of Douglas. This exercise provides an estimate of what might result if all of the remaining land in town were developed under existing zoning regulations. Using the EOEА’s methodology, development capacity may be overstated in areas with marginal soil conditions, however as home values rise and the availability of suitable land diminishes, the market may provide sufficient pressure to overcome such limitations.

*A buildout analysis provides an estimate of what might result if all of the remaining land in town were developed under existing zoning regulations. The potential for redevelopment of underutilized properties, or development that does not conform to zoning is not accounted for.*

This analysis does not give any indication of the rate of development or the time frame for reaching full buildout. It is likely that residential zoning districts will be built out in a much shorter time frame than commercial and industrial districts, especially given the household projections for 2020.

**Table 21, Summary of Buildout Capacity**

Zoning District	Net Buildable Area (acres)	Buildable Lots	Buildable Square Feet	Potential Employees
Rural Agricultural	7,600.70	3,672		
Village Residential	763.93	1,664		
Residential Commercial Two	417.14	202		
Residential Commercial One	19.34	6	45,762	92
Central Business	6.30	14	16,176	32
Commercial	125.55	157	841,781	1,684
Industrial	1,156.60	1,446	11,486,038	15,315
<b>Total</b>	<b>10,089.56</b>	<b>7,161</b>	<b>12,389,758</b>	<b>17,123</b>

Net Buildable Area = Amount of land available for development after factoring in new roads, odd lot configuration, and various development constraints

Buildable Lots = Net buildable area divided by the Town’s minimum lot size for the zoning district in question

Buildable Square Feet = Total square feet of floor area that can be built

Potential employees = 1 employee per 500 square feet for commercial use and 1 employee per 750 square feet for manufacturing/warehousing uses

Source: EOEА Buildout Analysis, 2001

The buildout analysis estimated that a total of 7,161 lots could be developed. Given an average household size of 2.87, the population could grow by an additional 10,538 residents for a total population of at least 15,893 persons.

The buildout analysis also finds the potential for an additional 12.4 million square feet of commercial and industrial space. This could provide jobs for about 17,000 new employees, who will need to have residence in and around Douglas.

**Table 22, Summary of Buildout**

Buildout Impact	
Additional Residents	15,893
Additional Students (K-12)	3,267
Additional Residential Lots	5,538
Additional Developable Land Area (acres)	14,183
Additional Commercial/Industrial Buildable Floor Area (sq. ft.)	12,389,757
Additional Water Demand (gallons/day)	2,121,219
<i>Residential</i>	1,191,987
<i>Commercial and Industrial</i>	929,232
Additional Solid Waste (tons/year)	15,384
<i>Recyclable</i>	9,583
<i>Non-recyclable</i>	5,801
Additional Roadway (miles)	156
<i>Residential Subdivision</i>	110
<i>Industrial</i>	46

As part of the 1998 Master Plan, the town conducted its own buildout analysis. This analysis estimated a maximum buildout of 7,600 dwelling units. Assuming an average household size of 2.87 persons, the buildout population would be 22,000 (Douglas Master Plan, 1998).

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***Is the Buildout Analysis Accurate?***

*The methodology for completing a build-out analysis is necessarily abstract.*

- *Land is often identified as developable which could not support new development*
  - *However, especially as communities approach their full development capacity, they often experience increases in density which are not accounted for in the buildout analysis, through infill development, redevelopment, Comprehensive Permits, and zoning changes.*
- 

**CURRENT PROJECTS**

There are several large development projects permitted, however nothing is currently under construction. Local officials believe the stagnant construction process is due to the economic recession.

## HOUSING AFFORDABILITY/GAP ANALYSIS

For a housing unit to be affordable, a household should spend no more than 30% of its household income on housing costs. In Douglas, 22% of all household units spend more than 30% of their incomes on housing costs, making them technically unaffordable. 20% of households in owner-occupied housing units and 30% of households in renter-occupied housing units spend more than 30% of their household incomes (U.S. Census).

**Table 23, Housing Costs as Percent of Household Incomes in Douglas**

% of income spent on housing costs	Homeowners		Renters		Total	
	# of units	% of total units	# of units	% of total units	# of units	% of total units
Under 15%	387	22.8	150	33.8	537	25.1
15.0-19.9%	360	21.2	53	11.9	413	19.3
20.0-24.9%	347	20.4	36	8.1	383	17.9
25.0-29.9%	245	14.4	41	9.2	286	13.3
<b>30.0-34.9%</b>	<b>128</b>	<b>7.5</b>	<b>31</b>	<b>7.0</b>	<b>159</b>	<b>7.4</b>
<b>35.0 and above</b>	<b>215</b>	<b>12.6</b>	<b>103</b>	<b>23.2</b>	<b>318</b>	<b>14.8</b>
<b>Total Households with High Cost Burden</b>	<b>343</b>	<b>20.1%</b>	<b>134</b>	<b>30.2%</b>	<b>477</b>	<b>22.2</b>
Not computed	18	1.1	30	6.8	48	2.2

Source: 2000 U.S. Census

In order to afford the median rent in Douglas of \$600, a household must have an annual income of \$24,000. 14.5% of Douglas households do not meet this threshold, as they report annual incomes of less than \$24,000. In order to afford the median 2008 selling price of single family homes in Douglas of \$316,500, a household must have an annual income of \$83,600. Nearly 70% of the households in Douglas do not meet this income threshold.

Between 1990 and 2000, the average price of all homes rose by 37% (\$102,500 in 1990 to \$140,000 in 2000), while average rents rose 9% (\$550 in 1990, \$600 in 2000). Over this same period, the median household income in Douglas increased by 58% (\$38,362 in 1990, \$60,529 in 2000)<sup>4</sup>. This indicates that both renters and homeowners have enjoyed a relative increase in affordability.

### *Housing Gap: Homeowners*

There is a housing gap between the number of houses available and the number of households with incomes large enough to pay for the available housing. Figure 5 below illustrates this concept. For example, low income households, 17.6% of all households, can afford the price of a house below \$65,000; however, only 2.5% of the housing stock falls in this price range. Table 17 demonstrates these findings for each income level.

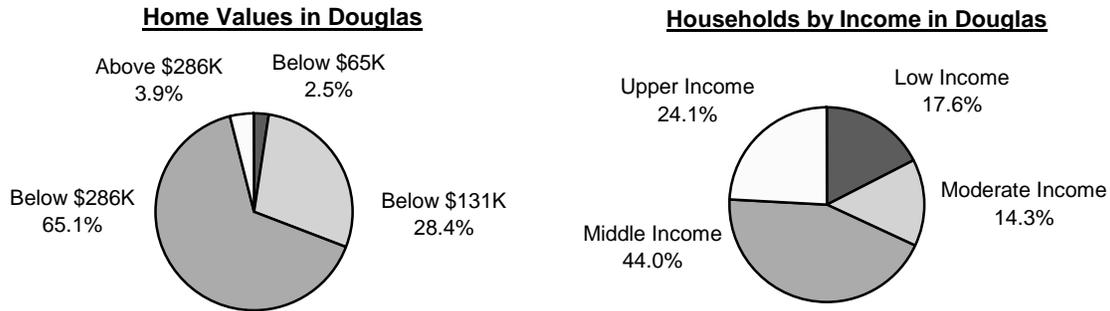
### **Gap Analysis**

*A gap analysis looks at what types of housing are available in Douglas comparison to what the population can afford, based on median household incomes, and what types of housing might be desired, based on household types. The analysis considers both home-owners and renters.*

<sup>4</sup> Home prices from Banker and Tradesman; rent and median income from US Census.

Figure 5 illustrates the income thresholds for affordable living units based on household income levels.

**Figure 5, Homeowners Affordability Index**



Calculated assuming 5% down, 7.5% APR mortgage for 30 years, 30% of income for housing costs and \$300/month for taxes and insurance

The number of low income renters who could potentially become first time homebuyers far exceeds the number of homes that are reported to fall within an affordable price range. *This data most likely understates the lack of affordable ownership housing, as the home values reported to the Census are frequently below the potential selling price if the homes are placed on the market.*

**Table 24, Homeowners Housing Gap<sup>1</sup>**

Income Group	Maximum Affordable Home <sup>2</sup>	Households in Income Range				Owner-Occupied Units in Price Range			
		Owners	Renters	Total	% of Households	Number	% of Owner Units	Cumulative	Cumulative %
Low Income 50% of median	\$65,000	260	177	437	17.6%	43	2.5%	43	2.5%
Moderate Income 80% of median	\$131,000	273	80	353	14.3%	483	28.4%	526	30.9%
Middle Income 150% of median	\$286,000	939	151	1,090	44.0%	1,107	65.1%	1,633	96.1%
Upper Income >150% of median	>\$286,000	552	44	596	24.1%	67	3.9%	1,700	100.0%
		<b>2,024</b>	<b>452</b>	<b>2,476</b>	<b>100%</b>	<b>1,700</b>	<b>100.0%</b>		

<sup>1</sup> Based on 2000 household income and home values, the last year for which town-level data is available. From 2000 to 2008, median sales price for single family homes in Douglas rose by 76% (although they have since dropped due to the economic recession), while incomes in the Worcester PMSA have risen by only 41%.

<sup>2</sup> Price calculated for 30 year mortgage at 7.5% rate with 5% down payment and \$300/month for mortgage insurance and property taxes, such that monthly housing costs do not exceed 30% of income.

The number of homes in the middle income price range (between \$131,000 and \$286,000) appears to meet the demand for households within the town. However, many of these homes are likely occupied by upper income households who could afford to purchase more costly homes than the town has to offer.

The above exercise demonstrates that there is a large housing shortage for low income households in Douglas, making it particularly difficult for low income households (and most likely moderate income households as well) to find opportunities for homeownership.

**Housing Gap: Renters**

134 rental households, or 30.2% of all renters, are spending more than 30% of their income on housing. 134 units of new affordable rental housing are needed. In addition, many more households might choose to rent than currently do, if additional rental units were available (as discussed below.)

Currently market rate apartments rent for between \$800 and \$900 per month. At these rates, typical market-rate apartments fall within the low and moderate income affordability range defined for 4-person households (at \$34,000, households can afford to pay \$850/month). However, over 65% of renter households in Douglas have only one or two members; hence a lower standard for affordability should be considered, as shown in Table 18.

There is a substantial shortage of housing affordable to households with very low incomes, while low-income and moderate-income households are apparently adequately served in the Douglas rental market. According to the U.S. Census, 30% of renters (134 households) spent more than 30% of their income on housing in 2000 (see Table 26). In addition, while many renters may currently be paying below-market rents for their apartments, such low rents are often not transferable to new tenants if the apartment turns over, so that the availability of apartments that are available to very low income households is probably less than indicated by Census data.

**Table 25, Income and Rental Affordability<sup>1</sup>  
(Income standard for 2-person households)**

	Income	Affordable Rent	House-holds	Units <sup>2</sup>
Very Low Income below 30% of median	\$19,100	\$478	117	104
Low Income below 50% of median	\$31,900	\$798	41	115
Moderate Income below 80% of median	\$51,000	\$1,275	67	176
Median Income	\$39,850	\$996	41	29
Upper Income above median	>\$39,850	>\$996	186	0

<sup>1</sup> Income levels for EO418 Housing Certification specify a lower threshold for upper income renters, equal to 100% of median income. Note: Housing subsidy programs use their own eligibility standards.

<sup>2</sup> Reported in the US Census by gross rent; gross rent was not determined for a small number of units.

### Housing Needs by Age

When these households are examined in terms of age, it is possible to determine which subsections of the population are carrying more of the burden. 26% of homeowners aged 75 and older spend over 30% of their income on housing costs, the highest percentage of all age groups. This percentage is a steep increase from the percentage of homeowners (10%) between the ages of 55 and 74 who face a high cost burden. 24% of those aged 15-34 have a high cost burden, and middle-aged Douglas homeowners have the lowest at 21%.

**Table 26, Homeowner Housing Costs as Percent of Household Income by Age**

% of income spent on housing costs	15-34 years		35-54 years		55-74 years		75 years and older	
	# of units	% of units	# of units	% of units	# of units	% of units	# of units	% of units
Under 20%	83	25.2	463	45.1	151	62.4	50	48.5
20.0-24.9%	77	23.4	218	21.2	43	17.8	9	8.7
25.0-29.9%	91	27.7	122	11.9	24	9.9	8	7.9
<b>30.0-34.9%</b>	<b>26</b>	<b>7.9</b>	<b>78</b>	<b>7.6</b>	<b>24</b>	<b>9.9</b>	<b>0</b>	<b>0.0</b>
<b>35.0% and above</b>	<b>52</b>	<b>15.8</b>	<b>136</b>	<b>13.3</b>	<b>0</b>	<b>0.0</b>	<b>27</b>	<b>26.2</b>
<b>Total Renters with High Cost Burden</b>	<b>78</b>	<b>23.7</b>	<b>214</b>	<b>20.9</b>	<b>24</b>	<b>9.9</b>	<b>27</b>	<b>26.2</b>
Not computed	0	0.0	9	0.9	0	0.0	9	8.7

Source: U.S. Census

The percentage of elderly renters spending over 30% of their income on housing costs is 77%, much higher than the percent of elderly homeowners. 35% of renters aged 55 to 74 years spend 30% or more of their income on housing costs. Percentages of the two youngest age groups are also very high, with renters between the ages of 35 and 54 and those between 15 and 34 paying 28% and 18% of income on housing, respectively. In terms of percent income, rental costs are clearly much higher than housing costs in Douglas. This illustrates the need for an increase in affordable rental stock in the town, particularly for the elderly and young people.

**Table 27, Renter Housing Costs as Percent of Household Income by Age**

% of income spent on housing costs	15-34 years		35-54 years		55-74 years		75 years and older	
	# of units	% of units	# of units	% of units	# of units	% of units	# of units	% of units
Under 20%	98	68.5	78	47.3	19	18.8	8	22.9
20.0-24.9%	10	7.0	16	9.7	20	19.9	0	0.0
25.0-29.9%	9	6.3	14	8.5	18	17.8	0	0.0
<b>30.0-34.9%</b>	<b>6</b>	<b>4.2</b>	<b>16</b>	<b>9.7</b>	<b>9</b>	<b>8.9</b>	<b>0</b>	<b>0.0</b>
<b>35.0% and above</b>	<b>20</b>	<b>14.0</b>	<b>30</b>	<b>18.2</b>	<b>26</b>	<b>25.7</b>	<b>27</b>	<b>77.1</b>
<b>Total Homeowners with High Cost Burden</b>	<b>26</b>	<b>18.2</b>	<b>46</b>	<b>27.9</b>	<b>35</b>	<b>34.6</b>	<b>27</b>	<b>77.1</b>
Not computed	0	0.0	11	6.6	9	8.9	0	0.0

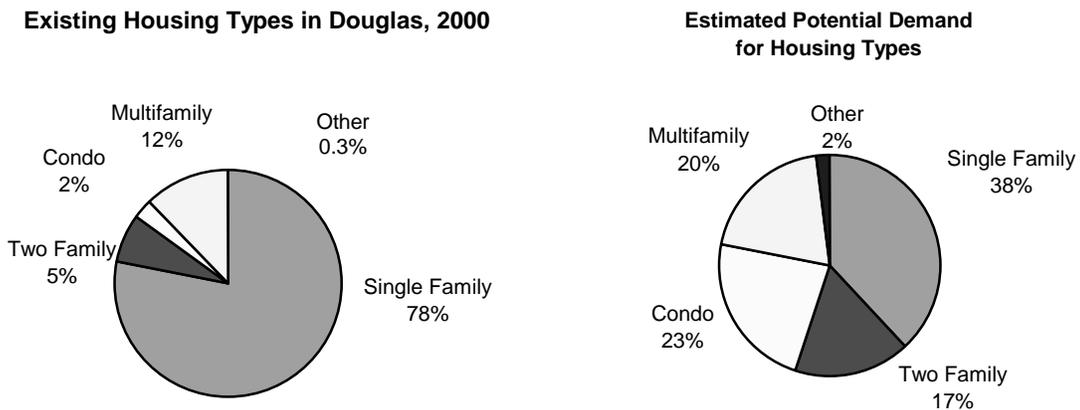
Source: U.S. Census

### Alternative Housing Types

The existing supply of housing types does not meet the current demand. There are many households which would like to have alternative (or larger availability) of housing types than currently exist in the housing supply, such as condominiums, multifamily apartments, and in-law apartments. The current Zoning Bylaw allows the construction of most of these alternative housing types, but limits where they are acceptable. The Planning Board will look at and assess the accuracy of the approximated demand for different housing types.

The second pie-chart in Figure 6 depicts a mix of housing types that might meet the needs of all of Douglas’ residents. This illustration is not intended to represent a goal for the town’s future housing mix, but rather to suggest the direction that the town needs to move in, in order to ensure that housing needs are addressed. For example, almost all of the recent housing development in Douglas has been single family homes, despite substantial unmet need for condominiums and other housing alternatives.

**Figure 6. Supply and Estimated Potential Demand of Housing Types**



To complete the pie chart above, an estimation of housing demand among different population groups was made. The following table includes several types of households and housing alternatives. Please consider what percentage of households in your community would desire to live in each type of housing, if it were available.

### QUALITATIVE NEEDS ANALYSIS

A summary listing of affordable housing needs follows. This list needs to be adjusted by the MPC, possibly with the input of a questionnaire filled out by community leaders, the building inspector, and realtors familiar with housing issues.

- ◆ Current trends predict that population expansion will be elderly people, a population that requires a wide variety of housing options in terms of cost and type.
- ◆ There is just one alternative housing type for elderly residents in Douglas, the Riddlebrook Apartments. Additional housing, such as assisted living, accessory/in-law apartments or condo units, is needed.
- ◆ There are a small number of apartments available for disabled individuals.

- ◆ There are no assisted living options available in Douglas.
- ◆ There is a lack of rental opportunities as over 80% of homes are owner-occupied. Of the available rental opportunities, most are unaffordable to young families and the elderly, many of whom have small incomes.
- ◆ The village districts, particularly East Douglas, are good locations to encourage higher density housing to meet the needs of the elderly and young families. East Douglas is a prime location for single family to two family conversions.
- ◆ Attractive alternatives for certain population subsections include the following:

For the Elderly/Disabled:

- ❖ In-law apartments
- ❖ Age-restricted alternatives, i.e., garden type rental or condos
- ❖ Non age-restricted accessible housing, especially rental apartments or condos
- ❖ Housing with services or assisted living facilities
- ❖ Nursing homes

For young families:

- ❖ Starter homes and housing rehabilitation
- ❖ Two family homes
- ❖ Condos
- ❖ Affordable rentals

For local economic development:

- ❖ Village districts should meet the needs of Douglas residents as a sense of place, with shopping and cultural interests for residents of the Town. This housing could serve a mix of income levels. There is a shortage of housing options, such as rental or multifamily units, to fill the need for low-income housing.

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## GOALS AND OBJECTIVES<sup>5</sup>

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This vision has been compiled by viewing Town documents and reports, and needs to be approved by the Planning Board and Board of Selectmen. A range of strategies to achieve this vision must be assessed and put into action. On the basis of this assessment the goals identify those strategies which will best assist the town achieve that mix of housing which will meet Douglas' future. Photographs should be taken by Committee members to represent housing types which would be welcome in town.

### HOUSING VISION STATEMENT

*A rural Blackstone Valley community with a unique combination of fields, forests, farmland, and historic villages, Douglas provides a wide range of housing options for its population, develops housing and mixed use projects in a sustainable manner, and balances the preservation of its distinctive landscapes and resources with the housing, economic, and recreational needs of the community.*

### HOUSING GOALS/OBJECTIVES

- ❖ **Increase the diversity of housing options in order to maintain housing affordability and accommodate households with varying housing needs and family structures.**
  - Modify land use regulations to accommodate a wider range of housing types.
  - Encourage development in East Douglas Village along Route 16 as well as Gilboa Road to provide for a variety of housing including mixed use and village centered development affordable to a range of incomes and household types. This plan was echoed in the 4-town corridor study.
  - Promote assisted living opportunities and recreation-oriented Golf course, Resort/Hotel, Retirement communities in west Douglas.
  - Identify opportunities to develop housing units that are both affordable and desirable to young families, the elderly, and those with special needs.
  - Create incentives for developers to include affordable housing in their developments.
  - Work with local banks and NeighborWorks Homeowner Center of Worcester to promote the first time homebuyer program.
  
- ❖ **Ensure that housing growth rates and locations are consistent with the Town's ability to provide public facilities and services, protect the environment, preserve and enhance community character, and foster economic growth.**
  - Manage sewer extensions to promote housing which addresses local priorities.
  - Match housing growth strategies with the Town's priorities for residential and economic growth.
  - Manage housing development in environmentally sensitive areas to protect the Town's unique environmental assets.

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<sup>5</sup> Town of Douglas Master Plan, Whitman & Taintor, 1998.

- Pursue planning for infrastructure and mixed use development in the Four Town Study Area.
- Seek various state and federal grants to assist in planning and implementing priority development activities.
- Utilize Local Initiative and “friendly” 40B projects to create non-state and federal subsidized affordable units which meet local needs.

## HOUSING PRODUCTION PLAN AND CHAPTER 40B REQUIREMENTS

A Housing Production Plan addresses the following topics: Identification of Housing Needs, the Number and Types of Units Required, the Location of Affordable Housing, as well as recommendations for implementation of the Plan. Due to revisions issued by the Department of Housing and Community Development's Housing Appeals Committee in December 2002, the Housing Production Plan must also incorporate a "Planned Production Development Rate"

A Local Board may deny a Comprehensive Permit if the community has an affordable housing plan certified by DHCD, and succeeds in increasing the number of low or moderate income housing units by at one-half of one percent per calendar year. If the number of units is increased by one percent in one year, then the community may deny Comprehensive Permits for up to two years.

provision. This provision allows a local Board to deny or grant with conditions a comprehensive permit for up to a two year period if the community has adopted a housing production plan certified by DHCD. The plan must stipulate an increase in the community's number of low or moderate income housing units by at least one-half of one percent of total units every calendar year until that percentage exceeds 10% of total units. In subsequent years, the community will have to demonstrate continued progress toward implementing the housing plan. **Compliance will be determined based on the qualifying housing units produced within the calendar year for which certification is requested.**

The Housing Production Plan shall address the following:

1. A mix of housing opportunities for families, individuals, persons with special needs, and the elderly that are consistent with local and regional needs and feasible within the housing market in which they will be situated
2. Strategies by which the municipality will achieve its housing goals established by its comprehensive needs assessment (See Appendix 2)
3. A description of the use restrictions which will be imposed on low or moderate income housing units to ensure that each unit will remain affordable long term to and occupied by low or moderate income households

To meet Chapter 40B requirements, Douglas needs to develop a plan to construct 12 units of affordable housing per year (0.50% of total 2000 housing units) until it achieves a total 251 units, or 10% of its 2000 housing stock.

Populations that should be served by affordable housing include:

- Families
- Persons with special needs
- Individuals
- Elderly

The following are some types of housing that now qualify as affordable under Chapter 40B:

- Local, state or federally subsidized units
- Privately funded units in a variety of building types, renovated or new housing, assuming costs are within affordable housing cost limits (80% of median income) and there are use restrictions to maintain affordability (Local Initiative Program).
- Units created through Community Preservation Act funding that serve low and moderate income households
- Group homes
- Accessory apartments created after July, 2002 under LIP guidelines

The Housing Production Plan shall include one of more of the following, but shall not be limited to:

1. The identification of zoning districts or geographic areas which will permit the proposed residential uses
2. The identification of specific sites for which the municipality will encourage the filing of comprehensive permit applications

- 3. Characteristics of proposed developments that would be preferred by the municipality (cluster, mixed-use, etc)
- 4. Municipally owned parcels for which the municipality commits to issue request for proposals to develop low or moderate income housing. *An approved plan shall take effect only when the Department certifies that the municipality has approved permits resulting in an initial annual increase in its low or moderate income housing units of three-quarters of one percent of total housing units.*

According to the standards set by Massachusetts Chapter 40B, Douglas should have 251 subsidized housing units, or 10% of the number of permanent residences counted in the 2000 census. Utilizing this standard, Douglas should consider encouraging the development of an additional 111 units of affordable housing to meet its local housing needs. There are currently 140 units on the subsidized housing inventory.

To gain a reprieve from Comprehensive permit applications, Douglas would have to create at least 12 affordable housing units per year (1/2 of 1% of 2,510). Development of 25 units, or 1.0%, of the housing stock, in one year would enable the community to gain a reprieve from Comprehensive Permit applications for two years.

**Communities can use the development rate provision as a tool to encourage Chapter 40B development that meets stated planning objectives, while ensuring that they can reject more undesirable development proposals.**

Douglas has one development in the pipeline which contains units that will qualify as Chapter 40B housing. North Village, located off Brown Street in the northeast section of town, consists of 124 duplexes, 31 (25%) of which are affordable.

**Table 28, Proposed Chapter 40B Eligible Units**

Development	Types of Units	Total # Units	# Affordable Units*	# 40B Units
North Village	Single family	124	31	31
<b>Total Units</b>		<b>124</b>	<b>31</b>	<b>31</b>

## QUANTIFYING AND LOCATING HOUSING NEEDS: A SUMMARY

Given the gap analysis and the community development needs and constraints discussed above, the community must identify the location, type, and quantity of affordable and market-rate housing units that it would like to see developed.

Specific strategies and locations for affordable housing and alternative housing types should be considered. The following table suggests the number of needed affordable units for various household types. The estimation for various housing types most needed in Douglas represents a reasonable scenario based on the Town’s demographics. A total of 117 units is proposed, 40% of which would be rental. This housing would be planned to serve the needs of young adults, the elderly, single parent families, and those with special needs. The Planning Board should review this allocation.

**Table 29, Summary of Douglas Housing Needs**

	Affordable Units	Household Type
<b>Rental Units</b>	<b>100</b>	
• Mixed Residential/Commercial	15	young adults
• Multifamily (2+ units)	60	elderly, older adults, young adults, single-parent families, special needs
• In-Law Apartment	10	elderly, special needs
• Other*	15	elderly, special needs
<b>Ownership Units</b>	<b>17</b>	
• Townhouse Condominiums	7	young adults, families, single-parent families, special needs, older adults
• Open Space Cluster (single family/two family/ townhouse)	10	families, single parent families
<b>Total affordable units</b>	<b>117</b>	

\* May include pre-manufactured homes, assisted living, or other group living arrangement.

Following the analysis of the town’s natural resources in the Community Development Vision Plan, and its goals for Economic Development and Housing, a variety of areas have been identified that might be appropriate for the types of development listed above.<sup>6</sup> The Master Plan suggested that small scale multifamily housing that fits into traditional building styles (like the connected farmhouse or mill worker housing) or mixed use commercial/residential could be beneficial in East Douglas and along the growth corridors leading to Route 146. This would provide more housing alternatives, especially for affordable housing, and provide for infill in higher density locations that can foster the atmosphere of “village” living.

The Douglas Housing Committee needs to work with prospective developers to recommend the specific strategies and locations for affordable housing and alternative housing types identified in this Plan to meet the need for a mix of rental and ownership affordable housing units. The feasibility of the recommended areas for affordable housing is one of the next steps to be undertaken by the Committee.

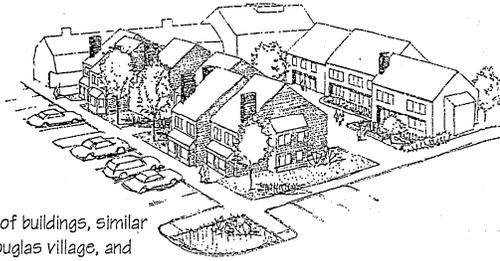
<sup>6</sup> Larry Koff & Associates, Douglas Community Development Plan, 2004, p.34

## IMAGES

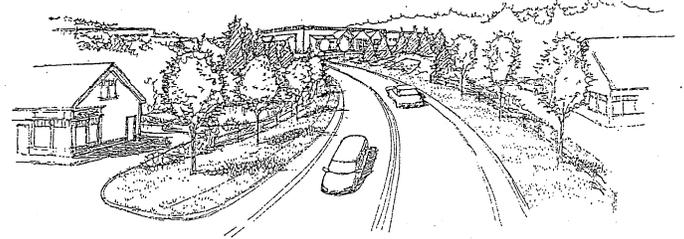
A picture is worth a thousand words. On this page are pictures of housing developments which characterize the types of housing desired by Douglas' residents.

### *Housing Action Plan for Douglas Residents*

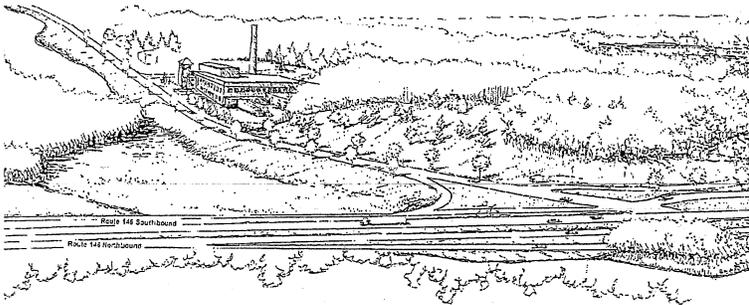
#### **Images of New Housing and Mixed use development Types Desired in Douglas**



Encourage a clustering of buildings, similar in style to the East Douglas village, and establish a maximum building footprint of 3,000 to 4,000 square feet.

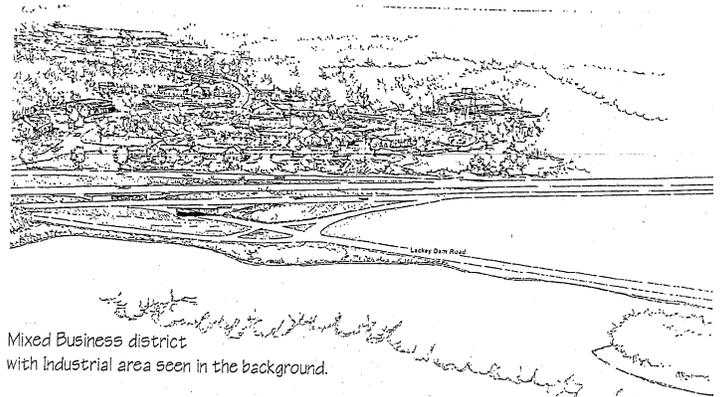


Canopy trees should be planted along roadways in order to screen commercial areas, large industrial uses, and parking lots.



Illustrations by Gates, Leighton & Associates, Inc., East Providence, RI.

Gateway to Douglas: sample site design under proposed zoning.



Mixed Business district with industrial area seen in the background.

**Source: Douglas Master Plan, 1998, p. 78-79**

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## IMPLEMENTATION STRATEGIES

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### STRATEGIES

While Douglas is on its way to achieving a two-year reprieve from granting comprehensive permits and attaining the 10% goal, the Town needs to prepare for future development and growth. The following strategies fall into two categories: capacity building and housing production. Concentrating on these two focus areas will help Douglas create more housing, as well as prepare the Town to achieve future housing goals and comply with Fair Housing regulations.

Strategies to provide a variety of housing types desired by the Town have been identified in the Goals and Objectives section. They include:

- ❖ Work with developers to encourage development in priority areas in East Douglas Village, along Route 16, and near Gilboa Street to provide for a variety of housing types including mixed use and village centered development affordable to a range of incomes and household types. The 4-town corridor study confirmed this as a good site for mixed use development. Encourage sewer extensions and zoning amendments to support this development. Areas and possible type of housing to consider include:
  1. Gilboa Street/North Street subarea: Cluster of buildings and mixed residential/commercial townhouses and flats, ownership and rental units, for young couples, empty nesters, and elderly (Site 1, Housing Opportunities Map)
  2. West Street: Between Main Street and Riddlebrook Apartments (Site 4, Housing Opportunities Map)
  3. Manchaug Road: Between Caswell Court and Mumford Street (Site 5, Housing Opportunities Map)
  4. Route 16 Parcels (Site 6, Housing Opportunities Map)
  5. Schuster Property (Site 3, Housing Opportunities Map)
- ❖ Promote building rehabilitation of under-utilized properties in East Douglas Village by pursuing a variety of revitalization strategies
  1. Mixed residential/commercial buildings with vacant/under-utilized space: Town to pursue DHCD “Home” funding to permit conversions of upper floors to housing
- ❖ Consider feasibility of assisted living opportunities, and recreation oriented Golf course, Resort/Hotel, Retirement communities in west Douglas.
  1. Town-owned parcel off Northwest Main Street: Explore residential re-use options; compare cost/benefits to industrial options (Site 6, Housing Opportunities Map)
  2. Properties on south side of Route 16
  3. Douglas Village
  4. RC1 and RC 2 sites along Route 16, Douglas Village and west
- ❖ Work with NeighborWorks to promote the First Time Homebuyers program and avoid future foreclosures.

A First Time Homebuyer program is operated by the Mass Housing Partnership; other programs are operated by and/or in cooperation with local banks. The State's program educates potential homeowners about the purchase and financing of a home and offers a ten year, interest free, second mortgage loan covering 20% of the purchase price to supplement the first loan which covers 77% of the purchase price. Branches of regional banks located in or near Douglas such as Citizens and Sovereign participate in the Soft Second program. As training and funding resources are limited, the Town of Douglas must work with regional organizations and banks to ensure that these funds will be made available to its citizens.

A town Housing Committee, possibly with the assistance of the Housing Authority, needs to take the leadership in initiating such a program. Trish Settles, of the Southern Worcester County Community Development Corporation (508-459-3320) needs to be contacted along with Heather Putnam-Graham of Mass Housing (617-510-1644), and Miguel Rivera of NeighborWorks Home Ownership Center of Worcester (508-791-2170 ext. 223) with possibly a representative of the Board of Selectmen. Additional contacts are Gina Govoni of the Massachusetts Housing Partnership (617-330-9944 Ext. 293), Francis Paquette of NeighborWorks Home Ownership Center of Worcester (508-791-2170 ext 222), and Rosa Salas, also of NeighborWorks (508-791-2170 ext 226).

The NeighborWorks Homeownership Center of Worcester is the main resource for homebuyer and homeowner education courses in the area. Examples of the services offered by NeighborWorks include: first-time homebuyer training, homeownership preservation in the form of foreclosure and refinancing education, and assistance in and applications for properties for low-and-moderate income families. Four partnership organizations, Worcester City Manager's Executive Office of Neighborhoods and Housing Development, Oak Hill Community Development Corporation, the Central Massachusetts Housing Alliance, and Worcester Community Housing Resources, have merged into a central resource for assistance to first time homebuyers.

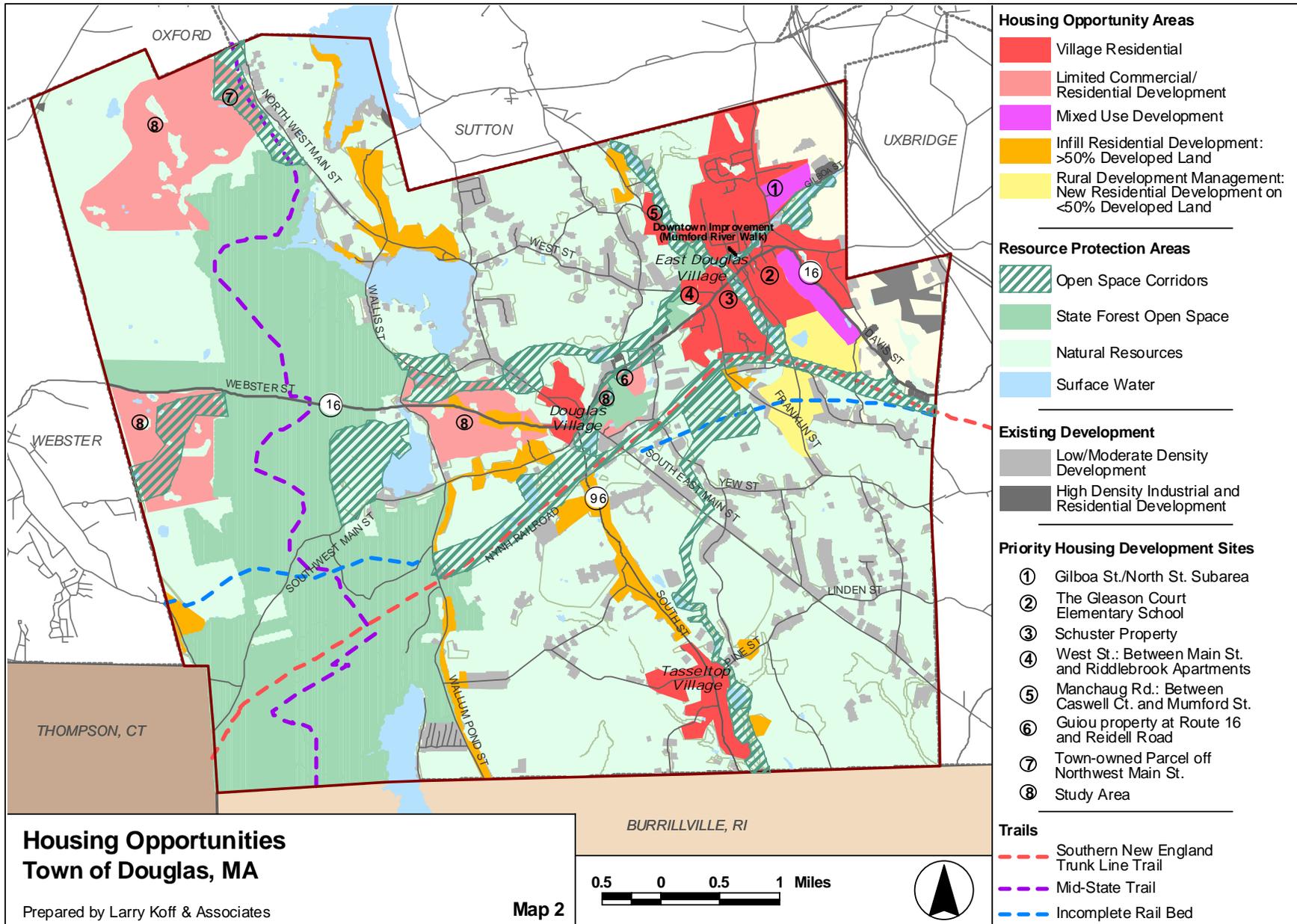
- ❖ Utilize Local Initiative and “friendly” 40B projects to create non-state and federal subsidized affordable units which meet local needs
  - ◆ Adopt Use Restriction Guidelines in order to enable Town to approve LIP (Local Initiative Program) projects which will enable the town to count affordable units developed outside of a 40B process
  - ◆ Have Zoning Board of Appeals adopt the model local rules put forth by the Housing Appeals Committee (HAC) or local guidelines which substantially incorporate the HAC guidelines, for responding to comprehensive permit applications (See Appendix 1 and Appendix 2).
  - ◆ Local citizen input (public forum, etc.)
- ❖ To further identify and understand housing needs in Douglas, the Housing Committee should interview knowledgeable individuals to assess the needs in the community. Possible people to speak with include:
  - ◆ NeighborWorks Homeownership Center of Worcester
  - ◆ Housing and social service providers in town and in the region
- ❖ Encourage use of recent zoning changes which facilitate the creation of affordable housing:

1. Para 3.3 Accessory apartments may be created (1 per single family dwelling) and rented to the general public provided they are low income affordable (15 year commitment) and meet several other requirements. Maximum size is 900 square feet.
  2. Para 4.2 Phased Development. A developer may exceed the 15 permits per year maximum if housing includes senior housing or low or moderate income housing. (Para 4.2.4)
  3. Para 7.2.4 Flexible Development. A developer may receive up to a 50% density bonus if 10% of the units in a flexible development are low income or if 15% are moderate income.
  4. Para 7.3 Assisted Living Facilities. For every “affordable” unit, the applicant may add an additional two market rate units. (Para 7.3.10)
- ❖ Organize a Housing Committee to work with developers on Fair Housing compliance and to regulate affordable housing development.

The following table provides an Action Plan blueprint of incentives as well as production related tasks which should be undertaken with the support of the Town.

**Table 30, Housing Action Blueprint**

	Action	Number of Affordable Units	*Development Rate Provision Number of Affordable Units
<b>Capacity Building Strategies</b>	Organize a Housing Committee/Authority to undertake management and planning tasks identified below.		
	Adopt Local Preference and Use Restriction Guidelines in advance of the completion of North Village		
	Adopt model local rules put forth by the Housing Appeals Committee		
	Have Board of Appeals adopt the Model Rules for processing 40B applications		
	Draft guidelines for review of Fair Housing Plans submitted by future developers		
	Work with NeighborWorks to encourage participation in First Time Homebuyer Program		
	Work with NeighborWorks to convert foreclosed properties into affordable housing and avoid future foreclosures		
	Apply for Commonwealth Capital		
<b>Housing Production and Preservation Strategies</b>	Approve and build North Village (124 duplexes, 25% affordable)	31	
	Seek two-year reprieve from 40B depending upon construction and Development Rate Provision		
	Prioritize Housing Sites		
	Submit Affordable Housing Plan to DHCD		
	Request DHCD Housing Certification of Compliance with Approved Plan		
	<b>Total Affordable Units</b>	<b>31</b>	



## APPENDIX 1: Chapter 40B Checklist

### 1. Has the ZBA promulgated rules for administering the Comprehensive Permit Process?

Local Zoning Boards of Appeal should adopt their own rules and regulations with regard to the application procedures for 40B projects. These rules and regulations need to address application requirements, fees for outside consultants, the hearing process, performance guarantees, etc.

### 2. Pro Forma Analysis of 40B Projects:

All review, analysis, and discussion should begin with and focus on the pro forma (the developer's projected income/expense/profit estimate).<sup>7</sup> The ZBA might well require a full compilation and certification of total development costs and total revenues, on a federal income tax basis, prepared and certified by a CPA.<sup>8</sup>

### 3. Use Restrictions and Related Affordability Issues

One of the requirements for an Affordable Housing Plan is that it considers use restrictions for low and moderate income housing. Appendix 6 identifies on pages 36-37 a number of questions concerning use restriction guidelines for sales and rental housing. A model Development Agreement has also been prepared by CHAPA which the Committee should subsequently consider after it has answered the use restriction questions. Neighboring towns might have such agreements for the Housing Committee to consider.

#### See checklist attached (Appendix 2)<sup>9</sup> including:

- Calculation of sale and resale price of affordable units
- Income Mix: Number and % of affordable units
- Duration of Affordability

### 4. Zoning and Subdivision Rules and Regulations Conformity Analysis

The Planning Board should determine the extent to which the proposed development conforms to the local subdivision laws as well as other site planning and environmental regulations.

### 5. Site Design and Environmental Impact Checklist (see Appendix 3)

### 6. Preferences for local residents

Under the Local Initiative Program, 40B projects which have been approved by the Board of Selectmen and which have applied for and received DHCD approval, can provide for "local preferences," i.e., up to 70% of the units, as long as local preferences are not discriminatory.

<sup>7</sup> How to Evaluate a Project Under GL Chapter 40B, Horsley & Whitten, Inc., July 2001 p. 4

<sup>8</sup> Comprehensive Permits and the Anti-Snob Zoning Act, Edith M. Neetter & Associates, April 2000, p. 6

<sup>9</sup> Checklist of Affordability Issues Under Chapter 40B, CHAPA, June 2000

## APPENDIX 2: Checklist of Affordability Issues Under Chapter 40B

Prepared by CHAPA's Chapter 40B Legal Subcommittee  
June 2000

### **Introduction**

Availability of construction funding for affordable housing through the New England Fund, which is not subject to state agency review, is giving rise to new levels of responsibility for municipalities in their consideration, review, documentation and enforcement of such proposed projects.

CHAPA's 40B Legal Subcommittee has considered:

- Current enforcement of affordability requirements
- Potential monitoring of New England Fund projects
- Existing and potential documentation, including regulatory agreement documents
- Periods of affordability of units
- Underlying zoning and comprehensive permit considerations
- Current concerns in home ownership/condominium and rental projects
- Related state and local policy and implementation concerns

We have developed a checklist of affordability parameters. This will aid municipalities in addressing the complex range of issues of affordability for both homeownership and rental affordable housing developments. We have made separate checklists for homeownership and rental projects.

We hope this checklist will be a useful starting point for municipalities and developers seeking to tailor a project to particular subsidy programs. With respect to Chapter 40B projects, it is intended to supplement the Chapter 40B guidelines issued by the Massachusetts Housing Appeals Committee. In any event, it is a working document designed to trigger talking points. It is not intended to be a complete list of affordability parameters. Although this checklist is principally intended for informing municipalities, including their elected and appointed officials, board and committee members, and employees, we also hope it will be useful for initial discussions between municipal officials and potential developers (and their attorneys) about the development of affordable housing in a particular community.

### **Homeownership Projects**

#### **I. General Project Information**

1. Who are the parties involved in the project?
2. What are the sources of public subsidy?
3. What percentage of the units in the project is designated as affordable? Are specific unit types designated as affordable?
4. Where are the affordable units located within the project? Are they dispersed throughout the project so that they are indistinguishable from the market rate units? How comparable are the affordable housing units (size, amenities) with the market rate units?
5. What is the length of the affordability restriction?

**II. Income Restrictions for Buyers**

1. Who is eligible to occupy the units (e.g., first-time homebuyer definition, are students eligible)?
2. What is the maximum income for a household to be eligible to purchase a unit? Is it adjusted for household size or for number of bedrooms in the unit?
3. How is income determined (e.g., three years of tax returns, etc.)?
4. What is the household asset limit, if any, to be eligible for affordable units?
5. Is the development creating opportunities for a range of incomes (e.g., households between 50 and 80% of area median income)?
6. What geographic area is being used to set income limits (e.g., HUD definition of area median income, county income, local median income, other)?

**III. Initial Sales Price**

1. What are the initial sales prices and how are they set?
2. Is the sales price being set based on size of the unit (number of bedrooms) or household size? What is the assumption regarding the number of persons per bedroom?

**IV. Resale Restrictions, Ongoing Buyer Restrictions, and Recapture Provisions**

1. What is the formula for determining maximum resale price?
2. Does the municipality have an option to purchase or a right of first refusal in the event of a resale?
3. What happens if an eligible purchaser who qualifies to buy the unit cannot be found?
4. What are the recapture provisions for the municipality should the property need to be sold (as a last resort) for fair market value to a non-income eligible buyer?
5. How do you address or anticipate potential foreclosure problems?
6. What are the restrictions on additional debt, refinancing, or home equity loans?
7. Will the affordability restrictions have the protection of M.G.L. Chapter 184, Sections 3 1-33? (In some cases, this protection is needed to assure that the restriction will be enforceable against future owners)
8. What is the restriction on owners of affordable units being able to rent their units?

**V. Developer Restrictions**

1. What are the restrictions on developer's fee, profit, equity, etc.?

**VI. Selecting Buyers**

1. What is the method for selecting buyers (lottery, residency and minority preferences)?
2. What are the affirmative marketing requirements?
3. What are other fair housing requirements?

**VII. Condominium Issues**

1. How are condominium fees structured?
2. How are affordable buyers treated vs. market rate buyers in terms of voting power and decision making?

**VIII. Monitoring and Enforcement**

1. Is the municipality a party to the regulatory agreement between the developer and the subsidy provider and/or does it have rights to enforce the affordability restrictions?
2. Who is responsible for monitoring and enforcement?
3. What is the payment for monitoring services? How/when is the payment made?
4. What are the reporting requirements of the owner and developer?
5. What are the mechanisms for enforcement of the resale and use restrictions?

## **Rental Projects**

### **I. General Project Information**

1. Who are the parties involved in the project?
2. What are the sources of public subsidy?
3. What percentage of the units in the project is designated as affordable?
4. Where are the affordable units located within the project? Are they dispersed throughout the project so that they are indistinguishable from the market rate units? How comparable are the affordable housing units (size, amenities) with the market rate units?
5. What is the length of the affordability restriction?

### **II. Income Restrictions for Renters**

1. Who is eligible to occupy the units (are students eligible)?
2. What is the maximum income eligibility for the project? Is it adjusted for household size or for number of bedrooms in the unit?
3. Is the development creating opportunities for a range of incomes (e.g., households below 30% of median income, 30-50% of median income, and 50-80% of median income)?
4. How is income determined? Are assets counted?
5. What is the household asset limit, if any, to be eligible for affordable units?
6. What if the tenant's income increases over time?
7. What geographic area is being used to set income limits (e.g., HUD definition of area median income, county income, local median income, other)?

### **III. Initial Rental Prices**

1. What are the initial rental prices and how are they set?
2. Is the rent being set based on size of the unit (number of bedrooms) or household size? What is the assumption of number of persons per bedroom?

### **IV. Developer Restrictions**

1. What are the restrictions on developer's fee, profit, equity, etc.?
2. What is the restriction on the sale of the rental property?
3. Are there restrictions on additional debt or mortgages on the rental property?

### **V. Selecting Tenants**

1. What is the method for selecting renters (lottery, residency preferences)?
2. What are the affirmative marketing requirements?
3. What are other fair housing requirements?

### **VI. Monitoring and Enforcement**

1. Is the municipality a party to the regulatory agreement between the developer (and the subsidy provider) and/or have rights to enforce the regulatory agreement?
2. Who is responsible for monitoring and enforcement?
3. What is the payment for monitoring services? How/when is the payment made?
4. What are the reporting requirements of the developer?
5. Does the monitoring agent have a right to inspect the property and the owner's tenant files for compliance?
6. Will the affordability restrictions have the protection of M.G.L. Chapter 184, Sections 31-33? (In some cases, this protection is needed to assure that the restriction will be enforceable against future owners.)