

CHELMSFORD AFFORDABLE HOUSING PLAN JANUARY 2017

Final Approval by the Planning Board on January 25, 2017 and Final Approval by the Board of Selectmen on January 30, 2017



1. INTRODUCTION

This report is being issued by the Town of Chelmsford, and submitted to the Department of Housing and Community Development, as an update to the town's Housing Production Plan. Housing Production Plans define a town's need for affordable housing, and strategies for achieving the Chapter 40B goal of 10% of housing units being designated as affordable.

1.1. Review of 2011 Plan

In 2009, the Town of Chelmsford formed an Affordable Housing Committee to produce a Housing Production Plan (HPP) to comply with the Department of Housing and Community Development (DHCD) Planned Production Regulations, MGL 760 CMR 56.03(4). The new plan would replace the 2005 Town of Chelmsford Affordable Housing Plan, which was due to expire in 2010.

The committee first met in November of 2009. A draft of the plan was completed in 2011, approved by the Chelmsford Planning Board and Board of Selectmen, and submitted to DHCD. DHCD formally approved the HPP effective Jan 9 2012. The HPP has a 5-year term and will expire on Jan 8, 2017.

Hereafter, this report will refer to the 2011 Chelmsford Affordable Housing Plan as the HPP.

1.2. Status of Subsidized Housing Inventory

The table below summarizes the status of the Subsidized Housing Inventory (SHI) as of January 2012, when the HPP was approved.

	January 2012
Total Housing Units (2010 Census)	13,741
Ten percent goal under Chapter 40B	1,374
Subsidized Housing Inventory	995
SHI Percentage	7.2
Units short of goal	379
Units required for one-year certification	69
Certification expiration	N/A

A municipality may request that DHCD certify its compliance with an approved HPP if it has increased its number of SHI Eligible Housing units in an amount equal to or greater than its 0.50% production goal for that calendar year. SHI Eligible Housing units shall be

counted for the purpose of certification in accordance with the provisions for counting units under the SHI set forth in 760 CMR 56.03(2). Requests for certification may be submitted at any time, and the Department shall determine whether a municipality is in compliance within 30 days of receipt of the municipality's request. If the Department determines the municipality is in compliance with its HPP, the certification shall be deemed effective on the date upon which the municipality achieved its numerical target for the calendar year in question, in accordance with the rules for counting units on the SHI set forth in 760 CMR 56.03(2). A certification shall be in effect for a period of one year from its effective date. If the Department finds that the municipality has increased its number of SHI Eligible Housing units in a calendar year by at least 1.0% of its total housing units, the certification shall be in effect for two years from its effective date.

If the Zoning Board of Appeals considers that, in connection with an Application, a denial of the permit or the imposition of conditions or requirements would be consistent with local needs on the grounds that the Statutory Minima defined at 760 CMR 56.03(3)(b or c) have been satisfied or that one or more of the grounds set forth in 760 CMR 56.03(1) have been met, it must do so according to the following procedures. Within 15 days of the opening of the local hearing for the Comprehensive Permit, the Board shall provide written notice to the Applicant, with a copy to the Department, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes has been met, and the factual basis for that position, including any necessary supportive documentation. If the Applicant wishes to challenge the Board's assertion, it must do so by providing written notice to the Department, with a copy to the Board, within 15 days of its receipt of the Board's notice, including any documentation to support its position. The Department shall thereupon review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The Board shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent with local needs, provided, however, that any failure of the Department to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days

	March 2016
Total Housing Units (2010 Census)	13,741
Ten percent goal under Chapter 40B	1,374
Subsidized Housing Inventory	1,169
SHI Percentage	8.5
Units short of goal	205
Units required for one-year certification	69
Certification expiration	6/23/2015

The table below summarizes the status of the SHI as of August 2015, when this update was written.

1.3. Update Rationale

As illustrated by the tables in the previous section, in the five years since the HPP was approved there has been considerable progress toward achieving the 10% goal. In particular, the town achieved two years of certification status by adding units exceeding the annual goal of 0.5% units per year. The progress on adding SHI units was directly related to the planned production strategies of the HPP. There have also been significant developments regarding progress on zoning strategies identified in the HPP. New opportunities, with respect to priority sites listed in the HPP, as well as newly designated priority sites, have also been identified.

In an effort to promote further progress toward affordable housing goals, and in light of changing conditions, the town has adopted a strategy of on-going planning. This update reflects the results of planning conducted by the Town of Chelmsford as it has evolved to this point.

The town will submit this update to DHCD for approval subsequent to approval by the Chelmsford Planning Board and the Board of Selectmen. DHCD indicated that the town would achieve a 5-year renewal of HPP approval status once this update has completed the approval process.

1.4. Update Organization

Section 2 of this report will revisit and revise as appropriate the existing conditions documented in the HPP. Section 3 will discuss progress made and other developments subsequent to approval of the HPP. Section 4 will present an update to the planned production targets and also refine guiding principles and siting criteria for unplanned production. Appendix A provides detailed information on priority sites, including maps generated using the town's Geographic Information System. Appendix B provides an analysis of Chelmsford's status with respect to the percentage of Chelmsford land area allocated to affordable housing.

2. EXISTING CONDITIONS AND ASSESSMENT

2.1. Housing Market

In 2007, a sharp drop in housing prices and very high rates of mortgage defaults and foreclosures led to a severe financial crisis. For a few years after the crisis, and as a direct result of poor macroeconomic and credit conditions, and poor microeconomic conditions in the housing market, there was very little activity in the housing market in general, and virtually no affordable housing activity in Chelmsford.

The housing market has since stabilized and is now much stronger. With respect to the affordable housing market, in particular, with regard to comprehensive permit applications, activity picked up considerably in Chelmsford in the summer of 2012 - coincident with the formation of the Chelmsford Housing Advisory Board (HAB).

During the last four years, the HAB has heard presentations on eight comprehensive permit applications:

- 1. A 115-unit rental project on Littleton Road that was approved, (partially) constructed, and opened in early 2016, with phase 2 construction slated to commence in 2017 (see section 3.1 for more details).
- 2. A project on Riverneck Road that was to include a group home, which was approved but then dropped by the applicant.
- 3. An ownership project that was subsequently changed to an Open Space Permit project that resulted in a payment-in-lieu to the Chelmsford Housing Authority for two affordable units.
- 4. A 120 unit rental project on Mill Road, reduced to 112 units during the comprehensive permit process, which was approved and is still pending (see section 3.1).
- 5. A small rental project submitted as a Local Initiative Project to the Board of Selectmen.
- 6. A 150-unit rental project, in the early stages of design, on Brick Kiln Road.
- 7. A 28-unit rental project, in the early stages of design, on Gorham Street.
- 8. A 84-unit rental project, in the early stages of design, on Hunt Road.

Also during this period, projects that had been approved prior to the HPP, which had resulted in an addition of almost 60 units to the Subsidized Housing Inventory (SHI) were removed from the SHI after years of inactivity. One of these projects is still viable, and the SHI units may yet be developed.

In general, as economic and housing conditions improve, and as Chelmsford draws closer to the state-mandated goal of 10 percent of housing units being affordable, there is good reason to expect heightened activity in the affordable housing market in the near term.

Because Chelmsford has roughly 250 mobile home units it is worth explaining why these units are not counted toward the town's inventory despite what may appear to be relative

affordability. To count toward the SHI units must be subsidized in some way, either financially of through "technical assistance." In addition, SHI units must have a deed restriction preserving affordability. The mobile home units meet neither of these criteria.

2.2. Unmet Needs

The HPP documented a very high level of unmet needs for affordable housing in Chelmsford. As expressed in the HPP: "For many homeowners and renters there is a significant gap between housing costs and income. The bottom line is that many Chelmsford residents are living in housing that is considered unaffordable."

More recent census data indicates that if anything the problem has worsened since publication of the HPP. Based on the latest data in the U.S. Census Bureau American Community Survey, one-third of homeowners with a mortgage, and a little over one-half of renters have household expenses greater than 30 percent of household income – the standard threshold for affordability.

The housing market conditions relating to the financial crisis contributed to upward pressure on rental prices. As more people were foreclosed on or forced to sell and downsize, demand for lower priced rental housing increased.

Demographically the town has not changed significantly since approval of the HPP. However, as projected, the town is growing older. As reported in the HPP, census data from 2008 showed 14.9 percent of Chelmsford's population was 65 years of age or older. In the 2010 Decennial Census, it was up to 16.2 percent. Another data point that illustrates the trend and projects a continuing aging of the community – in the last decade school enrollment has decreased by 649 students, a decrease of 11.2 percent. As the town grows older there will continue to be an increased demand for rental units that offer lower housing costs and less responsibility for maintenance.

Another factor contributing to an increasing need for affordable housing is a very diverse level of income. Indicative of this was Center Village Housing Study commissioned by the town that characterized Chelmsford as "by and large, an affluent community" but also reported that one-third of households in Chelmsford have an income below \$35,000 (for the entire state 30 percent of households were below \$35,000, for Middlesex County it was 22 percent).

The HPP also reported on unmet needs as represented by waiting lists at the Chelmsford Housing Authority (CHA). As reported then, there were over 1,300 families and singles on the Chelmsford Housing Authority's waiting list for housing and there were another 143 seniors on the State Aided Public Housing Waiting List. At that time the typical wait for families and singles was over seven to ten years. The typical wait for seniors was between six months and five years.

There are over six thousand families and individuals on various wait lists maintained by the CHA – a dramatic increase. For some programs, including Section 8 vouchers with

local preference – the vast majority of those on the wait list, the waiting period is now ten years or more.

2.3. Barriers to Affordable Housing

The HPP identified the following barriers to affordable housing:

- 1. Economic and Market Conditions
- 2. Zoning and Land Use Restrictions
- 3. Infrastructure Capacity
- 4. Community Concerns
- 5. Community Priorities and Commitment

As discussed in section 2.1, economic and market conditions are much less of a barrier than when the HPP was issued. However, as stated in the HPP "Even when the overall economy is healthy, characteristics of the housing market tend to restrict the supply of available units." Recent housing market activity confirm this observation as developers cite difficulty in achieving profitability when they are required to accommodate the need for affordable units. Although Chelmsford's population is projected to grow in the next decade, as discussed in section 2.2, the more significant demographic shift may be a continued aging of the town's population. Thus, there will be a continuing expansion of the need for lower-priced housing units, while on the supply side the economics of housing production will continue to restrict provision of affordable units.

While zoning in Chelmsford, and in Massachusetts in general, could fairly be described as exclusionary with respect to affordable housing, progress is being made in Chelmsford. In fact, going back to the 2005 Affordable Housing Plan, it stated: "Current zoning has not produced any affordable units, although the town is studying changes to zoning to promote the production of affordable housing." Progress achieved on zoning will be discussed in section 3.

The HPP identified sewer, and to a lesser extent water, as the primary infrastructure issues facing the town. Sewer and water capacity will continue to be issues for any commercial or residential development or redevelopment project. During the hearings for a recent comprehensive permit application -- a 108-unit rental project, town and water department did not identify any infrastructure impediments to the project.

On the topic of community concerns, the HPP quoted the 2005 Affordable Housing Plan: "community concerns and misperceptions can pose constraints to the development of affordable housing." The recently approved comprehensive permits, one of them in particular, reinforced the reality that both genuine and reasonable community concerns, as well as misperceptions, represent barriers to affordable housing. Current residents are, understandably, concerned with preserving the character of the neighborhood they know. In addition, opponents to proposed housing projects ascribe potential damages that are not always supported by testimony of town officials or peer reviews. There continues to be misconceptions regarding the fiscal impact of high-density rental housing.

The HPP characterized the town's commitment to affordable housing as "mixed." Subsequent to approval of the HPP, the Town of Chelmsford has shown an increased commitment to using planned production and zoning to meet the goals of Chapter 40B, and in general to work toward the provision of more affordable housing. The Planning Board formed a Zoning Bylaw Review Committee to draft new zoning bylaws, some of which include provisions to encourage housing production where it otherwise may not occur. In recognition of the town's status as having a certified HPP, the Board of Selectmen conducted a tri-board summit meeting with the ZBA and the HAB to discuss strategies for considering comprehensive permit applications. In fiscal year 2014, and for the first time, the town's senior elected officials, the Board of Selectmen, had an explicit goal of "Continued support for Affordable Housing initiatives." The Board of Selectmen voted unanimously to direct the HAB to produce this update. Town Meeting approved a significant expenditure of Community Preservation funds to support one of the approved projects. Town Meeting also approved a number of zoning changes that were identified as strategies in the HPP, and sponsored by the Planning Board.

3. PROGRESS ON HOUSING PRODUCTION PLAN

This section describes progress in the Town of Chelmsford on achieving planned production. All progress cited occurred subsequent to the approval by DHCD of the HPP.

3.1. Planned Production

The Zoning Board of Appeals (ZBA) has approved four affordable housing projects under the comprehensive permit process. One has been partially constructed and people are now living there. Construction is pending on the second. The applicant abandoned the third. Construction is pending on the fourth.

The first approved project is located at 261-267 Littleton Road – one of the priority sites identified in the HPP. Under a partnership between the Chelmsford Housing Authority and the Stratford Capitol Group, this project when completed will provide 115 rental units. All 115 units will be affordable. At Spring 2013 Town Meeting, a warrant article appropriating over \$2 million was overwhelmingly approved. The town's funding support included appropriations from the Community Preservation Fund and authorization to borrow. As a result of the Littleton Road project (referred to as Chelmsford Woods Residences), DHCD certified the town's HPP for one year beginning in June of 2013. A grand opening event was held in March of 2016 to celebrate the opening of 58 units. Construction of the second half of the development is scheduled to begin in 2017.

The second approved project is located at 276 Mill Road – another priority site in the HPP. In June of 2014 the ZBA unanimously approved 108 rental units. As a result of the Mill Road project (referred to as Princeton at Mill Road) DHCD extended the town's certification through June of 2015. Construction is expected to begin in early 2017.

A third project, located at 271-273 Riverneck Road was approved by the ZBA. The project was to include a group home providing 5 affordable units. However, the applicant abandoned the project. A proposal for another project on this site may be forthcoming.

A fourth project at 73 Dalton Road was submitted to DHCD as a Local Initiative Project (LIP) through the Board of Selectmen. The comprehensive permit has been approved by the Zoning Board of Appeals. The project will provide 5 rental units, two of which will be affordable.

Because Chelmsford has an approved HPP, units added to the SHI can earn the town certification status. As documented in section 1, the town needs to produce 69 units per year to gain a one-year certification. Indeed, by adding the 115 units on Littleton Road the town achieved certification status running from June of 2013 to June of 2014. Subsequently the 108 units approved in the following year earned Chelmsford a second year of certification, which expired in June of 2015. As of the issuance of this update, the town does not have certification status.

The Chelmsford Community Development department requested and received clarification from DHCD regarding when units count toward certification and how municipalities can earn multi-year certification. In summary, units added to the SHI during a calendar year are the basis for certification. For example, the 69 units added during 2013 earned the Town of Chelmsford the first one-year certification. The one-year certification period begins when the units are approved. To earn a two-year certification the town would have to produce 138 or more units in a calendar year. Chelmsford had more than 69, but less than 138, units added in 2014. Thus the town earned a second one-year certification, which began with the end of the first one-year certification.

3.2. Pending Production

Interest has been expressed regarding four other sites, three as 40Bs, and the other as a Chapter 40R development. One of the pending 40B proposals is for a property that was a priority site in the HPP. The other proposed sites appear to be compatible with and meet the needs of the town under the HPP, and will be included in this Update as newly added priority sites.

3.3. Development of Housing on Publicly-Owned Parcels

One of the production strategies identified in the HPP was to pursue opportunities to develop affordable housing on town-owned land. As will be discussed in section 4.2, one such property – Oak Hill, was identified as a priority site, but was subsequently preserved for open space by the town.

The HPP also mentioned a property owned by UMass Lowell on Princeton Street in Chelmsford, but it was not considered viable in the 5-year time frame of the HPP. The University has recently dropped a deed restriction that this now unused property be used for education purposes. The University is now in negotiations to sell the property to the Town of Chelmsford. While this site offers great potential for, among other potential uses, addressing the housing needs of the Town of Chelmsford, financial viability remains a major obstacle. As with the original HPP, and the Town of Chelmsford 2011 Master Plan, it is recommended that a master planning process be conducted for this site if the town gains control of the property. This property will be added as a priority site in this update, as development of affordable housing on publicly-owned property continues to be an important strategy under our HPP.

Development of affordable housing on publicly owned parcels would continue to be a strategy regardless of what happens with the UMass Lowell property. However, despite the town owning many properties, almost all are clearly inappropriate for development due to their small size, being in wetlands, or currently committed to other important uses (e.g., school department property). The lack of funding sources, including limited assets in the Community Preservation Fund (see section 3.6 below) will also hamper the production of affordable units on town-owned property for some time to come,.

Although large publicly-owned sites will continue to be evaluated, it should also be noted that it has not been a strategy of the town to co-locate all affordable housing at one site.

3.4. Zoning Strategies

Subsequent to approval of the HPP, the Town of Chelmsford undertook a concerted effort to revise zoning strategies with a goal of promoting economic development. In particular, the Planning Board authorized the formation of a Zoning Bylaw Review (sub) Committee (ZBRC). The ZBRC was given the charter to implement new zoning overlays as recommended by the town's Master Plan and Affordable Housing Plan.

The primary deliverable from the ZBRC was the Community Enhancement & Investment Overlay District (CEIOD). This zoning provision was adopted by Town Meeting in October of 2013.

One of the goals of the CEIOD is to facilitate the redevelopment of vacant and underutilized commercial and industrial properties in a manner that enhances the municipal tax base while ensuring that redevelopment meets the Town's standards for design and construction and neighborhood character;

The CEIOD serves to mitigate the zoning deficiencies (identified as a barrier in section 2.3) associated with the production of affordable housing by permitting the re-use / redevelopment of existing commercially zoned properties for housing purposes. The overlay provides for by-right and special permit options. The conversion of existing gross square footage from a nonresidential use to a residential use of not more than a maximum of eight dwelling units and any new construction of four or fewer dwelling units is permitted by-right.

The conversion of existing gross square footage from a non-residential use to a residential use that exceeds eight new dwelling units and the new construction of five or more dwelling units is permitted by special permit.

It should be noted that the above provisions were intended to exclude industrially zoned land and also excludes single and two family dwellings. The intent is to create multifamily residential projects. All multi-family dwelling units shall comply with the following minimum gross floor area requirements unless the Planning Board authorizes a reduction by special permits:

- Studio unit 500 square ft.
- One-bedroom unit 700 sq. ft.
- Two-bedroom unit 900 sq. ft.
- Three bedroom unit -1,200 sq. ft.

In 2015, Chelmsford Town Meeting approved an Inclusionary Housing Bylaw – one of the affordable housing strategies recommended by the HPP. The bylaw requires the provision of affordable units for housing projects that meet certain criteria, including any housing developed under the CEIOD bylaw.

A payment in lieu of production option is offered under the bylaw. A separate bylaw established a Housing Stabilization Fund. The Inclusionary Housing Bylaw provides flexibility to the Planning Board during the approval process, but it is designed to put developers who submit projects subject to inclusionary zoning on a level playing field with Chapter 40B requirements.

Two housing development projects that fall under the Inclusionary Housing Bylaw have been approved by the Planning Board. Both developers chose the payment-in-lieu-of option. Although these developments will not provide affordable units, they will result in contributions to the town's Housing Stabilization Fund.

The Chelmsford Planning Board, along with the town's Economic Development Commission, and with the support of the Housing Advisory Board, proposed a Route 129 Business Amenities Overlay District (BAOD) bylaw. The BAOD is designed to revitalize an area of Chelmsford currently zoned for industrial purposes, with many underutilized industrial properties. One provision of the BAOD is to allow multi-family housing, by permit, in the overlay district. The bylaw applies the CEIOD overlay to this new overlay, including the Inclusionary Housing provisions. The BAOD was approved by Town Meeting in the fall of 2016.

3.5. Inclusionary Housing and the Payment-in-lieu-of Process

Based upon the brief experience with the Inclusionary bylaw several challenging observations can be made:

- 1. For projects located in the Village Center Overlay District, where significant public benefits are required, beyond what is required for other areas, and land acquisition costs are higher than other areas of Town, the methodology and economics of the Inclusionary bylaw may be challenging.
- 2. For projects located in the CEIOD, where most projects will likely be smaller in scope and scale (number of units and acreage), specifically located on under 1 acre of land or less and likely a maximum of 20 units, and are also likely to be advanced by local developers, there appears to be a lack of experience / expertise with affordable housing in general and specifically 40B affordability requirements.
- 3. The CHA has stated that developers with no experience related to 40B requirements / compliance (i.e. Deed restrictions, 3rd party monitoring) are likely better choosing the PILO.

Based upon the above, it is recommended that the HAB, working in partnership with the Chelmsford Housing Authority and Planning Board, commence an effort to provide proactive guidance, information and potential Town programs to potential developers in an effort to further incentivize the creation of the affordable units as part of the project rather than the PILO. It should be noted that the adopted Inclusionary Housing Bylaw eliminated an original provision that would have made the bylaw applicable to the change / modification / alteration of pre-existing non-confirming uses per section 195-8.B of the zoning bylaw (i.e. the conversion of a pre-existing non-conforming office / commercial building located in a residential zoning district to a multi-family development). Examples that have been approved by the Planning Board are 235 Littleton Road and 191-195 Princeton Street.

In addition, several of the Priority Sites are classified as pre-existing non-conforming uses and could pursue the creation of multi-family housing without being applicable to the Inclusionary Bylaw.

It is recommended that the Planning Board with assistance from the HAB give additional consideration to this issue.

3.6. Housing Advisory Board Activities

One of the strategies identified in the HPP was the formation of a Housing Advisory Board (HAB). After approving the HPP, the Chelmsford Board of Selectmen (BoS) established the HAB. As defined by the BoS, the mission of the HAB is:

- 1. To conduct pre-application meetings, as requested by potential applicants, to ensure housing proposals are consistent with the housing goals stated in the adopted master plan and affordable housing master plan documents.
- 2. To provide advisory opinions, as requested by Town Boards during the permitting process, to ensure the proposals are consistent with the housing goals stated in the adopted master plan and affordable housing master plan documents.
- 3. To work with the Community Development Department, Housing Authority, and applicants, to implement the actionable components of the Affordable Housing Plan in order to meet the desired levels of affordable housing units established in Chelmsford.
- 4. Perform research as requested on new initiatives pertaining to housing.

The composition of the HAB is a member of the Board of Selectmen, a member of the Planning Board, a representative from the Chelmsford Housing Authority, and two residents.

The HAB has been meeting monthly since the summer of 2012. Activities include:

- Reviewing proposed affordable housing projects.
- Supporting comprehensive permit applications at public hearings.
- Monitoring the status of and progress on the SHI.
- Reviewing, and pursuing as appropriate, strategies identified in the HPP.
- Participation in the drafting of an Inclusionary Housing Bylaw.
- Providing housing affordability assistance information for the town's web site.
- Producing this update to the HPP.

With the Inclusionary Housing bylaw now in place, the HAB is responsible for providing input to the Planning Board when development projects for which the bylaw applies result in a developer adopting the Payment in Lieu Of (PILO) option. There are PILO values specified in the bylaw, but the Planning Board has the authority to adjust the fee on a project-by-project basis.

The Town of Chelmsford Community Preservation Plan has been updated to specify that the Housing Advisory Board will be consulted regarding any requests for Community Preservation funds related to housing.

3.7. Other Progress

In addition to progress under the comprehensive permit process and the inclusionary housing program, the Town of Chelmsford has also approved three other housing projects that meet a community housing need

- 9 Manahan Street the Chelmsford Housing Authority, with the support of Community Preservation funds, produced and now manages 8 units of veteran's rental housing which includes one handicapped unit.
- 17 Wilson Street special permit approved by the PB to convert existing multitenanted commercial office building into 9 one-bedroom rental apartments.
- 235 Littleton Road new 8 unit one-bedroom rental apartments approved by the Planning Board under the CEIOD bylaw (prior to the approval of the Inclusionary Housing Bylaw) described in section 3.4.

The town has identified the availability of \$60,000 in affordable housing mitigation funds and is in the process of identifying an appropriate use of said funds to further the goal of meeting the affordable housing needs of the community.

As of the end of the 2016 fiscal year, the Chelmsford Community Preservation Fund (CPF) had an available balance of \$1.5 million. The balance in the portion of the CPF allocated for housing is approximately \$159 thousand. New money coming into the CPF housing pool is currently committed to paying off debt service for the Littleton Road project until 2029.

Over the full history of the CPF in Chelmsford, a little over \$2 million has been expended on affordable housing projects. Spending on affordable housing represents about 19% of total spending of Community Preservation funds in Chelmsford.

4.1. HPP Priority Sites

The following table enumerates the priority sites identified in the HPP as ordered in that document. The information provided consolidates the content of the HPP and highlights the most relevant data points as related to planned production.

Location	Size (Acres)	Public vs. Private	Zoning
16-20 Boston Road	8.4	Private	CC
11 Cushing Place	5.0	Private	CV
26-34 North Road	1.0	Private	CD
33 Vinal Square / 9 Princeton Street	1.2	Private	CD
50 Hunt Road.	11.2	Private	RB
111 Chelmsford Street	0.5	Private	CD
133 Princeton Street	1.3	Private	CB/RA
233-273 Littleton Road	17.4	Private	CB
280-284 Chelmsford St.	1.0	Private	RB
276-282 Mill Road	11.6	Private	IA
Oak Hill	86.6	Public	IS
80-104 Turnpike Road	16.1	Private	IA
271-279 Chelmsford St	1.1	Private	CA/CC
Princeton Court	1.96	Private	RC

Zoning Legend: CA – Neighborhood Commercial; CC – Shopping Center; CV – Center Village; CD – General Commercial; RB – Residential B; CB – Roadside Commercial; RA – Residential A; IA – Limited Industrial; IS – Special Industrial; RC – Residential C

More detailed information on these locations, minus the dropped sites identified in the section below, is provided in Appendix A.

4.2. Dropped Sites

Five of the priority sites listed in the previous section are no longer viable. In this report, those sites will not appear in any subsequent discussion or list of priority sites.

The properties at 16-20 Boston Road are in the center of town and were the site of an abandoned supermarket. These and surrounding properties were the subject of a Center Village planning study. One conclusion of the study was:

there is a need for additional affordable rental housing in Chelmsford and the Town will have to determine how best to address this issue and the overall mix of housing alternatives that should be encouraged in the [Center Village]

However, the owner of the 16-20 Boston Road property was not interested in redeveloping for residential use. The property is now the site of a recently opened commercial development.

A commercial office space was constructed at 24-28 Boston Road.

The Oak Hill site had extensive potential as a large town-owned parcel with abutting unused properties. On the other hand, the Affordable Housing Committee was aware there were significant obstacles to the production of housing on the site. As expressed in the HPP: "Due to environmental constraints, the presence of ledge, proximity to a landfill, and challenges associated with providing adequate access and infrastructure capacity, further research and due diligence is needed." With funding from the Massachusetts Housing Partnership, a preliminary feasibility study was conducted. With support from the Board of Selectmen, Town Meeting voted to form an Oak Hill Study Committee, with representation from the Affordable Housing Plan Committee, to determine the best potential use for the property.

The Oak Hill Study Committee voted unanimously "that the Oak Hill property be preserved as Open Space for conservation purposes." In addition to the value of open space to the community, the final report cited that housing at Oak Hill was "neither compatible with the preferences of the town, nor practical due to access and cost constraints."

As reported in section 3.1, a 115 unit affordable housing project was approved for the 233-273 Littleton Road area. In early 2016, 58 of the units opened for residency. Construction of the rest of the units is scheduled to begin in 2017. One of the housing projects that included a payment-in-lieu-of contribution (mentioned in section 3.4) was also in the same area. There has also been commercial development at this site. At this point the site has been built out and therefore is being removed as a priority site.

The 11 Cushing Place site has been approved by the Planning Board as a housing development. Although it will not provide affordable units, the location falls under the CEIOD and Inclusionary Housing Bylaws, and therefore a Payment-in-lieu-of was negotiated.

4.3. New Priority Sites

As directed by the Board of Selectmen, the Housing Advisory Board (HAB) has considered numerous possibilities as additional priority sites. Some of these locations were given serious consideration during the development of the HPP, but were not included, primarily due to a perceived lack of viability during the 5-year period covered by the plan. Other sites have come forward due to owner or developer interest, public input, and research on the part of HAB members and the town's Community Development department.

Location	Size (Acres)	Public vs. Private	Zoning
93 Brick Kiln Road	9.6	Private	IA
7 Gorham Street	2.0	Private	RB
236 Groton Road	???	Private	RB
255 Princeton Street	34.0	Public	RB
128 Riverneck Road	10.0	Private	IA
191 Riverneck Road	5.0	Private	IA
243 Riverneck Road	8.7	Private	RB
271 Riverneck Road	3.1	Private	RB
136 Steadman Street	3.8	Private	CB
10 Technology Drive	3.9	Private	IA
Woodland Park (Dunstan Road-Off)	1.3	Private	RB

The table below identifies the new sites identified. They are listed in alphabetical order.

Zoning Legend: CA – Neighborhood Commercial; CC – Shopping Center; CV – Center Village; CD – General Commercial; RB – Residential B; CB – Roadside Commercial; RA – Residential A; IA – Limited Industrial; IS – Special Industrial; RC – Residential C

More detailed information on each of these sites is provided in Appendix A.

4.4. **Priority Site Implications**

Properties are identified as a priority site based on a determination that the site is an appropriate location for a pre-identified housing type and number of units, that production is viable in the 5-year window of the production plan, and that it will have significant impact on progress toward the adding units to the SHI. The site assessment per the evaluation criteria is not project based and not regulatory in nature. As such, inclusion in the priority site list cannot be construed as a commitment by the town to have units produced at these sites. Only if a willing property owner and developer proceed with a development proposal, will the site become part of the planned production "pipeline."

Typically the first formal step is the developer meeting with the HAB. When the developer submits a site approval request to DHCD the Board of Selectmen will be asked

to submit input. At that point the Board of Selectmen will solicit comments from town departments, the HAB, and the public.

As per DHCD regulations, any proposed projects will be subject to the comprehensive permit process, and could be accepted or rejected by the town's Zoning Board of Appeals, or accepted with conditions. A rejection or conditions imposed by the ZBA could then be appealed to the Housing Appeals Committee (HAC) by the developer at which point the HAC would rule on whether the ZBA has demonstrated the property is not consistent with local needs. In the case of an appeal of denial of a comprehensive permit, the burden is on the town to prove that "the proposed project will have a serious adverse effect on the health or safety of the occupants of the project or town residents, that the design of the of the site or the housing is seriously deficient, or that the development would substantially impair legitimate local concerns in some other way" (from the DHCD Comprehensive Permit Guidelines).

A Chelmsford resident questioned the legality of the HPP, or any town-planning document, listing privately owned property without the property owner's consent. The resident asked that Town Counsel issue an opinion on the matter. In response, Town Council issued and then reiterated a clear and definitive response stating that "privately-owned parcels of land may be identified in the list of potential sites for affordable housing that is included in the Town's Housing Production Plan ("HPP"), without the consent of the property owners." The HAB has from the beginning adhered to a policy of granting any request of property owners who explicitly ask for removal of their property from a HPP. Town Counsel supported that policy as well.

4.5. Updated Planned Production Sites

During the development of the HPP, each priority site was evaluated against a set of 10 criteria. In an effort to maintain consistency the same set of criteria are retained. In order to promote a more structured consideration of potential locations, the description of each criterion has been refined. The new descriptions are designed to be more explicit regarding the factors considered during the planning process, while maintaining the meaning and intent of the HPP. The 10 criteria, as refined, are specified in the table below.

Criterion	Description
Impact	The site would support the creation of housing units that increase the
	availability of affordable housing units that meet the needs of the
	community and that have significant impact on achieving planned
	production goals.
Environmental	Development at this location will preserve environmentally sensitive
	sites and open-space, including the protection of wildlife and sensitive
	wetlands, and avoid significant mitigation costs.
Reuse	The property includes underutilized or vacant structures (or parking)
	where adaptive reuse could lead to reduced development costs, greener

	development, and preservation of open space.
Character	Development of housing at this location would be compatible with the
	surrounding community with respect to scale and usage, with proper
	consideration for integration within the existing neighborhood.
Access	There are identifiable vehicular access points with throughput potential
	and proximity to highways or major roads or access to public
	transportation that will avoid burdensome transportation costs while
	imposing minimal impact on local traffic.
Amenities	There exists safe and convenient walking, bicycling, or public
	transportation access to amenities such as shopping (in particular food),
	health services, recreation including open space, community activities,
	and municipal services.
Feasibility	There is a reasonable expectation that properties will be available for
	housing development, that development on the property is feasible, and
	that acquisition and development costs will accommodate building
	affordable housing.
Zoning	Development of housing will not require zoning exemptions or new
	bylaws, or the property is in a zoning district or overlay compatible with
	the intended development, or there is reasonable expectation that
	comprehensive permits would be approved or zoning exemptions will be
	granted and that the development is compatible with the town's
	evolving zoning strategies.
Compatibility	The location is compatible with other town planning documents, in
	particular the 2010 Master Plan, unless there is a compelling rationale
	based on the needs for planned production.
Utilities	The location has access to and reasonable throughput levels for water,
	sewerage, and other public utilities.

For all properties under consideration, each criterion was graded on a scale of 1 to 5. A grade was assigned based on the Committee's assessment as to how well the property achieved the goals of the criterion. In other words, the higher the grade the better that property "scores" on that criterion.

The following table provides the general guidance for interpreting the grades for each location and criterion as employed in the HPP. More detailed interpretative information on a per-criterion basis is provided below.

Numeric Designation	This location meets the stated goal
5	Strongly agree
4	Agree
3	Neutral
2	Disagree
1	Strongly disagree

Criterion Grading Interpretation

To promote a more structured and descriptive process, and to elaborate on the considerations made during the grading process for this update, more detailed interpretative information on a per-criterion basis is provided as guidance for interpreting the assigned grades.

Impact: How many units are estimated to be added to the Subsidized Housing Inventory?

- 5. More than 120 units
- 4. 41 120 units
- 3. 21 40 units
- 2. 11 20 units
- 1. 10 or less units

Note: the HPP documented a need and therefore a preference for rental units, but otherwise no specific demographic target was identified, as "they are all in demand."

<u>Environmental</u>: What impact (positive or negative) will the location likely have regarding environmental concerns such as proximity to public drinking water supplies, aquifers, flood plains, wetland protection, and preserving habitat of protected species?

- 5. Will mitigate existing problems or improve the environment.
- 4. No environmental concerns are apparent.
- 3. No significant environmental concerns have been identified.
- 2. Potential for some significant environmental concerns requiring further review.
- 1. Possible critical environmental concerns.

<u>Reuse</u>: Will housing development represent a reuse of the existing property?

5. Previously developed property, with existing buildings and/or parking, no longer in use.

4. Previously developed property that is currently in use, where housing may be a more appropriate long-term usage; or a property where some work has been performed preparing the property for eventual development.

3. Limited previous or current use.

- 2. Unused and with potential as preserved open space.
- 1. Unused and currently designated as open space.

<u>Character</u>: How compatible would housing development be with the surrounding community?

- 5. Area already has substantial multi-family housing.
- 4. Area is moderately to densely populated with mixed housing types.
- 3. Mixed-use area or transitional zoning.
- 2. Area is primarily single-family housing or commercial/industrial.
- 1. Area is exclusively single-family housing or commercial/industrial.

<u>Access</u>: How easy will it be to access the property?

5. Multiple access points, significant throughput, and convenient highway access, or local access to public transportation.

4. At least one major access path, adequate throughput, and access to highways that will not introduce significant congestion on local roads.

3. One major access path, potential throughput concerns, access to highways on local roads that may be congested at times of heavy use.

2. Limited access, or significant throughput or congestion concerns.

1. Challenging to egress or enter the site via an automobile.

<u>Amenities</u>: How convenient is access to shopping (in particular food), health services, recreation including open space, community activities and municipal services?

5. Amenities, or access to public transportation, within walking distance (1/4 mile), on sidewalks (or bike/walking trails).

4. Within walking distance, but some walking in roadway necessary.

3. Long walk or short drive.

2. Limited access without considerable driving.

1. Out in the middle of nowhere.

<u>Feasibility</u>: How strong is property owner and developer interest in affordable housing, and how feasible is cost-effective development?

5. Already approved for development or in approval process.

4. Interested property owner with potential developer interest on a feasible property.

3. Property currently being considered for development but plans non-specific.

2. Property owner not currently interested in development or feasibility obstacles.

1. Property owner opposed to development of affordable housing or serious concerns that development may not be cost effective.

<u>Zoning</u>: How easy would it be to obtain a comprehensive permit or otherwise get zoning approval?

5. Property is already approved for an affordable housing project, or is located in a RM district.

4. Property is located in a commercial zoning district and would be eligible for redevelopment within the Community Enhancement & Investment Overlay District (CEIOD).

3. Development likely to be considered consistent with local needs or consistent with evolving town zoning strategies.

2. Development likely to encounter significant resistance if proposed zoning exceptions are requested.

1. Development likely to be considered inconsistent with local needs or inconsistent with evolving town zoning strategies.

<u>Compatibility</u>: How compatible or incompatible is the designation of the property for affordable housing with other town-planning documents, in particular the Master Plan?

5. The property is designated in the Master Plan as a potential housing site.

4. The area is identified in the Master Plan as an area suitable for housing.

3. Not mentioned in the Master Plan.

2. The Master Plan designates the area for purposes other than housing.

1. The Master Plan designates the property for purposes other than housing.

Utilities: How much capacity is available regarding utility infrastructure?

- 5. Development already approved.
- 4. Town officials have verified that capacity is available.
- 3. Capacity unclear/unknown.
- 2. Town officials have identified concerns regarding capacity.
- 1. Town officials have determined capacity is currently inadequate.

Note: the criterion has been renamed from Infrastructure to the more descriptive Utilities.

Evaluation Matrix

The following table provides the results of the evaluation process of both the original priority sites from the HPP, minus the dropped sites, plus the new sites identified by the HAB. Note that the composite or average score included in the HPP has been eliminated. As explained in the HPP, the scores were never intended to be used for ranking sites. The overriding objective is not a rank ordering but rather to identify sites that have value as good candidates for meeting the planned production needs of the town. Also, the sites are listed in alphabetical order to avoid any implication of ranking.

Some of the grades for original sites have been adjusted to reflect the refinement to the criteria and grading process as described above.

Location	Impact	Environment	Reuse	Character	Access	Amenities	Feasibility	Zoning	Compatibility	Utilities
93 Brick Kiln Rd	4	2	2	4	3	2	3	3	2	4
111 Chelmsford St	1	4	4	5	4	5	4	3	3	4
271-279 Chelmsford St	1	4	4	4	5	5	2	4	2	5
280-284 Chelmsford St	2	4	5	3	4	5	5	2	2	4
7 Gorham St / 1 Pinehill	3	4	3	4	4	2	4	3	4	3
236 Groton Rd	4	4	4	3	5	5*	4	3	3	3
50 Hunt Rd	3	3	4	4	5	4	3	2	3	4
276-282 Mill Rd	3	3	4	3	4	2	4	2	2	4
59-65 Princeton St	3	4	5	5	4	4	4	4	4	4
133 Princeton St	2	3	4	3	5	4	3	4	3	4
255 Princeton St	5	5	5	5	4	3	4	3	5	4
128 Riverneck Rd	4	3	4	3	3	2	3	2	3	4
191 Riverneck Rd	4	4	3	3	3	2	3	2	3	4
243 Riverneck Rd	3	4	4	3	3	2	3	5	3	5
271 Riverneck Rd	4	5	5	2	3	5	4	5	3	3
136 Stedman St	3	3	4	4	4	3	3	2	2	2
10 Technology Dr	4	3	3	4	4	4	3	2	3	4
80-104 Turnpike Rd	4	4	4	4	3	2	3	2	3	5
33 Vinal Square. / 9 Princeton St	1	2	4	3	3	5	3	2	4	4
Woodland Park (Dunstan Road Off) * Contingent upon LBTA	2	3	2	5	3	2	3	3	4	3

* Contingent upon LRTA bus-line expansion.

4.6. Planned Production Targets

The following table specifies the preferred or projected target development on each priority site. The specification includes:

- Project Type (Chapter 40B, Chapter 40R, Inclusionary Zoning (IZ), or To Be Determined (TBD)).
- Based on the existing character of the neighborhood, in particular the housing mix, whether ownership or rental units are preferred at the site, or if a mix of ownership and rental would be appropriate (both), or if there is no preference (either).
- The preferred type of units with respect to the number of bedrooms and whether or not they should be age-restricted (senior) or not (open).
- An estimate of a range of units that the location could reasonably accommodate given the dimensions of the property, the characteristics of the area, and the projected development type ('o' for ownership, 'r' for rental). For sites specified as both or either, the estimates are based on all units being ownership or all units being rental. The actual number of units to be approved during a comprehensive permit process would be based on detailed specifications.

Sites are listed in the same order (alphabetical) as the evaluation matrix in the preceeding section.

	Project	Ownership vs.		
Location	Туре	Rental	Type of Units	Projected Units
93 Brick Kiln Rd	40B	both	1-2-3 bed, open	60-80o, 12500- 1520r
111 Chelmsford St	40B	Rental	1 bed studio, senior	8-12r
271-279 Chelmsford St	40B	either	1-2 bed, senior	8-12o, 12-20r
280-284 Chelmsford St	40B	Rental	1-2 bed, senior	8-12r
7 Gorham St / 1 Pinehill	40B	both	1-2 bed, open	8-12o, 10-20r
236 Groton Rd	40R	Rental	1-2-3 bed, open	100-150r
50 Hunt Rd	40B	Rental	1-2-3 bed, open	70-90r
276-282 Mill Rd	40B	Rental	1-2-3 bed, open	40-60r
59-65 Princeton St	40B	Rental	1-2 bed, open	20-30r
133 Princeton St	40B	either	1-2 bed, open	6-10o, 12-20r
255 Princeton Street	TBD	both	1-2-3 bed, mix	TBD
128 Riverneck Rd	40B	Rental	1-2-3 bed, open	80-100r
191 Riverneck Rd	40B	either	1-2-3 bed, open	20-40o, 40-50r
243 Riverneck Rd	40B	Rental	1-2-3 bed, open	40-50r
271 Riverneck Rd	40B	both	1-3 bed, open	10-20o, 20-35r
136 Steadman St	40B	Rental	1-2 bed, open	20-30r
10 Technology Dr	40B	Rental	1-2-3 bed, open	30-40r
80-104 Turnpike Rd	40B	both	1-2-3 bed, open	75-100o, 125- 150r
33 Vinal Square. / 9 Princeton St	40B	Owner	1-2 bed, open	8-120
Woodland Park (Dunstan Road Off)	40B	Rental	1-2 bed, open	8-12r

4.7. Planned Production Schedule

The 2011 Affordable Housing Plan, as required for a Housing Production Plan, included a Planned Production Schedule. A Planned Production schedule identifies likely locations where development of housing units eligible to be added to the Subsidized Housing Inventory (SHI) would result in the town achieving full certification status by reaching the goal of 10% of housing units appearing on the SHI.

The schedule identified locations on a yearly basis with SHI units sufficient to achieve an annual goal of adding units to the SHI equal to or exceeding 0.5% of the town's total housing inventory as determined by the most recent decennial census from the United States Census Bureau. At the time the HPP was approved, 0.5% represented 65 units. By producing the required units on an annual basis the town could achieve temporary certification status.

The schedule in the HPP identified four locations that were considered likely or necessary for production in the 5-year period 2012 through 2016. Two of the locations, on Littleton Road and Mill Road, have gone through the comprehensive permit process as discussed in section 3.1. The town thereby achieved two years of temporary certification status.

The HPP explicitly recommended further study of the Oak Hill property to determine if it was appropriate and practical for development of housing. Town Meeting approved formation of a committee to study potential uses of the property. The committee determined that housing was not practical, and that preservation as open space was the best usage.

Another property -280-284 Chelmsford St., has not been developed but is retained in this update as still a potential location for affordable housing.

As presented in section 1.2, based on the 2010 census, the annual goal is 69 units per year, and 205 units must be added to the SHI to achieve full certification (i.e., 10% of housing units on the SHI). The Planned Production Schedule for the required 69 (minimum) units per year will start in 2017 and run for three years to achieve full certification. Reiterating the text from the HPP, it must be noted that the specific locations to be developed, in particular those identified as preferred 40B sites, are subject to property owner and developer interest. It is the responsibility of the Town of Chelmsford to be proactive in fostering interest on those sites identified as preferred 40B locations, or that meet the desired criteria for 40B or 40R projects. Fiscal constraints must also be recognized and reconciled.

Based on current developer interest and initiative, as presented to the Housing Advisory Board, the following Planned Production Schedule represents the town's assessment of the most likely path to full certification.

Year	Projects/Locations	SHI Units
2017	50 Hunt Road	84
2018	93 Brick Kiln (Phase 1)	75
2019	93 Brick Kiln (Phase 2)	75

4.8. Un-Planned Production

While this plan identifies 20 sites which have been determined to be appropriate and preferred locations for affordable housing, it is acknowledged and understood that other sites, not identified in this plan, may be appropriate for affordable housing opportunities as well. These sites are classified as "un-planned" production.

In order to provide pro-active guidance to prospective project proponents, residents, Town Boards and Committees, and the State regulatory agencies, the Town of Chelmsford is providing "guiding principles" contained in recent land use policy documents that identify specific sites and areas that are not appropriate for un-planned 40B projects and identify sitting criteria to be utilized to determine the appropriateness of an un-planned 40B project.

4.8.1. Land Use Guiding Principles

Several recently completed land use policy documents provide further guidance on appropriately sitting un-planned housing opportunities. These documents include the 2010 Master Plan and the 2010 Open Space and Recreation Plan, both of which have been locally approved by the Board of Selectmen.

As mentioned in section 3.4, since the adoption of the 2011 HPP, the above recommendations in the 2010 Master Plan have been implemented with the adoption of the CEIOD bylaw. This now encourages and incentives the production of multi-family housing in all existing commercial zoning districts.

Based upon this, since the last PPP, the Town has developed clear guiding principles or in other words siting criteria and preferences related to the location of multi-family and its relationship with the Master Plan and the Towns housing and economic development goals and objectives, via the adoption of the CEIOD and the Rt. 129 BAOD

The 2010 Open Space and Recreation Plan specifically identifies all properties under Chapter 61, 61A and 61B as high priority acquisitions. In addition, it calls for the protection of, and where appropriate the acquisition of, high value properties. Potentially high value properties include parcels that connect wildlife corridors, parcels adjacent to water district, parcels located along streams, rivers, wetlands, vernal pools and parcels that are significant to the Town's historical and agricultural character.

4.8.2. Siting Criteria

Based upon the updated land use guiding principles, the following general sitting criteria are further updated to determine appropriate locations for un-planned 40B projects. More specifically, the general siting criteria related to un-planned production have been tightened since the last PPP to directly reflect the Town's clear zoning strategies for housing production. Simply stated, multi-family within single family zoning districts in not consistent with the updated land use guiding principles and updated zoning strategies.

Type of Housing	Siting Criteria
Single Family (detached)	Any single family zoning district
2 Family (attached / detached / conversion)	Any Residential C district
2, 3 and 4 Family (attached / detached / conversion)	Any Residential C and M (multi-family) district
Low Density Multi- family (4-6 units per acre)	Any commercial District per the CEIOD
Medium Density Multi-family (6-10 units per acre)	Any commercial District per the CEIOD
High Density (11+ units per acre)	Any commercial District per the CEIOD and the rt. 129 BAOD.

Below is a map displaying the commercial zoning districts per the CEIOD.



Below is a map displaying the rt. 129 BAOD.



Black outlined area is the perimeter boundary of the overlay district Orange outlined areas are "Commercial Exclusion Zones" Red outlined areas are properties per section 195-146.1 Perimeter boundary of the overlay district and Commercial Exclusion Zone follow property line boundaries.