

# Town of Hopkinton Housing Plan

March 2004

Prepared for:

Hopkinton Affordable Housing Task Force  
Hopkinton Planning Department

Prepared by:

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## REPORT SUMMARY

### I. Priority Housing Needs

Hopkinton is a desirable, rapidly growing town in the state's highest-growth region, the I-495 corridor. A community that works hard to manage growth, to protect land and water resources and provide for a strong tax base, Hopkinton is under tremendous pressure to absorb new residential development. During the 1990s, Hopkinton attracted so many new families that its decennial rate of under-18 population growth ranks 3 out of 351 cities and towns in the Commonwealth. The rapid transformation of vacant land to new homes not only brought more people into Hopkinton, but also changed the demographic make-up of the town. In 1980, Hopkinton was a rural, middle-class community; today it is an upper-income suburb. The physical, economic and cultural changes that have occurred in Hopkinton make it very difficult for local officials to address the town's housing needs. Extraordinarily high land values, a declining inventory of readily developable land, and concerns about the environmental and fiscal impacts of new growth all present challenges to housing choice.

Hopkinton's priority housing needs include:

1. Affordable rental units for lower-income families.
  - Hopkinton has an unusually limited inventory of rental housing. The town ranks 48 out of 54 communities in Middlesex County for number of rental units and 47 for percentage of renter-occupied housing.
  - Hopkinton renters are primarily low-income elders and affluent young professionals. The town's average renter household size of 1.7 persons is the fourth smallest in Middlesex County.
  - Hopkinton's existing rental units are the smallest in Middlesex County. The median number of rooms in a Hopkinton rental unit is 3.4, and only 15% of all renter-occupied units in Hopkinton contain three or more bedrooms. Nearly all of the 3+ bedroom units are single-family residences that command high rents.
2. Affordable rental units that are suitably designed for senior citizens and persons with disabilities.
  - The population percent of persons 65 and over in Hopkinton is very low: 6.9% compared to 13.8% for the state as a whole, and 13% for Middlesex County. Only Boxborough surpasses Hopkinton for low percentages of elderly population and elderly households.
  - Hopkinton falls in the lower quartile for Middlesex County in terms of the percentage of elders in rental housing. The only rental units developed in Hopkinton for elderly tenants are owned and managed by the Hopkinton Housing Authority. As a result, the town offers no choice to elders with incomes above 80%

of area median income, and its very small portfolio of elderly public housing units means that elders with incomes below 80% also have very little choice.

- Hopkinton is slightly below average for Middlesex County, and well below average for the state as a whole, for percent of working-age adults with physical disabilities. However, its elderly population with physical disabilities is so small that it constitutes the lowest percentage of the elderly population anywhere in Middlesex County.

3. Affordable homeownership units for moderate-income families and elders.

- In April 2000 (Census 2000), Hopkinton was one of five Middlesex County communities in which the asking price for every home on the market exceeded \$300,000.
- Elderly homeowners in Hopkinton spend significantly more on housing costs than elders in most Middlesex County communities, the Boston metropolitan area or the state. More than 34% of Hopkinton's over-65 homeowners pay more than 30% of their income on housing: for many, this means property taxes and house insurance, and for some, it also includes a mortgage payment. Hopkinton ranks 4 out of 54 Middlesex County communities for its high percentage of cost-burdened elderly homeowners.
- Hopkinton families spend about the same percentage of their income on housing costs as families in other affluent communities in the Boston area. Families constitute a very high percentage of Hopkinton households, and the incomes of families with children are higher than the incomes of other households in town. As a result, Hopkinton's relatively low percentage of cost-burdened homeowners is consistent with its overall household profile. However, Hopkinton has the fifth lowest percentage of low- or moderate-income homeowners in Middlesex County and for households in this income range, the rate of housing cost burden in Hopkinton is the County's sixth highest.

4. Homeownership units at below-market prices, affordable to middle-income homebuyers.

- As Hopkinton continues to grow in a pattern dominated by very large, spacious, expensive homes, the town is losing its traditional middle-class core. In 2000, Hopkinton ranked 23 out of 351 cities and towns in the state for median household income, yet in 1980, the town's statewide income rank was 63.
- The median single-family home sale price in Hopkinton is unaffordable to 65% of its present households and 77% of all households in the Boston metropolitan area.
- A household of four at the median income for the Boston area can afford a house that costs approximately \$180,000. For them, the median sale price in Hopkinton constitutes an affordability gap of \$299,000.

## II. Current & Recent Initiatives

Unlike many small towns, Hopkinton chose years ago to adopt zoning that provides for a mix of homes. Multi-family housing is allowed by special permit in all of the town's residential districts at a density of about four units per acre. Hopkinton also allows conversions of older homes to multi-unit buildings, and the town has issued comprehensive permits for low- or moderate-income housing.

Despite these actions, Hopkinton has very few multi-family developments and a housing inventory with limited diversity. Wetlands and wastewater disposal are significant land use constraints in many parts of town, such that even Hopkinton's multi-family condominium developments are often built at a lower density than allowed by zoning. The most obvious residential mix can be found in the seamless co-mingling of single-family, two-family and small multi-unit residences in Hopkinton's older, traditional neighborhoods. However, as market demand for a home in Hopkinton intensifies and land values increase, these and other small dwelling units will attract investments in renovation and expansion. In some cases, they will be demolished and replaced with new, high-cost homes, a trend that is already evident in many parts of town.

In the past five years, Hopkinton has taken several steps to provide more housing choices in town. These steps include:

- **Community Preservation.**

In an unusual public-private partnership, Hopkinton has used Community Preservation Act (CPA) revenue to relocate, modernize and enlarge a single-family house donated by EMC Corporation. Having received DHCD's approval of the "EMC House" as a Local Initiative Program (LIP) unit, Hopkinton will sponsor a lottery soon to sell the home to a qualified low- or moderate-income household.



The EMC House-56 Hayward Street, Hopkinton.

- **Preservation of Existing Chapter 40B Units.** The town has been trying for some time to work with DHCD to address the loss of affordable homeownership units in two Chapter 40B developments. Three of Hopkinton's 19 affordable homeownership units have converted to market-rate housing because the deed restrictions were flawed, the Town did not receive adequate notice that the units were for sale, or the state did not exercise its right of first refusal to acquire Homeownership Opportunity Program (HOP) units within the timeframe specified in the deed rider. The same conditions place an

additional thirteen homeownership units at risk at the Pinecrest Village and Wood Hollow developments. DHCD acknowledges these problems and has pledged to keep the units on the Town's Subsidized Housing Inventory even though two of them are no longer affordable. However, from Hopkinton's point of view, the issue is not whether the units remain on the Subsidized Housing Inventory; it is that the town issued comprehensive permits with the expectation that Hopkinton would have affordable housing. In July 2003, local officials met with DHCD representatives and requested a plan from the state to recapture the units or otherwise reinstate the deed rider. To date, DHCD has not responded.

- **Duplex Bylaw.** In 2002, town meeting approved new regulations to allow duplex units in Hopkinton. At least one unit in each duplex must be affordable and eligible for listing on the Subsidized Housing Inventory. The regulations apply in all residential zoning districts.
- **Senior Housing Bylaw.** In 1999, Hopkinton supplemented its long-standing Garden Apartments Bylaw with a new Senior Housing Bylaw to encourage over-55 housing developments.
- **Senior Center-Elderly Housing Development.** Hopkinton and DHCD have negotiated an agreement that will allow a new senior center to be built on land owned by the Housing Authority in exchange for the town's support of 12 new low-income elderly housing units on the same parcel.
- **Fruit Street Master Plan.** In 2002, Hopkinton purchased 257 acres of land on Fruit Street. A Master Use Plan for the property calls for a future elementary school, a public water supply, town facilities, recreation areas, and affordable housing. EOEA has determined that the town must prepare an Environmental Impact Report (EIR) before any development can occur on the site. Consultants have already begun to work on some aspects of the EIR and the town expects to complete the remaining studies over the next 15-18 months.
- **Community Housing Task Force.** In 2001, the Planning Board appointed an ad hoc committee to study the town's housing needs, research housing programs and policies in other towns, and set goals to guide the development of a comprehensive housing plan for Hopkinton. The Community Housing Task Force also spearheaded the EMC House project, developed a municipal employee housing program, and helped the town qualify as a participating community in the DHCD/MHP Soft-Second Loan Program.
- **Hopkinton Community Housing Task Force, Inc.** The town has formed a new non-profit housing development corporation, the Hopkinton Community Housing Task Force, Inc. The HCHTF is a spin-off initiative of the Planning Board's earlier housing study committee.
- **Housing Plan.** Hopkinton allocated most of its Executive Order 418 grant to this housing plan.

### III. Opportunities & Barriers

Variety in housing types, a range of prices, and access to ownership and rental opportunities are essential elements of housing choice. The Hopkinton Master Plan (1999) promotes housing choice through two goals and eight proposed strategies:

Master Plan Goal	Proposed Strategy
Goal 1. Provide sound and affordable housing for all ages and income levels.	<ul style="list-style-type: none"> <li>• Consider providing affordable housing units through the state’s Local Initiative Program, through negotiation with private developers.</li> <li>• Support the Hopkinton Housing Authority in its efforts to provide adequate, safe, handicapped accessible and affordable housing for residents.</li> <li>• Consider a "rent-to-own" program that would allow Hopkinton public housing residents to purchase a home in Hopkinton.</li> </ul>
Goal 2. Provide for a variety of housing types within the rural residential character of Hopkinton.	<ul style="list-style-type: none"> <li>• Continue to provide housing through the Open Space and Landscape Preservation Development (OSLPD) process.</li> <li>• Consider incentives tied to the provision of affordable housing units in single-family subdivisions, or inclusionary zoning.</li> <li>• Study the feasibility of requiring linkage funds for affordable housing.</li> <li>• Establish design/architectural review for multi-family residential dwelling proposals.</li> <li>• Establish Rural Appearance Guidelines for residential development.</li> </ul>

The Master Plan’s housing recommendations focus on affordability and land use. As proposed actions, they supplement a long history of efforts in Hopkinton to provide for a range of housing options and encourage high-quality development. In fact, Hopkinton has already taken many steps to address its housing and residential development needs in a manner that is compatible with the visual character of the town, such as:

- **Garden Apartments Bylaw.** Hopkinton is one of the few suburbs in Massachusetts that allows attached or common-wall housing units in all residential zoning districts. Under the Garden Apartments Bylaw that town meeting adopted in the 1970s, developments of about four units (or eight bedrooms) per acre are allowed by special permit. Hopkinton has 340 condominiums and most were built under the “garden apartments” regulations.
- **Conversions and Accessory Apartments.** Hopkinton allows conversions of single-family residences to multi-unit buildings, up to four units per conversion, and accessory family dwellings, both by special permit.
- **Open Space and Landscape Preservation Development Bylaw.** Hopkinton has enjoyed tremendous success with its cluster bylaw, known locally as the Open Space and

Landscape Preservation Development Bylaw. Virtually all single-family subdivisions on parcels of 10 acres or more have been developed under OSLPD regulations, saving about 800 acres of open space.

- **Identification of Tax Title Parcels for Residential Use.** In 1998, Hopkinton commissioned a study of numerous tax title parcels in an effort to determine their best use. Three parcels with no obvious site constraints and five with some development capacity were identified as potentially suitable for housing. Two of the smaller parcels were later combined to supply the relocation lot for the EMC House, 56 Hayward Street.
- **Comprehensive Permits.** Hopkinton has approved several Chapter 40B developments. The Hopkinton Housing Authority owns and manages 96 units of elderly housing and six units of family housing. In addition, the town approved a Homeownership Opportunity Program (HOP) development in the late 1980s, Pinecrest Village, and a Local Initiative Program (LIP) development in the mid-1990s, Wood Hollow. More recently, Hopkinton issued a comprehensive permit for an over-55 housing development of 56 units (Peppercorn Village), but the developer appealed the town's permit conditions to the Housing Appeals Committee (HAC). The town denied a comprehensive permit for the 40-unit Sanctuary Lane development (also over-55 housing), because of wetland impacts, and that decision has been appealed as well. Finally, a 44-unit family housing development, Stagecoach Heights, is presently before the Board of Appeals.

Since 1999, Hopkinton has implemented or initiated action on several recommendations of the Master Plan. The EMC House is a clear example of Hopkinton's interest in using the Local Initiative Program to create affordable units, and the town, the housing authority and DHCD worked together to arrive at a mutually beneficial use of land on Davis Road for a senior center and new elderly housing units. Hopkinton also has strengthened the effectiveness of its OSLPD regulations by requiring submission under the bylaw for all subdivisions on parcels of 10 acres or more, a move that gives Hopkinton officials more leverage to sway developers toward following OSLPD guidelines. In addition, the planning board has adopted design guidelines and submission requirements for the Garden Apartments and Senior Housing bylaws.

Despite these steps, Hopkinton and other suburbs like it face enormous obstacles to producing and retaining enough affordable housing units to reach the 10% standard set by Chapter 40B. Hopkinton has neither the wastewater disposal facilities nor enough water to serve substantially more homes and today, debt service absorbs about 15% of the town's general fund budget – mainly because of new schools that were built in the 1990s to accommodate explosive school enrollment growth. Since most of Hopkinton's readily developable land has been subdivided, what remains is often marginal: influenced by wetlands, very steep slopes, and access problems. Sites with relatively few constraints will continue to attract market housing development because single-family homes remain the most economic use of land in Hopkinton, but as difficult-to-develop property becomes more common, Hopkinton will be ripe for comprehensive permits.

## IV. Housing Plan Recommendations

To address short- and longer-term housing needs in Hopkinton, the town should maintain and/or initiate the following actions:

1. Establish one standing housing committee for the Town, with the following responsibilities:
  - Assume the duties of a local housing partnership.
  - Advise the Board of Selectmen, Planning Board and Zoning Board of Appeals on local housing policy.
  - Disseminate information about housing needs in Hopkinton and the surrounding region.
  - Act as the point of contact for prospective comprehensive permit applicants.
  - Conduct a technical review of site approval applications filed by developers with MassHousing prior to the submission of a comprehensive permit, and assist the Board of Selectmen with preparing written comments, if any.
  - Advocate for ways to increase the diversity of homes and the supply of affordable homeownership and rental housing units.
  - Assist property owners and developers of small, locally sponsored projects with preparing “Local Initiative Program (LIP) Units Only” applications to DHCD so that eligible housing units may be added to the Chapter 40B Subsidized Housing Inventory.
  - Advise the Community Preservation Committee (CPC) on realistic, effective ways to use Community Preservation Act revenue to create affordable housing opportunities.

Hopkinton currently has two housing committees, one of which has not met in over two years. Since the town is too small to maintain two active housing committees, Hopkinton should focus its resources on one group that doubles as a traditional housing partnership and handles the additional tasks outlined above.

2. Modify existing zoning regulations to encourage production of permanently affordable housing units, considering one or more proposals currently under review by local officials in Hopkinton, such as the Village Housing Bylaw that will be voted on at town meeting this year.
3. Continue to study the feasibility of producing affordable housing units on 12 acres of the Fruit Street property, as described in the town’s August 2003 Environmental Notification Form (ENF) for the Fruit Street Master Plan.

4. Supplement the existing accessory family dwelling unit bylaw with regulations to allow affordable accessory apartments as of right in single-family homes and small commercial buildings, subject to administrative site plan review and an affordable housing restriction.
5. Establish an overlay zoning district in the Residence A (RA) and Business (B) Districts to allow frontage waivers by special permit from the Planning Board so that infill lots may be created for affordable housing units. Limit the bylaw's applicability to areas within the RA and B Districts that have access to water and sewer service.
6. Modify existing zoning regulations to facilitate the conversion of large single-family residences to multi-family housing:
  - Eliminate the present requirement that limits conversion units to rental housing. Hopkinton needs ownership and rental housing. If market conditions make conversion to condominiums more feasible, it makes sense to give property owners the flexibility to respond in kind – provided the town realizes some affordable housing benefit.
  - Allow up to three conversion units by right, subject to a site plan and design review by the Planning Board and an affordable housing use restriction for at least one unit.
  - Allow up to four units by special permit from the Planning Board, including site plan approval and design review, subject to an affordable housing restriction for at least one unit.
  - Allow up to six congregate elderly units or shared housing for up to six elderly occupants by special permit from the Planning Board, including site plan and design review, subject to an affordable housing restriction for at least two units.
  - Continue to allow conversions by special permit so that property owners who want to develop all market-rate multi-family units in existing buildings will still be able to do so.
7. Petition the General Court to create an Affordable Housing Trust Fund. The fund should allow Hopkinton to pool its housing resources and allocate them to public or non-profit organizations.
8. Commit a minimum percentage of each year's CPA revenue to affordable housing, e.g., 30%, in order to fund a Local Housing Program.
9. Provide technical assistance and training to the Community Housing Task Force, Inc., so that it may carry out affordable housing development initiatives on the town's behalf.
10. Adopt comprehensive permit design guidelines, and review criteria and procedures for Chapter 40B site approval applications submitted to MassHousing.
11. Require comprehensive permit applicants to pay reasonable fees so the town can obtain peer review services for the Board of Appeals.

12. Designate an individual officer of the town to negotiate with comprehensive permit applicants.
13. Submit a Housing Plan to DHCD for approval under 760 CMR 31.07(1)(i).

## **V. Housing Production**

The attached implementation schedule assumes that Hopkinton will increase its Chapter 40B inventory primarily through zoning bylaw changes, LIP comprehensive permits, and small-scale housing development activity such as production of CPA-assisted units. In 2004, the town may issue a comprehensive permit for Stagecoach Heights, a proposed, 44-unit homeownership development, and achieve resolution on two comprehensive permits that are presently before the Housing Appeals Committee. In addition, the EMC House will be sold and occupied by a qualified purchaser between spring-summer 2004. Production thereafter assumes a combination of the strategies outlined in this report.

**ESTIMATED IMPLEMENTATION SCHEDULE: HOPKINTON HOUSING PRODUCTION PLAN<sup>1</sup>**

New Market Units (Building Permits)	136	58	58	50	50	50	50	50	50	50	50	50	50
New Chapter 40B Units					59	40	40	40	40	40	40	40	75
CALENDAR YEAR	2000	2001	2002	2003	2004	2005	2006	2007	2008				
Total Year-Round Homes	4,521	4,715	4,773	4,823	4,932	5,022	5,112	5,202	5,327				
Chapter 40B Units	125	125	125	125	184	224	264	304	379				
10% Requirement	452	472	477	482	493	502	511	520	533				
Gap	328	348	353	358	310	279	248	217	155				
Required # for one year	34	35	36	36	37	38	38	39	40				
Required # for two years	68	71	72	73	74	76	77	78	80				
New Market Units (Building Permits)	50	50	50	50	50	50	50	50	50				
New Chapter 40B Units	41	42	43	43	32	25	25	25	25				
CALENDAR YEAR	2009	2010	2011	2012	2013	2014	2015	2016	2017				
Total Year-Round Homes	5,418	5,510	5,603	5,696	5,778	5,853	5,928	6,003	6,078				
Chapter 40B Units	420	462	505	548	580	605	630	655	680				
10% Requirement	542	551	560	570	578	585	593	600	608				
Gap	123	90	56	23	-1	-19	-36	-54	-71				
Required # for one year	41	41	42	43	N/A	N/A	N/A	N/A	N/A				
Required # for two years	82	83	84	86	0	0	0	0	0				

<sup>1</sup> Notes: (1) "New market units" assumes that recent decline in building permits will stabilize at an average of 50 new units per year. For purposes of this plan, Hopkinton's Census 2000 year-round housing base has been adjusted each year in an effort to forecast the impact of continued market-rate development on Hopkinton's Chapter 40B gap. (2) 59-unit production in 2004 assumes approval of Stagecoach Heights (11 Chapter 40B units), the EMC House, and resolution of two comprehensive permit appeals before HAC (Peppercorn and Sanctuary Lane, 27 Chapter 40B units). (3) Higher level of production in 2008 assumes implementation of Fruit Street Master Plan. (4) Production in other years assumes combination of zoning bylaw changes, CPC-assisted housing development, LIP comprehensive permits.

## HOUSING NEEDS ANALYSIS

### I. Population Profile

Hopkinton is a small, prestigious town on the western edge of Middlesex County. Its 1990-2000 population growth rate of 45.2% ranks 7 out of 351 cities and towns in the Commonwealth, attesting to the town's desirability and the strength of the I-495 housing market. A majority of Hopkinton's 4,423 households are headed by young, affluent, well-educated people whose earnings have elevated their town to the state's 23<sup>rd</sup> wealthiest community. Excellent public schools and a traditional preference for single-family home development make Hopkinton attractive to family households, particularly families with children under 18.<sup>2</sup> As a result, Hopkinton's households are fairly large in comparison to households across the state, as shown in Table 1.

Slightly more than 14% of all Hopkinton households include at least one elderly person and 11.5% of Hopkinton's senior citizens live with a son or daughter and grandchildren.<sup>3</sup> Like most residents, the vast majority of Hopkinton elders are homeowners; unlike most residents, 55% of Hopkinton's elderly households have lived in town for at least 25 years. More than 61% of the town's homeowners bought their present house between 1990-2000, mainly after 1995. For every new house built in Hopkinton during the past decade, about two households moved into the community as older homes were recycled, resulting in a lower housing turnover rate than the average for the 12-town area depicted in Map 1.<sup>4</sup>

**Table 1: Comparison Household Characteristics**

	Hopkinton	Middlesex County	Massachusetts
Population	13,346	1,465,396	6,349,097
Households	4,423	561,220	2,443,580
Families	3,670	361,076	1,576,696
Percent Families	83.0%	64.3%	64.5%
Average Household Size	2.98	2.52	2.51
Percent Households w/ Children <18	49.3%	32.1%	30.6%

Source: Bureau of the Census, Summary File 1, Table DP-1.

<sup>2</sup> As used throughout this report, "family" refers to a household of persons related by blood or marriage. "Household" refers to all persons occupying the same housing unit. It includes families and non-family households, e.g., a household of one person, or two or more unrelated persons.

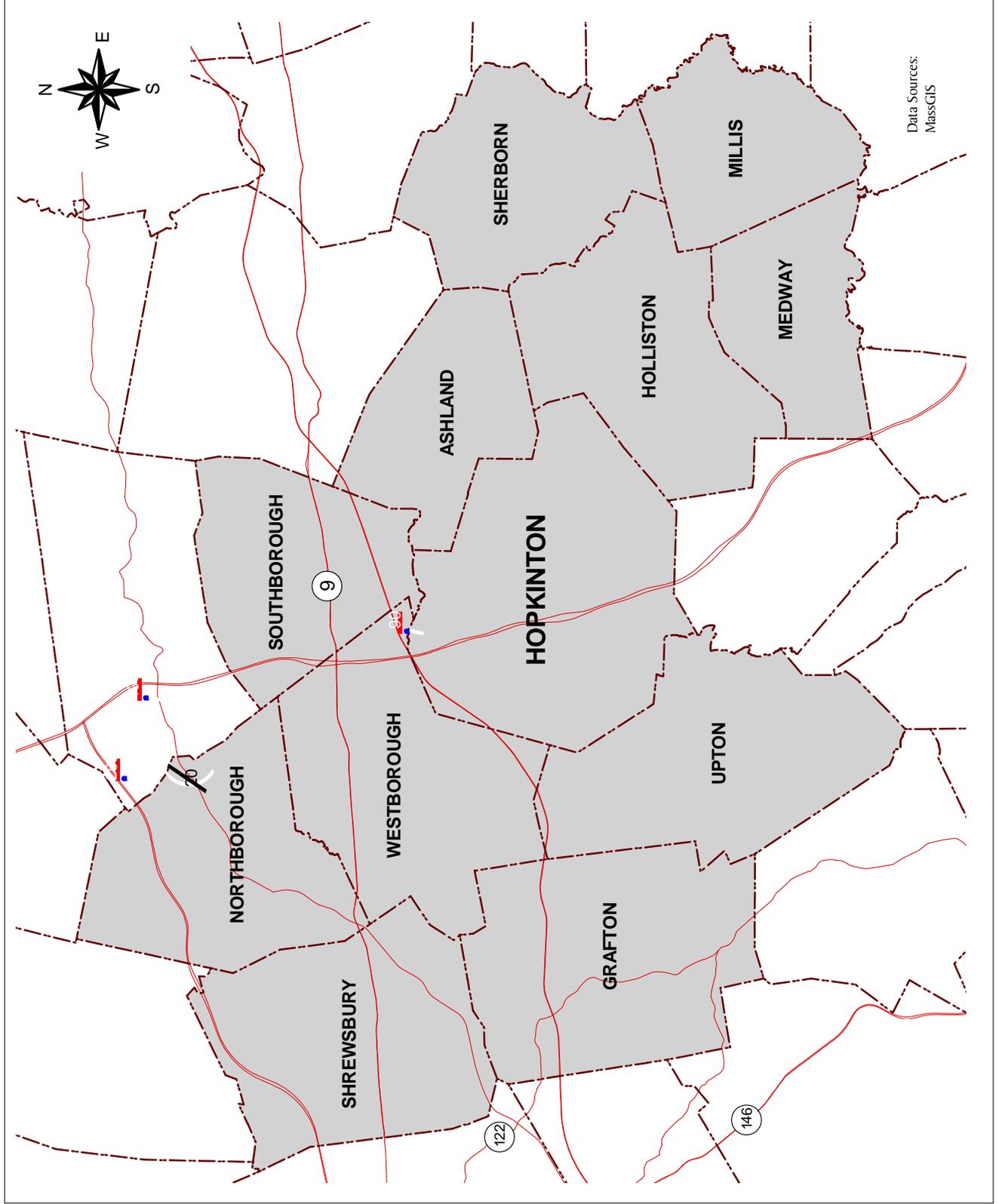
<sup>3</sup> Bureau of the Census, Census 2000, Summary File 3, Table DP-2, Hopkinton.

<sup>4</sup> Census 2000, Summary File 3, Tables H-36, H-38.

TOWN OF  
**HOPKINTON**

Housing Plan  
Map I

Regional  
Study Area



**LEGEND**

- Municipal Boundaries
- Highways
- Study Area

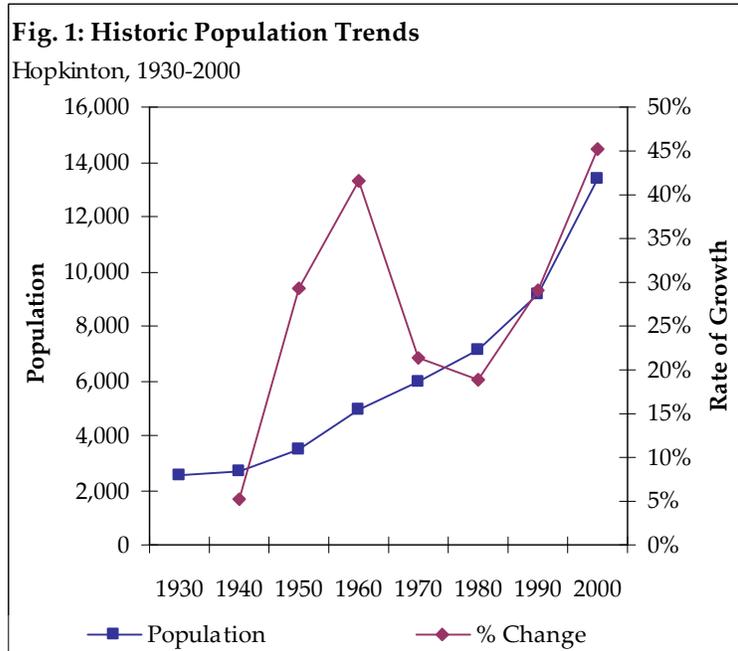


## Population Growth

Hopkinton experienced a decade of rapid population growth during the 1960s when the completion of I-495 converged with post-war demand for suburban housing (Fig. 1). The town has grown in cycles, echoing demographic and market trends that originated beyond its own borders.

Hopkinton continued to gain population after 1970, but its growth rate dropped for two decades even though housing starts remained robust compared to many towns in the region. The recent reversal of Hopkinton's declining growth rate is attributable more to housing starts that occurred after 1985 than to the re-sale of older homes. Thirty percent of the homes in Hopkinton today were built during the past decade, and Hopkinton ranks fifth in

the Commonwealth for percent growth in housing stock between 1990-2000.<sup>5</sup> Although many communities along I-495 absorbed a significant increase in population during the 1990s, Hopkinton's state rank for rate of population growth is 7 out of 351 cities and towns.



## Population and Age

Hopkinton's growth has brought about changes in the age make-up its population. Table 2 shows that across the Commonwealth, the elderly as a percentage of the population dropped imperceptibly, from 13.6% in 1990 to 13.5% in 2000 while in Hopkinton, elders made up 7.2% of the population in 1990 and 6.9% in 2000. In absolute terms, Hopkinton's elderly population increased by 255 people or 38.5%, including a 24% growth rate among persons 65-74, an age group that declined statewide by 7%. Regardless, the arrival of new families during the 1990s led to an unusually large increase in Hopkinton's under-18 population – 71% – even though the state's rose by only 10.9%. In Hopkinton, most of the under-18 population growth occurred among persons between 5-17 years of age, consistent with statewide trends. However, while the Commonwealth's pre-school population declined 3.7%, Hopkinton's increased by 60% between 1990-2000.

<sup>5</sup> Massachusetts Department of Revenue, Municipal Data Bank, "Total Housing Units, Land and Water Area Per Square Mile," in EXCEL format [House&SqMi.xls], supplemented with data from 1990-2000 Census Summary File 1, Table DP-1; state ranks by author.

**Table 2: Change in Age of Hopkinton Population, 1990-2000**

Age Cohort	1990	2000	% Change	Age Cohort	1990	2000	% Change
Under 5	828	1,323	59.8%	Age 45-54	1,058	2,154	103.6%
Age 5-17	1,752	3,094	76.6%	Age 55-64	602	867	44.0%
Age 18-24	644	455	-29.3%	Age 65-74	393	486	23.7%
Age 25-34	1,566	1,462	-6.6%	Over 75	269	431	60.2%
Age 35-44	2,079	3,074	47.9%				
Total Population	9,191	13,346	45.2%				
% Population <18				% Population >65			
Hopkinton	28.1%	33.1%		Hopkinton	7.2%	6.9%	
Massachusetts	22.5%	23.6%		Massachusetts	13.6%	13.5%	

Source: Bureau of the Census, 1990 Census of Population and Housing, Census 2000, Summary File 1.

### Labor Force, Education & Employment

Hopkinton's percent of persons in the labor force (77%) is high compared to the state (66%), a condition that mirrors the age and educational characteristics of its residents. Many have high-paying jobs as managers and professionals employed in research and development, science and technology, the health and human service fields and education, with 58% of the town's over-25 population holding college, professional or graduate degrees.<sup>6</sup> Hopkinton also surpasses the state for residents employed at home (5.1%)<sup>7</sup> or as self-employed business owners (7.9%). Moreover, the town's unemployment rate typically runs much lower than that of the state or Middlesex County, even during the recession of the early 1990s.<sup>8</sup>

Except for the self-employed with a local business, most Hopkinton residents work elsewhere in Middlesex County or Boston. About 15% are employed locally but more than half commute by car, usually traveling more than a half-hour each way. Significantly, Hopkinton is among the state's top 10 communities for average annual wage paid by local establishments and the town is unusual for the size of its employment base. Aggregate employment in Hopkinton translates into 1.4 local jobs per resident in the labor force, a condition not found in many Eastern Massachusetts suburbs. During the 1990s, Hopkinton absorbed a 47% increase in the number of employers doing business in town while attracting job growth in all sectors except trade, with manufacturing, services, government, and finance leading the way. In fact, manufacturing industries employ more than 58% of the 8,900 people who work in Hopkinton each day.

<sup>6</sup> Census 2000, Summary File 3, Tables DP-2, DP-3.

<sup>7</sup> The percentage of persons working at home, either in home occupations or as tele-commuters, is most likely higher than suggested by decennial census data.

<sup>8</sup> Massachusetts Department of Employment and Training (DET), [database online], "Local Area Unemployment Series" (LAUS), 1983-2000.

### Race, Ethnicity and National Origin

Hopkinton residents are primarily white (95.8%) and of English, Irish, Italian or German descent. Among racial minority groups, the Asian population is Hopkinton's largest. About one percent of Hopkinton's current population is Hispanic.<sup>9</sup>

### Households, Income and Wealth

Although Hopkinton has always had affluent families, the town has changed considerably over the past 20 years. Its state rank of 23 for median household income today is substantively different from its rank of 66 in 1980.<sup>10</sup> High-end housing growth and a steady in-migration of young, upper-income people have made Hopkinton an increasingly prestigious suburb that attracts families seeking a home in the I-495 area. In the immediate region, only Sherborn and Southborough exceed Hopkinton for household, family or per capita income, and households with incomes over \$200,000. The economically advantaged position of many Hopkinton households reflects their sources of income, their educational backgrounds and occupations and size of the labor force. Ninety-two percent of the town's households have earned income, with average annual earnings of \$122,167.<sup>11</sup>

### Household Characteristics by Neighborhood and Age Group

Hopkinton's households generally enjoy a high standard of living, but its population is not as homogenous as town-wide statistics imply. About 21% of the town's households have incomes below area median income,<sup>12</sup> and while householders over 65 are more likely to be moderate-income, age alone does not account for class differences that exist in Hopkinton. Incomes vary across town, between homeowners and renters, and by household composition, as illustrated in federal census data at "sub-local" or neighborhood geographies.

Hopkinton's two federal census tracts include a total of five census block groups (Map 2). Census Bureau boundaries may not match locally defined neighborhoods, but they allow cross-town statistical comparisons. One tract (four block groups) lies east of I-495 while the second tract (fifth block group) covers all land west of I-495. Two small block groups and part of a third make up another type of census geography, the census designated place or CDP, a densely populated area. Hopkinton's CDP includes all of Hopkinton Center and its population density per square mile (mi<sup>2</sup>) is 3.1 times that of the town as a whole. The homes in and around Hopkinton Center are generally older and more likely to be owned and occupied by elderly households. Hopkinton Center households also tend to have lower

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<sup>9</sup> Census 2000, Summary File 1, Table DP-1; Summary File 3, Table DP 2.

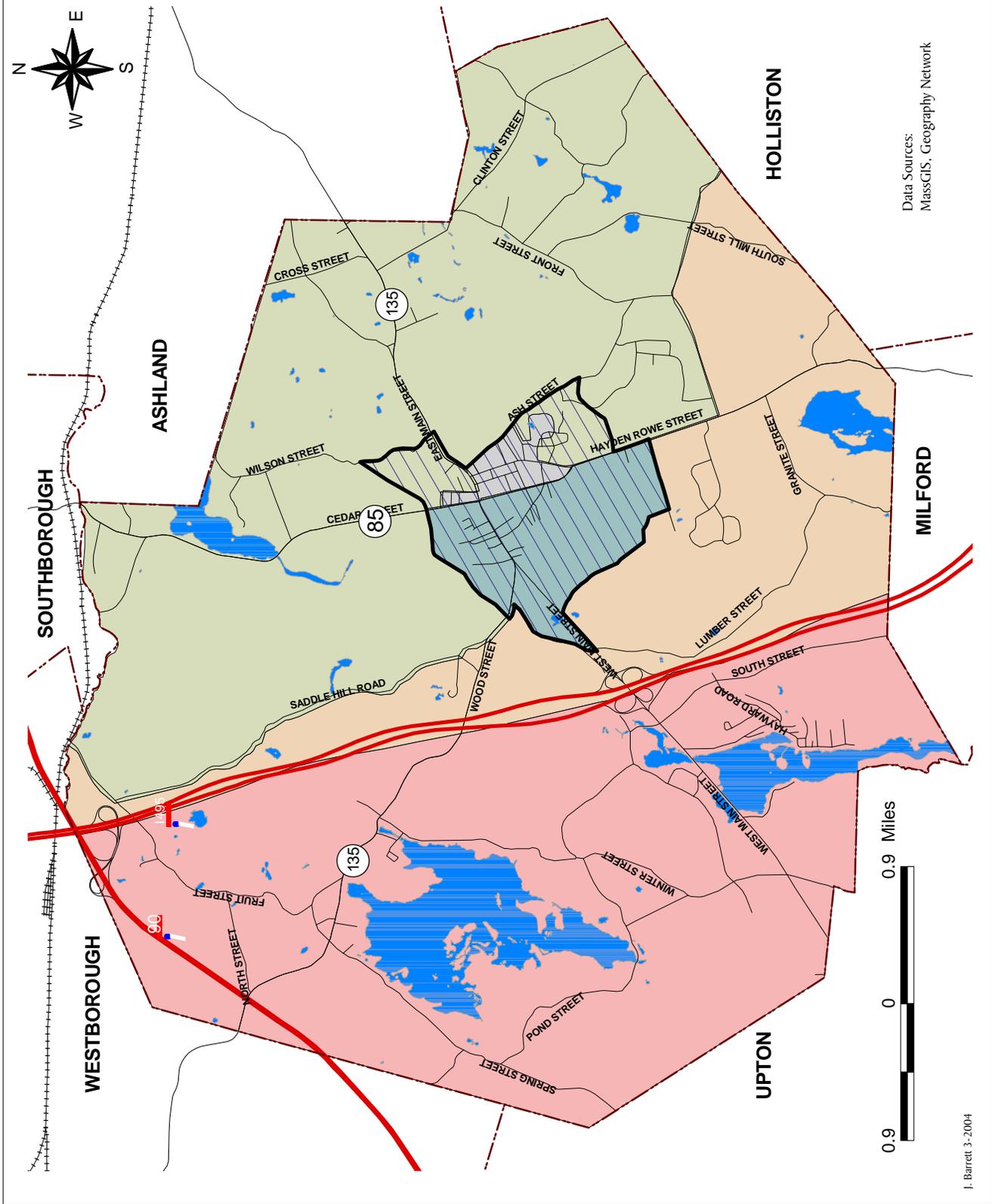
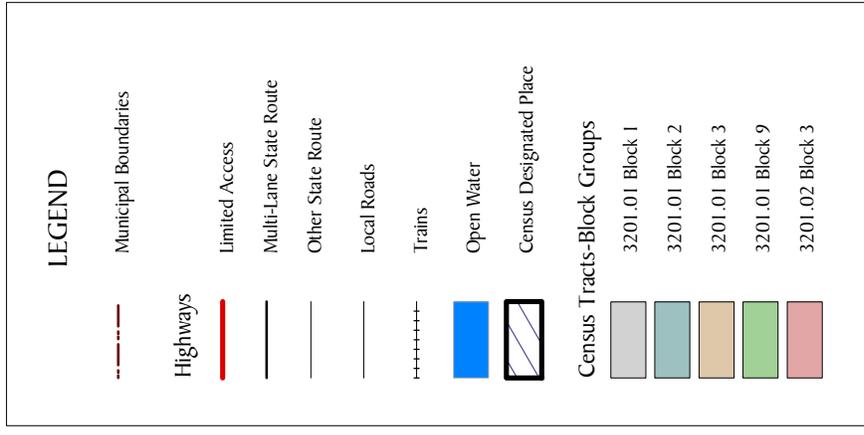
<sup>10</sup> Census 2000, Summary File 3, Table DP-3; Boston Globe, 21 May 2002; press kit supplied by Bureau of the Census to New England media establishments, in EXCEL, "intoma14.xls," <<http://www.boston.com>> [cited 21 May 2002].

<sup>11</sup> Census 2000, Summary File 3, Table DP-3.

<sup>12</sup> The Boston PMSA median household income was \$55,234 in April 2000.

# TOWN OF HOPKINTON

## Housing Plan Map 2



incomes, although its seniors have relatively high incomes compared to the town’s elderly population as a whole. Areas with many new homes have much higher percentages of family households, families with children and significantly higher family incomes.

Demographic differences between the east and west sections of town correlate an uneven distribution of rental housing. Census Tract 3201.01 includes 67% of Hopkinton’s total land area and 90% of the town’s renters. Rental units in Census Tract 3201.01 are comparatively small, and about 13% have been occupied by the same tenants for more than a decade. The median household income for renters in Census Tract 3201.01 is much lower than for renters across in Census Tract 3201.2 (\$30,313 compared to \$80,173), and the composition of renter households differs significantly. While 13% of renters in Census Tract 3201.01 have school-age children, the renter households in Census Tract 3201.02 have none. In fact, 76% of the renters in Census Tract 3201.02 are one-person households.<sup>13</sup>

In addition to where people live in town, age plays a major role in the wealth of households. Hopkinton’s youngest households have incomes fairly close to the town-wide median income of \$89, 281. However, over-55 households in Hopkinton tend to have lower incomes in relation to the town-wide median than over-55 households elsewhere in the state. In Massachusetts, the income of householders between 55-64 is 112% of the state’s median household income but in Hopkinton, the same age group’s median income is only 74% of the town-wide median. The gap for householders between 65-74 is even more substantial, as shown in Table 3.

**Table 3: Relative Wealth of Households by Age of Householder**

Age of Householder	Median Household Income		Age Group as % All Households		% Households w/ Incomes >\$200,000	
	Town	State	Town	State	Town	State
Under 25	66,339	27,364	0.8%	3.9%	0.0%	0.3%
25-34	82,717	51,855	14.2%	17.0%	7.7%	1.8%
35-44	111,291	61,304	34.4%	23.3%	18.3%	4.3%
45-54	117,222	67,287	27.7%	20.3%	22.0%	5.5%
55-64	70,956	56,699	11.0%	13.2%	8.6%	4.8%
65-74	31,196	33,589	7.1%	11.0%	0.0%	2.1%
Over 75	30,750	21,522	4.8%	11.3%	0.0%	1.4%
Overall Median	89,281	50,502			14.2%	3.5%

Source: Census 2000, Summary File 3, Tables P-55, P-56.

## II. Housing Profile

Hopkinton has a charming collection of older two-family homes, farmhouses, and small housing units in mixed-use or multi-family buildings, but its mainstay is the single-family residence. The composition of Hopkinton’s housing inventory explains why nearly all of its households are both families and homeowners. Of the town’s 4,548 housing units, 91%

<sup>13</sup> Census 2000, Summary File 3, Tables H-7, H-27, H-32, HCT-1, HCT-12.

are owner-occupied with an average of 3.08 persons per household. A strikingly high 43% of all homeowners in Hopkinton purchased their present house between 1995-2000, paying an average of \$340,000 for it, but new homes commanded an average sale price of \$570,000.<sup>14</sup> Like most towns nearby, Hopkinton has a competitive housing market and during the past decade, housing sale prices increased by more than 50%.<sup>15</sup> Still, Hopkinton's very low owner-occupied vacancy rate of .5% indicates that homes for sale move quickly. When the decennial census was taken in April 2000, there were 33 single-family homes on the market in Hopkinton with a median asking price of \$350,000.<sup>16</sup>

### Housing Characteristics

Single-family homes constitute nearly 90% of the town's housing inventory and as a result, they are the dominant image of what it means to live in Hopkinton. However, the town has a number of small, attached housing units scattered along Wood, Hayden Rowe, Grove, Church, and East and West Main Streets, in buildings that pre-date the zoning bylaw, for nearly all 80 of the two- and three-family homes in Hopkinton were built in the early 1900s. A smaller complement of four- to eight-unit buildings, generally mid- to late-19<sup>th</sup> century structures with one or two bedrooms per unit, exist in the same areas. About 30 of Hopkinton's housing units are in late 19<sup>th</sup>-century mixed-use buildings (a residence and commercial space in one structure), though a few were built between 1790-1800.<sup>17</sup>

Hopkinton's garden apartment bylaw produced several condominium developments after 1970 and one condominium development was built under the Homeownership Opportunity Program (HOP) in the late 1980s. Hopkinton's 340 condominiums are mainly middle- to high-end homes. Their average assessment is \$205,000, but these units range in value from about \$150,000 to \$427,000. In some markets, condominiums tend to be investor-owned and renter-occupied but in Hopkinton, it appears that most of the town's condominium units attract homebuyers. According to the Census Bureau, 85% of all common-wall and multi-family housing units built in Hopkinton since 1970 are owner-occupied.<sup>18</sup>

Since single-family homes are so prevalent in Hopkinton, their qualities and the diversity that exists among them contribute significantly to the visual and social character of the town. New and older 20<sup>th</sup> century homes differ dramatically in terms of size, amenities, value and lot area. The most recent additions to Hopkinton's single-family home inventory have an average living area of 3,338 ft<sup>2</sup>, with 4-5 bedrooms and 2.5 or more bathrooms, and they

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<sup>14</sup> Hopkinton Assessor's Office, "FY03 Parcel Data," in EXCEL format [hopkintondata020303.xls], 28 January 2003, and Census 2000, Summary File 3, Table QT-H7: Hopkinton.

<sup>15</sup> Banker & Tradesman "Free Market Statistics," [database on-line], Boston, Massachusetts, available at <<http://www.thewarrengroup.com/html>>, INTERNET [accessed December 2002].

<sup>16</sup> Census 2000, Summary File 1, Table DP-1; Summary File 3, Table QT-H6: Hopkinton.

<sup>17</sup> Hopkinton Assessor's Office, FY03 Parcel Data; calculations by author.

<sup>18</sup> Census 2000, Summary File 3, Table HCT-6; Hopkinton Assessor, FY03 Parcel Data.

occupy parcels of about 1.5 acres. In contrast, homes built between World War I-II have an average living area of 1,193 ft<sup>2</sup> and two bedrooms, and they were built on lots of about .68 acres. Single-family residences that pre-date 1900 are more like mid-20<sup>th</sup> century homes, with 1,750 ft<sup>2</sup> of living area and three bedrooms. They also have relatively large lots, or an average of 1.68 acres.

There is a substantial spread in property values by age of dwelling unit. Single-family homes built since 1997 command an average assessed value of \$546,040, and assessments of \$325,000-\$350,000 are fairly common among historic properties. However, the 163 houses that were built between 1920-1940 are assessed, on average, at \$196,779. In most cases, the value of these older homes lies mainly in their land value. There are also significant differences in the value of improvements, i.e., the home itself. The average building value of new homes is three times that of homes built prior to 1900 and four times the value of homes constructed between the wars.<sup>19</sup>

Nearly all single-family residences in Hopkinton are found in subdivisions and along main roads, but about 20 homes occupy large tracts of land. Agricultural, forested and recreational open space, accounting for about 19% of all land in Hopkinton,<sup>20</sup> typically includes one or more residences and often, a business. Although the homes are single-family residences, they stand out in several ways. First, the residence usually co-exists with an operation that depends on an income-producing use of land, e.g., a tree farm or a commercial recreation facility. Second, the property may be a family holding and when controlled by the same family for several generations, it often develops incrementally as small portions are transferred to adult children for their own house lots. Third, the homes on these properties tend to be large, with an average living area of 2,750 ft<sup>2</sup>. Occasionally, the remnants of former farms endure in smaller holdings that retain more than one residential building, such as a single-family home and a turn-of-the-century carriage house or an apartment in the loft or rear of a barn. Hopkinton has a dozen of these properties, located mainly in outlying sections of town as would be expected given their original use. Together, they account for approximately 19 housing units.<sup>21</sup>

Two-family and multi-family units provide most but not all of Hopkinton's housing stock diversity. The town offers a few congregate living facilities for elders and persons with disabilities, and the owner of Hopkinton's largest open space holding, Weston Nurseries, has dormitory housing for workers.

### Housing Market

The state's high-growth communities are located mainly between Boston's two circumferential highways, Route 128 and I-495, and on Cape Cod and the Islands. Hopkinton is among the "I-495 Corridor" towns that has experienced rapid population

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<sup>19</sup> Hopkinton Assessor's Office, FY03 Parcel Data; calculations by author.

<sup>20</sup> For purposes of this description, "open space" refers to land under Chapter 61, 61-A and 61-B agreements in Hopkinton. Collectively, the properties encompass 2,268 acres of land.

<sup>21</sup> Hopkinton Assessor's Office, FY03 Parcel Data; calculations derived by author.

change since the mid-1980s, owing to the outward movement of economic growth in Eastern Massachusetts. Most are small, family-oriented towns with diminishing evidence of their rural past: traditional town centers surrounded by agricultural open space, and compact villages that most zoning bylaws would never allow. Suburbanization has altered the historic development pattern in these communities by introducing homes along old roadways and opening back with streets into modern subdivisions.

### Homebuyers

Market choices are determined by household income and factors important to individual homebuyers, such as the reputation and quality of a school district, commute distance to work, convenient highway access, choice of homes and housing styles, proximity to family members, or proximity to services. Ultimately, homebuyers may investigate homes for sale in a small area: a group of towns deemed more or less equal in terms of their advantages. Preferences of homebuyers, developers and the communities themselves, by the zoning choices they make, converge to shape housing demand characteristics at local and sub-regional levels. The towns in Hopkinton's region attract demographically similar home seekers and offer a continuum of home prices. Table 4 compares area towns by demographic characteristics of homeowner households.

**Table 4: Characteristics of Hopkinton-Area Homeowners**

	Owner-Occupied Units	% Family Households	Average Size Owner Household	Median Owner Household Income	% Long-Term Homeowners
Ashland	4,554	75.6%	2.75	76,845	22.7%
Holliston	4,139	86.2%	3.05	82,779	32.3%
HOPKINTON	4,046	87.3%	3.09	98,083	18.2%
Sherborn	1,320	89.5%	3.08	124,781	39.7%
Medway	3,520	87.8%	3.14	82,147	26.5%
Millis	2,311	77.2%	2.74	72,017	32.6%
Grafton	4,117	78.2%	2.74	68,156	33.7%
Northborough	4,127	85.9%	2.98	88,437	25.0%
Shrewsbury	9,034	80.4%	2.81	74,477	25.2%
Southborough	2,599	87.6%	3.11	110,675	27.9%
Upton	1,686	85.6%	3.03	88,336	20.5%
Westborough	4,211	83.5%	2.93	95,155	24.6%

Source: Census 2000, Summary File 3, Tables H-18, H-38, H-39, HCT-1, HCT-12.

Despite important differences, the communities in Table 4 share an overlapping supply and demand relationship. Together, they bring several qualities to the market: ready access to high-wage employment centers, spacious single-family homes, excellent public schools, and small-town charm. A majority of their new homebuyers are upper-income families who have, or will have, school-age children, as the Department of Education recognized in a

recent study of statewide school enrollment growth during the 1990s.<sup>22</sup>

Regional market conditions can be traced to federal and state policies of several decades ago, including highways that opened rural areas to new growth and housing incentives that siphoned investment away from cities, and public finance policies that sway towns to attract business growth in exchange for tax revenue. The interstate network formed by I-495, I-90 and I-290 set the stage for the profound changes that occurred in Hopkinton's area after 1970: 51% of all housing units were built over the past 30 years. Hopkinton leads the region for percent of new homes (1990-2000), but Shrewsbury, Upton and Southborough also absorbed high rates of residential growth in the same period. In most towns, the median single-family sale price rose by more than 60% between 1997-2002. Table 5 shows that price escalation is generally highest where new homes comprise a majority of recent housing sales. Clearly, production alone is insufficient to moderate growth in housing sale prices.

Hopkinton and its neighbors rely on zoning to control the location, appearance and density of new development. Except for Shrewsbury, these towns have zoned for low-density development, making the amount of land consumed per dwelling unit very high, expensive and visible and contributing to the construction of large single-family homes. As the youngest "Baby Boomers" entered the market a decade ago, the state's housing pipeline was not equipped to handle the demand for homes: an 8.7% growth in households between 1990-2000 was met by only a 6% increase in housing units. The same trend occurred in Hopkinton's area, for the rate of household growth consistently exceeded the rate of housing unit growth.

Hopkinton offers second-time homebuyers a chance to "buy-up" to a prestigious town. Still, a number of the town's young homeowners – households headed by persons under 24 and between 25-34 – purchased their first house in Hopkinton. Although some may have found a modest, older home for sale, in most cases they did not. Significantly, all 12 of Hopkinton's under-24 homeowners and more than half of its age 25-34 homeowners bought new housing units as first-time homebuyers.<sup>23</sup> Regardless of homebuyer age, however, the price paid to live in Hopkinton is steep. The choices consist of new, high-end single-family residences and older homes that appreciated rapidly when the housing market recovered from the recession of the early 1990s. Condominiums accounted for less than 20% of all home sales in Hopkinton at the end of the decade, yet unit sale prices soared by 97% between 1997-2002.<sup>24</sup>

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<sup>22</sup> Massachusetts Department of Education, "Foundation Enrollments in Massachusetts Cities and Towns, 1993-1999," in EXCEL [founden\_app.xls], INTERNET at <<http://state.ma.us/doi>> [updated 4 January 2000; cited 28 January 2000].

<sup>23</sup> Census 2000, Summary File 3, Table HCT-5.

<sup>24</sup> The Warren Group, "Free Market Statistics," [database on-line]; and Hopkinton Planning Department, "Hopkinton Property Sales 1995-2002," in EXCEL format [sales05-02.xls], 31 January 2003.

**Table 5: Comparison Statistics of Housing Production and Market Activity**

Community	1990-2000			1997-2002		
	# New Housing Units	% New Homes	# Sales	Sales % New Homes	% Change Median Sale Price 1997-2002	Median Sale Price (2002)
Ashland	1,187	20.5%	3,267	2.75	79.3%	325,000
Grafton	987	16.9%	2,303	2.33	65.8%	276,000
Holliston	504	10.4%	2,170	4.31	59.3%	315,000
HOPKINTON	1,374	30.2%	2,713	1.97	87.9%	479,250
Medway	867	20.4%	2,137	2.46	64.5%	316,250
Millis	237	7.7%	1,312	5.54	68.2%	285,000
Northborough	832	16.6%	2,370	2.85	81.7%	330,250
Sherborn	97	6.7%	736	7.59	58.5%	634,000
Shrewsbury	2,974	23.4%	5,826	1.96	87.2%	321,000
Southborough	702	23.4%	1,469	2.09	58.8%	440,000
Upton	553	26.5%	809	1.46	92.5%	330,000
Westborough	1,099	16.2%	2,618	2.38	33.0%	362,000

Sources: Census 2000, Summary File 3, Table H-34; Banker & Tradesman.

Competition for housing is effectively competition for land. Since 1990, Hopkinton officials have approved 912 house lots in 45 developments on a total of 2,090 acres of land. Excluding the open space that most developers agreed to protect, the average size of the 912 lots in Hopkinton's newest subdivisions is 1.29 acres. In the same period, the Hopkinton Planning Board also endorsed Approval Not Required (ANR) plans that created an additional 800 lots. A majority of the homes purchased in Hopkinton over the past decade were built on subdivision and ANR lots that local authorities permitted between the late 1980s and the new millennium.

Naturally, older residences contributed to supply of homes for sale, sometimes enticing homebuyers who could not afford a new house but could afford to buy, modernize and expand a small, lower-priced home. For example, between 1989-98, Hopkinton issued 2.2 additions and alterations permits for every new single-family home permit.<sup>25</sup> As the decade progressed, however, older homes became increasingly vulnerable to demolition/reconstruction activity as builders and prospective homebuyers searched for a good investment. Given the disproportionately high value of land in relation to building values on many of Hopkinton's older home sites, these properties began to attract redevelopment activity. The Hopkinton Building Department issued more than 50 wrecking permits during the 1990s, most followed by new single-family home permits.<sup>26</sup>

<sup>25</sup> Hopkinton Planning Board, Hopkinton Master Plan, in HTML format; Housing Element, "Building Permits Issued 1989-98," May 1999.

<sup>26</sup> Hopkinton Planning Department, "Residential Building Permits-New Dwellings," 1993-2002, in EXCEL format [BPRESLST.xls], 5 February 2002.

### Rental Market

Renters have fewer choices than homebuyers because the supply of rental housing is so scarce. Age-restricted units dominate the rental housing inventories in some towns, making portions of the rental inventory unavailable to a larger market. Persons seeking rental housing often must search across a large area to find a vacant rental unit, especially an affordable one. In addition, renters have different needs: young citizens living on their own for the first time, families that want a short-term rental while they search for home to buy, senior citizens who no longer want the burden or expense of homeownership, and households that cannot afford to buy a home or simply prefer to rent. Some renters need longer-term housing while others may be tenants for less than a year. These factors make the demand side of the rental market fairly uneven. As for the supply side, several conditions exist in Hopkinton's region: the rental inventory is generally small, older than the homeownership inventory, susceptible to homeownership conversion, and expensive.

Most suburbs discourage or prohibit multi-family housing, but Hopkinton's zoning is comparatively generous. Its Garden Apartments bylaw allows higher-density multi-family development by special permit in all residential districts. Special permits have produced 276 of Hopkinton's 340 condominiums while 64 were built under a comprehensive permit (1988). Land costs, suburban density and market demand make the Garden Apartments bylaw a more effective agent for ownership than rental housing, but most towns around Hopkinton have attracted only a modest amount of rental development activity, including through comprehensive permits. In Hopkinton's regional market area, renters relocate in 30- to 36-month cycles but long-term tenancies are found in every town, notably Sherborn, where 44% of all renters have occupied the same dwelling unit for more than 10 years. Table 6 supplies a summary-level profile of renter households in the market area.

**Table 6: Characteristics of Hopkinton Area Renters**

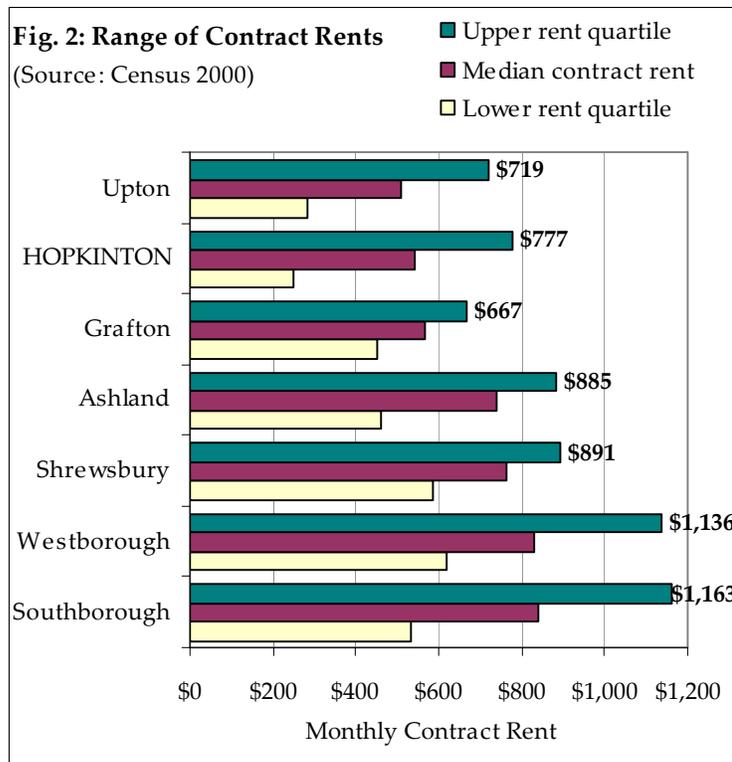
	Renter- Occupied Units	% Family Households	Average Size Renter Household	Median Renter Household Income	% Long-Term Tenants
Ashland	1,166	51.9%	1.80	32,440	15.3%
Holliston	656	41.2%	1.75	30,214	14.3%
HOPKINTON	398	37.9%	1.70	32,292	11.8%
Sherborn	103	45.6%	1.26	50,197	43.7%
Medway	662	42.3%	1.92	33,500	21.1%
Millis	693	56.9%	2.20	45,236	14.0%
Grafton	1,577	47.6%	2.00	32,917	20.2%
Northborough	779	45.8%	2.05	41,299	12.7%
Shrewsbury	3,332	42.6%	1.83	40,259	12.7%
Southborough	353	46.7%	1.91	43,348	11.3%
Upton	356	34.6%	1.40	18,782	28.4%
Westborough	2,323	43.7%	2.07	47,346	9.7%

Source: Census 2000, Summary File 3, Tables H-18, H-38, H-39, HCT-1, HCT-12.

Renter household circumstances and housing needs differ from town to town, but a condition that seems almost universal among tenants is the relatively high cost of housing in relation to income. Measured by monthly rents alone, i.e., excluding utility costs not included in rent, tenants pay anywhere from \$510 per month for apartments in Upton to \$1,100 in Southborough. To some extent, the variation in rental prices reflects the size and type of rental structure, unit sizes, and the percentage of rental housing stock that is subsidized by federal or state sources. On a price-per-room basis, Westborough and Shrewsbury offer the most expensive rental housing and Hopkinton and Grafton, the lowest. These data represent rents as of April 1, 2000, but while rental charges have undoubtedly increased since then, the order-of-magnitude relationship between rents in each community has most likely remained the same.

In virtually all Chapter 40B rental developments built today, 75% of the units are priced for “market” occupancy and 25% for low- and moderate-income tenants. The relatively high rents paid by market

tenants contribute to the rent ranges shown in Fig. 2. Hopkinton rents are low compared to Southborough, Westborough and Shrewsbury, but 25% of Hopkinton’s renter-occupied units are in developments built and managed by the Hopkinton Housing Authority – meaning that all of the units are restricted to low- and moderate-income tenants, 94% of which are further restricted to low-income elderly tenants.



Prospective renters – those in search of an apartment– face low odds of finding moderately priced apartments in Hopkinton’s area. In April 2000, there were 446 vacant housing units for rent in the 12-town region, including 16 in Hopkinton. More than 30% of the units were on the market at rents of \$1,000 or more per month, with the highest-price units in Shrewsbury, Grafton, Southborough and Westborough.<sup>27</sup> Significantly, Southborough had *no* rental units available at monthly rents

<sup>27</sup> For Census 2000, the Census Bureau has not reported rents asked by Hopkinton landlords. Tables H-59 and H60, “Rent Asked” and “Median Rent Asked” are Summary File 3 data sets, which means they are derived from sampling. Summary File 1, a 100% data set,

below \$1,000, and the median rent sought by local landlords at the time was equal to 55% of the town's median rental household income. For both existing and soon-to-be renters, the issue is not only monthly rents charged by landlords, but also the added cost of utilities: gross rent. Depending on the type of housing unit and whether it is subsidized, gross rent exceeds contract rent by anywhere from \$35 to \$85 per month in Hopkinton's area. While gross rents in Hopkinton and most towns nearby are reasonably affordable to existing tenants (measured by gross rent as a percentage of household income), it is important to point out that about one-fifth of the region's entire rental housing inventory is subsidized.

### III. Housing Affordability

#### Chapter 40B

Hopkinton has some lower-cost homes, but very few meet the definition of an affordable housing unit under state law. In Massachusetts and most states across the country, the term "affordable housing" means homes made affordable to lower-income households by a deed restriction or covenant that restricts sale prices and rents as the units are vacated, sold or leased to new tenants. Hopkinton has 125 units of housing that qualify as "affordable" under Chapter 40B,<sup>28</sup> a law that is highly controversial in most communities because it overrides local zoning regulations that make low- and moderate-income housing economically infeasible to build. The device that overrides local zoning is known as a comprehensive permit.

Enacted in 1969, Chapter 40B establishes a legal presumption of unmet housing needs when less than 10% of a community's year-round housing stock is affordable to households at or below 80% of median family income. Generally, communities that do not meet the 10% threshold must issue a comprehensive permit unless there is an unusual or compelling basis to deny one. Developers, in turn, may ask the state's Housing Appeals Committee (HAC) to overturn a local Zoning Board of Appeals decision. In most cases they negotiate a compromise with town officials, but HAC's overrides have left a lasting impression on communities and form the basis for most of the opposition from local governments today.

Hopkinton's inventory of low- and moderate-income housing includes 98 apartments (92 age-restricted) and 27 homeownership units. These 125 units equal 2.8% of Hopkinton's year-round homes. Across the Commonwealth, 8.53% of all houses and apartments meet the statutory definition of "low- and moderate-income housing units," yet only 31 of the state's 351 communities have produced enough subsidized housing to satisfy the 10% goal. Though cities top the list for affordable housing production, a few towns also exceed 10%.

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records 16 vacant housing units available for rent in Hopkinton as of 1 April 2000. However, Summary File 3 provides no corresponding record of rents asked for these units.

<sup>28</sup> Department of Housing and Community Development (DHCD), Chapter 40B Subsidized Housing Inventory, in EXCEL format [last updated February 2003], supplied to author by MAPC. Local records indicate that the Chapter 40B Subsidized Housing Inventory is incorrect, however. According to the Town, Hopkinton's existing comprehensive permit developments have 125 Chapter 40B units, not 122.

Subsidized housing as a percentage of all year-round homes in Hopkinton and neighboring communities varies quite a bit. Regionally, there are 2,471 Chapter 40B units or 4.2% for the area as a whole. Shrewsbury tops the list for number of Chapter 40B units and Upton for percentage, but when the communities are ranked by median household income, Hopkinton has the highest percentage of subsidized housing units. In Massachusetts suburbs, the average percentage of Chapter 40B units is 2.78%.<sup>29</sup>

### Other Measures of Affordability

By enacting Chapter 40B, the legislature intended to assure a "fair-share" distribution of low-income housing across the state, but housing policy analysts do not define affordable housing need on the basis of a fixed 10% standard. The national definition of housing affordability assumes that a home is affordable to its owners if they spend no more than 30% of their monthly income on housing costs: a mortgage payment, property taxes, and house insurance. Similarly, an apartment is affordable when tenants pay no more than 30% of their monthly income on rent and utilities. In housing industry parlance, households that pay more than 30% of their income on housing costs are "housing cost burdened." The incidence of housing cost burden is usually highest among elderly and lower-income households. "Low-income" refers to households with incomes at or below 80% of area median income.

According to federal census data, 36.9% of Boston-area tenants are housing cost burdened, but the same can be said for only 14.5% of renters in Hopkinton.<sup>30</sup> Two factors help to explain the town's very low incidence of rental housing cost burden. First, 25% of Hopkinton's renter-occupied housing inventory is comprised of public housing units, which makes them "affordable" by definition. Second, about 28% of Hopkinton's market apartments are in older structures with relatively low rents.

It is important to point out that while Hopkinton has a small low-income population (16.4%), it has more low-income households than rental housing units.<sup>31</sup> In Hopkinton, housing cost burden is more prevalent among homeowners. Throughout the Boston metropolitan area, 23.4% of all homeowners pay more than 30% of their income on housing while in Hopkinton, the incidence of homeowner cost burden is slightly higher: 24.8%.<sup>32</sup>

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<sup>29</sup> Affordable housing percentages derived from DHCD Subsidized Housing Inventory; "suburban communities" refers to 53 towns defined as suburbs in Department of Revenue "Kind of Community" classification system.

<sup>30</sup> Census 2000, Summary File 3, Tables DP-4 and H-84.

<sup>31</sup> For percentage of low-income persons and households, see U.S. Department of Housing and Urban Development, "Low and Moderate Income Persons by Non-Entitlement Community," in EXCEL format. Hopkinton's higher percentage of low-income households (19.8%) than persons (16.4%) means that most are small households, i.e., one-person households. In this context, "non-urban" refers to communities that do not have the population size or economic characteristics to qualify for federal block grants.

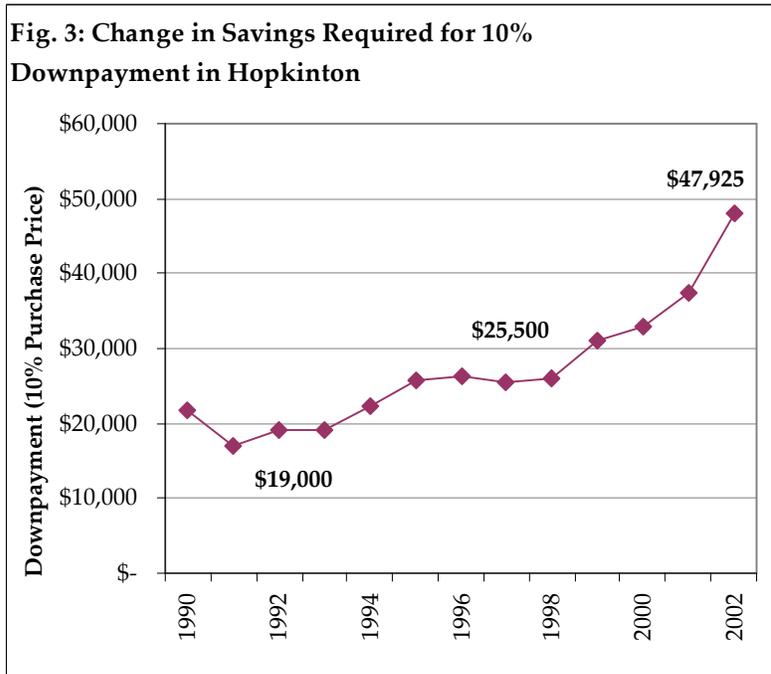
<sup>32</sup> In 1980, 21% of Hopkinton's renter households were housing cost burdened compared to 29% for the state as a whole, and 13% of its homeowners were housing cost burdened

The incidence is significantly higher for two groups of homeowners, however: young householders between 25-34 years old, and the elderly. In Middlesex County, only Carlisle, Sherborn and Bedford exceed Hopkinton for percentage of young, cost burdened homeowners. Over time, high housing sale prices and high property taxes have reduced Hopkinton's affordability to all but upper-middle income families, a condition that seems noteworthy given Hopkinton's 4.6% decline in persons over 65 (1990-2000) compared to .7% for the state as a whole.

**Affordability Gap**

Almost everyone in the United States aspires to own a home, and since the 1930s federal housing policies have subsidized homeownership through income tax deductions for mortgage interest and property taxes, federal home mortgage insurance, and more recently, low-interest loans and grants that help moderate-income people transition from renter to homeowner. Often, home-seekers have more resources than a mortgage lender requires, such as equity to invest from the sale of a previous home or a gift or loan from family members. However,

households with only their savings to put toward a downpayment find homebuying more difficult. First, while saving to purchase a home they must also pay rent, and because apartments are so scarce, market rents in Hopkinton's region have become very expensive even though local rents have not accelerated to the same extent. Second, since the purchase price of a house usually determines the downpayment amount, first-time homebuyers end up saving toward a moving target: the sale price of homes in a very tight real estate market, as suggested by Fig. 3.



compared to 16% for the state as a whole. As of Census 2000, 14.5% of Hopkinton's renters are cost burdened compared to 36% of the state's renters, and 24.8% of Hopkinton's homeowners compared to 26.2% of the state's homeowners. Source: Census Bureau, 1980 Census of Population and Housing, Summary File 3, Tables 30-31; Census 2000, Summary File 3, Tables QT-H13 and QT-H15.

Under conventional loan underwriting standards,<sup>33</sup> homebuyers at Hopkinton's median household income of \$89,281 can afford a purchase price of about \$290,300. For them, the town's median single-family home sale price of \$479,250 (2002) translates into an "affordability gap" of \$188,950, or the difference between the sale price and the purchase price they can afford. However, Hopkinton's median single-family sale price creates a more substantial barrier for homebuyers at the Boston-area median income (\$55,183): an affordability gap of nearly \$260,000. A sale price of \$479,250 is also high enough to preclude 65% of Hopkinton's present households from purchasing a house in town if they were first-time homebuyers today. Condominiums often supply a more affordable housing opportunity than single-family homes, and in Hopkinton this appears to be true. The median condominium sale price of \$250,000 would be affordable to about 71% of Hopkinton's present households if they were first-time homebuyers today. Nonetheless, the town's inventory of condominium units is only 7.5% of its entire housing stock.

#### IV. Residential Development Trends

Hopkinton is a great town and its rapid growth is not at all surprising. It has direct access to the interstate highway system, breathtaking views, several lakes, magnificent open space, a quaint town center and one of the state's top school systems. Hopkinton has also planned well for its future. Despite the reluctance of many towns to allow a mix of housing, Hopkinton adopted zoning years ago to provide for townhouses and multi-family homes. More recently, the town adopted a senior housing bylaw and regulations for duplex units. In addition, Hopkinton has been unusually successful at encouraging open space-cluster developments over conventional subdivisions. During the 1990s, 70% of all subdivisions approved by the Planning Board were permitted under the Open Space and Landscape Preservation Development (OSLPD) bylaw, resulting in 840 acres of protected open space. Furthermore, instead of creating industrial zones in areas that would never attract investment, Hopkinton designated land near I-495 for industrial development and over time, the town has attracted some of the state's highest-paying jobs. Finally, Hopkinton has invested generously in open space and community facilities. Despite these advantages, Table 7 shows that low-density residential development has absorbed increasingly large amounts of land in Hopkinton since the early 1970s.

Zoning and the market act in mutually reinforcing ways to bring about a particular development pattern, and this relationship can be seen in Hopkinton. Developers focus almost exclusively on the single-family home market, first because Hopkinton homes sell quickly and second, because the high cost of land dictates a large residence that will command a premium sale price. Between 1995-2002, Hopkinton issued building permits for 1,108 new housing units and 95% were single-family homes.<sup>34</sup> Attesting to the impact of high land costs and market preference on housing affordability in towns like Hopkinton,

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<sup>33</sup> Purchase price assumes a 10% downpayment and a 30-year mortgage at 7% interest, along with house insurance and property taxes at Hopkinton's current tax rate.

<sup>34</sup> Hopkinton Planning Department, "Residential Building Permits-New Dwellings," 1993-2002.

homes built since 1999 carry a median assessment of \$549,800, 69% based on building value. Whether in conventional or cluster subdivisions, the median value of a recently developed house lot ranges from \$159,000-\$200,000.<sup>35</sup> It is little wonder that residential development contributes so significantly to each year's new-growth tax revenue in Hopkinton.

**Table 7: Land Use Change in Hopkinton, 1971-1999**

Land Use	Acres in Use by Year		
	1971	1985	1999
Agricultural Land	1,278.83	1,162.98	876.69
Forest	12,443.07	11,657.92	9,906.90
Wetlands & Water Resources	1,196.45	1,197.50	1,199.78
Recreation	142.32	165.09	187.13
Civic Space	182.36	159.59	240.23
Multi-Family Housing	6.99	12.62	55.40
Neighborhood-Scale Housing	676.61	946.07	1,137.10
Low-Density Housing	912.67	1,484.45	3,153.56
Commercial	56.00	78.64	123.25
Industrial	0.00	137.20	181.61
Transportation	486.12	489.85	502.47
Other	457.96	347.44	275.26
<u>% Land Use: Summary</u>			
Agriculture	7.2%	6.5%	4.9%
Forest	69.8%	65.3%	55.5%
Residential	8.9%	13.7%	24.4%
% Low-Density	57.2%	60.8%	72.6%

Source: MassGIS, State GIS Library, "Land Use: Hopkinton," in d-Base format [lus139.dbf] [updated 2002].

### Residential Build-Out, Land Use and Chapter 40B

Three years ago, the Metropolitan Area Planning Council (MAPC) evaluated Hopkinton's future growth potential as part of a statewide program sponsored by the Executive Office of Environmental Affairs (EOEA). MAPC found that Hopkinton has 7,300 acres of partially developable land in its residential districts and that under current zoning, the land could support as many as 4,632 single-family homes.<sup>36</sup> MAPC's build-out estimate anticipates a radically different Hopkinton from that which exists today, yet in numerical, visual and environmental terms, the build-out study simply foreshadows the culmination of current land use trends. The amount of land consumed per dwelling unit would double, from an average of .53 acres by today's homes to 1.09 acres per unit at build-out. As growth continues to spread across outlying areas in town, Hopkinton seems destined to lose its trademark beauty and exacerbate its very high residential land costs.

<sup>35</sup> Hopkinton Assessor's Office, "FY03 Parcel Data."

<sup>36</sup> See also, Appendix A: Review of Hopkinton Buildout Study.

MAPC did not include multi-family housing in Hopkinton's build-out forecast, presumably because the town allows multi-family development by special permit. Consistent with the build-out model used by all regional planning agencies, MAPC's estimate also makes no provision for new Chapter 40B units. As Hopkinton continues to approve market-rate single-family homes on one-acre or larger lots, the town accrues an unmet liability under Chapter 40B. Using Census 2000 as a base, Hopkinton's low-income housing inventory is 331 units short of the 10% threshold set by Chapter 40B. If the town were to build out with an additional 4,600 single-family homes and no affordable housing, the shortfall would increase to 793 units. To accommodate them, however, Hopkinton may absorb as many as 3,173 additional homes. Chapter 40B requires developments to include at least 25% low- and moderate-income housing units, or at least one affordable unit for every three market-rate units. To encourage rental production, the state allows communities to count all of the apartments in a comprehensive permit rental development as Chapter 40B units regardless of whether the apartments rent at low-, moderate- or market-rate levels. For homebuyer developments such as Pinecrest Village and Wood Hollow, Chapter 40B recognizes only the affordable units.<sup>37</sup> Since the market-rate homes do not count as Chapter 40B units, they effectively expand the year-round housing base that is used to calculate a community's Chapter 40B requirement.

## V. Housing Policy Issues

### Household Composition and Housing Choice

A majority of Hopkinton's remaining vacant land is zoned for single-family homes on one-acre lots. This policy preference will limit the number of dwelling units that can be built in town, but it also presents challenges to meeting Hopkinton's other housing goals. With so many new single-family residences sized to attract families, it is not surprising that since 1990, Hopkinton has absorbed a 53% increase in married couples with children – or a 57.6% increase in all family households with children.

Hopkinton has also experienced growth in one-person households and childless couples, but at rates that do not approximate growth in families with children. The town's limited inventory of condominiums and very small supply of rental units leave Hopkinton poorly equipped to house populations that want or need smaller homes, or living arrangements that differ from the one family/one unit tradition. While senior housing units will benefit the town fiscally, they may provide limited benefits to the town's aging population. Housing affordability is a critical issue for Hopkinton's senior citizens: the median household income for households headed by persons over 65 is only 27% of the median household income of families headed by persons between 35-44 years of age, yet in many

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<sup>37</sup> Hopkinton's Chapter 40B inventory of 122 units includes 27 homeownership units and 98 rental units in five separate developments: one elderly housing complex, a small cluster of six family rental units, and two homeownership developments (Pinecrest Village, Wood Hollow). The total development impact of these five projects is 192 dwelling units.

cases the town's elderly have incomes that exceed the limits for subsidized housing. As a result, they cannot afford a market condominium or cottage, but they also may not qualify for elderly housing on Davis Road or in a private Chapter 40B development.

### Housing Cost Burden

The prevalence of housing cost burden in Hopkinton is a serious concern. Typically, housing costs exceed ability to pay for the elderly, young adults and low- or moderate-income households, and renters are more likely to be affected than homeowners. To some extent, Hopkinton's experience defies these norms. The high percentage of cost-burdened homeowners in the 24-34 year age group suggests that often, families are buying homes at prices they can barely afford, a problem compounded by the town's dramatic growth in property taxes (Fig. 16). Though senior citizens are affected to a greater degree than young householders, Hopkinton's affordable housing needs are not limited to the elderly. Moreover, simply building more housing without considering the mix of residential uses may provide homes that can be purchased at below-market prices, but will also exacerbate the negative fiscal impact of new residential development. The issue is not to ignore affordable housing for families but rather, to strive for balanced growth.

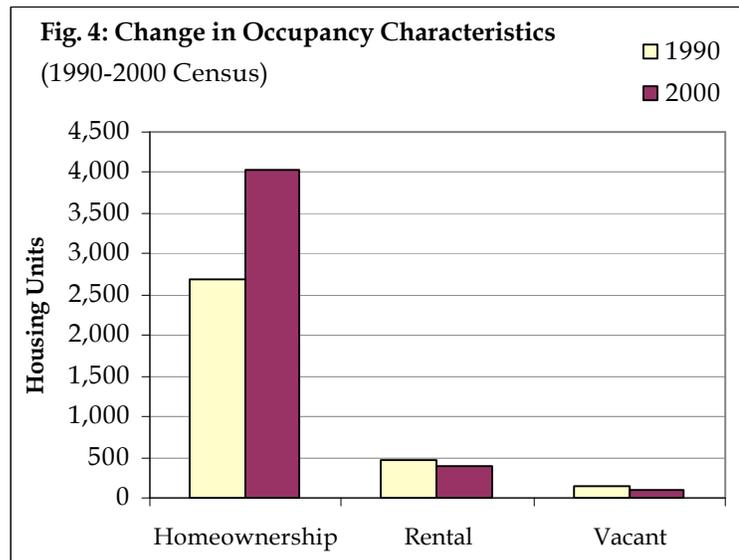
### Rental Housing Need

Though Hopkinton's Zoning Bylaw provides for multi-family housing, "Garden Apartments" is a misnomer: it is not an "apartments" bylaw but rather, a tool to facilitate the creation of moderate-density multi-family or townhouse units. Density is key to housing affordability, but in Hopkinton and most small towns across the state, residents dislike higher-density development.

When homebuyers choose

a town like Hopkinton, they buy not only a house, but also the town's ambience: open space, large residences, and privacy. Hopkinton's zoning sponsors the kind of homes that have been built in town for many years: housing for family homeowners. As evidence of the Zoning Bylaw's inability to attract rental investment, Hopkinton's only rental developments have occurred as a direct result of comprehensive permits issued to the Hopkinton Housing Authority. Significantly, 14% of Hopkinton's housing stock was occupied by renters a decade ago, yet by 2000, the number of rental units had declined by 15% (Fig. 4).

The composition of Hopkinton's rental inventory sheds light on the loss of 70 renter-occupied units since 1990. Of the 468 units that housed tenants in 1990, 172 (37%) were



single-family homes. Eighty-two of those dwelling units were eventually sold to homebuyers and the units converted from renter- to owner-occupancy. Approximately 20 condominiums previously occupied by tenants also became homeownership units by 2000.<sup>38</sup>

### Affordable Housing Preservation

Two obvious housing preservation concerns exist in Hopkinton. Although both pertain to housing affordability, the underlying issues differ significantly. On one hand, the town has a supply of “informally” affordable homes – units not subject to any deed restrictions, yet because of their size, location or condition, they are relatively low-value and therefore at risk of redevelopment and conversion to expensive housing stock. On the other hand, the town has “officially” affordable homes that were developed under comprehensive permits and they are also at risk. However, in this case the risk stems from the state’s limited capacity to protect Chapter 40B homeownership units.

#### Loss of Older Affordable Housing Stock

Like most communities in Massachusetts, Hopkinton does not have effective regulations to preserve its historic mix of single-family homes. Major expansions or alterations to existing homes and demolition-rebuild projects attract new investment to the community. They also contribute “new growth” tax revenue under Proposition 2 ½. However, as these activities cause older homes to appreciate in value, they also remove lower-cost housing from the market.

There are approximately 165 single-family homes in Hopkinton with building values below \$75,500 – relatively small residences built c. 1940. Strategies to secure the affordability of these homes may help Hopkinton work toward a base of Chapter 40B-eligible units for lower-income homebuyers or renters, avoid the environmental costs of new development, and preserve architectural traditions that pre-date modern conventional subdivisions. In addition to acquiring these homes when the owners are ready to sell and placing deed restrictions on the units before selling or renting them as affordable housing, Hopkinton could consider extending its demolition delay bylaw to all demolition activity and providing incentives to preserve lower-value homes in-place or on relocation sites, including on lots with an existing structure.

#### Loss of Chapter 40B Units

Hopkinton officials have met twice with representatives of the Department of Housing and Community Development (DHCD) to discuss the status of deed-restricted affordable housing units at Pinecrest Village and Wood Hollow. Pinecrest Village is a Homeownership Opportunity Program (HOP) development that Hopkinton authorized in 1988. Wood Hollow is a Local Initiative Program (LIP) development for which the town issued a comprehensive permit in the mid-1990s. Twenty-five percent of the homes in these developments are – or were – subject to long-term affordable housing deed restrictions.

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<sup>38</sup> 1990 Census of Population and Housing, Summary File 3, Table H0-43; Census 2000, Summary File 3, Table H-31.

Although HOP and LIP restrictions differ somewhat, their logic is similar: the difference between an affordable unit's original sale price and its market value constitutes a discount rate that presumably follows the unit through successive resales, thereby preserving its affordability to future low- and moderate-income homebuyers. When a qualified first-time homebuyer cannot be found, the seller may sell the unit at market value but the resulting "windfall," or the amount recaptured by the proceeds of sale, must be paid to the state or, in the case of LIP units, to the town. As proceeds are recaptured from the sale of HOP units across the Commonwealth, the state is supposed to reinvest the funds in new affordable housing development.

The town's decision to meet with DHCD representatives came at the heels of a Pinecrest Village condominium being posted for sale at a price that is not affordable to a low- or moderate-income buyer. As Pinecrest Village units have been sold over time, it appears that in most cases, the affordability of low-income units has been lost. Eligible homebuyers could not be found, or there were no eligible buyers who could afford the resale price. Moreover, DHCD did not exercise the state's right of first refusal to acquire the homes or notify the town that the units were for sale until it was too late to intervene. By state policy, the affordable units authorized in the comprehensive permit remain on the Chapter 40B Subsidized Housing Inventory regardless of whether they are occupied by low-income homeowners, yet they are no longer affordable housing. In effect, the town agreed to waive zoning compliance in the interest of providing affordable homes, yet the public benefits expected from a comprehensive permit have disappeared. In July 2003, DHCD pledged to investigate ways to rescue the affordability of lost HOP units, but the town has not received any proposals or an action strategy from DHCD to address this problem.

### Affordable Housing Development

Hopkinton worries about the potential for large comprehensive permit developments, yet the town does not have effective regulatory tools to produce affordable housing through means other than Chapter 40B. Two years ago, Hopkinton Town Meeting adopted a duplex bylaw that allows two-family dwellings by special permit, provided that one of the units is affordable to low- or moderate-income households. The bylaw has not produced any units yet, most likely because developing two-family homes on a conforming lot in Hopkinton is economically infeasible. Recently the town used Community Preservation Act (CPA) revenue to develop an affordable single-family residence that will be sold to a qualified moderate-income homebuyer soon, but the amount of volunteer time, effort and coordination required to develop one unit has been exhaustive. It seems doubtful that Hopkinton citizens can sustain the same level of effort over time, and even if they do, an annual production rate of one or two units is all that could fairly be asked of volunteers. Developing affordable housing is very difficult, far more than most people realize.

Zoning bylaws with incentives to build affordable housing have been conspicuously ineffective in Massachusetts, but possibly Hopkinton could implement one. Local officials are considering regulations that would allow higher-density multi-family housing units anywhere in town, provided that all of the units are affordable and qualify for listing on the Chapter 40B Subsidized Housing Inventory. The proposed Village Housing Bylaw is very similar to Hopkinton's existing Garden Apartments Bylaw, but it would allow more units per acre and it would remain in effect until the town has enough affordable housing units to

meet the state's 10% benchmark. In contrast, other officials have promoted the concept of inclusionary zoning: a mandate that new residential developments include affordable units or provide them in an equivalent manner, such as off-site units, land donations to the town, or cash contributions to an affordable housing fund.<sup>39</sup> Last year, the Attorney General approved several inclusionary bylaws that suburban communities adopted at their annual town meetings. In Massachusetts, most inclusionary bylaws trigger a special permit process but some are simply development regulations that apply to any residential project over a certain size.

### Regulatory Incentives to Produce Affordable Housing

The choice of regulatory incentives such as the proposed Village Housing Bylaw or a regulatory mandate such as inclusionary zoning raises several important policy issues. The proposed density incentive in Hopkinton (ten units per acre) is somewhat higher than the standard density formula used by state officials for comprehensive permit homeownership developments.<sup>40</sup> However, the state formula assumes that developments will include a mix of market and affordable homes – a condition that experienced affordable housing developers say is essential to the economics of a high-quality project.

Hopkinton officials want to offer a generous density incentive in exchange for 100% affordability because they are concerned about the growth impacts of conventional Chapter 40B developments, which effectively add more new housing units than Chapter 40B units to a community's year-round base. Clearly, the higher the percentage of affordable units in a development, the more advantageous it is to a community's progress toward 10% -- except for rental housing, since all units in a rental development qualify for listing on the Subsidized Housing Inventory. One issue triggered by the proposed Village Housing Bylaw is whether the town can attract market-quality housing in a development that includes only affordable homes, and a second issue is whether an all-affordable housing development can fit seamlessly in any community, especially an affluent one like Hopkinton. A third issue is whether a density incentive of any scale will be sufficient to outweigh the perceived disadvantages of applying for a special permit to build affordable housing units. A zoning tool like the Village Housing Bylaw may prove to be most practical for the development of town-owned sites.

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<sup>39</sup> Since the developer may choose to include units in a proposed development or make an in-kind or a cash contribution to a community's affordable housing needs, a fee in lieu of creating affordable units is not categorically a development exaction or a tax, and recent case law in Massachusetts concerning affordable housing "impact" fees does not apply, i.e., Dacey v. Town of Barnstable (2001). See also, Mark Bobrowski, "Bringing Developers to the Table," Inclusionary Zoning in Massachusetts: Lessons Learned (Series), NHC Affordable Housing Policy Review Vol. 2 (January 2002): 7-9.

<sup>40</sup> Eight units per acre or four times the density allowed in the zoning district where the site is located, whichever is greater.

### Regulatory Requirements to Produce Affordable Housing

Inclusionary zoning has become increasingly attractive in some suburbs, but it is not without pitfalls. In Massachusetts, cities generally allow more units per lot in developments that have to comply with inclusionary housing requirements, but most suburbs have opted for a zoning model that allows no increase in density. Often, suburban inclusionary housing bylaws work in tandem with open space-cluster regulations, so they provide some opportunities to save development costs by siting homes close together and building shorter roads. There is a recurring debate in Massachusetts about the appropriateness or need for density bonuses to mitigate a reduction in development income caused by selling or renting units as affordable housing. While the debate seemingly runs parallel to suburban opposition to Chapter 40B, it is more complicated. Ultimately, the value of any parcel of land is determined by what can be built on it. When a zoning bylaw reduces development income through restrictions on sale prices, it effectively alters the value of the land itself. Proponents argue that highest and best use is ultimately a measure of development privileges established through zoning, and there are no guarantees that today's development privileges will endure in the future. Opponents argue that private landowners should not bear the burden of the Commonwealth's unmet affordable housing needs.

A second concern with inclusionary zoning bylaws is the capacity of towns to implement them. In states with far more inclusionary zoning experience than Massachusetts, developers almost always choose to pay a fee instead of including units in their projects or providing equivalent units on another parcel of land. In order to set aside and restrict the revenue generated by these fees, however, communities must establish a special revenue fund or trust fund and in Massachusetts, this requires a special act of the legislature. More significantly, communities need a management plan for the fund: policies governing how the revenue will be used, the agencies or organizations that will have access to the revenue, who will decide how much of the fund can be spent in a given year, and so forth. These issues have been addressed, resolved and largely overcome in experienced states such as California, Illinois, New Jersey and Maryland, but not in Massachusetts. To date, very few communities here have established an appropriate trust fund for inclusionary zoning fees and fewer still have organizational capacity to invest the revenue in affordable housing development. Hopkinton has a newly formed non-profit development corporation and an older, established land trust, so there is some local capacity in place. There are also regional non-profit development corporations and the Hopkinton Housing Authority, and they also may want access to capital to develop affordable housing in Hopkinton. Allocating inclusionary zoning fees requires a policy framework, clearly understood procedures, and basic agreement about how these decisions will be made in the future.

Hopkinton needs to consider three other concerns about inclusionary zoning. First, it will generate more market units than affordable units, which seems to run contrary to the town's objective to limit its future growth potential. A second, more important consideration is this: despite the success of inclusionary zoning in states that have historically had it, the endurance of Chapter 40B could make some forms of inclusionary zoning very unsuccessful in Massachusetts. Developers already use Chapter 40B as a means to bypass local regulations. Since inclusionary zoning places even more demands on developers, it may unwittingly increase the amount of Chapter 40B activity even though it is intended to accomplish the opposite.

A final concern is how the town will set the fee that developers could pay in lieu of providing affordable homes. Drawing again on the experience of states with inclusionary zoning experience, the standard method of fee setting assumes that the “gap” between prevailing market prices and an affordable purchase price equals the town’s net cost to provide an affordable housing unit. At least one town in Massachusetts has adopted an inclusionary bylaw with a flat fee per housing unit while another decided to charge a fee equal to three times the moderate-income limit for a family of four. There must be a rational basis for any municipal fee, and inclusionary zoning is no exception.

#### Other Regulatory Techniques & Policy Considerations

Hopkinton has other options to stimulate affordable housing development, although they may be no more palatable or feasible than the zoning techniques that local officials are already considering. For example, the legislature’s Joint Committee on Housing and Urban Development is reviewing a bill with “rewards” for communities that produce new housing units affordable to low- or moderate-income families. Partially echoing recommendations in the Commonwealth Housing Task Force report, Building on Our Heritage: A Housing Strategy for Smart Growth and Economic Development (2003), the legislation calls for additional Chapter 70 aid (state aid for public schools) to communities that approve new moderate-income housing units, and bonus aid for communities that produce new moderate-income housing units pursuant to a “smart growth” zoning bylaw. Some examples of smart-growth zoning techniques include transfer of development rights or TDR to direct higher-density development toward areas that can support it, or zoning regulations that create new development or reinvestment opportunities in established areas, e.g., as a downtown or older village neighborhoods.

The same principles have already been embraced by Governor Romney, whose Office of Sustainable Development recently issued guidelines that direct state agencies to give preference in the award of housing, open space, transportation and economic development grants to communities with “smart growth” policies. Moreover, Executive Order 418, which precedes the Romney Administration, requires recipients of community development planning grants to identify preferred areas for higher-density development and affordable housing. In Hopkinton, smart-growth development regulations could include strategies such as infill development in and around Hopkinton Center and older neighborhoods with access to public water and sewer service, or designating new centers for mixed-use development, such as the Fruit Street property.

## OPPORTUNITIES & RECOMMENDATIONS

The consulting team’s six major recommendations are discussed and explained in this section of the report. The primary recommendation is that Hopkinton should take several actions to increase and maintain an adequate inventory of affordable housing because one strategy alone will not work. A combination of initiating local development projects, capitalizing on existing resources, and attracting private investment in affordable housing will create opportunities for many people – town officials, non-profit partners, landowners, private developers and individual property owners – to participate in meeting the town’s affordable housing needs.

### I. Long-Term Affordability of Older Housing Stock

Hopkinton needs techniques to preserve “informally” affordable homes: modest single-family and two-family residences that may be affordable today but are unlikely to remain affordable in the future. Some have been well maintained while others are in a moderate state of disrepair. Many are of lower value regardless of their condition, simply because of their age and styles. As existing assets, they provide a resource that may be tapped to increase Hopkinton’s inventory of permanently affordable homes without building more new homes on undeveloped land. Eventually, homes occupied by long-time residents will become available for purchase or rent. Those of comparatively lower values will be desirable to prospective homebuyers in search of an investment opportunity. As Hopkinton’s base of older, lower-cost housing transitions from present to future homeowners, its “market” affordability will continue to decline.

Preservation strategies are difficult to implement and they require dedicated community involvement. However, capitalizing on the established base of development is more prudent than encouraging new construction wherever possible, including for the creation of permanently affordable, decent housing. The town should emphasize preservation techniques to secure housing choices: affordable units that qualify under Chapter 40B, affordable units that serve “below market” households, and suitable units for elders, persons with disabilities, and young citizens in search of starter homes.

#### Actions

- Develop a targeted list of single-family, multi-family and condominium properties for acquisition/rehabilitation in exchange for permanently affordable housing units.
- Establish a special trust fund with CPA revenue, fees paid by developers (if adopted by the town) and contributions from other sources, including appropriated local revenue, and use the fund to acquire, restrict and sell targeted homes as affordable housing. The town could also use the fund to leverage other resources, e.g., the Housing Development Support Program (HDSP), HOME Investment Partnership, MHP Soft-Second Loan Program.
- Retain a reserve of CPA revenue to purchase existing Chapter 40B units if no qualified first-time homebuyers are available when the homes are for sale.

## II. Strategies with Multiple Benefits

Hopkinton has existing residents who cannot afford the homes they occupy. The problem of housing cost burden – housing costs that exceed 30% of a household’s income – is particularly acute among elderly residents, but it also affects Hopkinton’s young families. Although there are several ways to address housing cost burden, many are beyond the control of individual cities or towns. Ultimately, bringing housing costs in line with household incomes requires access to units with restricted sale prices or rents, subsidies to fill the gap between what renters can afford and the rents charged by landlords, or increasing the income of homeowners or renters to a level that makes market housing affordable for them.

The following actions encourage housing affordability by (a) easing the permitting requirements for low-impact affordable dwelling units and (b) creating a pipeline of future Chapter 40B-eligible housing while reducing housing costs for the town’s elderly homeowners. These actions also reflect “smart growth” development policy by capitalizing on existing built assets to increase the town’s supply of affordable housing.

### Actions

- Allow affordable accessory dwelling units as of right in single-family homes and commercial buildings, subject to special development regulations and site plan review.
- Allow accessible dwelling units as of right in single-family homes and commercial buildings, subject to special development regulations and site plan review.
- By special legislation, establish a local housing program that allows the town to reduce or waive property taxes for elderly homeowners in exchange for an option to purchase their home at a reduced price whenever they decide to sell, and convert the home to an affordable housing unit with CPA or other affordable housing trust fund revenue. Hopkinton could design this program to include the right to transfer the town’s purchase option to the Community Housing Task Force, Inc., and let the non-profit corporation handle the details of acquiring, modernizing, selling, and monitoring the affordable dwelling units.

## III. Managing Chapter 40B

After the Housing Appeals Committee (HAC) released its controversial Stuborn Ltd. Partnership v. Barnstable Board of Appeals ruling in 1999, comprehensive permit activity increased significantly across the Commonwealth. Hopkinton’s recent experience is indicative of this trend. In the past few years, Hopkinton has received three comprehensive permit applications and a number of inquiries from affordable housing developers prospecting for opportunities in town.

Today, Hopkinton has choices that did not exist when the master plan was updated in 1999. For example, by adopting the Community Preservation Act (CPA) in 2002, Hopkinton made a commitment to protect open space, create homes affordable to lower-income households and preserve its historic buildings. CPA revenue will be vital to the success of an affordable

housing strategy in Hopkinton because the town's upper-income profile could make it less competitive for many sources of funding. In addition, by accepting an Executive Order 418 grant, Hopkinton agreed to address its housing needs through a coherent set of local initiatives. Finally, recent changes to the state's Chapter 40B regulations offer incentives for municipalities to increase their supply of affordable housing.

Hopkinton needs a comprehensive approach to affordable housing – one that includes small-scale activities such as the EMC House and preparedness to manage a larger comprehensive permit development. Since Chapter 40B puts local officials in an unequal position at the negotiating table, they must be realistic, reasonable and clear about what they want from a Chapter 40B development. A written policy statement developed and agreed to by the town's key elected and appointed officials might discourage poorly designed comprehensive permits and increase the likelihood that Hopkinton will receive high-quality development proposals. A comprehensive permit policy should establish the boundaries of negotiation for town boards, developers, and funding agencies. This means that local officials must be equally clear about negotiable and non-negotiable considerations, and that town boards should not work at cross-purposes. A comprehensive permit policy needs to provide unambiguous guidance on the following:

- Relationship of policy to community planning goals – a statement of consistency with the master plan or other significant plans and policies.
- Development preferences: types of housing, location, maximum density or intensity of use, architectural design and site standards, other public benefits.
- Performance standards: desired percentage(s) of affordability, income targets, term of affordability, accessibility, minimization of land use conflicts.
- A definition of "local preference" homebuyers or renters.

### Actions

- Devote a Quarterly Meeting to a discussion of comprehensive permit preferences and tradeoffs, and translate areas of agreement into a written Local Housing Policy for adoption by the Board of Selectmen, Planning Board, Board of Appeals and local housing partnership committee.
- Publish the Local Housing Policy and establish procedures for disseminating it to prospective Chapter 40B developers.
- Prepare a "Small Project Application Package" for applicants seeking to provide 1 to 5 units of affordable housing, and work with the ZBA to create an expedited process for small-scale projects. If the Town wants small, scattered projects, it needs to make the permitting process faster and easier for them so they remain affordable. Having a standardized application package will provide needed assistance to applicants who may not be seasoned developers, and the expedited process will result in a more desirable and useful comprehensive permit process for these types of projects.

- Establish procedures for reviewing and commenting on site approval (project eligibility) applications filed with MassHousing by prospective Chapter 40B developers. Use the Local Housing Policy as a guidance document for this process.
- Designate an individual officer of the town to negotiate with comprehensive permit developers on behalf of the Board of Appeals.

#### IV. Areas and Strategies for “Smart Growth” Zoning

Executive Order 418 calls on communities to identify areas suitable for higher-density housing as part of a larger strategy to increase the supply of affordable homes. In addition, the Romney Administration has announced new policies to encourage affordable housing production through “smart growth” zoning. The Affordable Housing Task Force has identified areas that might make sense in Hopkinton (Map 3). In these locations, the following policies should be instituted:

##### Actions

- Allow affordable accessory dwelling units by right above the ground floor of a commercial building and accessible dwelling units on the ground floor with side or rear entries, subject to site plan and design review.
- Make small town-owned parcels with little or no open space and recreation value available for disposition/development of affordable housing.
- By special permit from the Planning Board, allow a limited amount of affordable housing infill development, subject to site plan and design review, in areas identified as suitable for higher-density uses.
- Amend existing multi-family development regulations in the B District to offer incentives for developers to provide affordable and accessible dwelling units.
- Pursue the development of a senior center and additional elderly housing on the Housing Authority’s land on Davis Road.

#### V. Other Regulatory Techniques to Produce Affordable Housing

Hopkinton already has some development policies in place to provide for a mix of homes. For example, the Garden Apartment and Senior Housing bylaws allow multi-family uses by special permit in all residential zones, at a maximum density of eight bedrooms per acre. This density regulation sheds light on why Hopkinton’s zoning has produced condominiums over rental housing: in effect, eight bedrooms per acre is four dwelling units per acre, a density too low to make new rental development economically feasible. Even though Hopkinton effectively allows four units per acre in a Garden Apartments development, applicants usually propose a lower density because of site constraints, namely wetlands, wastewater disposal, and water supply when a private on-site well is needed.

# TOWN OF HOPKINTON

## Housing Plan Map 3

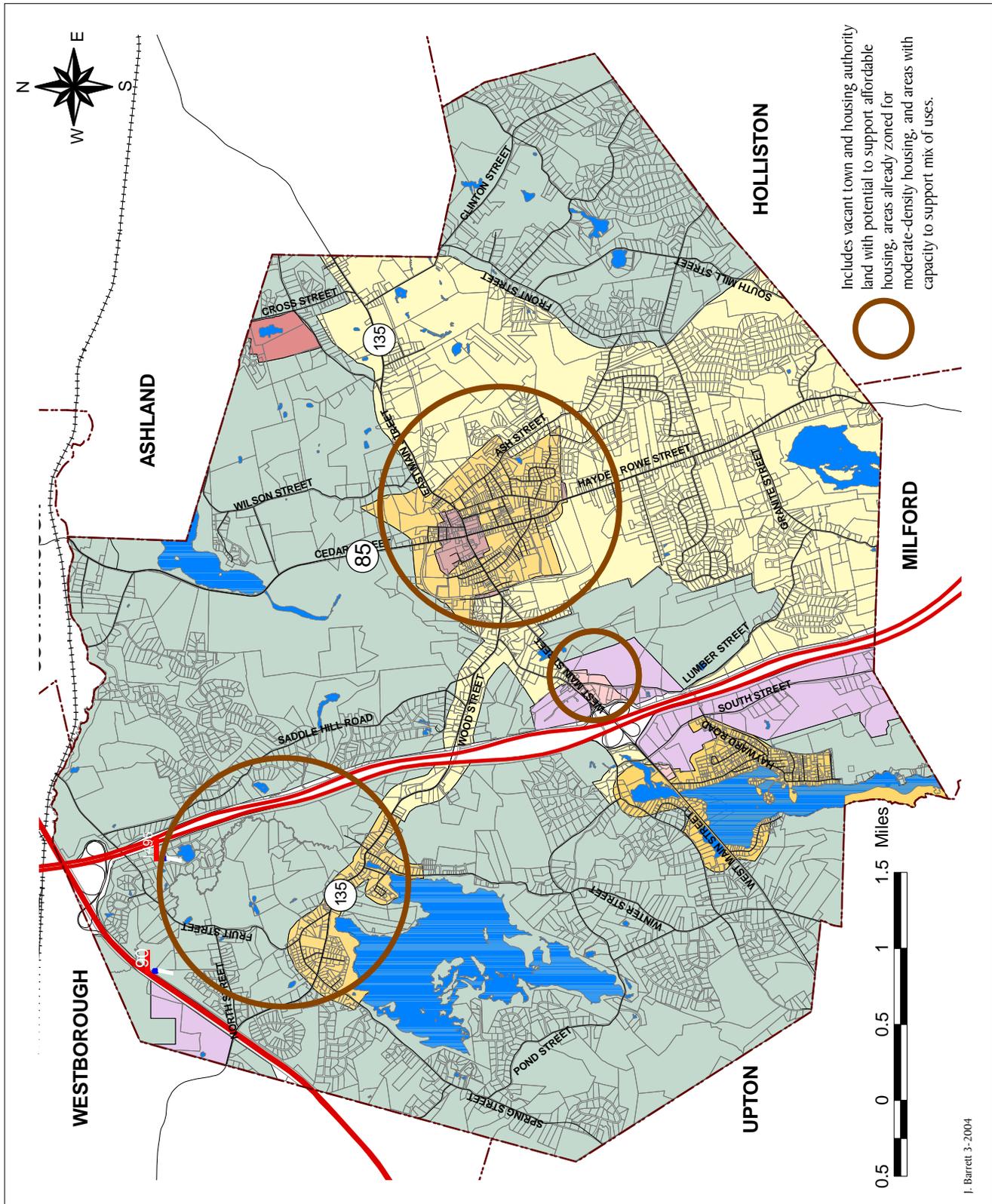
### Housing Strategies

**LEGEND**

-  Municipal Boundaries
-  Local Roads
-  Trains
-  Open Water

**Existing Zoning**

-  Agricultural
-  Business
-  Industrial
-  Professional-Office
-  Residence A
-  Residence B
-  Residence Lakefront
-  Rural Business



There is disagreement in Hopkinton about the merits of zoning to allow higher-density development for affordable units only and zoning to require the inclusion of affordable units in market-rate developments. Both proposals have strengths and limitations, and they represent fundamentally different points of view about what the town's housing objectives should be. These different points of view, as much as the particulars of a zoning bylaw, need to be aired in a public forum so that local officials and residents can reach agreement about zoning policies that are appropriate for Hopkinton before any proposals are presented to a town meeting.

### Actions

The Planning Board should sponsor an informal public hearing to consider and receive comments on several types of zoning strategies, such as:

- Village Housing: zoning proposal with incentives to encourage higher-density development provided that all of the dwelling units are deed-restricted as affordable housing and eligible for approval by the Local Initiative Program (LIP).
- Inclusionary Zoning: zoning proposal to require new developments to include affordable homes or provide equivalent housing benefits by producing affordable units off site, by donating land to the town to build affordable units, or by paying a fee in lieu of producing affordable units.
- "Smart-Growth" Zoning for Affordable Housing: zoning to encourage intensification of use in established residential or mixed-use areas of town in exchange for producing affordable housing units.
- Floating Zone: a "floating zone" is a district with uses, dimensional and development regulations but no corresponding boundaries on the official zoning map until town meeting votes to rezone land into the district. A floating zone could be very useful for allowing higher-density affordable or mixed-income housing development on land owned or being acquired by the town, but it may also be used to rezone other land for affordable housing on an as-needed basis, determined by town meeting.
- Simplified permitting: zoning that encourages affordable housing production by allowing units eligible for the Chapter 40B Inventory as of right – such as affordable accessory apartments or single-family conversion units – subject to a set of development regulations and administrative site plan review.

A comparison matrix on these or other zoning tools should be used to facilitate a community conversation about them. While advocates understand the benefits of their proposals, other local officials and residents not involved in town affairs on a day-to-day basis will find it difficult to engage in an informed discussion about the policy implications of each tool unless they can visualize some point-by-point comparisons.

## VI. Local Development Capacity

A non-profit housing development corporation has been formed in Hopkinton and its members are eager to assist the town with affordable housing development. There are many non-profit development/partnership models in Massachusetts. The town and the Hopkinton Community Housing Task Force, Inc., should consider a range of “local initiative” models and choose one that aligns their respective missions. Some examples of existing partnerships in Massachusetts include:

- In 2001, Belmont obtained a special act of the legislature to create a local non-profit housing development corporation, the Belmont Housing Trust. The organization’s board of directors is appointed by the selectmen, and its activities are subject to review and approval by the town. Last year, a special town meeting agreed to convey a parcel of land to the Belmont Housing Trust to develop three affordable housing units. The Trust is currently working with an experienced non-profit development consultant on predevelopment planning and financing.
- The Webster Housing Authority sponsored a non-profit development corporation that has redeveloped two old, obsolete buildings as family and senior housing, using federal and state subsidies that otherwise would not have been available to a local housing authority.
- In the late 1980s, Stow officials sought help from The Community Builders (TCB) to sponsor a local non-profit housing organization that developed, built, and now manages two Chapter 40B rental housing developments. Stow Community Housing Corporation is essentially a free-standing community development corporation (CDC).
- Harvard town officials worked with the Harvard Conservation Trust to protect a large tract of agricultural land in the mid-1980s. The acquisition was financed by a bond issue, Self-Help funds and proceeds from the sale of a few large house lots that were subdivided and conveyed by the Harvard Conservation Trust before the property was turned over to the town of Harvard. The Trust retained control over a small portion of the land and all of the buildings, and eventually redeveloped the farmhouse as four affordable multi-family units. Soon thereafter, the Trust acquired a former inn and converted it to five affordable rental units. All of the units were placed under long-term affordable housing restrictions after the Trust applied for and received HOME Investment Partnership funds for lead paint removal.
- The Acton Community Housing Corporation (ACHC) is both a non-profit corporation founded by residents of Acton and an advocacy committee of local government, established by a special act of the legislature. Revenue from fees paid by developers under Acton’s affordable housing bylaw has been used by the ACHC to acquire, restrict and sell homes as affordable housing units. In addition, the ACHC obtained predevelopment funds from the Massachusetts Housing Partnership to plan for the reuse of the Towne School as 18 units of affordable rental housing. The organization recently selected a developer for the project.

- Shrewsbury, Plymouth, Amherst, Watertown, Provincetown and Acton established local development corporations using an Economic Development and Industrial Corporation (EDIC) model similar to that of G.L. c.121C. The corporations in Shrewsbury and Plymouth have special legislation to develop not only commercial or industrial property but also residential property. An EDIC is a public corporation that receives its charter by a vote of town meeting and an act of the legislature unless the community adopts the provisions of G.L. c.121C. The home rule petition is generally preferred because towns can tailor the authority and purposes of an EDIC to meet specific local conditions. Without special legislation, Shrewsbury and Plymouth would not have been able to create an EDIC that can develop affordable housing.

### Actions

- Assist the Hopkinton Community Housing Task Force, Inc., with obtaining technical assistance resources. Emphasize organizational development, board training, capacity building and project selection.
- The town should identify several small, “starter” housing development activities that implement one or more of the Master Plan’s housing goals and can be done under current zoning or with a LIP comprehensive permit.

### Examples:

- Acquisition, moderate-scale renovation and sale, with deed restriction, of an existing residence for an affordable housing unit. Logical funding source: CPA.
- Acquisition and conversion of existing single-family residence to a two- or three-family home. The units may be sold as affordable condominiums, or rented as affordable apartments if HCHTF determines that it has adequate capacity to manage rental property. Alternatively, a two-family home may be sold to a qualified purchaser under a restriction that requires owner-occupancy and rental of the second unit to a low- or moderate-income tenant. Logical funding sources: CPA, CDBG, HOME Investment Partnership Program, Housing Stabilization Program.

TOWN OF HOPKINTON

# Housing Plan

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## IMPLEMENTATION GUIDEBOOK

- I. ZONING OPTIONS
  - Village Housing
  - Affordable Accessory Apartments
  - Inclusionary Housing
  - Affordable Housing Trust Fund
  - Mixed Residential Use Overlay District
- II. DEVELOPING LOCAL INITIATIVE HOUSING UNITS: MODELS FOR REUSE OF EXISTING ASSETS AND NEW CONSTRUCTION
  - Case Study #1: Conversion of Existing Residence to Affordable Multi-Family Units
  - Case Study #2: New Construction & Preservation of Open Space
- III. INVENTORY OF SMALL TOWN-OWNED PARCELS
- IV. DESIGNING AND IMPLEMENTING AN AFFORDABLE HOUSING LOTTERY
- V. LOCAL INITIATIVE COMPREHENSIVE PERMITS
- VI. TRAINING AND TECHNICAL ASSISTANCE RESOURCES FOR COMMUNITIES & NON-PROFIT PARTNER ORGANIZATIONS
- VII. FINANCIAL AND TECHNICAL RESOURCES FOR AFFORDABLE HOUSING

## I. Zoning for Housing Affordability

### Village Housing<sup>1</sup>

Add a new section Article XVI-C, Village Housing in Residential Districts

Village Housing in Residential Districts

210-105.10. Planning, design, conservation and development objectives.

- A) General intent and purposes. It is the intent and purpose of this Article XIII to maintain a working balance in the Town of Hopkinton between the demand for new development and the provision of affordable housing and its rewards on the one hand, and the human need for our natural resources and their maintenance on the other. The Town of Hopkinton cannot and should not prevent its citizens from owning, selling and developing their land. The Town also understands the importance of providing for a variety of housing that meets the needs of all of its citizens, regardless of income. But it is also a fundamental and important truth that with each new house and each cut tree, the environment and ecology of the Town changes. Therefore, the control and maintenance of a reasonable balance between new development and the preservation of the Town's natural resources is a legitimate area for public concern and legislation. It is, therefore, the intent of the Town that this article shall provide for the provision of affordable housing under the state guidelines for the creation of such units while providing for the reasonable protection of its natural resources by properly conserving its land as development takes place. This shall be accomplished by establishing a procedure whereby each proposal for village housing will be reviewed separately and judged by standards designed to protect both the special quality of the site and its environs and the Town and its environment against misuse or overdevelopment of the land. In this article, the guiding principle in judging village housing proposals will be the variety and diversity in of the proposed development of affordable housing units and the care shown by the developer in conservation, site planning and building design as applied to the specific parcel of land proposed for development.
- B) General objectives. The following planning, design, conservation and development objectives will apply to all proposals for village housing construction in Hopkinton:
- 1) To provide new affordable housing for all citizens regardless of income, race, color, and creed or other like characteristics.
  - 2) To promote the beneficial use and conservation of land by relating proposed buildings to the unique features, conditions and natural quality of the site. Beneficial use shall be measured in terms of topography, surface and subsurface soil and drainage conditions, location with respect to adjacent or existing streets, buildings or other natural features, the type and size of trees to be retained or removed, the

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<sup>1</sup> This bylaw was prepared by the Hopkinton Affordable Housing Task Force in consultation with the Planning Director and the Zoning Bylaw Review Committee.

use and retention of natural ground cover, open space, water, swamp, other natural water source or feature, stone walls, ledge or any other feature of recognized conservation or historical significance.

- 3) To facilitate sound and orderly public and private development in Hopkinton by relating a village housing proposal to any public Master Plan for land use, conservation, streets or public facilities.
  - 4) To recognize the importance of diversity and variety in the exterior quality, appearance and design of housing structures by rejecting monotonous, look-alike designs and to encourage those designs that are specifically designed for and related to the special conditions and features of the proposed site.
  - 5) To conserve and preserve the significant and unique natural features of the proposed site in their natural state and ensure or provide for their permanent protection from future encroachment or development. Permanent protection of the undeveloped, conservation or open-space portion of the development site shall be assured by a legally binding agreement running with the land, which shall permanently protect a minimum of 15% of the development site as open space.
  - 6) To give encouragement to owners and developers to produce the highest quality design in the housing structures to be built by using visual space planning applied to other site development elements, such as parking areas, wooded or conservation areas, adjacent streets, accessory buildings, lighting and open areas.
  - 7) To give fair and full consideration to the opinions and statements of abutting property owners at the public hearings required for each application.
  - 8) To provide for design review of all proposals prior to construction, to ensure compliance with the above intent and objectives and to assure that the proposal will not result in or contribute to incompatible use of the land, pollution of the soil or groundwater, traffic congestion or inappropriate site development.
- C) Criteria. Before the Planning Board may issue the special permit, it shall determine each of the following:
- 1) That the proposed development constitutes a desirable development in the neighborhood and in the Town.
  - 2) That the proposed development will not be detrimental to the neighborhood or the Town.
  - 3) That the plans generally provide adequately for convenience and safety of vehicular and pedestrian movement within the site and in relation to adjacent streets, property or improvements, with the understanding that review of such items will be more detailed at the site plan stage.
  - 4) That the plans appear to provide adequate methods of disposal of sewerage, refuse and other wastes, adequate methods for drainage for surface water and seasonal

flooding, if any, and adequate provision of water for domestic purposes, with the understanding that review of such items will be more detailed at the site plan stage.

- 5) That the plan complies with the Master Plan.
- 6) That the provisions of Section 210-105.10A and B of this article have been met.

210-105.11 Definitions.

As used in this article, the following terms shall have the meanings indicated:

**AFFORDABLE HOUSING UNIT** -- A dwelling unit that is deed restricted for occupancy by a LOW- AND MODERATE INCOME household and meets the requirements of the Department of Housing and Community Development's "Local Initiative Program" (LIP) for inclusion in the Subsidized Housing Inventory, as provided for in M.G.L.c.40B, Sections 20-23, 760 CMR 31.04, and 760 CMR 45.00.

**BASEMENT** -- Any portion of a structure below the first story.

**CONDOMINIUM** -- A method of ownership whereby an individual may own separately one or more single dwelling units in a building or project. Said individual and other owners of such dwelling units may have an undivided interest in the common areas and facilities that serve the unit or project, such as land, roofs, floors, main walls, stairways, lobbies, halls, parking areas, driveways, recreation areas, open space areas and natural landscaped and/or conservation areas. Said individual may take title to his individual dwelling unit or units, vote on a proportional basis in all respects of his undivided interest in common areas, be taxed separately by the Town for the individual dwelling unit or units and may have a mortgage on the individual dwelling unit.

**FLOOR AREA** -- The sum of the horizontal area of the several floors of a dwelling unit measured from the outside, excluding cellar floor areas, basement rooms, garages, porches and open attics or unfinished rooms, and for which a certificate of occupancy has been issued as habitable living quarters. In split level houses, the first two levels may be counted as one floor, provided that the difference in floor levels is less than five feet.

**VILLAGE HOUSING** -- A residential land use consisting of Affordable Housing Units on one single contiguous parcel.

**HALF-STORY** -- Any place under the gable, hip or gambrel roof, the floor of which is not more than two feet below the plate.

**LOW- AND MODERATE INCOME.** A household with income at or below 80% of the area median income that applies to Hopkinton, as determined from time to time by the Department of Housing and Urban Development (HUD).

**SCREENING** -- A suitable area that will serve as a buffer to adjacent properties, will reduce noise levels and partially obscure any structures.

STORY -- That portion of a building above the finished grade included between the floor and the ceiling or roof above it.

USABLE LAND -- Usable land excludes wetland and floodplains as defined in MGL c. 131, § 40, and areas with slopes of more than 15%. For the purpose of calculating density, 20% of unusable land may be considered usable.

210-105.12. Use regulations and dimensional requirements.

- A) Use districts. Village Housing, under single ownership or as condominiums, shall be allowed by special permit in all districts where residential uses are permitted by right in accordance with the requirements and regulations set forth in this article.
- B) Dimensional requirements. The following lot sizes, setbacks and regulations must be adhered to by each applicant:
  - 1) Anyone wishing to build garden apartments village housing may do so only on a site containing an area of not less than 10 5 acres of usable land, but not more than 30 20 acres of usable land per village housing project and/or application. The minimum lot frontage shall be 200 50 feet on a public road.
  - 2) Density shall be a maximum of ten units per acre of usable land.
  - 3) The total ground floor area of housing units, garages and accessory buildings shall not exceed 25% of the site area.
  - 4) One-bedroom units shall contain a minimum of 700 square feet of floor area. Two-bedroom units shall contain a minimum of 900 square feet of floor area. Three-bedroom units shall contain a minimum of 1200 square feet of floor area.
  - 5) Buildings shall not exceed 2 1/2 stories in height and shall contain a maximum of 12 units. The number of detached single-family dwelling units may vary and may comprise all of the dwelling units in the project.
  - 6) Parking spaces. There shall be provided two parking spaces per unit, at least one of which shall be located so as to provide convenient access to its assigned dwelling unit. Parking garages will be permitted as a parking space if located and designed so as to complement the building design and site layout.
  - 7) Setbacks. All buildings must comply with the setback requirements of the underlying zoning district. The street setback area shall be undeveloped and/or landscaped. Upon a finding by the Planning Board that a setback of lesser width would be sufficient to screen and/or separate the development from adjacent property, the setback may be reduced. The Board may require no-cut easements, conservation restrictions or the like where the setback has been reduced. Buildings shall be located a minimum of 20 feet from interior roadways and driveways which are not considered streets or public roads.

- 8) Maintenance of roads. Maintenance of roads and driveways, including snowplowing within the project limits, is the responsibility of the project owner.
- 9) Lighting. All lighting must be shielded and/or directed away from adjoining property.
- 10) Signs. Signs are subject to such limitations of size and usage as may be imposed by the Planning Board.
- 11) Rubbish disposal. Rubbish disposal shall be provided for by the owner and not by the Town. There shall be no outside burning of rubbish. Inside incinerators which are approved by the Planning Board may be allowed.
- 12) Underground utilities. Underground utilities are mandatory and shall be installed in accordance with the standards contained in the subdivision rules and regulations of the Town of Hopkinton.
- 13) Recreation area. In developments of ten or more units, suitable recreation space of at least 600 square feet per dwelling unit shall be provided for both adults and children. Such areas shall be suitable for the siting of active recreational facilities and shall be in addition to included as part of in addition to the open space required for the project. Such recreation areas may be contiguous to the open space or may be separately located. This section shall not apply if the development is within one half mile of an existing active recreational facility which is open to the public free of charge.
- 14) Landscaping. Suitable landscaping materials no less than 15 feet in width must be placed along property lines to provide screening if there is no suitable natural growth in these areas. Fencing may be allowed at the discretion of the Planning Board. The screened area may be included in the required setback distances.
- 15) Suitability of land area. Natural watercourses and ponds may not be altered, filled, drained or relocated. Any pond that has been in existence for over 25 years shall be deemed to be a natural pond. Floodplain or marshes may be included as part of a lot, but may not be altered, filled, drained or relocated and may not be used for building sites, sewage disposal areas or ways.
- 16) Distance between structures. The distance between structures shall be no less than the average height of the two structures or 35 feet, whichever is greater. This requirement may be waived by the Planning Board upon the recommendation of the Fire Chief.
- 17) Road Construction. Roads are to be constructed in accordance with the Design Standards and Construction Requirements of the Subdivision Rules and Regulations of the Town of Hopkinton with the exception of width and length, which shall be determined by the Planning Board based on the specific characteristics of each plan submittal. The Planning Board may grant waivers from the Design Standards and Construction Requirements if the Board determines that such waiver will not result in any substantial detriment to the public good or substantially derogate from the

intent or purpose of such Standards or Requirements or of this Chapter. All requests for waivers must be in writing and must be submitted to the Board at the time of plan submittal. Inspection of the roads during construction shall be in accordance with the procedures contained in the Subdivision Rules and Regulations and the inspection process shall be administered by the Planning Board. Such procedure shall include the payment of any fees or deposits for the inspections as required by the then applicable Subdivision Rules and Regulations.

- 18) Open space, as described in Section 210-105.10B(5), shall consist of a minimum of 15% of the development site and shall be clearly delineated and defined on the site plan of each application. It is the intention of this article that the open space shall generally occur as a single contiguous area of open space that retains those natural features of the site most worthy of preservation in their natural state.
- 19) Affordable Units. All of the Village Housing affordable housing units shall be restricted by deed that requires that they remain affordable, as defined by this chapter, in perpetuity. 100% of the housing units in any Village Housing development shall be affordable housing units, as defined in this chapter.

#### 210-105.13. Administration.

- A) Application procedure. The application procedure consists of two steps: application for village housing concept plan special permit approval to the Planning Board and application for village housing site plan approval to the Planning Board. A village housing site plan shall be considered neither a definitive subdivision plan under the provisions of the Subdivision Control Law, nor a site plan under the provisions of Article XX of this Chapter. A village housing site plan shall be considered a technical administrative review of an approved concept plan. The village housing concept plan special permit is the special permit referred to in Section 210-105.11A of this article.
  - 1) Concept plan special permit.
    - a) A record owner desiring to use land for village housing shall file with the Planning Board an application for a village housing concept plan special permit to use the land for garden apartments, together with such plans, drawings, specifications and additional information as set forth in the Village Housing Submission Requirements and Procedures Manual adopted by the Planning Board and filed with the Town Clerk. After adoption of this article, the Planning Board shall vote to adopt the Village Housing Submission Requirements and Procedures Manual after holding a public hearing.
    - b) Within seven days of receipt of the application for the village housing concept plan special permit, the Planning Board shall transmit copies of the application and plan to the Director of Public Works, Conservation Commission and Board of Health for comment and recommendations. The Planning Board shall not approve any such application until the final reports of such departments shall have been submitted to it or until 35 days shall have elapsed after the transmittal of the plans and additional materials without such report being

- submitted. Design review fees shall be governed and set by the Planning Board and shall be assessed to the record owner and applicant.
- c) The Planning Board will hold a public hearing and will file its decision with the Town Clerk as required by MGL c. 40A, § 9.
  - d) Approval of the village housing concept plan special permit application shall not be considered approval of any construction. This approval is a preliminary approval intended to give guidance to the applicant for the development of the site plan and to determine whether the proposed concept meets the objectives of the bylaw and the Town.
  - e) After a village housing concept plan special permit application has been submitted, no tree removal, no utility installation, no ditching, grading or construction of roads, no grading of land or lots, no excavation except for purposes of soil testing, no dredging or filling and no construction of buildings or structures shall be done on any part of the site until the application has been reviewed and approved as provided by these regulations.
  - f) A village housing concept plan special permit shall become void within two years from the date of issue, which two years shall not include time required to pursue or await determination of an appeal referred to in MGL c. 40A, § 17. If any construction work contemplated by such special permit shall have commenced and proceeded in good faith continuously, except for good cause, but notwithstanding, the project shall not have been completed within such two-year period, the applicant must request extension of the special permit from the Board, in which case the Board shall extend the special permit for such period of time as it deems appropriate.
- 2) Village housing site plan. After approval of the concept plan special permit, the applicant may submit an application for approval of a village housing site plan to the Planning Board. No village housing site plan application may be submitted unless a concept plan has been approved and is currently in effect. The village housing site plan shall be designed to be in conformance with the approved concept plan special permit. If the Planning Board determines that there is a substantial variation between the concept plan special permit and the site plan, it shall hold a public hearing on the modifications of the concept plan special permit.
- a) Within five days after receipt of the complete application, the Planning Board shall distribute copies of the application and plans to the Director of Public Works, Conservation Commission and Board of Health. These departments shall transmit recommendations, if any, to the Board within 35 days of receipt of the plans.
  - b) The Board shall hold a public hearing within 45 days of the receipt of the complete application. Notice of the time, place and subject matter of the public hearing shall be given by the Planning Board at the expense of the applicant by advertisement in a newspaper of general circulation in the Town, once in each of

two successive weeks, the first publication being not less than 14 days before the day of such hearing, and by mailing a copy of such advertisement to the applicant and to all owners of land abutting the land included in such plan as appearing on the most recent tax list.

- c) The Board shall file its decision with the Town Clerk within 90 days from the date of submission. This time may be extended by mutual agreement between the applicant and the Planning Board.
- d) Approval criteria.
  - (1) Before the Planning Board may approve the site plan, it shall determine each of the following:
    - (a) That the plans provide adequately for convenience and safety of vehicular and pedestrian movement within the site and in relation to adjacent streets, property or improvements.
    - (b) That the plans assure the adequacy of the methods of disposal of sewerage, refuse and other wastes and the methods of drainage for surface water and seasonal flooding, if any.
    - (c) All of the provisions of this Chapter, including Section 210-105A and B, have been complied with and all necessary special permits and variances have been granted from the Board of Appeals.
  - (2) If the Planning Board does not make all of the above determinations, it shall deny the application stating its reasons for such denial.
- e) The Board may approve the site plan with conditions. Those conditions may include, but shall not be limited to, the following:
  - (1) Phasing of the village housing site plan construction so that no more than thirty five (35) units per year of affordable housing will be constructed utilizing a three-year average as a standard until that point at which the state mandate for percent affordable housing units has been achieved.
  - (2) Performance guaranty. As a condition of plan approval, the Planning Board may require that a performance bond, secured by deposit of money or negotiable securities in the form selected by the Board, be posted with the Town to guarantee completion of improvements to be made in compliance with the plans submitted and approved hereunder. The Board may also require that an amount be included for land restoration not having to do with the construction of improvements. The amount of security shall be determined by an estimate from the applicant's engineer which may be confirmed or increased by the Board. The Town may use the secured funds for their stated purpose in the event that the applicant does not complete all improvements in a manner satisfactory to the Board within two years from the date of approval, or the final date of the last extension of such approval,

if any. The term "improvements" shall not include the construction of buildings.

(3) Off-site improvements to correct conditions directly caused by the village housing development.

(4) The duration of the Board's approval and a specified date of completion.

B) Modifications to approved plan. The approved village housing site plan may be modified or amended by the Planning Board on its own motion or upon application by the developer. If the Board determines that such modifications are significant, it shall hold a public hearing in accordance with the provisions of Subsection A(2) above.

C) Completion.

1) Upon completion of construction of all site work and building construction, the applicant shall file a completion certificate with the Director of Municipal Inspections, such certificate to state that the site development, conservation and building construction has been completed in conformity with the approved plans.

2) The applicant shall submit two as-built plans showing the entire site and including, but not limited to, the following: utilities, structures, roadways, open space and recreation areas.

3) After submission of the completion certificate and as-built plans, the Board shall review such information and if such as-built plans conform to the site plan as approved and modified or amended, release the remaining performance guaranty, if any.

D) Appeal. Appeals of decisions made under this article shall be pursuant to MGL c. 40A, § 17.

### Affordable Accessory Dwelling Unit

Amend the Zoning Bylaw as follows:

Add the following permitted use to Article II, Residence A (RA) District, Section 210-6, Article III, Residence B (RB) District, Section 210-9, Article IV, Residence Lake Front (RFL) District, Section 210-12, and Article V, Agricultural (A) District, Section 210-15:

Affordable accessory dwelling unit, subject to the requirements of Section 210.126.3 of this Bylaw.

Add the following special permitted use to Article VI, Business (B) District, Section 210-19, Article VII, Rural Business (BR) District, Section 210-24:

Affordable accessory dwelling unit, subject to the requirements of Section 210.126.3 of this Bylaw.

Add the following Section 210-126.3. Affordable Accessory Dwelling Unit, to Article XVIII Supplementary Regulations.

210-126.3. Affordable accessory dwelling unit.

A) Purpose. The purposes of this bylaw are to provide accessory dwellings that are affordable to low- or moderate-income households and that qualify for inclusion in the Subsidized Housing Inventory under G.L. c.40B, Sections 20-23, as low- or moderate-income housing units.

B) Definitions.

As used in this article, the following words shall have the following meanings unless the context requires otherwise:

**AFFORDABLE ACCESSORY DWELLING:** An accessory dwelling unit that is affordable to and occupied by a low- or moderate-income household, meets the definition of low- or moderate-income housing at 760 CMR.30.02, and is eligible for inclusion in the Chapter 40B Subsidized Housing Inventory through the Local Initiative Program.

**LOW- OR MODERATE-INCOME HOUSEHOLD:** A household with income at or below 80% of area median income, adjusted for household size, for the metropolitan or non-metropolitan area that includes the Town of Hopkinton as determined annually by the U. S. Department of Housing and Urban Development (HUD).

**LOCAL INITIATIVE PROGRAM:** A program administered by the Massachusetts Department of Housing and Community Development (DHCD) pursuant to 760 CMR 45.00 to develop and implement local housing initiatives that produce low- and moderate-income housing.

**MAXIMUM AFFORDABLE RENT:** Monthly rent, exclusive of utilities, that does not exceed 30% of the monthly income of a household earning 70% of area median income

based on household size, except that if the dwelling unit receives a state, federal or local subsidy, the maximum rent may be as allowed by the subsidy program so long as the tenant share of rent does not exceed 30% of the monthly income.

**SUBSIDIZED HOUSING INVENTORY:** The Department of Housing and Community Development Subsidized Housing Inventory provided in 760 CMR 31.04.

**QUALIFIED RENTER:** A low or moderate-income household that rents and occupies an affordable accessory dwelling unit.

C) Applicability

An affordable accessory dwelling shall be permitted in the RA, RB, RFL and A Districts, and a special permitted use in the B and RB districts by special permit from the Board of Appeals, provided that the dwelling complies with the requirements of this Bylaw

D) Relationship to Site Plan Review

An application for an affordable accessory dwelling permit or shall be subject to minor site plan review under Article XX, Section 210-125.B, except that an application for a special permit to construct an affordable accessory dwelling unit shall be subject to site plan approval as part of the special permit process.

E) Basic Requirements for Affordable Accessory Dwellings

The following requirements apply in all districts in which an affordable accessory dwelling is permitted as of right or by special permit from the Board of Appeals:

- 1) No more than ten permits for affordable accessory dwellings shall be issued in a single calendar year.
- 2) An affordable accessory dwelling must comply with low- or moderate-income housing regulations and guidelines of the Local Initiative Program (LIP), 760 CMR 45.00, et seq., in effect on the date of application for a building permit or a special permit.
- 3) An affordable accessory dwelling must be rented to and occupied by a qualified renter as defined in Section B above.
- 4) The monthly rent shall not exceed the maximum affordable rent for a household of appropriate size for the accessory dwelling unit.
- 5) No affordable accessory dwelling unit shall be separated by ownership from the principal dwelling unit or structure. Any lot containing an affordable accessory dwelling unit shall be subject to a recorded restriction that restricts the lot owner's ability to convey interest in the affordable accessory dwelling unit, except leasehold estates, for the term of the restriction.

- 6) An affordable accessory dwelling shall be secured by an affordable housing use restriction or a regulatory agreement and declaration of restrictive covenants effective for a minimum of fifteen (15) years, recorded at the Registry of Deeds, in a form that meets the approval requirements of the Local Initiative Program. For an accessory dwelling in a single-family home, the deed restriction may be revocable upon sale of the premises provided that the accessory dwelling use terminates with transfer of the title.
  - 7) The owner of the structure with an affordable accessory dwelling shall certify annually to the Hopkinton Housing Authority or another entity determined by the Planning Board that the dwelling is occupied by a qualified renter and the rent is equal to or less than the maximum affordable rent. Failure of the owner to comply shall be deemed a violation of this bylaw and subject to the enforcement provisions of Section 210-156 of this Bylaw.
  - 8) The affordable accessory dwelling shall clearly be a subordinate part of the single-family dwelling or business use.
  - 9) Two private off-street parking spaces shall be available for use by occupants of each affordable accessory dwelling.
  - 10) The affordable accessory dwelling must be designed so that the appearance of the building remains unchanged to the maximum extent practical. Unless otherwise required by the State Building Code, any new exterior stairs needed to provide primary or secondary means of egress for the affordable accessory dwelling shall be located on the side or rear of the building.
  - 11) The design and size of the affordable accessory dwelling shall conform to all applicable standards in the building, plumbing, electrical, mechanical, fire, health and any other applicable codes, and to the requirements of the Local Initiative Program.
  - 12) The septic system serving the lot shall meet current Title V regulations and shall be reviewed and approved by the board of health.
- F) Additional Requirements for Affordable Accessory Dwellings in a Residence District

In addition to the requirements of (D) above, an affordable accessory dwelling permitted in a the RA, RB, RFL or A District must meet the following:

- 1) An affordable accessory dwelling must be located within the interior of and under the same roof as a single-family home, or in a structure attached thereto, or in a detached structure on the same premises as a single-family home, such as a garage or barn.
- 2) The lot must conform to the minimum lot area, width and frontage requirements of the applicable zoning district.

- 3) Not more than one affordable accessory dwelling unit shall be permitted in a single-family home or in an attached or detached structure on the same premises.
- 4) The owner of the premises must occupy one of the units as a permanent legal residence.
- 5) The living space in an affordable accessory dwelling shall not exceed a maximum of seven hundred and fifty square feet or forty-five percent of the gross floor area of the single-family home, whichever is greater, and shall contain no more than two bedrooms. For purposes of this section, the computation of maximum floor area shall be limited to the principal residence and shall exclude the floor area in an attached or detached structure.

G) Affordable Accessory Dwelling by Special Permit in a Residence District

- 1) The Board of Appeals may waive the requirements of Section E(2) above by issuing a special permit for an affordable accessory dwelling. Application for a special permit for an affordable accessory dwelling shall be in accordance with Article XXII of this Bylaw.
- 2) The Board of Appeals retains the right to revoke a special permit issued hereunder if the applicant violates any provision of this Bylaw or any condition imposed upon the issuance of the special permit. Revocation may occur only after a hearing held on notice to the applicant.

H) Affordable Accessory Apartment by Special Permit in a Business District

The Board of Appeals may authorize a special permit for an affordable accessory dwelling in the B or RB District if the following requirements are met in addition to the requirements listed in Section D:

- 1) No more than two affordable accessory dwellings may be created in any one building.
- 2) The dwelling must be located above the first floor or street level of a structure used principally for businesses, except that one affordable accessory dwelling may be located on the first floor if:
  - a) The primary entrance to the dwelling is on an elevation other than the front elevation facing the street, and
  - b) The dwelling unit has direct access to the parking spaces associated with it, and
  - c) The unit is accessible to persons with disabilities, determined by the building commissioner to meet applicable regulations of the Massachusetts Architectural Access Board for dwelling unit interiors, entrances, accessible routes and parking, and

- d) The unit is occupied by a qualified renter household with one or more persons with disabilities or a qualified renter household of persons sixty-two years of age or older.
  - 3) The Board of Appeals retains the right to revoke a special permit issued hereunder if the applicant violates any provision of this Bylaw or any condition imposed upon the issuance of the special permit. Revocation may occur only after a hearing held on notice to the applicant.
- I) Certificate of Occupancy
- 1) No Certificate of Occupancy shall be issued for an affordable accessory dwelling until the applicant submits the following documentation to the Planning Board, who shall notify the Building Commissioner that it has been provided:
    - a) A copy of the affordable housing use restriction or regulatory agreement and declaration of restrictive covenants, signed by the owner and the Town, the original of which must be filed at the Registry of Deeds.
    - b) A certificate of approval from the Massachusetts Department of Housing and Community Development.
    - c) A notarized affidavit from the owner of the property, verifying that the unit will be occupied by a qualified renter, that the owner will provide annual certification of compliance with this bylaw as required in Section D.6 above, and in the case of an affordable accessory dwelling in a single-family home, that the owner will occupy one of the dwelling units on the premises except in bona fide emergencies.

## Inclusionary Housing

Amend the Zoning Bylaw as follows:

Add a new Section 210-126.4. Inclusionary Housing

### 210.126.4. Inclusionary Housing

A) Purpose. The purposes of the inclusionary housing bylaw are to produce high-quality dwelling units affordable to low- or moderate-income households, to encourage the provision of more housing choices in Hopkinton, to promote geographic distribution of affordable housing units throughout the town and avoid over-concentration, to prevent the displacement of low- or moderate-income residents of Hopkinton, and to assist the Town in addressing “local housing need” as defined in G.L. c.40B, Sections 20-23.

### B) Definitions

**ACCESSIBLE:** As applied to the design, construction, or alteration of a dwelling unit, accessible shall mean that the unit is located on an accessible route and when designed, constructed, altered or adapted, it can be approached, entered, and used by individuals with mobility impairments.

**AFFORDABLE HOUSING TRUST FUND:** A fund account established and operated by the Town for the exclusive purpose of creating or preserving affordable housing opportunities in the Town of Hopkinton.

**AFFORDABLE HOUSING UNIT:** A dwelling unit that is affordable to and occupied by a low- or moderate-income household, meets the definition of low- or moderate-income housing at 760 CMR.31.02, and is eligible for inclusion in the Chapter 40B Subsidized Housing Inventory through the Local Initiative Program.

**AFFORDABLE HOUSING RESTRICTION:** A contract, mortgage agreement, deed restriction, or other legal instrument, acceptable in form and substance to the Town of Hopkinton, that effectively restricts occupancy of an affordable housing unit to qualified purchaser or qualified renter, and which provides for administration, monitoring and enforcement of the restriction during the term of affordability. An affordable housing restriction shall run with the land in perpetuity or for the longest period of time allowed by law, so as to be binding on and enforceable against any person claiming an interest in the property. An affordable housing restriction shall be enforceable under the provisions of G.L. c.184, Section 32, and be approved by the Department of Housing and Community Development through the Local Initiative Program.

**DWELLING UNIT:** A dwelling unit or a unit within an assisted living facility.

**HOPKINTON RESIDENT:** A Hopkinton Resident includes an individual or family maintaining a primary residence within the Town of Hopkinton; or an individual who is employed by the Town of Hopkinton or by a business establishment located in the Town of Hopkinton at least twenty (20) hour per week; or a parent or guardian with children attending the Hopkinton public schools; or a person who, within the fifteen

years preceding application for a Hopkinton affordable housing unit, attended the Hopkinton public schools. A Hopkinton Resident may also include other individuals identified in a local preference policy adopted by the Hopkinton Board of Selectmen.

**LOCAL INITIATIVE PROGRAM:** A program administered by the Massachusetts Department of Housing and Community Development (DHCD) pursuant to 760 CMR 45.00 to develop and implement local housing initiatives that produce low- and moderate-income housing.

**LOW- OR MODERATE-INCOME HOUSEHOLD:** A household with income at or below 80% of area median income, adjusted for household size, for the metropolitan or non-metropolitan area that includes the Town of Hopkinton as determined annually by the U. S. Department of Housing and Urban Development (HUD).

**MAXIMUM AFFORDABLE PURCHASE PRICE:** A selling price that will result in a monthly housing cost, including a mortgage payment, property taxes and insurance, of not more than thirty percent (30%) of the monthly gross income of a household earning 70% of area median income, adjusted for household size, and meets the maximum purchase price guidelines of the Local Initiative Program.

**MAXIMUM AFFORDABLE RENT:** Monthly rent, exclusive of utilities, that does not exceed 30% of the monthly income of a household earning 70% of area median income, adjusted for household size, except that if the dwelling unit receives a state, federal or local subsidy, the maximum rent may be as allowed by the subsidy program so long as the tenant share of rent does not exceed 30% of the monthly income, and meets the maximum affordable rent guidelines of the Local Initiative Program.

**QUALIFIED PURCHASER:** A low- or moderate-income household that purchases and occupies an affordable housing unit as the household's principal residence.

**QUALIFIED RENTER:** A low or moderate-income household that rents and occupies an affordable housing unit as a tenant.

**SUBSIDIZED HOUSING INVENTORY:** The Department of Housing and Community Development Chapter 40B Subsidized Housing Inventory as provided in 760 CMR 31.04.

#### C) Applicability

This bylaw applies to all developments involving the creation of six (6) or dwelling units or six (6) or more lots for residential use, or to any division of land of 10 acres or more requiring a special permit under G.L. 40A, Section 9, or to any division of land of 10 acres or more pursuant to G.L. c.41, Section 81-L or 81-U, including a division of land that does not require approval under the Subdivision Control Law. Developments may not be segmented to avoid compliance with this bylaw.

#### D) Mandatory Provision of Affordable Housing Units

- 1) The Planning Board or the Board of Appeals shall, as a condition of approval of any development referred to in Section C above, require that the applicant comply with the affordable housing requirements of this bylaw.
- 2) In any development subject to this bylaw, at least ten (10) percent of the lots in a division of land or ten (10) percent of the dwelling units in a multiple-unit development subject to this bylaw shall be established as affordable housing units in any one or combination of methods provided for below. Fractions of a lot or dwelling unit shall be rounded up to the nearest whole number, such that a development proposing six (6) dwelling units shall require one affordable unit, a development proposing eleven (11) dwelling units shall require two affordable units, and so forth.

E) Methods of Providing Affordable Housing Units

The Planning Board or the Board of Appeals, in its discretion, may approve one or more of the following methods, or any combination thereof, for the provision of affordable housing units by a development that is subject to this bylaw.

- 1) The affordable housing units may be constructed or rehabilitated on the locus of the development.
- 2) The affordable housing units may be constructed or rehabilitated on a locus different than that of the development. The Planning Board or the Zoning Board of Appeals, in its discretion, may allow a developer of non-rental dwelling units to develop, construct or otherwise provide affordable units equivalent to those required by this bylaw in an off-site location in the Town of Hopkinton. All requirements of this bylaw that apply to on-site provision of affordable units shall apply to provision of off-site affordable units. In addition, the location of the off-site units shall be approved by the Planning Board or Board of Appeals as an integral element of the development review and approval process.
- 3) A donation of land may be made in lieu of providing affordable housing units. An applicant may offer, and the Planning Board or Board of Appeals may accept, subject to approval of the Board of Selectmen, donations of land in fee simple, on- or off-site, that the Planning Board or Board of Appeals determines are suitable for the construction of affordable housing units. The value of donated land shall be equal to or greater than the value of the construction or set-aside of the affordable units. The Planning Board or Board of Appeals may require, prior to accepting land as satisfaction of the requirements of this Bylaw, that the applicant submit appraisals of the land in question, as well as other data relevant to the determination of equivalent value.
- 4) An equivalent fee in lieu of units may be made. The Planning Board or the Board of Appeals, in its discretion, may allow a developer of non-rental dwelling units to make a cash payment to the Town through its Affordable Housing Trust Fund for each affordable unit required by Section D. The cash payment, or equivalent value in land or buildings, shall be equal to the difference between the median single-

family home sale price in Hopkinton for the most recent calendar year and the price of an affordable housing for a qualified purchaser, assuming a household size of 1.49 persons per bedroom rounded to the nearest whole person.

F) General Provisions

- 1) Affordable dwelling units shall be dispersed throughout the building(s) in a development and shall be comparable to market housing units in terms of location, quality and character, room size, bedroom distribution, and external appearance.
- 2) The Planning Board or the Zoning Board of Appeals, in its discretion, may require the provision of an accessible unit(s), up to 5% of the total number of units, and may designate when the unit(s) shall be provided during the construction process.
- 3) The selection of qualified purchasers or qualified renters shall be carried out under a marketing plan approved by the Planning Board or Board of Appeals. The duration and design of this plan shall reasonably inform all those seeking affordable housing, both within and outside the Town, of the availability of such units.
  - a) To the extent practicable and allowed by law, Hopkinton residents shall be given preference for 70 percent of the affordable housing units created under this bylaw.
  - b) Developers may sell affordable homeownership units to the Town of Hopkinton, the Community Housing Task Force, Inc., or to another private nonprofit entity for the purpose of providing affordable housing opportunities, in order that such entity carry out the steps needed to market the affordable housing units and manage the choice of buyers.

G) Timing of Construction

Where feasible, affordable housing units shall be provided coincident to the development of market-rate units, but in no event shall the development of affordable units or payment of fees in lieu of providing affordable units be delayed beyond the schedule below. Fractions of units shall not be counted.

MARKET-RATE UNIT %	AFFORDABLE HOUSING UNIT %
Up to 30%	None required
30% plus 1 unit	At least 10%
Up to 50%	At least 30%
Up to 75%	At least 50%
75% plus 1 unit	At least 70%
Up to 90%	100%

- 1) Certificates of Occupancy for any market-rate housing units shall be issued at a ratio of Certificates of Occupancy for required affordable housing units or fees paid in lieu of units in accordance with the schedule above.

- 2) All documents necessary to ensure compliance with this bylaw shall be subject to the review and approval of the Planning Board or the Boards of Appeals, as applicable, and Town Counsel.

H) Preservation of Affordability; Restrictions on Resale

- 1) An affordable housing unit created in accordance with this bylaw shall be subject to an affordable housing restriction or regulatory agreement that contains limitations on use, resale and rents. The affordable housing restriction or regulatory agreement shall meet the requirements of the Town and the Local Initiative Program, and shall be in force for the maximum period allowed by law.
- 2) The affordable housing restriction or regulatory agreement shall be enforceable under the provisions of G.L. c.184, Section 32.
- 3) The Planning Board or Board of Appeals shall require that the applicant comply with the mandatory provision of affordable housing units and accompanying restrictions on affordability, including the execution of the affordable housing restriction or regulatory agreement.
- 4) The Zoning Enforcement Officer shall not issue a Certificate of Occupancy for any affordable unit until the affordable housing restriction is executed by the developer, the Town and the Department of Housing and Community Development, and recorded at the Middlesex County Registry of Deeds or the Land Court.

I) Severability, Conflict with Other Bylaws

- 1) To the extent that a conflict exists between this bylaw and other bylaws of the Town of Hopkinton, the more restrictive provisions shall apply.
- 2) If a court of competent jurisdiction holds any provision of this by-law invalid, the remainder of the by-law shall not be affected thereby. The invalidity of any section or sections, or parts of any section or sections, of this by-law shall not affect the validity of the remaining sections or parts of sections or the other bylaws of the Town of Hopkinton.

### Affordable Housing Trust Fund

*(Note: this action requires approval of a home rule petition by the state legislature.)*

To see if the Town will vote to authorize the Board of Selectmen to submit a petition to the General Court, in substantially the following form:

#### AFFORDABLE HOUSING TRUST FUND

Section 1. The Town of Hopkinton may establish a separate fund to be known as the Affordable Housing Trust Fund for the purpose of creating or preserving affordable housing by (a) the Town of Hopkinton or the Hopkinton Housing Authority, (b) a housing trust, community development corporation, non-profit housing development corporation, or similar entity created under the laws of the commonwealth for the purpose of creating, maintaining or operating affordable housing, or (c) an applicant for affordable housing funds to the United States Department of Housing and Urban Development or the Massachusetts Department of Housing and Community Development, subject to the subsequent approval of funding by that agency. Expenditures from the Affordable Housing Trust Fund shall be authorized by a majority vote of the Board of Selectmen, in consultation with the Hopkinton Housing Partnership.

Section 2. All the expenditures from the fund shall be used for low- or moderate-income housing as defined in Section 20 of chapter 40B of the General Laws. The funds may be used to:

- a) Purchase and improve land for low- or moderate-income housing;
- b) Acquire and rehabilitate or redevelop existing dwelling units for purchase or rental by low- or moderate-income homebuyers or tenants;
- c) Acquire, redevelop and convert existing non-residential structures for low- or moderate-income housing;
- d) Develop and construct new dwelling units for purchase or rental by low- and moderate-income housing purchasers or tenants;
- e) Purchase rights of first refusal to acquire existing dwelling units for sale or rental to low- or moderate-income households;
- f) Provide grants, low-interest loans or deferred payment loans to assist low- or moderate-income homebuyers to purchase a home in the Town of Hopkinton;
- g) Redevelop and convert municipal, school or other public buildings for low- or moderate-income housing.

Expenditures shall follow an allocation plan submitted by the Board of Selectmen annually to the Town at the Annual Town Meeting and approved by Town Meeting. The allocation plan may be amended by the Town Meeting at any Special Town Meeting upon a favorable recommendation from the Board of Selectmen. The Board of Selectmen may request the

advice of the Hopkinton Housing Partnership, the Planning Board and others in developing any allocation plan. The allocation plan shall be a general plan of how funds will be expended during the next fiscal year. It shall also include a report on how funds were spent during the previous fiscal year.

All expenditures from the fund, including funds for capital purchases of land or buildings, shall be in accordance with the allocation plan and approved by a majority vote of the Board of Selectmen.

Section 3. As a means of providing available assets for the fund, all monies received by the Town through the following means shall be paid over to and become a part of the fund for the purposes set forth in this act:

- a) Cash payments made by developers to the Town pursuant to Section 210-126.4 of the Hopkinton Zoning Bylaw.
- b) Funds authorized by Town meeting for community housing purposes under G.L. c.44B, the Community Preservation Act.
- c) Gifts, grants, donations, contributions or other cash payments made to and accepted by the Town for the purpose of providing low- or moderate-income housing.
- d) Any other source of revenue determined by Town Meeting, as allowed by law.

Section 4. Real property interests purchased or conveyed by the Town under this act shall be in accordance with Section 16 of chapter 30B of the General Laws, unless exempt under Section 1 of said chapter 30B or under other laws of the Commonwealth.

The Board of Selectmen may convey, through sale, lease or transfer, real property purchased under this act provided that an affordable housing use restriction as defined in Section 31 of chapter 184 of the General Laws is executed with or on behalf of the purchaser or owner of the property and recorded at the Registry of Deeds. The term of the affordable housing use restriction shall be the maximum allowed by law unless a lesser term is authorized in the allocation plan approved by Town meeting.

Real property conveyed through sale, lease or transfer to a for-profit or non-profit developer to provide low- or moderate-income rental housing shall be subject to an affordable housing regulatory agreement executed with or on behalf of the developer and the Department of Housing and Community Development

Section 5. The Town Treasurer shall be the custodian of the fund and shall invest the funds in the manner authorized by Sections 55, 55A and 55B of chapter 44 of the General Laws. Any income or proceeds received from the investment of funds shall be credited to and become part of the fund.

### Mixed Residential Use Overlay District

Amend the Zoning Bylaw as follows:

Add a new Article XIV-A: Mixed Residential Overlay District

#### 210.88.1 Purposes

A) The purposes of the Mixed Residential Overlay District are to preserve and enhance the established development pattern in Hopkinton's traditional neighborhoods, to promote a range of housing choices, and to provide opportunities for community investment in areas supported by adequate infrastructure and services. In the Mixed Residential Overlay District, no structure shall be erected or altered and no building, structure, premises or land shall be used for any purpose or in any manner other than as permitted as follows.

#### 210.88.2 Applicability

Mixed residential development shall be allowed upon the issuance of a special permit by the Planning Board, within Residence A and Business Districts, subject to the requirements specified herein.

#### 210.88.3 Definitions

INFILL RESIDENTIAL USE: A structure with one or more dwelling units located on a lot for which the Planning Board has approved a waiver of lot frontage requirements in order to provide for affordable housing.

CONGREGATE ELDERLY HOUSING: A shared housing structure designed for occupancy by up to six persons over 62 years of age.

REDUCED-FRONTAGE LOT: A lot for which the Planning Board has authorized a reduction in minimum lot frontage, provided the lot has sufficient area to satisfy the minimum lot area requirement of the applicable zoning district. As defined in this Article, a reduced-frontage lot may be used only for an infill residential use in the Mixed Residential Overlay District.

#### 218.88.4 Relationship to Site Plan Review

The site plan review requirements of Article XX of this Bylaw shall apply to all uses in the Mixed Residential Overlay District.

#### 218.88.5 Relationship to Subdivision Control

Development in the Mixed Residential Overlay District is subject to all applicable subdivision regulations of Hopkinton Planning Board.

#### 210.88.6 Permitted Uses and Structures

A) All uses permitted in the underlying district.

210.88.7 Uses Allowed by Special Permit

B) Infill residential use, subject to “Regulations for Infill Residential Uses” at Section XX of this Bylaw.

210.88.8 Dimensional, Setback and Intensity Regulations

C) The minimum lot area, lot frontage, side yard and rear yard setback requirements of the underlying zoning district shall apply in the Mixed Residential Overlay District.

D) Lot coverage: 25%.

E) Minimum setback from the street line: 20 feet

F) Maximum building height (feet): 35 feet

G) Maximum building height (stories): 2 ½ stories

210.88.9 Regulations for Reduced-Frontage Lots

A) Purposes. A reduction in lot frontage may be permitted in the Village Residential District for the purpose of providing a range of housing choices, including housing affordable to low-, moderate- and median-income households.

B) Requirements. The Planning Board may issue a special permit to reduce lot frontage in the Mixed Residential Overlay District consistent with the following criteria:

- 1) The area of a lot with reduced frontage shall be at least equal to the minimum lot size of the underlying district.
- 2) The lot shall have at least one area suitable for the construction of a dwelling that can accommodate a circle with a diameter of 60 feet.
- 3) Not more than two reduced frontage lots shall abut each other.
- 4) Two abutting reduced frontage lots shall be served by a common driveway.
- 5) A reduced frontage lot shall not interfere with the use and enjoyment of an abutting lot and will not adversely affect the neighborhood.

C) Notwithstanding any other provision, a reduced frontage lot created by special permit from the Planning Board shall not be further subdivided, or reduced in area, or changed in size or shape, and it may be used only for Infill Residential Uses as defined in Section 210.88.3. The Planning Board shall require deed restrictions to enforce the aforementioned limitations.

210.88.10 Regulations for Infill Residential Uses

A) Purposes

The purposes of the Infill Residential Uses bylaw are to provide for development and redevelopment of compatible uses, to preserve and enhance Hopkinton's traditional neighborhoods, provide housing choices and use land efficiently in the Mixed Residential Use Overlay District. This bylaw furthers the goals of the Hopkinton Master Plan by

B) Infill Residential Uses Allowed by Special Permit

The Planning Board may issue a special permit to authorize an infill residential use on a reduced-frontage lot, provided the residential use is limited to one of the following and complies with the Affordable Housing Requirements at Section XX (below).

- 1) Single-family dwelling.
- 2) Two-family dwelling.
- 3) Multi-family, zero-lot line or common-wall dwelling, up to four such units in a structure, with a combined total of no more than eight bedrooms on a reduced-frontage lot.

C) Prohibition against Conversion

A single-family dwelling unit built on a reduced frontage lot in accordance with this Bylaw may never be converted to a two-family or multi-family dwelling, and it may never be altered to include an accessory apartment.

D) Wastewater Disposal

All infill residential uses shall be connected to the municipal sewer system or be served by a septic system that complies with Title V of the Massachusetts Environmental Code and meets the requirements of the Hopkinton Board of Health.

E) Aggregate Infill Residential Use Limitation

No more than 40 dwelling units may be permitted as infill residential uses in the Mixed Residential Use Overlay District.

F) Affordable Housing Requirements

An infill residential use must provide housing that meets the following requirements:

- 1) Each affordable housing unit must be eligible for listing on the Chapter 40B Subsidized Housing Inventory through the DHCD Local Initiative Program, 760 CMR 45.00. Toward that end, an affordable housing unit must be affordable to and occupied by a household with income at or below 80% of area median income. It must also be protected by a deed restriction that runs with the land and protects affordable purchases prices and rents for the maximum period allowed by law.

- 2) The affordable housing requirements for infill residential uses shall be met according to the following schedule:
  - a) Each single-family dwelling shall be an affordable housing unit.
  - b) In a two-family dwelling, one unit shall be an affordable housing unit
  - c) In a multi-family dwelling, one unit in a three-family structure and two units in a four-family structure shall be affordable housing units.
  - d) In a congregate elderly housing structure of up to six units, 25% of the units shall be affordable housing units.

G) Occupancy Permit

No occupancy permit shall be issued for an infill residential use until the applicant demonstrates, in a form satisfactory to the Building Commissioner, that the Planning Board has received a fully executed copy of the affordable housing use restriction or regulatory agreement that has been recorded at the Registry of Deeds or the Land Court. For this purpose, applicants shall use the Local Initiative Program (LIP) use restriction or regulatory agreement, a copy of which is on file with the Hopkinton Planning Board.

H) Off-street parking

There shall be two off-street parking spaces per unit.

210.88.11 Special Permit Application Procedures and Requirements

- A) An application for a special permit in the Mixed Residential Overlay District shall include a written description of the proposal for which a special permit is requested and a Site Plan prepared by a Registered Professional Engineer and/or Registered Land Surveyor at an appropriate scale to clearly show dimensions, legend, and all other information deemed necessary to describe the site and its conditions. The Planning Board shall consider an application for a waiver to reduce lot frontage and for the proposed infill residential use as a single special permit application.
- B) The Planning Board shall refer a special permit application to the Board of Health, the Conservation Commission and other boards, commissions and agencies for review and comment within 14 days of submission to the Planning Board. Any board or agency to which applications are referred shall make recommendations and send copies thereof to the Planning Board and the applicant within thirty-five (35) days of receipt of the referral request by said board or agency or there shall be deemed no opposition or desire to comment. The Planning Board shall not act upon the Special Permit until either comments from referred boards or agencies have been received, or said 35 days have elapsed, whichever is sooner.
- C) The Planning Board may approve a special permit upon finding that the application complies with the purposes of this Bylaw, to the degree consistent with a reasonable use

of the site for the purpose permitted within the Mixed Residential Overlay District. In making its decision, the Planning Board shall consider the following criteria:

- 1) Consistency with the Hopkinton Master Plan.
- 2) Consistency with “Design Standards for the Mixed Residential Overlay District” in Section XX.
- 3) Compliance with regulations that apply to the proposed use.
- 4) Protection of adjoining premises against detrimental or offensive uses on the site.
- 5) The degree to which the proposed use achieves compatibility with the traditional neighborhood elements of the Mixed Residential Overlay District.
- 6) The degree to which the proposed use furthers the Town’s interest in providing a range of housing types.
- 7) Adequacy of space for vehicular access to the site and off-street parking and loading/unloading on the site.
- 8) Adequacy of water supplies and distribution for domestic use fire protection.
- 9) Adequacy of the methods of storage and disposal for sewage, refuse and other wastes resulting from the uses permitted on the site and the methods of drainage or retention of surface water.

210.88.12 Design Standards for the Mixed Residential Overlay District

An applicant for a special permit to develop an infill residential use must demonstrate, through elevation drawings, components of the site plan and other data as may be requested by the Planning Board, that the proposed use meets the following design standards in addition to the requirements of Article XX of this Bylaw:

- A) Wherever possible, the applicant shall provide shared driveway access with an adjoining property.
- B) Avoid the obscuring or disruption of existing structures of historic significance.
- C) Protect established vegetation, especially mature trees, to the maximum extent practical.
- D) Prevent stormwater runoff to nearby properties.
- E) Incorporate architectural styles, building materials, and colors characteristic of the surrounding area. Characteristic building materials for residential uses may include painted clapboard, painted or stained wood shingles, or brick and other unit masonry, painted or unpainted. Uncharacteristic materials include rough, imitation or reflective materials and they should be avoided in an infill residential use.

- F) A building greater than one story should clearly delineate the boundary between each floor of the structure through architectural detailing similar to surrounding structures.
- G) The roofline must be pitched or gabled, consistent with surrounding structures. Flat or nearly flat rooflines are inappropriate.
- H) When set back 20-25 feet from the street line, a building shall have a porch of at least four feet in width.
- I) Use landscaping such as shrubs, trees and/or flower boxes to convey a distinctive street view of the building.
- J) No garage or carport shall face the street unless it is located at least 20 feet behind the front façade of the principal structure.

## II. Developing Local Initiative Housing Units: Models for Reuse of Existing Assets and New Construction

This section of the Implementation Guidebook contains an analysis of reuse and new construction possibilities for a site with open space that could be preserved in conjunction with an affordable housing development. The site was selected in consultation with the town and it has been used as a case study for demonstration purposes only.<sup>2</sup>

### **ABBOTT FARM**

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Owner: Abbott Estate  
97 Ash Street, Hopkinton

Parcel # U20 30 0  
Zoning: Residence B

#### **CASE STUDY #1: CONVERSION OF EXISTING RESIDENCE TO AFFORDABLE MULTI-FAMILY UNITS**

##### PROJECT SITE/BUILDING DESCRIPTION

The farmhouse at Abbott Farm is situated on the northwest corner of the 80.1-acre farm, and is set back approximately 32.5 feet from Ash Street. The main building dates from approximately 1810, with bay windows added about 1875. It is a federal/Greek Revival brick building, with granite door and window lintels and sills. The foundation is granite. The main building includes double parlors and a dining room. There is no kitchen, although plumbing exists at the rear of the dining room. Up the central staircase there are four corner bedrooms and a bathroom. There is access to the attic through one of the bedroom closets (staircase). The attic consists of an open central core and one finished corner room, both with adequate headroom for living space. There is also at least one storage room with inadequate headroom for living space.

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<sup>2</sup> Development scenarios and feasibility studies for a range of affordable housing development possibilities on the Abbott Property were prepared by Beverly Estes-Smargiassi and Mee Heh Risdon, Community Opportunities Group, Inc., between July-November 2003. The site was chosen because it has obvious development potential and open space value, it is not currently owned by the town, and it is large enough to support a number of development permutations. The models described here rely on several assumptions because there were no detailed site surveys available to the consulting team. Local sources familiar with the property, experienced affordable housing developers in the region, lenders and realtors were consulted to arrive at estimated construction and development costs, market sale prices, and realistic uses of the site. However, these studies should not be used to determine the value of the property or its actual development potential. Rather, they are presented solely for planning and technical assistance purposes in connection with the Hopkinton Housing Plan. Estimated development pro formas for each scenario appear at the end of this section.

The original wood frame building was attached to the brick structure at the rear. This part of the building was demolished approximately seven years ago, and a single-story wood clapboard addition was built in its place, partially on the original granite foundation; partly on a new poured concrete foundation. The addition is a very large (1074 ft<sup>2</sup>) one-bedroom unit with an open floor plan. It has access by an interior door to the main brick building.

#### CASE STUDY OBJECTIVES

Determine the feasibility of converting a large existing residential structure to multi-family use in order to create one or more affordable units, using HOME or HDSP funds as subsidy, and attempting to limit or eliminate the need for other (local) subsidy.

- Alternative 1: Convert the historic building located at 97 Ash Street into three affordable condominium units: two two-bedroom units and one three-bedroom unit.
- Alternative 2: Rehab the historic building to create a four-bedroom single-family home with a one-bedroom affordable rental accessory apartment.

#### GENERAL ASSUMPTIONS

Project Developer: A local or regional non-profit developer, using arm's length contractor, would work with the Town to develop this project.

Zoning: A three-unit conversion such as this may comply with existing zoning, but a LIP Comprehensive Permit may be to the Town's advantage because if the project is mixed-income, the Town will get credit for more units. It is therefore assumed that this project will move forward as a LIP Comprehensive Permit project, which should also allow more flexibility to a developer while maintaining local control.

Preservation: The project will preserve and reuse the existing residence on the lot.

#### LOT ASSUMPTIONS

Size: Building and approximately one acre of land would be subdivided from the larger farm parcel. The size of the subdivided lot would be contingent upon well location, and assumes sewer rather than septic.

Well: The well is assumed to be in good condition and usable for this project. There is no potential to hook up to town water, according to the DPW, as the mains do not extend to 97 Ash Street.

Sewer: According to the Department of Public Works, there is sewer available at the street, and because this is an existing structure, a tie-in is allowed. The scenario assumes that the Town will charge "sewer privilege fees," and that these fees will be amortized over 20 years and charged to the buyers. The fee is calculated on a per unit basis (one privilege fee per unit), based on information supplied by the DPW. The construction pro forma includes only the funds required for hookup. The fees could also be paid up-front as part of the development costs. However, it appears this would increase the need for cash subsidies to the development. Accordingly, the amortized fees are included in the monthly housing costs of the buyers.

Acquisition Cost: The acquisition cost was estimated by analyzing sales of two-family homes in Hopkinton since January 2002. Sales of these properties averaged \$317,000. However, this included a newer (1991) two-family residence that sold for \$500,000. The three other two family sales ranged from \$204,600 to \$287,000. Although the Abbott home is larger than the properties sold (in total number of rooms and in lot size), only one unit on this site is currently in habitable condition, and subdivision and rehabilitation costs would be borne by the developer. The estimated acquisition cost was set at \$300,000. This is higher than the average of the three older two-families (\$256,492), but lower than the overall average.

#### FACTORS INCLUDED IN CALCULATION OF BUILDING CONSTRUCTION COST

Residential Construction: Residential space = 3,090 ft<sup>2</sup>, based on the property record card. This includes the new addition, 1,074 ft<sup>2</sup>, but does not include any finished attic space. The construction pro forma includes price per square foot for building costs only. Sewer and site work (as well as soft costs and acquisition) are separate items on the pro forma.

Total Construction Costs: Developed in consultation with R.C. Rheault Construction and Dan Bumagin, both with significant experience renovating 3-6 unit buildings as affordable housing in Central MA.

Historic Preservation: The property is a contributing building in a proposed National Historical District because it is identified and described in the Historical Survey completed in 1989 by Gretchen Schuler. If public financing is used, the exterior rehabilitation (doors and windows, porch and roof) must meet the U.S. Secretary of Interior's Standards for Rehabilitation (36 CFR Part 67). Because the historic façade is brick and generally in good condition, higher costs would be seen primarily in new wood windows and doors.

Financing Sources: A small project involving substantial rehabilitation to provide affordable units will require public financing. Alternative pro formas were developed to analyze the feasibility of using private sources only. This case study assumes public financing sources with requirements similar to those of LIP. For example:

- Mass Housing's Housing START program is an appropriate source for construction financing. The program sets the loan rate at the two-year U.S. Treasury Note Yield plus 250 basis points. This currently calculates as approximately 4%. MassHousing would provide 75% of the sales proceeds as a maximum construction loan. Given the estimated acquisition cost, this may not be sufficient. For purposes of the case study, the construction loan assumes 5% interest (assuming blended rates) and interest on a loan equaling 100% of the sales proceeds.
- HOME Investment Partnership or Housing Development Support Program (HDSP) funds may be used to cover the gap left by affordable unit prices. The maximum HOME contribution per affordable unit of \$65,000 has been assumed. Development Alternative 1 would be eligible for approximately \$99,200 per unit in HDSP financing. Alternative 2 would not be eligible for any state or federal subsidy.
- Community Preservation Act (CPA) funds could potentially cover the gap in funding required to make the project feasible. CPA may also be used as a bridge loan, i.e., to cover some or all of the acquisition cost, to be paid back either at the construction loan

closing or (preferably) at the sale of the units. If CPA revenue is apportioned to all three units, they must be low- or moderate-income housing units and they will be eligible for listing on the Subsidized Housing Inventory.

#### ASSUMPTIONS FOR ALTERNATIVE #1

The following assumptions were used in the development pro forma for Alternative #1:

- Construction costs per ft<sup>2</sup> are estimated at \$100 for the main building and \$35 for the addition. This does not include site costs or soft costs. Total development cost is estimated to be \$781,825, or \$237.64 per ft<sup>2</sup>.
- All three units would be affordable to low- and moderate-income households. The sales price for a two-bedroom condominium has been set at \$160,000, and a three-bedroom condominium at \$180,000, providing total sales proceeds of \$500,000. Prior to infusing any public resources into the project, the funding gap is approximately \$281,825.
- All three units would be eligible for HOME or HDSP grants or low-interest, deferred payment loans. The total HOME contribution at current program limit of \$65,000 per unit is \$195,000. According to the current HDSP guidelines, this project could be eligible for up to \$100,000 per unit subsidy, or the entire amount required to close the funding gap, whichever is less.
- Under a scenario with HOME financing, CPA funds would be needed to fill a funding gap of \$86,825. However, if HDSP funds were used, there would be no additional subsidy needed for Alternative #1. The CPA funds might still be loaned to the project, but the project could fully repay these funds by the end of the project. One caveat is that HDSP prefers projects that produce rental housing. However, there is no prohibition against condominium projects, and this project could potentially be very competitive.
- The current building envelope would not be enlarged.
- The attic would be incorporated into the living space to allow for a two-bedroom unit and a three-bedroom unit in the main house. The project design includes 200 ft<sup>2</sup> for a third bedroom and bath in the attic.
- The reconfiguration of the main house would require a new staircase to the third floor, and a second means of egress from a second/third floor apartment.
- The existing, very large one-bedroom unit (1074 ft<sup>2</sup>) in the addition would be reconfigured into a two-bedroom unit. This unit would still be substantially larger than the minimum size for a two-bedroom unit per LIP "Units Only" guidelines.
- The addition would require work to reconfigure the one-bedroom floor plan to accommodate two-bedrooms, but otherwise requires minimal rehabilitation. The cost per unit was therefore set at about 1/3 of that for the remainder of the property.

#### ASSUMPTIONS FOR ALTERNATIVE #2

The following assumptions were used in the development pro forma for Alternative #2:

- The property would be developed as a two-family (or single-family with accessory apartment), sold close to market value.
- The one-bedroom accessory unit would be an affordable rental unit.
- No reconfiguration of the main house, i.e., it would remain a four-bedroom unit.
- The attic would not be finished as living space.
- In order to reduce costs, the one-bedroom unit in the new addition would not be reconfigured into a two-bedroom unit.
- Keeping the rear apartment as single bedroom unit would reduce the cost of sewer privilege fees.
- Costs per foot would drop to \$5 per foot for the rear unit.
- Costs per foot in the main house would also drop, since the addition of the staircase and a second kitchen would be eliminated. However, some finishes would potentially be upgraded in order to make the property more desirable to market buyers. The cost per foot would therefore drop only \$10 per foot, to \$90.
- The total development cost of the two-family conversion would be \$661,000, or \$213.91 per foot.
- Since Alternative #2 is not eligible for either HDSP or HOME funds, the sale price would need to be about \$661,000. There are few comparables available for this proposed configuration; there have only been four recent sales of two-families (see discussion above regarding acquisition cost). As a result, the definition of "comparable" properties for a market analysis includes "antique" single-family homes with more than 2,000 ft<sup>2</sup> of living space. For all applicable recent sales, however, \$661,000 is higher than the estimated market price for this property: \$450,000 - \$550,000 appears to be closer to the market. Since the rental unit would be restricted to affordable rents and would have to be rented to a low- or moderate-income person, the sale price for the property will most likely be lower than market. Assuming that the property sold for about \$500,000, the funding gap for Alternative #2 is \$161,000 or \$80,500 per unit.

### CONCLUSION

Converting the property to a three-unit condominium building using HDSP funds is the most cost-effective choice. Under the two-family alternative, the CPA contribution could exceed \$80,000 per unit, depending upon the market value of the property at the time of sale, making this option infeasible. The three-condominium alternative would require less than \$29,000 of CPA funds per unit (approximately \$86,825 total) if HOME funds were used, but no CPA revenue if HDSP were used. The requirements of both HDSP and HOME are compatible with LIP regulations.

**ALTERNATIVE #1: THREE-FAMILY CONVERSION**

## Development Proforma

Development Cost Analysis

	Total	Per Unit		
<i>Acquisition:</i>				
Acquisition: Land & Bldgs	300,000	100,000		
Acquisition: Title & Escrow	1,000	333		
Subtotal: Acquisition	301,000	100,333		
		0		
<i>Direct Construction:</i>				
Sewer	5,000	1,667		
Sitework	20,000	6,667		
Construction Contingency	42,629	14,210		
Subtotal: Construction	326,819	108,940		
<i>General Development Costs:</i>				
Architecture and Engineering	22,877		<u>Sources/Uses Summary</u>	
Survey and Permits	7,000		HOME Option	
Clerk of the Works	10,400		Sale of units	500,000
Environmental Engineer	2,500		HOME	195,000
Bond Premium	2,000		Total Sources	695,000
Legal	3,000		Total Uses	781,825
Accounting and Cost Certification	1,500			
Marketing and Sales	750		Funding Gap	86,825
Real Estate Taxes	3,000		Per Unit gap	28,942
Insurance	2,000			
Appraisal	1,500		HDSP Option	
Security	500		Sources	
Construction Loan Interest	18,750		Sale of units	500,000
Inspecting Engineer	2,400		HDSP	281,820
Other Financing Fees	11,000		Total Sources	781,820
Development Consultant	7,000		Total Uses	781,825
Title and Recording	4,500			
Soft Cost Contingency	9,618		Funding Gap	5
Subtotal: Gen Development	110,295		Per Unit gap	2
Subtotal: Acquis., Constr., & Gen Dev.	738,114			
Capitalized Reserves	0			
Developer Overhead	21,856			
Developer Fees	21,856			
<b>Total Development Cost</b>	<b>781,825</b>			

**ALTERNATIVE #2: SINGLE-FAMILY HOME & ACCESSORY APARTMENT**

## Development Proforma

Development Cost Analysis

	Amount		
<i>Acquisition:</i>			
Acquisition: Land & Bldgs.	300,000		
Acquisition: Title & Escrow	<u>1,000</u>		
Subtotal: Acquisition	301,000		
<i>Construction Cost:</i>		<u>Sources/Uses Summary</u>	
Direct Construction Budget	186,810	Sale of units	500,000
Septic System & well	5,000	HOME funds	0
Sitework	15,000	Total Sources	500,000
Construction Contingency	<u>31,022</u>	Uses	660,996
Subtotal: Construction	237,832		
		Funding Gap	160,996
		Per Unit Gap	80,498
<i>General Development Costs:</i>			
Architecture and Engineering	16,648		
Survey and Permits	5,000		
Clerk of the Works	7,000	Sale	500,000
Environmental Engineer	2,500	Less 10% downpayment	450,000
Bond Premium	2,000	Taxes	6,910
Legal	2,500	Insurance	1,200
Accounting/Cost Certification	1,000	Mortgage pmt.	32,376
Marketing and Sales	10,000	Sewer betterment	2,407
Real Estate Taxes	3,000	Less 90% rent @ \$900/month	-9,720
Insurance	2,000	Total yearly home payments	33,173
Appraisal	1,500	Income required	110,576
Security	0		
Construction Loan Interest	18,750		
Inspecting Engineer			
Other Financing Fees	8,500		
Development Consultant	0		
Title and Recording	1,000		
Soft Cost Contingency	8,040		
Subtotal: Gen Development	89,438		
Subtotal: Acquis., Constr., & Gen Dev.	628,270		
Capitalized Reserves	0		
Developer Overhead	16,363		
Developer Fees	16,363		
<b>Total Development Cost</b>	<b>660,996</b>		

## CASE STUDY #2: NEW CONSTRUCTION & PRESERVATION OF OPEN SPACE

### SITE DESCRIPTION

This case study considers a 79.1 -acre site located at 97 Ash Street, about 1.05 miles southeast of the center of Hopkinton. The site is an oddly shaped parcel that fronts Ash Street at three different points and is bordered by numerous lots with single-family homes, several subdivisions, many acres of undeveloped land, and wetlands. It is significantly sloped, dropping 52 feet from the southwestern portion of the site (135 feet above sea level) to about 83 feet above sea level on the northeastern portion of the site. A limited portion of the site near the wetlands is steep and not likely to be developable.

The property has long been used for agriculture. As a result, it contains a very large, old barn that is currently used for storage, a greenhouse that is still used by Food For the Needy, and agricultural land. The site also contains wetlands and a small body of open water.

### CASE STUDY OBJECTIVES

The objective of this case study is to examine the feasibility of developing affordable homeownership units on land acquired by the town while pursuing one of two goals: to recover the full acquisition cost or to conserve open space. As a result, one analysis was performed to demonstrate and better understand issues that the town would need to consider if it purchases a site specifically for affordable housing, assuming that the purchase price will be repaid by a future developer. Another analysis considers feasibility and other issues involved with acquiring a site for affordable housing use with the secondary goal of preserving open space.

The feasibility analysis for the “full cost recovery scenario,” or Scenario A, seeks to determine how many units a developer would have to build in order to earn a reasonable profit on the project if the developer had to repay the Town for the full cost of the land and receive no external subsidies for the affordable housing units.

The “open space” scenario, Scenario B, seeks first to define the development envelope using open space conservation principles, then to determine how many units a developer would have to build within the development envelope to earn a reasonable profit. The developer would be required to make at least 25% of the units affordable, with the remaining units sold at market or slightly below-market rates. A significant difference between Scenario A and Scenario B is that the Town would share the land acquisition price by paying for the portion of the land that will be preserved as open space.

### ASSUMPTIONS

Since these analyses were performed based on a hypothetical situation and without the advantage of information from design, construction, and engineering consultants or environmental and soils reports, many assumptions had to be made for purposes of the study. Below is a summary of each assumption.

Development Envelope: The development envelope for the site was determined by analysis of regulatory, and natural and access constraints using existing available data. Several

conservative assumptions were used to estimate the development potential of the site under the two scenarios:

- Approximately one-third of the total site area is undevelopable due to wetlands, a small body of open water, and buffer areas required by regulations.
- Due to the size of the case study projects, the limited space available and uncertainties associated with providing sewer service to all of the homes, both scenarios include a package wastewater treatment system. For the purposes of the study, about four acres were set aside for the package system, leaching fields and buffer areas.
- A large area of land was set aside for open space in Scenario B. The area was defined by applying basic open space conservation principles to the site's significant features. These principles include providing buffers between resource areas and other uses, retaining or enhancing connectivity between resource areas on the site and to other resource areas off-site, providing public access to resource areas, and distancing uses that could harm the resource areas. Land between the wetlands in the northeastern portion of the site and the body of water near the center of the site is presumed to have habitat value, so Scenario B assumes that the land between these two areas will be preserved as open space. This leaves a development envelope of approximately ten acres, portions of which are partially separated by open space.

Access to Necessary Utilities: Due to capacity and regulatory constraints in Hopkinton, new construction projects are currently unable to tie into the municipal water supply system and they have to provide on-site water supply. Since this case study involves more than 15 bedrooms, the project needs a community public water supply. Depending on the size of the system, it will need a 200-400 foot protection zone around the well. For the purposes of this feasibility analysis:

- A 300-foot buffer area (6.5 acres) was estimated for all the scenarios in Scenario A, except for Scenario A3.
- A 400-foot buffer (11.5 acres) was used for Scenario A3 because it involves a larger number of units
- A 200 foot buffer area or 3 acres was used for Scenario B.

Although a developer could choose to connect to the Town's sewer system through a sewer betterment, the analysis assumes that a large, new development will provide its own package wastewater treatment system.

Acquisition Costs: The purchase price for the land assumes that a sale price at market rate and to the buyer who offers the highest price. Based on information supplied by two local real estate agents familiar with the site, the purchase price was set at \$200,000 per buildable lot. The site is currently zoned RB, which requires a minimum lot size of 45,000 square feet. The case studies assume an acquisition cost of \$200,000 for every 1.03 acres of developable land, excluding the existing house.

Construction Costs: Construction costs were estimated in consultation with Richmond Development Corporation, a local development company that currently has several projects under construction in Ashland and was referred to COG by Hopkinton's building inspector. The financial feasibility analysis uses a construction cost per square foot (ft<sup>2</sup>) of \$100 with the following assumptions:

- The contractor's profit and overhead are included in the per-foot estimate.
- The costs per square foot include living area only, e.g., not a garage.
- The units are modest, with medium-level finishes. These assumptions are reasonable. First, finishes in homes where children are expected to live must be low-cost but durable since high maintenance costs will make the units unaffordable to low and moderate income households. Second, some units will be sold at or slightly below market rate, and since there can be no substantive difference between market and affordable units, the finishes throughout have to be of a quality acceptable to the market. Third, only a few units and building types were used for the case study because repetition reduces construction costs.
- Due to the preliminary nature of this study and the lack of detailed data about the site, the development pro forma includes an 8%-10% construction cost contingency. Although this may seem large, is appropriate for a project at this stage of planning.

Developer's Profit and Overhead/Developer Fee: The financial feasibility analysis assumes that the developer will earn a 20% developer fee, which will cover the developer's profit and overhead costs. A developer's fee of 20% is the highest amount allowed by Local Initiative Program guidelines.

Pricing of Units: The pricing of the units is limited by two considerations: HUD's definition of "affordable," and market rate sales prices. A unit is affordable to a household when the total housing cost does not exceed 30% of the household's gross income. Per LIP guidelines, the maximum price for an affordable unit is one that is affordable to a household earning 70% of the area median income (AMI), adjusted for household size.

For simplicity, the sales prices of all affordable units were set at the maximum price allowed under LIP guidelines. However, this is not the recommended way to set a unit mix for an affordable housing development because it results in affordable unit sales prices that are too high for households earning less than 70% AMI. A development that provides affordable housing to a broader range of low- and moderate-income households would most likely require a larger number of units. The sales prices of the affordable units at the maximum allowed sales prices are:

- \$167,000 for a 2 BR unit (household size of 3)
- \$187,000 for a 3BR unit (household size of 4)
- \$204,000 for a 4 BR unit (household size of 5)

In consultation with local officials, the sales prices for market units were set at 80% of the market price for that size unit. Market prices were obtained from two local real estate agents who took into account the location of the site, the size of the units, and the relative modesty of the homes. Because the size of some of the units do not exactly match the size of the units in the study, the sales prices provided by the realtors were adjusted to account for the difference. For the purposes of this study, market sales prices were set at the following levels:

- \$216,000 for a 1,100 square feet, 2BR condominium
- \$240,000 for a 2,000 square foot, 3BR condominium
- \$367,200 for a 1,700 square foot, 3BR single-family house
- \$407,000 for a 2,000 square foot, 4BR single-family house

Unit Design: The unit mix, unit sizes, and number of bathrooms were determined using market data provided by two local real estate agents and information from an online real estate sales database (The Warren Group, [Banker & Tradesman](#) online). The following assumptions were made:

- 2BR single-family homes would not be marketable, so the single-family homes in the case study represent a mix of 3BR and 4BR units.
- The real estate agents advised that 2BR condominium units, particularly 2BR condominiums with the option to convert to 3BR, would be very marketable. As a result, the condominium townhouse scenarios include a mix of 2BR and 3BR units.
- Because plumbing has a significant impact on construction costs, the number of bathrooms in each type of unit was set with both affordability and marketability in mind. Sales data (The Warren Group, property records cards) show that homes in Hopkinton often have ½ a bathroom fewer than the number of bedrooms in the house. Meeting this standard is expensive, so the case study units have slightly fewer bathrooms but a marketable number for each unit size:
  - 2BR units have 1 bathroom
  - 3BR units have 2 bathrooms
  - 4 BR units have 2.5 bathrooms
- In square feet, the case study units are on the smaller end of the range of sizes for each type of unit in order to increase the financial feasibility of the project. (See Exhibit \_\_.)
- Scenarios that contain more than 1 unit type assume a 75% and 25% split between the smaller and larger units. For example, if the scenario includes 3 and 4 bedroom units, then 75% of the units are 3-bedroom and 25% are 4-bedroom.

Funding Sources: The case studies assume three primary sources of financing for the project, one for each phase. The first source is CPA and/or general fund revenue, used to purchase the land. The second major source is a conventional construction loan, used by the developer to purchase the land from the Town and build the project. (If all homes in the development were sold as affordable units, the developer and the Town would need to seek HDSP and other public resources to help cover project construction costs, and/or significantly reduce the sale price of the land.) The final source of financing will be sales proceeds, which will enable the developer to pay off the construction loan and earn a profit.

Role of the Town: The Town's role is somewhat limited, but it changes at each stage of the development process. First, the Town will act as a buyer and be actively be involved in negotiations to obtain the land and finance the acquisition cost. Thereafter, the Town will maintain a high level of involvement and responsibility, acting somewhat like a developer: determining the programming for uses and general design principles for the project. Once the Town issues an RFP, designates a developer and sells the land, its level of direct involvement will decline. Its main functions will be to review and act on permit applications and monitor the development of the site.

## ANALYSIS

**Scenario A:** Financial feasibility analyses were performed on the following four sub-scenarios of Scenario A:

- Scenario A1: determine the feasibility of developing single-family 3 and 4 bedroom homes, 100% of which would be affordable.
- Scenario A2: determine the feasibility of developing single-family homes, 75% of which would be sold at market rate and 25% of which would be sold at affordable rates.
- Scenario A3: determine the feasibility of developing 2 and 3 bedroom condominiums, 100% of which would be affordable.
- Scenario A4: determine the feasibility of developing 2 and 3 bedroom condominiums, 75% of which would be sold at market rate and 25% of which would be sold at affordable rates

The feasibility of developing affordable housing under a "full cost recovery scenario" depends on several factors: who will benefit from the project, how many units the Town is willing to allow, the site's capacity for water supply and wastewater disposal, and market demand. The proformas show that the high cost of the land combined with the cost of installing site utilities make residential development an expensive proposition in Hopkinton, more still for affordable housing. It is likely that a developer could not build an affordable homeownership project in Hopkinton without several forms of relief: at minimum, public financing, including low-interest loans and grants, and waivers of zoning regulations to build at higher densities than allowed in any of the town's zoning districts.

The calculations in Scenarios A2 and A4 show that a developer can make the numbers work and build significantly fewer units if 75% of the units were market rate and 25% affordable units. However, the developer would still need to be able to build almost 200 single-family

homes or approximately 350 condominium units at 12.7 bedroom per acre and 30.8 bedrooms per acre, respectively, in order to make the project feasible. The calculations for Scenarios A1 and A3 show that a 100% affordable-unit development is infeasible. There are several reasons: the project scale required for financial feasibility far exceeds the physical capacity of the site, and many of the units would have to be downsized significantly. The total development budgets for Scenarios A1- A3 are very large – far in excess of what a developer could finance. Assuming financing were available, however, it would take so many years to complete the project that the opportunity would be unattractive to developers, who generally seek the shortest possible period of time to tie up their resources. Finally, it is highly unlikely that the site could meet the water and wastewater disposal demands of either scenario.

Scenarios A2 and A4 are more realistic because the significantly higher sales prices of the market rate units enable developers to recoup their costs and earn a profit while building significantly fewer units. Building fewer units has the advantage of making the developments blend in better with the surrounding area, and it increases the feasibility of the project by drastically reducing the sewage produced, water demand, and construction budget and period to a realistic level. The political feasibility of projects like these is usually much higher for the aforementioned reasons. In addition, the housing market is more likely to be able to absorb projects with 200 units like A2, although 200 units is still a very large number of units for the Hopkinton area. Scenario A4 is less feasible than Scenario A2 because there would have to be enough demand in the market to absorb 354 units in a short period of time.

Scenarios that include condominiums generally require a larger number of units than scenarios that only have single-family units. Condominiums simply do not command the same sale prices as single-family homes. Consequently, a developer must build more condominiums in order to recover land costs. However, because 2-bedroom single-family homes are not marketable in Hopkinton's real estate market, units that are 2-bedrooms or smaller can only be sold as condominiums and not as single family homes.

There are several methods for reducing costs, but some are more feasible than others. For example, construction costs can be lowered by reducing the size (in square feet) of each unit type. By reducing 2-bedroom condominium units to 1,000 ft<sup>2</sup> and 3-bedroom condominium units to 1,300 ft<sup>2</sup>, the number of units that would need to be built in Scenario A3 drops by more than half. While this dramatically reduces construction costs without significantly affecting condominium marketability or sales prices, reducing the size of the 3- and 4-bedroom single-family homes enough to reduce density and construction costs in Scenarios A1-A2 will probably make them unmarketable. Using cheaper materials is another way to reduce construction costs, but the appearance of each unit and the entire subdivision, as well as the durability of the units will be significantly compromised. Realistically, reducing the number of units requires some form of public financing, either for acquisition or construction.

Another factor that affects financial feasibility is the sales prices of the units. For the case study, the affordable unit sale prices were set at the highest price allowed in order to simplify the analysis and to calculate the minimum number of units that would have to be built and meet 100% affordable or 25% affordable thresholds. However, the Town would need to consider who the intended beneficiaries of the development would be and the real

wages of people who qualify, and set the sales prices of the affordable units at levels that are affordable to them. As a rule, providing a range of unit prices enhances a project by enabling it to capture a wider pool of potential homebuyers. The higher the percentage of lower-income households, the larger the number of units that must be built.

The character of the neighborhood that will be created by the development and the compatibility of architectural styles with surrounding neighborhoods are important considerations. While the scenario with condominiums includes more units, buildings with several condominium units will more closely resemble the larger homes found in the surrounding neighborhood, provide each building and the whole development with more useable open space, and most likely require less paved areas. This will be especially true if the 3 and 4 bedroom units are reduced in size to decrease construction costs.

Zoning is a barrier to these types of projects. Current zoning regulations impose setbacks, lot widths and depths, and lot coverage requirements that prevent a developer from building enough units to make the project financially feasible. In addition, zoning regulations would not allow the development of such a large project without phasing, which further increases construction costs and the amount of time developers will have their resources tied up in one project. Although a developer can build condominiums unit on the site using the Garden Apartments Bylaw, there is apparently a phasing requirement for condominium developments of more than 15 units. As a result, it seems that the only way for a developer to build this type of project is to obtain a zoning waiver or apply for a comprehensive permit.

This touches on a larger issue for Hopkinton: creating incentives for developers to build affordable housing outside of the comprehensive permit process. Currently, there are no incentives for a for-profit developer to provide affordable units on- or off-site, to provide more affordable housing units than required by the comprehensive permit process, or to sell units at below-market prices. In fact, the real estate market and high costs of developing in Hopkinton give developers every incentive to build large luxury homes. While all scenarios in this study assume a 20% developer fee, it may not be enough to lure developers to build affordable housing. When developers can make more money or make a reasonable profit faster by developing luxury units, there is no incentive to develop affordable housing. As a result, the Town needs as many tools as possible to create incentives for developers to build affordable housing. Lack of capacity in municipal utilities or the high cost of connecting to them increase the cost of projects and make it more difficult to develop affordable housing. While Hopkinton may not be able to waive betterment fees or allow new developments to tie into the municipal water supply at this time, the Town should explore ways to make utility connections easier or cheaper for developers willing to build affordable housing.

Finally the site has a large barn near the existing house. Depending on the structural integrity of the barn, it could be converted into a variety of uses that serve the residents of the development or the larger community. Specifically, the barn could be an asset for a large residential development if it were converted into a multi-purpose community space for classrooms, day care, community meeting rooms, indoor play areas, and adult recreational uses. The barn could also be converted into additional residential housing, or sold to the Town or an organization for a community-serving use.

**Scenario B:** One of open space conservation principles used in this case study is that open space should create value for the community. The site plan for any development on this property should account for ways that the open space might benefit residents, surrounding neighborhoods and the town as a whole. With this in mind, it seems that the body of water near the center of the site is a key asset. It provides scenic views for residents and onlookers, and could act as the organizing feature for a public walking or jogging path or a bicycle trail built just outside the buffer area. Uses such as these will consume land area, in part because they might require a small parking lot and pedestrian amenities.

Scenario B creates so much open space that the Town could consider allowing or accommodating other uses of the land. Allowing a developer to provide a playstructure in the open space between the body of water and the wetlands, for exclusive use of the development's residents, would reduce development costs associated with creating public access to the open space. The Town could allow a portion of the open space area to be used for the project's storm water system, which would enable the developer build more units in the condensed area and install a lower cost and environmentally friendly storm water management system. A walking trail open to the public could benefit everyone.

The financial feasibility of Scenario B relies heavily on the ability and willingness of the Town to pay for most of the land. While most communities can convince a developer of market-rate homes to pay for land that will later be donated to the town as permanent open space, it is less realistic when a developer is being asked to make either 100% or 25% of the units in a project affordable to households earning less than 80% AMI, especially if the affordable units will serve lower-income households. Based on the Scenario B analysis, the Town would have to pay for most of the site acquisition cost (estimated total: \$8.6 million). The alternative is to allow the developer to build at a much higher density – meaning condominiums – and sell a majority of them at high-end market rates for condominium units in order to pay for a portion of the open space that is being considered in Scenario B.

As in Scenario A, the feasibility of Scenario B depends on political factors, the capacity of the site for water and sewer, and whether the development budget and development period are realistic. Assuming that a developer would pay only for the land that is not designated open space, the proforma for Scenario B shows that it is very feasible. The developer will only have to build 28 units at a density of 15.3 bedrooms an acre in order to make the project financially feasible. The surplus in the proforma suggests that there would be some room in the budget for the developer to provide more benefits to the Town. For example, a developer might be able to provide some housing units that are affordable to households earning less than 70% of AMI without increasing the density of the project, or some additional amenities for the open space, or a higher percentage of affordable housing units if the Town allowed developers to build at higher densities or slightly reduce the size of the units.

If the development area is the only portion of the land that will be sold, the Town will need to subdivide the parcel before a conveyance. This means that the Town's timeline and administration for the disposition project will have to account for both the subdivision process and engineering costs.

**SCENARIO A1: 100% AFFORDABLE SINGLE-FAMILY HOMES**

**Assumptions**

# Acres (entire site)	79.1
Developable area	54.4
# Units	5,925
Units/Acre	460.37
# Bedrooms/Acre	872.61
SF units	7,702,500
Construction cost/SF	100
Construction interest	7.5%

**Breakdown of Sources and Uses**

<i>Sources</i>	
Sale of units	\$ 1,107,975,000
<i>Total Sources</i>	\$ 1,107,975,000
<i>Uses</i>	
Acquisition	\$ 10,874,000
Construction	\$ 883,814,080
General Dev. Cost	\$ 13,999,426
Developer Fee	181,737,501
<i>Total Uses</i>	\$ 1,090,425,007
Gap/Surplus :	\$ 17,549,993

**Development Cost Analysis**

	<u>Total</u>	<u>Per Unit</u>
Acquisition: Land	10,874,000	1,835
Acquisition: Building	-	-
Acquisition: title & escrow	8,000	1
Subtotal:Acquisition	10,874,000	1,835
<i>Direct Construction Budget</i>	770,250,000	130,000
Septic System	46,926,000	7,920
Water system	400,000	68
Sitework	800,000	135
Construction Contingency	65,438,080	11,044
Subtotal: Construction	883,814,080	149,167

**Assumptions & Comments**

Assumes \$200,000/buildable lot; local estimate	
Based on estimate provided by local developer	-
Assumes package system, \$2,640 per bedroom	
8% of construction cost	

**General Development Costs:**

	<u>Total</u>	<u>Per Unit</u>
Architecture, Engineering	300,000	51
Survey and Permits	8,223,861	1,388
Clerk of the Works	50,000	8
Environmental Engineer	10,000	2
Bond Premium	883,814	149
Legal	40,000	7
Accounting/Cost Certification	10,000	2
Marketing and Sales	4,443,750	750
Real Estate Taxes	20,000	3
Insurance	10,000	2
Appraisal	8,000	1

**Per Unit**

	<u>Total</u>	<u>Per Unit</u>
Security	-	-
Construction Loan Interest	3,093,750	522
Other Financing Fees	-	-
Development Consultant	40,000	7
Title and Recording	8,887,500	1,500
Soft Cost Contingency	1,399,943	236
Subtotal: Gen Development	13,999,426	2,363
Subtotal: Acquis., Constr., & Gen Dev.	908,687,506	153,365
Developer Fee	181,737,501	30,673
Total Development Cost	1,107,972,988	187,000



**SCENARIO A3: 100% AFFORDABLE TOWNHOUSE CONDOMINIUMS**

**Assumptions**

# Acres (entire site)	79.1
Developable area	54.37
# Units	1950
Units/Acre	50.82
Bedrooms/acre	114
SF units	2,282,700
Construction cost/SF	\$ 100.00
Construction interest	7.5%

**Breakdown of Sources and Uses**

<i>Sources</i>	
Sale of units	\$ 334,830,000
<i>Total Sources</i>	\$ 334,830,000
<i>Uses</i>	
Acquisition	\$ 10,526,032
Construction	\$ 257,718,203
General Dev. Cost	\$ 10,777,653
Developer Fee	55,804,378
<i>Total Uses</i>	\$ 334,826,266
Gap/Surplus:	\$ 3,734

**Development Cost Analysis**

	Total	Per Unit
Acquisition: Land	10,526,032	5,398
Acquisition: Building	-	-
Acquisition: title & escrow	8,000	4
Subtotal:Acquisition	10,526,032	5,398
<i>Direct Construction Budget</i>	228,270,000	117,062
Septic System	11,507,760	5,901
water system	300,000	154
Sitework	800,000	410
Construction Contingency	16,840,443	8,636
Subtotal: Construction	257,718,203	132,163

Assumptions & Comments	Total	Per Unit
Assumes \$200,000/buildable lot; local estimate	-	-
Based on estimate provided by local developer	-	-
Assumes package system, \$2,640 per bedroom	1,856,250	952
Estimate	40,000	21
Estimate	2,925,000	1,500
7% of construction cost	979,786.67	502
<i>Subtotal: Gen Development</i>	10,777,653	5,527
<i>Subtotal: Acquis., Constr., &amp; Gen De</i>	279,021,889	143,088
Developer Fee	55,804,378	28,618
<i>Total Development Cost</i>	334,826,266	5,580,438

**General Development Costs:**

	Total	Per Unit
Architecture, Engineering, Planner	250,000	128
Survey and Permits	2,471,821	1,268
Clerk of the Works	50,000	26
Environmental Engineer	10,000	5
Bond Premium	644,296	330
Legal	40,000	21
Accounting and Cost Certification	10,000	5
Marketing and Sales	1,462,500	750
Real Estate Taxes	20,000	10
Insurance	10,000	5
Appraisal	8,000	4

	Total	Per Unit
Security	-	-
Construction Loan Interest	1,856,250	952
Other Financing Fees	-	-
Development Consultant	40,000	21
Title and Recording	2,925,000	1,500
Soft Cost Contingency	979,786.67	502
<i>Subtotal: Gen Development</i>	10,777,653	5,527
<i>Subtotal: Acquis., Constr., &amp; Gen De</i>	279,021,889	143,088
Developer Fee	55,804,378	28,618
<i>Total Development Cost</i>	334,826,266	5,580,438

**SCENARIO A4:75% MARKET RATE/25% AFFORDABLE CONDOMINIUMS**

<u>Assumptions</u>		<u>Breakdown of Sources and Uses</u>	
# Acres (entire site)	79.1	<i>Sources</i>	
Developable area	34,325	Sale of units	74,176,000
# Units	354		<i>Total Sources</i>
Units/Acre	13.71		74,176,000
# Bedrooms/Acre	30.8	<i>Uses</i>	
SF units	415,800	Acquisition	10,526,032
Construction cost/SF	100	Construction	48,139,955
Construction interest	7.5%	General Dev. Cost	3,134,239
# Affordable units	88	Developer Fee	12,360,045
# Market rate units	266		<i>Total Uses</i>
			74,160,271
		Gap/Surplus :	15,729

Development Cost Analysis

	Total	Per Unit		Total	Per Unit
Acquisition: Land	10,526,032	29,735	<u>Assumptions &amp; Comments</u>		
Acquisition: Building	-	-	Assumes \$200,000/buildable lot; local estimate		
Acquisition: title & escrow	8,000	23			
Subtotal:Acquisition	10,526,032	29,735			
<i>Direct Construction Budget</i>					
Septic System	41,580,000	117,458	Based on estimate provided by local developer		
water system	2,101,440	5,936	Assumes package system, \$2,640 per bedroom		
Sitework	100,000	282	Estimate		
Construction Contingency	800,000	2,260	Estimate		
Subtotal: Construction	3,558,515	10,052	8% of construction cost		
	48,139,955	135,989			
<i>General Development Costs</i>					
Architecture and Engineering			Security		
Survey and Permits	250,000	706	Construction Loan Interest	928,125	2,622
Clerk of the Works	486,100	1,373	Other Financing Fees	-	-
Environmental Engineer	50,000	141	Development Consultant	40,000	113
Bond Premium	10,000	28	Title and Recording	531,000	1,500
Legal	200,583	567	Soft Cost Contingency	284,931	805
Accounting/Cost Certification	40,000	113	Subtotal: Gen Development	3,134,239	8,854
Marketing and Sales	10,000	28			
Real Estate Taxes	265,500	750	Subtotal: Acquis., Constr., & Gen Dev.	61,800,226	174,577
Insurance	20,000	56			
Appraisal	10,000	28	Developer Fee	12,360,045	34,915
	8,000	23	Total Development Cost	74,160,271	209,492

### III. Inventory of Small Town-Owned Parcels

Hopkinton could use some of its existing town-owned land to create affordable housing. The potential for this strategy exists on the recently acquired Fruit Street property, a site with enough usable land to meet needs for new playing fields, future community facilities and a school, along with some affordable housing. However, the town does not have to sponsor large affordable housing developments to provide Chapter 40B units. Hopkinton's recent initiative with the EMC House is a good example of low-impact, small-scale affordable housing production that can be accomplished with town-owned land. In fact, the receiving site for the EMC House was identified in a study completed nearly six years ago, Hopkinton Small Parcels Disposition Project (1998).<sup>3</sup> Ultimately, the project led to a special act of the legislature that authorized Hopkinton to create an Open Space Commission, to sell tax title parcels using more flexible procedures than state law allowed at the time, and to retain the proceeds in a special revenue fund for future open space purchases.<sup>4</sup>

Hopkinton had received a state grant to estimate the development suitability of several small town-owned parcels and determine whether they should be retained for open space, conveyed to abutters or sold for other uses. The town embarked on the study because of inquiries from many people who wanted to acquire some of the land, but the Board of Selectmen and Planning Board were concerned about the potential for unwanted parcel assembly and the creation of new house lots. The study focused on 44 parcels located mainly around or near Lake Maspenock. At one time, the parcels had little or no value: even those with enough frontage and lot area to comply with zoning could not support a house because it was impossible to build a septic system that complied Title V. The lack of value associated with most of the parcels contributed to the town's eventual claim over them, for the owners stopped paying property taxes. In 1990, Hopkinton extended public sewer service to Lake Maspenock in order to protect water quality and solve wastewater disposal problems that increased as former cottages were converted to year-round homes. While the sewer project met these needs, it had unintended consequences: lots that had been unbuildable were no longer assured to remain vacant.

The town established a project steering committee to oversee the small parcels disposition study. The committee selected 16 criteria that were used to sort the small parcels inventory into a group to sell and a group that the town should keep. Two of the criteria served as "thresholds," or reasons that the town would keep a parcel regardless of any other considerations. The rest of the criteria were ranked by relative order of importance. The 44 parcels were mapped, inspected in the field, rated and ranked according to the following considerations:

#### THRESHOLDS

- Parcel can meet current or future need for school or other municipal facilities
- Parcel contains or directly affects a critical environmental resource

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<sup>3</sup> Community Opportunities Group and Connery Associates, 1998.

<sup>4</sup> Chapter 19 of the Acts of 1999.

EVALUATION CRITERIA

<b>Criteria and Groupings</b>	<b>Point Value</b>
<b>Most Influential Considerations: Groups I-II</b>	
<u>Group I:</u>	
Parcel directly affects a critical <i>water</i> resource	25
Parcel's open space and/or municipal use potential outweigh the benefit of income from proceeds of sale	25
<u>Sub-total: average score for Group I</u>	0-25
<u>Group II:</u>	
Parcel has importance for the character of the Town or the area in which it is located	22
Parcel contains or is part of a view shed.	22
<u>Sub-total: the average score for Group II</u>	0-22
<b>Influential Considerations: Groups III-IV</b>	
<u>Group III</u>	
Parcel has important growth management implications that argue for retaining it as open space.	18
If used for purposes other than open space or public facility, parcel will produce a <i>significant</i> , negative fiscal impact on the Town.	18
Keeping parcel will prevent <i>significant</i> new residential growth.	18
<u>Sub-total: the average score for Group III</u>	0-18
<u>Group IV</u>	
Maintaining parcel as open space promotes good will between Town and neighborhood in which parcel is located.	15
Parcel's location is important for Town purposes such as linkage to other open space or future expansion of a public facility	15
<u>Sub-total: the average score for Group IV</u>	0-15
<b>Moderately Influential Considerations: Group V</b>	
<u>Group V</u>	
Income from the sale of this parcel has no targeted purpose or goal, such as addition to the Stabilization Fund or a local land bank fund, or use for a designated capital purchase.	13
Parcel's size contributes to open space relief from surrounding development.	13
Parcel cannot support a type of private development desired by the Town, such as one that yields a high revenue ratio (net fiscal impact).	13
<u>Sub-total: the average score for Group V</u>	0-13
<b>Considerations of Limited Influence: Group VI</b>	
<u>Group VI</u>	
There is not (or probably would not be) an interested buyer for this parcel based on available information.	7
Parcel's future development and use will not produce an additional source of tax revenue to the Town.	7
<u>Sub-total: the average score for Group VI</u>	0-7
<b>Total Score</b>	<b>0-100</b>

The chart on the next page reports the total score for the 44 parcels that the town decided to study in 1997-1998. Fourteen of the parcels were determined to have significant open space and resource protection merit, i.e., they met one or both of the open space “thresholds.” Over half of the 14 also received very high scores according to the rating system developed by the study committee. The chart is coded as follows:

- The orange-shaded rows identify three sites that appeared to be developable for a single-family home, based on field inspection and a review of data supplied by the assessor’s office. These parcels have few if any natural constraints against development.
- The dark blue border around several rows identifies parcels that could induce development if combined with contiguous property. As individual sites, they are not developable. With adequate access, however, two of the sites in this category could support more than one house.
- The dark red border around three rows identifies parcels that could be developed as single-family house lots if they were to gain access from public ways that have not been discontinued by the town.

The town should revisit the Small Parcels Disposition Project and determine whether it is appropriate to convey some of the lots for affordable single-family or two-family homes.

**HOPKINTON SMALL PARCELS INVENTORY:  
SUMMARY OF 1998 EVALUATION PROCESS**

Parcel ID, Site # and Location						Evaluation Data	
M	B	L	Frontage	Lot Size (S/F)	Location	Score	Assessed Value (FY 98)
L35	22		152	4,356.0	Lake Shore Dr	81.50	\$63,500
L36	36		50	5,662.8	Hayward St	71.25	\$36,600
L36	37		50	5,662.8	Hayward St	71.25	\$36,600
L36	40		25	3,049.2	Hayward St	68.00	\$1,500
L36	38		50	5,662.8	Hayward St	67.75	\$36,600
L35	32		0	871.2	Fourth Rd	62.50	\$500
R26	12		400	435,600.0	Clinton St	53.00	\$195,600
R10	5		270	91,476.0	Hill St	47.00	\$114,300
U14	18		0	148,104.0	Wood St	46.00	\$12,000
U6	2		45	1,306.8	Wood St	42.50	\$2,800
L35	4		50	2,613.6	Lake Shore Dr	38.50	\$3,300
L36	10		30	5,227.2	Woody Island Rd	33.50	\$6,500
L37	106		125	10,454.4	Hayward St	26.50	\$22,700
L35	157		50	5,750.0	Duffield Rd	23.75	\$36,700
L35	173	A	100	26,136.0	Yale Rd	22.50	\$72,900
L35	173	B	260	26,136.0	Princeton Rd	22.50	\$44,300
L35	174		60	6,098.4	Yale Rd	22.50	\$37,300
U23	43		10	261,360.0	Briarcliff Dr	20.50	\$90,500
<b>U11</b>	<b>26</b>		<b>68</b>	<b>72,309.6</b>	<b>Cedar St</b>	<b>20.25</b>	<b>\$51,200</b>
<b>U11</b>	<b>26</b>	<b>C</b>	<b>0</b>	<b>52,272.0</b>	<b>Wilson St</b>	<b>20.25</b>	<b>\$99,600</b>
U19	2		0	174,240.0	Clafin Pl	20.00	\$16,600
L36	96		50	3,484.8	Downey St	19.25	\$1,700
R29	7	C	134	9,147.6	Hayward St	13.50	\$31,400
<b>L37</b>	<b>76</b>		<b>205</b>	<b>17,424.0</b>	<b>F Street</b>	<b>13.50</b>	<b>\$3,700</b>
L36	34		53	4,791.6	Hayward St	13.50	\$2,400
L35	103		50	4,791.6	Beach St	13.50	\$3,400
L35	131		30	2,178.0	Beach St	13.50	\$2,000
L36	182		25	2,613.6	Old Town Road	11.75	\$1,300
L36	32		50	5,662.8	Hayward St	11.75	\$3,700
L35	1	A	94	1,306.8	Lake Shore Dr Lt18a	11.75	\$1,600
L37	65		50	11,325.6	Hillcrest Dr	11.75	\$23,300
L37	77		75	7,405.2	Hayward St 56	10.00	\$8,700
L36	159		50	4,356.0	Hayward St	10.00	\$2,200
L36	184		50	4,356.0	Old Town Road	10.00	\$54,200
L36	177		50	5,227.2	Old Town Road	10.00	\$2,600
L35	136		50	3,920.4	Duffield Rd	10.00	\$1,100

Parcel ID, Site # and Location						Evaluation Data	
M	B	L	Frontage	Lot Size (S/F)	Location	Score	Assessed Value (FY 98)
L35	155		50	4,791.6	Duffield Rd	8.25	\$36,700
L35	151		285	34,848.0	Princeton Rd	7.00	\$17,400
L35	152		80	34,848.0	Princeton Rd	7.00	\$17,400
L35	82		0	871.2	Third Rd	7.00	\$100
L35	112		50	4,791.6	Knoll Rd	6.50	\$35,600
L35	201		40	4,791.6	Amherst Rd	3.50	\$100
L35	176		40	3,920.4	Yale Rd	3.50	\$2,000
L35	189		42	4,791.6	Bowdoin/Old Town	3.50	\$2,400

## IV. Designing and Implementing a Lottery for Town-Owned Affordable Housing Units

### Introduction

Administering an affordable housing lottery requires good planning, careful attention to a variety of rules, and adequate capacity. For town-owned units, the lottery process must comply with a layering of regulations: G.L. c. 30B, the Uniform Procurement Act, which establishes requirements for the disposition of real property, and G.L. c. 40B Sections 20-23 and the Local Initiative Program (LIP) 760 CMR 45. The Department of Housing and Community Development (DHCD) Housing Development Division provides guidelines and some technical assistance to determine whether a unit complies with LIP regulations. For units funded in part with Community Preservation Act revenue, Chapter 267 of the Acts of 2000 also applies.

### Key Steps in the Lottery Process

The following is a step-by-step list of tasks that must be accomplished, in chronological order, including the number of days required for each task and its respective regulatory authority.

**STEP 1:** Under G.L. c.30B, Section 16 (a), the property must be declared surplus. Presumably this requirement would have been satisfied when town meeting authorized the Board of Selectmen to sell property for affordable housing. This should be verified with Town Counsel and the Town's Chief Procurement Officer.

**STEP 2:** Apply to DHCD for LIP approval, using the "Units Only Application" form. The "Units Only Application" requires a Marketing Plan, as does G.L. c.30B. Guidance on DHCD's expectations, along with applicable regulatory requirements, appears later in this report.

- A LIP "Units Only Application" and Marketing Plan need to be prepared by the Affordable Housing Committee or other designee of the Board of Selectmen. It may take two to three weeks to prepare these documents depending on the time required locally for review and comment.
- Send the LIP Application and Marketing Plan to the Board of Selectmen for approval for submission to DHCD. A complete packet needs to be supplied to the Selectmen's Office no later than Friday before the meeting at which the documents will be discussed. The Selectmen usually meet twice a month.
- Submit locally approved Application and Marketing Plan to DHCD for review and determination.

The DHCD review process can take anywhere from a few weeks to three months. Typically, DHCD conducts a site visit and talks with town officials and staff about the application

elements. If DHCD disapproves the application and/or marketing plan, Housing Development staff will work with the town to adjust the plan so that it can be approved. There is no formal appeals process. Although approvals of application and plan must be sought from DHCD before proceeding with the lottery process, the unit will not be designated as an affordable unit and placed on the “Chapter 40B List” until after it is sold.

**STEP 3:** Once DHCD has approved the plan, lottery notification as per G.L. c. 30B may commence:

- Finalize the dates of the close of applications and the date of the lottery, bearing in mind the time needed for notifications. The two dates should be at least a week apart if an initial check of applicant eligibility is to be undertaken.
- Secure the location of the lottery, cable coverage, and inform all participants (such as the person designated to draw names).
- Prepare advertisement for submission to newspapers and prepare Central Register notice.
- Prepare application packet. At minimum, the packet should request the following information from lottery applicants:
  - Copy of most recent year’s Form 1040 for all members of the household.
  - Copies of pay stubs for all members of the household, for the past four weeks.
  - Current documentation of pensions, social security payments or other non-earned income.
  - Copy of bank statements for all accounts, including retirement accounts, for the past two months.
- Determine who will conduct initial applicant review, who will perform the final confirmation of buyer eligibility, and who will work with potential buyer to finalize the sale of the property.
- Submit Central Register notice by 4 p.m. Tuesday, for publication on Wednesday of the following week. This notice must appear in the Central Register at least 30 days prior to the close of applications.
- No less than 15 days prior to the close of applications, advertisement must appear in a local paper meeting the G.L. c. 30B criteria stated above. No less than 8 days prior to the close of applications, the second advertisement must appear. Depending upon the publication(s) selected, the advertisement may need to be prepared and submitted as much as a week in advance of publication.

- At the same time that a local advertisement is published, advertisements should run in regional paper and minority-reader publications to comply with the guidelines provided in the LIP “Units Only Application.”

**STEP 4:** Receive applications, conduct pre-qualification review, and prepare for lottery

- Upon receipt of applications and prior to the lottery, review information submitted with each application in order to make an initial determination of applicant eligibility.
- Prepare list all pre-qualified applicants, assign numbers to the names, and write assigned numbers on separate square pieces of paper suitable for pulling from a bin. For the lottery, secure a bin with no seams, crevices or folds that could snag the papers.
- Notify applicants of their eligibility status, and inform them of their assigned number.

**STEP 5:** Hold lottery, pulling a pre-determined set of numbers per lottery pool so that should there be problems with applicants prior to closing, the Town will have sufficient names on the waiting list.

**STEP 6:** Confirm the eligibility of the lottery winner through third-party verification.

- Assist the winner through the process of securing a mortgage.
- Work with the buyer through closing
- Ensure that the deed restriction is completed properly recorded along with other closing documents.

**Required Elements: Marketing Plan and Application to DHCD**

The LIP “Units Only Application” and the Marketing Plan are developed locally. They must incorporate the requirements of G.L. c. 40B and the Local Initiative Program 760 CMR 45, G.L. c. 30B (as further defined by DHCD policy), and the Community Preservation Act, where applicable. DHCD occasionally revises its policies and as a result, application materials are sometimes obsolete. Always contact DHCD prior to submitting a LIP “Units Only” Application to confirm requirements currently in effect.

- Set the dates and notification process (G.L. c. 30B):
- Establish the closing date for the receipt of applications.
- Establish the date/time of a Public Lottery, as well as where the Lottery will occur, and whether it will be shown on Local Cable Access TV.
- Establish the lottery method, i.e., how names will be drawn, and by whom.

- Establish the notification process:
- The request for applications from interested households to purchase the property must be advertised in one or more newspapers with adequate circulation to inform the people of the affected locality. The ad must run at least once a week for two consecutive weeks, the last of which is at least 8 days prior to the application closing date. (G.L. c. 30B)
- The request for applications must also run in the Central Register at least 30 days prior to the application closing date. (G.L. c. 30B)
- Advertisements should appear in regional paper, and minority publications. (DHCD policy established for the Local Initiative Program)
- Determine sales price/affordability:
  - Establish the price of the unit (G.L. c. 30B). Unit must be priced to be affordable to low and moderate income households (G.L. c. 40B). DHCD has established a methodology for setting the sale price. Specifically, an affordable housing unit must be priced for sale or rent at an amount that does not exceed 30% of household income for a family at 70% of area median income (AMI), adjusted for household size.
- Establish the mechanism by which this property shall remain affordable:
  - A long-term ground lease or a deed restriction that runs with the land is required to prevent a windfall profit to the homebuyer and assure future affordability.
  - LIP requires an affordable housing restriction that extends for at least 30 years. Most communities require a perpetual restriction or one that continues “for the maximum period allowed by law.” The town’s proposed restriction must be submitted to DHCD with the Application and Marketing Plan.
  - CPA requires the town to have a continuing interest in the property. A perpetual affordable housing deed restriction under G.L. 184, Sections 31-32, will meet the statutory requirements of CPA and LIP.
- Identify minimum qualifications for eligible applicants:
  - Applicants must be low or moderate income households, defined as no greater than 80% of the Boston MSA median income for the household size (G.L. c. 40B)
  - Applicants must consist of appropriately sized households (that is, the families would not be underhoused as a result of purchasing the unit).
  - Applicants must be first-time homebuyers, as defined by DHCD. This definition may include homeowners over 65 years of age who have limited equity.
  - Eligible households may not have more than \$50,000 in liquid assets, including bank accounts and retirement funds where there is no penalty for early withdrawal.
  - No more than 70% of the units in a development can be local preference units (i.e., marketed to town residents). DHCD has advised that a single-unit development may not be restricted to a local preference pool since the local preference would exceed 70%.

## V. Using the Local Initiative Program: LIP Comprehensive Permits

### Background

G.L. c.40B, Sections 20-23 (“Chapter 40B”) promotes a regionally balanced or equitable distribution of low- and moderate-income housing throughout the Commonwealth. Toward that end, Chapter 40B provides for a streamlined permitting procedure known as a comprehensive permit, and by law, the permit granting authority is the Board of Appeals.

When less than 10% of a community’s housing stock is “affordable” as defined by the statute, Chapter 40B supersedes zoning bylaws and other local regulations that make it infeasible to build low- and moderate-income housing. By enacting Chapter 40B, the legislature declared low- and moderate-income housing a problem of statewide significance and effectively placed limitations on the zoning powers of individual cities and towns. “Low or moderate income” means a household with income at or below 80% of area median income (AMI), as determined by HUD. A family of four in Hopkinton with an annual income of \$62,650 is “moderate income” under current HUD income guidelines. “Affordable” means that the cost of rent and utilities, or the combined cost of principal, interest, insurance and taxes, may not exceed 30% of the tenant’s or homebuyer’s monthly gross income.

In Hopkinton, 2.77% of all homes are Chapter 40B units and as a result, the town does not meet the 10% threshold that determines “local housing need.” The Board of Appeals may grant a comprehensive permit with or without conditions, or deny one, but since less than 10% of Hopkinton’s housing is affordable to low- and moderate-income households, a permit with onerous conditions or a permit denial may be appealed to the state Housing Appeals Committee (HAC). Eligibility for a comprehensive permit – or eligibility to appeal to HAC – is based on certain standards. For example, at least 25% of the units in a comprehensive permit development must be affordable to low- and moderate-income households. Under policies in effect at the Department of Housing and Community Development (DHCD), all units in a comprehensive permit rental development are added to the Subsidized Housing Inventory, or the official roster of Chapter 40B housing statewide. Currently, the same standard does not apply to comprehensive permit homeownership developments.

Chapter 40B has come under considerable scrutiny in the past few years. Today, the legislature is considering several amendments to the statute, in part because of complaints from cities and towns. However, Chapter 40B also came under scrutiny during the 1980s. At the time, the convergence of several factors sparked a significant increase in comprehensive permit activity, mainly in Eastern Massachusetts suburbs. These factors included but were not limited to a very strong housing market until 1989, new subsidy programs for affordable homeownership units, programs that encouraged both non-profit and for-profit developers to build mixed-income housing, and the birth of the Massachusetts Housing Partnership Program. Not surprisingly, communities protested the increasing frequency of comprehensive permits and the associated loss of local control. In response, state government initiated a review of Chapter 40B (1987).

### Local Initiative Program

The Local Initiative Program was created in 1989 by amendment to the regulations that implement Chapter 40B. LIP enables cities and towns to produce low- and moderate-income housing that meets the intent of Chapter 40B without relying on traditional subsidies or comprehensive permits. The Program offers three ways to qualify units for listing on the Chapter 40B Subsidized Housing Inventory. They include:

- **Local Action** – affordable units created through new construction, adaptive reuse, conversion or rehabilitation that occurs as a direct result of regulatory or investment actions taken by the town. To qualify for listing on the Subsidized Housing Inventory, local action units must be (a) protected by a long-term affordable housing use restriction, (b) sold or rented at a price affordable to households at or below 70% of AMI, (c) occupied by low- or moderate-income owners or tenants (i.e., at or below 80% of AMI), and (d) made available through an open, nondiscriminatory buyer or tenant selection process, except that communities may give preference to local residents. (the Local Action process was used to place the EMC House on the Subsidized Housing Inventory.)
- **Local Housing Program** – affordable units created under a town’s zoning regulations or a locally administered or financed housing development program. Local housing programs and “local action” units are governed by similar requirements. However, units created by a local housing program must be protected by not only a use restriction, but also a regulatory agreement between DHCD, the community and the developer.
- **Local Initiative Units** – affordable units created under a comprehensive permit that receives Project Eligibility (or Site Approval) from DHCD in response to a request by local officials. A local initiative development does not have a traditional housing subsidy attached to it. Instead, the project’s eligibility for a comprehensive permit depends on an application filed by the town and approved by DHCD.

In order to apply for a traditional or LIP comprehensive permit from the Board of Appeals, the developer and the project must meet three key requirements:

- The developer must be a non-profit organization, public agency or limited dividend organization.
- The developer must have site control.
- The project must be eligible for funding from a state or federal subsidy program. This requirement is satisfied by evidence of a Project Eligibility (or Site Approval) determination from MassHousing or DHCD.

While all of these requirements apply equally to traditional and LIP comprehensive permits, the crucial difference lies in the process by which an applicant obtains Project Eligibility.

Under the traditional comprehensive permit system, a developer discusses his project with MassHousing and prepares a Project Eligibility application for the agency’s review. Most Chapter 40B developers also discuss their plans with local officials prior to filing for Project Eligibility, but technically they are not required to do so. Rather, they must provide local

officials with a copy of the Project Eligibility application on or before the date of submission to MassHousing.

Once MassHousing formally notifies a city or town that a developer has applied for Project Eligibility, local officials have 30 days to respond with comments. Unless there is an obvious, significant problem with a proposed site, a developer's credentials or the financial feasibility of a project, MassHousing generally issues a Project Eligibility determination shortly after the local comment period ends. Thereafter, the developer is free to apply to the Board of Appeals for a comprehensive permit.

Access to LIP Project Eligibility involves a different philosophy and set of procedures. A prospective developer **must** meet the town early in the development process because ultimately, local officials determine whether a proposed project and site should be considered for Project Eligibility. A LIP developer may consult with the town once or several times, depending on how long it takes to address local concerns. As a result, issues that often become serious disputes during a traditional comprehensive permit review process can be negotiated and settled before the developer takes steps to secure Project Eligibility. LIP affords local officials the opportunity to influence architectural and site design, housing type and bedroom configuration, on- and off-site amenities, environmental protection and mitigation measures, and other community concerns. In turn, LIP gives developers a way to obtain Project Eligibility that is less contentious and in most cases, less time consuming.

To advance a developer's proposal from a discussion plan to a project eligible for a comprehensive permit, the Board of Selectmen must apply jointly with the developer for LIP Site Approval from DHCD. If the selectmen agree, a Site Approval application has to be prepared and submitted to DHCD, signed by the chairman of the board (or by all members of the board if that is how the town chooses to proceed). A decision by the selectmen to apply for Site Approval on a developer's does not alter or dilute the powers of the Board of Appeals as permit granting authority. In fact, should DHCD decide to issue a LIP Site Approval letter, the developer still must apply for a comprehensive permit in the same manner as that which applies to traditional permits. Naturally, applicants pursuing a LIP comprehensive permit hope to engage in a "friendly" review process and thereby reduce some of the conflicts that typically affect a Chapter 40B proposal. Similarly, when a Board of Selectmen endorses a Site Approval application, they should assume that others in town government will interpret their action as an expression of support for the project.

### Typical Sequence of Steps for a LIP Comprehensive Permit

- Developer meets with a local review team – the local housing partnership, the town planner and/or town administrator, the town engineer, or others as appropriate. There are no specific requirements for identifying the parties to an exploratory meeting with a potential LIP developer. This step varies by local custom. However, it should involve personnel with technical expertise in local regulations, permitting and site analysis. If the developer's plan has no chance of obtaining a favorable reception from the selectmen, discussions about a LIP comprehensive permit should not proceed.
- Developer presents a concept plan for local review.

- Developer meets with local officials to hear and respond to comments on the concept plan. This process may take one to several meetings, depending on the size or complexity of the project, the particulars of the site and the town's requests for mitigation, plan changes or concessions from the developer.
- If the local review team and the developer reach agreement about major aspects of the proposal, it should be brought to the board of selectmen for their review.
- The Board of Selectmen schedules the proposal as a regular agenda item and receives a presentation from the developer. Ultimately, the purpose of the meeting is for the developer to seek the town's support for a Project Eligibility application to the Local Initiative Program (LIP). The meeting is not a hearing to consider a comprehensive permit application (there is no comprehensive permit application at this stage).
- The Board of Selectmen may also schedule the proposal for discussion at a special meeting, i.e., outside of the regular meeting process, or for an informal public hearing.
- If the Board of Selectmen decides to support the developer's Project Eligibility Application, the town will be asked to compose a support letter to DHCD.
- The developer prepares the LIP application and submits a complete draft to the Town for review.
- When the application is acceptable to the town, the developer will arrange to submit it to DHCD, along with the town's support letter and the LIP filing fee.
- DHCD may take anywhere from 30-90 days to review a LIP Project Eligibility Application. Once the agency issues a Project Eligibility Determination, the developer may apply to the Board of Appeals for a comprehensive permit.
- The town, developer and DHCD must enter into a Regulatory Agreement that secures the affordability of units in the development, establishes procedures for annual compliance monitoring, and sets the initial sale prices or rents of the affordable units. The Regulatory Agreement is recorded at the Registry of Deeds or Land Court and runs with the land.

## VI. Training & Technical Assistance Resources for Communities & Non-Profit Partner Organizations

### CHAPA

18 Tremont Street, Suite 401  
Boston, MA 02108  
617-742-0820

### Community Economic Development Assistance Corporation (CEDAC)

18 Tremont Street, Suite 2010  
Boston, MA 02108  
617-727-5844

### Joint Center for Housing Studies

Harvard University  
1033 Massachusetts Avenue, 5th Floor  
Cambridge, MA 02138  
617-495-7908

### Local Initiatives Support Corporation (LISC)

95 Berkeley Street, Suite 202  
Boston, MA 02116  
617-338-0411

### Massachusetts Association of Community Development Corporations (MACDC)

99 Chauncy Street  
Boston MA 02111  
617-426-0303

### Massachusetts Housing Partnership

2 Oliver St.  
Boston, MA 02109  
617-338-7868

### National Affordable Housing Training Institute (NAHTI)

2025 M Street, N.W., 8th Floor  
Washington, DC 20036  
202-367-1113

National Association of Local Housing Finance Agencies  
2025 M Street, NW  
Suite 800  
Washington, DC 20036-3309  
202-367-1197

National Association of Housing and Redevelopment Officials (NAHRO)  
630 Eye Street, NW  
Washington, DC 20001-3736  
202-289-3500

National Low Income Housing Coalition  
1012 14th Street, NW, Suite 610  
Washington, DC 20005  
202-662-1530

Neighborhood Reinvestment Corporation  
1325 G St., NW, Suite 800  
Washington, DC 20005-3100  
202-220-2300

The Community Builders  
95 Berkeley Street, Suite 500  
Boston, MA 02116-6240  
617-695-9595

Third Sector New England  
18 Tremont St. Suite 700  
Boston, MA 02108  
617-523-6565

University College of Citizenship and Public Service  
Lincoln Filene Hall  
Tufts University  
Medford, MA 02155  
617-627-3453

University of Massachusetts Boston  
John W. McCormack Graduate School of Policy Studies  
Center for Social Policy  
617-287-5550

## FINANCIAL RESOURCES FOR AFFORDABLE HOUSING

### Part I: Housing Development

SOURCE	USES	ELIGIBLE RECIPIENTS	DESCRIPTION
<p><i>HOME Investment Partnership Program</i><sup>5</sup></p> <p>For further information contact: Massachusetts Department of Housing and Community Development (DHCD), Division of Housing Development, 617.573.1300</p>	<p>Rental housing (8 unit minimum)</p> <p>Homeownership (5 unit minimum for projects)</p> <p>Acquisition, new construction, rehabilitation, tenant-based rental assistance, first-time homebuyer assistance.</p>	<p>Municipalities, for-profit developers</p> <p>nonprofit developers</p> <p>15% of HOME funds are reserved for nonprofit Community Housing Development Corporations (CHDOs)</p>	<p>HOME-assisted rental units must be targeted to households earning no more than 60% of median income. Twenty percent of rental units must be targeted to households at 50% or less of median income. Homebuyer and homeownership projects are targeted to households with incomes below 80% area median.</p> <p>Minimum number of HOME rental units per project is 5, and Minimum number of HOME homeownership units per project is 3.</p> <p>Maximum per project award is \$750,000. Per unit cap is \$65,000 for non-entitlement communities. Funds are available as 30-year deferred payment loans. Applications require signature of the local chief elected official.</p>

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<sup>5</sup> HOME Program funds for non-entitlement communities such as Hopkinton are administered by the Massachusetts Department of Housing and Community Development. Entitlement communities apply directly to the U.S. Department of Housing and Urban Development through a competitive SuperNOFA application process.

SOURCE	USES	ELIGIBLE RECIPIENTS	DESCRIPTION
<p><i>Housing Innovations Fund (HIF)</i></p>	<p>Creation and preservation of alternative forms of affordable rental housing including single room occupancy (SRO) units; limited equity cooperative housing; transitional housing; employer assisted housing; and lease to purchase housing.</p>	<p>Nonprofit developers</p>	<p>HIF provides up to \$500,000 per project for the development of supportive housing for the homeless, individuals and families at risk for homelessness, people with HIV/AIDS, women and their children fleeing domestic violence and individuals with physical and/or developmental disabilities. Funding, which is in the form of a deferred payment loan, cannot exceed 50% of the total development cost (TDC) of a project, except for battered women's shelters, where the limit is 80% of TDC. At least 50% of the occupants in a HIF-funded project must be persons with incomes less than 80% of the area median income (AMI); and not less than 25% of the units may be reserved for households/individuals with incomes below 30% of the AMI.</p>
<p>Contact: DHCD, Division of Housing Development, 617.573.1300</p>			
<p><i>Housing Stabilization Fund Program (HSF)</i></p>	<p>Rental housing Homeownership  Acquisition, rehabilitation, 1 new construction.</p>	<p>For-profit developers, non-profit developers or municipalities partnering with for-profit or nonprofit developers;  Rehabilitation Initiative: Municipalities or for-profit or nonprofit developers;</p>	<p>HSF includes a Rental Housing Program (RHP) and a Project-Based First-time Homebuyer Program (PBFTHP). <i>RHP</i>: Production and preservation of affordable rental units through acquisition and/or rehabilitation of existing structures or new construction. Maximum per project: \$750,000; \$65,000 maximum per unit. In non-entitlement/non-consortium communities. Project must have at least 5 assisted units. For first 40 years, all units must be occupied by households with incomes at/below 80% of AMI. Yrs 41-50, at/below 100% of AMI. <i>PBFTHP</i>: Production and preservation of affordable first-time homebuyer units through acquisition and/or rehabilitation of existing structures or new construction. Maximum funding per project is \$750,000; \$65,000 maximum per unit in non-entitlement/non-consortium communities. Projects must have minimum of 3 HSF assisted units. All first-time homebuyers purchasing HSF-assisted units must earn no more than 80% of AMI.</p>
<p>Contact: DHCD, Division of Housing Development, 617.573.1300</p>			

<b>SOURCE</b>	<b>USES</b>	<b>ELIGIBLE RECIPIENTS</b>	<b>DESCRIPTION</b>
<i>Community Development Block Grant Program (CDBG)</i>	Rental housing Homeownership Acquisition, rehabilitation, homeownership assistance, new construction (only when undertaken by Community Development Organizations)	Municipalities with populations under 50,000 Non-entitlement communities	The State receives an annual allocation of CDBG funds from HUD that it awards on a competitive basis to non-entitlement or "Small Cities" communities. Eligible housing activities must benefit a majority of low -and-moderate income households.
Contact: DHCD, Division of Community Services, 617.573.1100			
<i>Housing Development Support Program (HDSP)</i>	Rental housing including SRO's, transitional housing, housing for people with special needs. Acquisition, rehabilitation, limited new construction	Municipalities with a population under 50,000 Non-entitlement communities	HDSP housing projects are limited to seven units. However, SRO's and projects that provide units for individuals with special needs are exempt from the limit. At least 51% of HDSP units must be affordable to low-and-moderate income households. Maximum grant awards are limited to \$500,000 plus administrative costs. For conversion of upper story space in downtown buildings and other adaptive reuse projects, projects are limited to 10 units and may apply for up to \$750,000 plus administrative costs.
Contact: DHCD, Division of Community Services, 617.573.1100			

SOURCE	USES	ELIGIBLE RECIPIENTS	DESCRIPTION
<i>Low Income Housing Tax Credits (LIHTC)</i>	Rental housing Acquisition, rehabilitation, new construction	For-profit developers <b>Nonprofit developers</b>	The low-income housing tax credit enables developers to raise capital from investors for the development of low-income housing. Syndicators connect interested investors to development projects often pooling investor capital into equity funds. In exchange for providing funding for affordable housing development, investors are entitled to take either a 4% or 9% tax credit, depending on the project, for 10 years. At least 20% of the units must be reserved for households 50% or less than area median or 40% of the units must be affordable to households at 60% or less or area median income. Developers apply directly to DHCD for the tax credits. The Massachusetts Housing Finance Agency (MHFA) allocates the 4% credits in conjunction with MHFA tax-exempt bond financing.
Contact: DHCD, Division of Housing Development, 617.573- 1300 and MassHousing, Multifamily Development Department, 617.854.1371			
<i>MassHousing (Formerly Massachusetts Housing Finance Agency)</i>	Rental housing Homeownership Acquisition, rehabilitation, new construction	For-profit developers Nonprofit developers	MHFA provides a number of multi-family financing programs for mixed income rental housing, assisted living and housing for people with special needs. Most MHFA-financed projects must reserve at least 20% of the units for households at 50% or less of area median income (AMI). The exception is the ERA Expanding Rental Affordability Program, which offers financing for projects with no other public subsidy. This program requires that at least 20% of the units be affordable to households at 80% or less of AMI.
Contact: MassHousing, 617.854.1000			

SOURCE	USES	ELIGIBLE RECIPIENTS	DESCRIPTION
<p>Massachusetts Housing Partnership Fund (MHPF)</p>	<p>Rental housing, homeownership</p> <p>Acquisition, rehabilitation</p> <p>New construction, refinancing existing debt with or without concurrent rehabilitation</p>	<p>For-profit developers</p> <p>Nonprofit developers</p>	<p>The Massachusetts Housing Partnership (MHP) is a self-supporting state agency that provides both pre-development and permanent financing. For the development of affordable housing. The agency offers long-term loans that can range from \$100,000 (if project is part of a targeted community development plan) to \$9 million. Eligible projects must include five or more units. Depending on the project, MHP financing requires that 20% to 50% of the units must be targeted to households earning 50% to 80% area median income. Rents for the affordable units cannot exceed MHP's Maximum Allowable Rents. In collaboration with the Massachusetts Housing Investment Corp. (MHIC), MHP can provide both construction and permanent financing through a single program, <i>OneSource</i>, greatly reducing the overall costs associated with securing development funding.</p>
<p>Contact: Massachusetts Housing Partnership Fund, 617.338.7868 (Boston); 413.253.7379 (Amherst)</p>	<p>Soft Second Loan: Municipalities partnering with lending institutions.</p>	<p>Municipalities/lending institutions partnering for first-time homebuyers</p>	<p>Soft Second Loan Program: Assistance, provided through community lenders, is used to subsidize mortgages or provide downpayment or closing cost assistance for eligible first-time homebuyers. Municipalities may receive up to \$300,000 in assistance.</p>

SOURCE	USES	ELIGIBLE RECIPIENTS	DESCRIPTION
<p><i>The Affordable Housing Program (AHP), Community Development Advances and New England Fund (NEF)</i></p>	<p>Rental housing Homeownership</p>	<p>Nonprofit corporations Government entities</p>	<p>Through member banks, the Federal Home Loan Bank of Boston provides financing for affordable housing development through its Affordable Housing Program, Community Development Advances and the New England Fund. AHP offers grants and subsidized advances for owner-occupied households up to 80% of AMI and rental housing with 20% of the units reserved for households at or below 50% AMI. Maximum award: \$600,000 for single project with limit of \$300,000 in direct subsidy (grant). Community Development Advances are available to projects in income-eligible neighborhoods (where the median household income is at or below 115%) or in which 51% of the units are occupied by households whose income is at or below 115% of area median income. The New England Fund targets households at 140% of AMI.</p>
<p>Contact: Federal Home Loan Bank of Boston (FHLLBBoston), 617.292.9600</p>	<p>Acquisition, new construction, rehabilitation</p>		
<p><i>Acquisition Loan Program (ALP)</i></p>	<p>Rental housing Homeownership</p>	<p>Nonprofit corporations</p>	<p>The Community Economic Development Assistance Corporation (CEDAC), a quasi-state agency, provides short-term financing up to 80% of building value for acquisition projects only. Eligibility is limited to time-sensitive tax credit developments, acquiring key properties in targeted neighborhoods and projects utilizing CEDAC's Facilities Consolidation Fund, which finances the development of community residents for persons with mental illness or mental retardation.</p>
<p>Contact: Community Economic Development Assistance Corporation, 617.727.5944</p>	<p>Acquisition only</p>		

SOURCE	USES	ELIGIBLE RECIPIENTS	DESCRIPTION
<p><i>Section 202 Supportive Housing for the Elderly Program</i></p> <p>Contact: U.S. Department of Housing and Urban Development, Boston office, 617.994.8200</p>	<p>Rental housing with supportive services for the elderly</p> <p>Acquisition, rehabilitation, new construction</p>	<p>Nonprofit developers</p>	<p>Eligible applicants apply directly to HUD through a SuperNOFA application process. The program provides capital advances to finance the development of supportive housing for low-income elderly who are at least 62 years old. The capital advances do not have to be repaid if the project serves very low-income residents (30% of area median income or less) for 40 years. Project Rental Assistance is used to cover the difference between HUD-approved operating cost per unit and the resident's rent.</p>
<p><i>Section 811 Supportive Housing for Persons with Disabilities Program</i></p> <p>Contact: U.S. Department of Housing and Community Development, Boston office, 617.994.8200</p>	<p>Rental housing with supportive services for</p> <p>Acquisition, rehabilitation, new construction</p>	<p>Nonprofit developers</p>	<p>Eligible applicants apply directly to HUD through a SuperNOFA application process. The Section 811 program provides interest-free capital advances to develop rental housing with supportive services for very low-income persons with disabilities. The advance does not have to be repaid as long as the units remain affordable to very-low income residents with disabilities for at least 40 years. The 811 program also provides rental assistance (see Section 202 description above).</p>

## Part II: Technical Assistance and Predevelopment Financing

SOURCE	USES	ELIGIBLE ENTITIES	DESCRIPTION
<p><i>Local Initiative Program (LIP)</i></p> <p>Contact: DHCD, Division of Housing Development, 617.573-1300</p>	<p>Rental housing</p> <p>Homeownership</p>	<p>For-profit developers</p> <p>Nonprofit developers</p> <p>Municipalities</p>	<p>Through the Local initiative Program, DHCD provides pre-development technical assistance to municipalities and housing developers, from evaluating site selection to analyzing financial feasibility. The assistance is considered comparable to a financial “subsidy” under MGL Ch. 40B, enabling LIP units to be counted toward a community’s inventory of affordable units. LIP units are reserved for households below 80% median area income.</p>
<p><i>Predevelopment Seed Funding and Technical Assistance</i></p> <p>Contact: CEDAC, 617.727.5944</p>	<p>Rental housing</p>	<p>Nonprofit corporations</p>	<p>CEDAC provides technical assistance and pre-development financing for the development and preservation of affordable housing. Depending on project feasibility, CEDAC can increase its loan commitment to enable housing developers to prepare applications for financing and secure the necessary regulatory approvals.</p>
<p><i>Technical Assistance Program, Pre-development Loans</i></p> <p>Contact: Massachusetts Housing Partnership Fund 617.338.7868 (Boston); 413.253.7379 (Amherst)</p>	<p>Rental housing</p> <p>Homeownership</p>	<p>For-profit developer</p> <p>Nonprofit developer</p> <p>Municipalities</p>	<p>MHP provides technical assistance and pre-development funding in the crucial, early stages of project development. The technical assistance program provides up to \$10,000 for professional services to help determine financial and project feasibility. Pre-development loans are available for projects that have been determined to be financially feasible. Loans up to \$50,000 are available for architectural studies, legal assistance, regulatory and legal fees, etc.</p>

## Part III: Financial Resources for Wastewater/Water Projects

SOURCE	USES	ELIGIBLE ENTITIES	DESCRIPTION
<p><b>USDA</b>  <b>Rural Development</b>  <i>Rural Utility Service</i>  <i>Water and Waste Disposal Program</i></p>	<p>Loans and grants for the development of water and wastewater systems.</p> <p>Will cover:</p> <ul style="list-style-type: none"> <li>• Construction;</li> <li>• Land acquisition;</li> <li>• Legal fees</li> <li>• Engineering fees</li> <li>• Capitalized interest;</li> <li>• Equipment;</li> <li>• Initial operation and maintenance costs;</li> <li>• Project contingencies;</li> <li>• Related costs for completing the project</li> </ul>	<p>Public entities, including municipalities with population of 10,000 or less, rural counties and special purpose districts are eligible for grants and loans. Non-profit corporations may also be eligible.</p> <p>Grant-eligibility is limited to towns whose median income is under 80% of the state's median income, according to the 2000 Census.</p>	<p>Water and Waste Disposal loans and grants:</p> <ul style="list-style-type: none"> <li>• Direct loans are made to eligible entities to develop water and wastewater systems, including solid waste disposal and storm drainage in rural areas and to cities and towns with populations of 10,000 or less. Priority is given to public entities, in areas with less than 5,500 people, to restore a deteriorating water facility or an inadequate waste facility. Also, preference is given to those serving low-income communities. Applicants must be unable to obtain funds from other sources at reasonable rates and terms. Maximum term for all loans is 40 years. Towns with median income between 80-100% of the state's median income are eligible for a reduced interest rate.</li> <li>• Guaranteed loans (for public entities and non-profits using commercial financing) is also available. These are more typically used by non-profits)</li> <li>• Grants may be given for the purpose of reducing water and waste disposal costs to a reasonable level for users of the system. Grants may be made, in some instances, up to 75 percent of eligible project costs.</li> </ul>
<p>For further information contact: USDA Rural Development, Holden Service Center, 52 Boyden Rd. Holden, MA 01520 (508)829-4477</p> <p><b>Community Development Block Grant Program (CDBG)</b></p> <p>Contact: DHCD, Division of Community Services, 617.573.1400</p>	<p>Infrastructure projects, including water and waste water systems development or expansion where projects will:</p> <ul style="list-style-type: none"> <li>• Benefit low- and moderate-income persons;</li> <li>or</li> <li>• Help correct or prevent public health and safety problems, slums or blight.</li> </ul>	<p>Municipalities with populations under 50,000  Non-entitlement communities</p>	<p>The State receives an annual allocation of CDBG funds from HUD that it awards on a competitive basis as grants to non-entitlement or "Small Cities" communities. Eligible infrastructure activities fall into three categories:</p> <ul style="list-style-type: none"> <li>• Infrastructure improvement that will benefit majority low- and moderate-income residential neighborhoods or developments;</li> <li>• Infrastructure improvements associated with economic development projects that will expand employment for low/mod population</li> <li>• Water, sewer and other public facilities projects that protect public health, reduce environmental risk, and thereby alleviate blighted conditions</li> </ul>

SOURCE	USES	ELIGIBLE ENTITIES	DESCRIPTION
<p><i>Massachusetts Clean Water State Revolving Fund Program</i></p>	<p>Planning design and construction projects, including CSO mitigation, new wastewater treatment facilities and upgrades of existing facilities.</p>	<p><b>Municipalities and waste water districts</b></p>	<p>The SRF provides a low-cost funding mechanism to assist municipalities in complying with federal and state water quality requirements. It is jointly administered by the Division of Environmental Protection (DEP) and the Massachusetts Water Pollution Abatement Trust.</p>
<p>Contact: Department of Environmental Protection Municipal Services staff: (617) 292-5779</p>			<p>The current subsidy is provided via a 2% interest loan. Typically the SRF funds 50 to 70 projects annually. Projects will be rated on criteria including: demonstrable water quality benefits; elimination or mitigation of a risk to public health; need to achieve or maintain compliance with applicable discharge permits; and implementation or consistency with watershed management plans, local and regional growth plans.</p>

# The Implications of Buildout for Housing in Hopkinton

## Introduction

Since 1995, two studies have been conducted to estimate Hopkinton's future development potential. Hopkinton's Growth Study Committee prepared the first study in 1995 and the Massachusetts Office of Environmental Affairs (EOEA) commissioned the second one in 2000. Each study presents a different estimate of Hopkinton's "build-out" capacity, i.e., the maximum amount of residential and commercial development that could occur under existing land use policies.

This report provides a technical review of the methods, information sources and results of the Growth Study Committee and the EOEA's Build-out Studies. Measuring a town's room for growth is difficult, and no methodology accommodates all of the possible development permutations that can (and do) upset even the most painstaking build-out analysis. In addition, the validity of any development projection depends not only on skill, but also on accurate data, adequate time and resources, and a bias-free inquiry. The practice of development forecasting is influenced further by changing conditions, such as the impact of advancements in wastewater technology on the meaning of "developable land," the acquisition of open space and regulatory changes in local bylaws.

This report also includes an update of several data sources that could affect the projections of the earlier build-out studies. EOEA selected Hopkinton's build-out analysis to present as a case study in *Buildout Book: Where Do You Want to be at Buildout?* (April 2002). Since the case study was published, new wetlands, open space and housing data have become available.

It is important to remember that a town's long-term development is not limited by today's vacant land. As communities mature and land becomes scarce, the development process shifts toward a recycling of existing built assets. Opportunities to redevelop older properties and put them to a new, more valuable use are as influential as vacant land to a town's character and vitality. However, a build-out study rarely anticipates the changes brought about by reinvestment – that is, rebuilding. By emphasizing *quantity* over *quality* of development, build-out studies sometimes mask very important questions about the role that regulations can play in fostering a sustainable future.

## Methods, Assumptions & Conclusions

### *Local Build-Out Study (1995)*

Hopkinton's 1995 report, *An Evaluation of the Effect of Growth on Services and Rural Character in Hopkinton, MA*, includes a build-out analysis prepared by the Growth Study Committee, a group comprised of Planning Board members, representatives from the development community and local residents.<sup>1</sup> The 1995 study provides estimates of the number of additional single-family house lots that appeared feasible to the authors at the time, given available data, and a population forecast. Ultimately, the authors asserted that Hopkinton's build-out potential would hinge on public and private actions to increase the amount of permanently protected open space and rezoning residential land for commercial and industrial uses.

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<sup>1</sup> Unless otherwise noted, information cited in this section of the technical paper was obtained from the following source: Hopkinton Growth Study Committee, *An Evaluation of the Effect of Growth on Services and Rural Character in Hopkinton, MA*. (1995).

After reviewing local assessor's data and the land uses reported in the town's 1992 Master Plan, the authors concluded that Hopkinton had about 7,100 developable acres of land. Of these 7,100 acres, 285 were zoned commercial or industrial and the remaining 6,800 were zoned residential. The authors developed a "conversion factor" of *approximately three acres per house* and divided the 6,800 residential acres by the conversion factor. They do not explain how they arrived at this conversion factor. According to the 1995 build-out calculations, Hopkinton could absorb an additional 2,300 house lots and 6,463 new residents if the undeveloped residentially zoned land were developed. (See Table 1). The population projection assumes an average of 2.81 persons per housing unit to estimate the population impacts of future residential development. Using trends from the previous ten years, the authors projected that 112 houses would be built annually and the town would be built-out in 2015.

**Table 1. Projected Increase in House Lots and Population at Build-out**

	Hopkinton Growth Study	EOEA Buildout
Additional House Lots	2,300	4,632
Additional Population	6,463	12,599

Sources: Hopkinton Growth Study Committee, *An Evaluation of the Effect of Growth on Services and Rural Character in Hopkinton, MA. (1995)* Executive Office of Environmental Affairs and Metropolitan Area Planning Council, Hopkinton Buildout Project File [online].

#### *EOEA/MAPC Build-Out Study (2001)*

This study was prepared for Hopkinton by the Metropolitan Area Planning Commission (MAPC) and presented to the Hopkinton Board of Selectmen in January 2001. EOEA contracted with Regional Planning Agencies like MAPC to develop similar studies for all 351 cities and towns in the Commonwealth, using a standard methodology. The statewide program coincided with efforts to secure passage of the Community Preservation Act (CPA), a law that enables communities to impose a surcharge on property tax bills in order to raise revenue for open space, affordable housing and historic preservation.

EOEA's purpose was to forecast the maximum amount of residential, commercial and industrial development that could occur in a community under its existing land use policies. MAPC analysts and local officials decided against using a redevelopment methodology in this analysis because they determined that it was inappropriate for Hopkinton (or many suburban and rural towns).<sup>2</sup> MAPC found that Hopkinton has enough developable land to support 4,632 more housing units, for a build-out population impact of 12,599 new residents.<sup>3</sup> In addition, MAPC found that Hopkinton could absorb an additional 4.8 million ft<sup>2</sup> of commercial and industrial space, as shown in Table 2.

<sup>2</sup> Executive Office of Environmental Affairs, *Buildout Book: Where Do You Want to be at Buildout?*, [online], [cited 14 February 2003]. Available from the World Wide Web at <<http://commpres.env.state.ma.us/content/publications.asp#>>

<sup>3</sup> Executive Office of Environmental Affairs and Metropolitan Area Planning Council, Hopkinton Buildout Project File [online], cited [13 February 2003]. Available from the World Wide Web at <[http://commpres.env.state.ma.us/community/cmt\\_main.asp?communityID=139](http://commpres.env.state.ma.us/community/cmt_main.asp?communityID=139)>. (Cited hereafter as MAPC, Hopkinton Buildout Study.)

Table 2. Summary of Buildout Statistics (EOEA/MAPC Buildout Study)<sup>4</sup>

Zoning Districts	Undeveloped Land		Build-Out Estimates	
	Sq. Ft.	Acres	New House Lots	New Comm-Ind Ft <sup>2</sup>
<i>Residential Agricultural District A</i>				
Outside wetlands, flood zone and 100'-200' River Zone	203,003,857	4,660.33	2,774	
Inside wetlands, flood zone and 100'-200' River Zone	24,241,999	556.52	83	
<i>Residential District RA</i>				
Outside wetlands, flood zone and 100'-200' River Zone	7,286,451	167.27	369	
Inside wetlands, flood zone and 100'-200' River Zone	319,654	7.34	4	
<i>Residential District RB</i>				
Outside wetlands, flood zone and 100'-200' River Zone	71,099,561	1,632.22	1,296	
Inside wetlands, flood zone and 100'-200' River Zone	9,937,305	228.13	45	
<i>Residential Lakefront District RLF</i>				
Outside wetlands, flood zone and 100'-200' River Zone	3,336,581	76.60	61	
Inside wetlands, flood zone and 100'-200' River Zone	1,131	0.03		
<i>Rural Business District BR</i>				
Outside wetlands, flood zone and 100'-200' River Zone	530,598	12.18		191,015
Inside wetlands, flood zone and 100'-200' River Zone				
<i>Central Business District CB</i>				
Outside wetlands, flood zone and 100'-200' River Zone	512,730	12		225,601
Inside wetlands, flood zone and 100'-200' River Zone				
<i>Industrial District I</i>				
Outside wetlands, flood zone and 100'-200' River Zone	7,614,086	175		3,426,339
Inside wetlands, flood zone and 100'-200' River Zone	1,575,350	36		346,577
<i>Professional Office District P</i>				
Outside wetlands, flood zone and 100'-200' River Zone	2,189,220	50		656,766
Inside wetlands, flood zone and 100'-200' River Zone				
<b>Grand Total</b>	<b>331,648,523</b>	<b>7,613.60</b>	<b>4,632</b>	<b>4,846,298</b>

Source: MAPC, Hopkinton Buildout Study.

<sup>4</sup> See Table Notes, end of this section.

To achieve consistency in a large program carried out by several organizations, EOEА adopted standard data specifications and a Geographic Information System (GIS) model for use by all participating analysts. The model that was instituted for EOEА's buildout program demonstrates both the power and limitations of GIS technology. Analysts working under contract with EOEА received several spatial data sets compiled by another state agency, MassGIS, and where possible they were required to update or correct the state's information. In GIS terms, a spatial data set (or data layer) refers simply to data that can be represented on a map. In order for several spatial data sets to be represented on the same map, they must be based on (or registered to) a common system of geographic coordinates. Since all of the data sets available from MassGIS are based on one coordinate system,<sup>5</sup> it is possible to create mapped representations of every community in the Commonwealth – individually or by groups of communities, e.g., counties, regional planning agency districts, watersheds, or shared highway corridors. Thus, the MassGIS data library was instrumental to preparing a large number of buildout studies in a very short period of time.

A single GIS data set often consists of several electronic files. When the data set is opened in GIS software such as ArcView or MapInfo, its spatial image becomes visible in a window that serves as a workspace for making maps. The image may be comprised of one or several shapes (or polygons), each of which is unique. The information that distinguishes these shapes is contained in a table of attributes that lies elsewhere in the data set. The table is crucial because the information it stores determines what can be represented on a map. For example, a GIS data layer of open space includes a table with many attributes for each shape in the workspace, e.g., the name of the land owner, the size of the parcel, and whether the land is a Chapter 61A farm, permanent open space or a recreation facility. Using a GIS open space data set with these attributes, it is possible to create a map of all Chapter 61A land in a community, or maps of all open space color-coded by level of protection, ownership, or use. Of course, an attribute table that contains inaccurate data will result in inaccurate maps. MassGIS and the other agencies that create GIS data sets work very hard to assure quality, but an occasional error is unavoidable. In Hopkinton, Town Planner Elaine Lazarus, and an MAPC planner reviewed MassGIS data to correct errors and to update older data.

To carry out the statewide buildout studies, EOEА supplied participating organizations with the following data sets for each community:

- Zoning map and bylaws
- Subdivision regulations and records
- Conservation Commission bylaws
- Board of Health regulations
- Open space inventory, including lands with permanent, temporary, limited or no use restrictions
- 100-year floodplain areas
- Buffer zones around rivers and streams regulated by the Rivers Protection Act
- Areas of Critical Environmental Concern (ACEC), where applicable
- Local roads, state highways and mass transit facilities
- Wetlands, topography and slope classifications, derived from USGS maps

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<sup>5</sup> North American Datum (NAD) 1983.

- Land use map<sup>6</sup>
- Black-and-white orthophotos (digital aerial photographs)

Since MassGIS did not have digital zoning maps for all cities and towns, in some instances buildout analysts had to create them using information from local authorities. This was the case in Hopkinton. In addition, when EOEAs buildout program began in the late 1990s, the age of available land use maps varied by community and across regions. The original source of information for the digital land use maps at MassGIS is aerial photography. Some parts of the state had been flown more recently than others. For many communities, the most current land use data sets represented development conditions as of 1991. As a result, analysts needed to update the land use maps by creating GIS data sets to represent new subdivisions and other types of new residential or commercial development. For Hopkinton's buildout study, MAPC prepared a GIS data set of all subdivisions approved by the Planning Board since 1990 and a second data set to represent other housing, business or institutional development visible on the orthophotos but omitted from the land use map.

The organizations participating in EOEAs buildout program were asked to meet with municipal officials at the outset of their work, in part to obtain and review local development regulations and also to evaluate the quality and accuracy of local maps and data that may be used to refine and update the state's GIS information. An analyst from MAPC met with Hopkinton's Town Planner and other several times before the buildout study was completed. A thorough review of local development regulations was essential to making informed buildout estimates because EOEAs methodology required analysts to make a number of judgment calls. The most crucial judgment call involved classifying a community's land by degrees of development constraint: "absolute," "partial," or "not" constrained.

The difference between an absolute and a partial constraint is not always obvious and it varies from town to town. For example, in a community that requires all one-acre house lots to include one acre of contiguous upland, wetlands do not contribute any development potential and under EOEAs methodology, they would be classified as an absolute constraint against future development. However, in a community that requires all one-acre house lots to have at least 20,000 ft<sup>2</sup> of contiguous upland, wetlands offer some degree of development potential and would be classified as a partial constraint. Mastering the nuances of local zoning and wetlands bylaws, board of health regulations and other controls was an important part of the buildout analyst's job. The extent to which this kind of research was possible depended on the workload of participating organizations, access to knowledgeable local officials, and the time allotted by EOEAs to complete all of the buildout studies.

Using the GIS data supplied by MassGIS and new data sets created from available information, the buildout analyst mapped and calculated the land area represented in each data set and through a process of elimination, arrived at an estimate of "developable land" – that is, the land area most likely

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<sup>6</sup> The state's digital land use maps are produced by the University of Massachusetts Resource Mapping Lab at the Landscape Ecology Program, a facility that dates to the early 1950s when Forest Professor William P. MacConnell initiated a statewide land cover mapping project to identify wildlife habitat from aerial photography. The Resource Mapping Lab has periodically updated land use maps for all communities in the Commonwealth, working under contracts with state and federal agencies in 1951, 1971, 1985 and 1999.

available for new development. As a rule, the approach outlined below was used to calculate developable land in EOEAs' buildout studies:

- Gross available land = a community's total land area *minus* existing developed areas *minus* permanently protected open space *minus* areas with absolute development constraints, e.g., excessively steep slopes or land within a Rivers Protection Act buffer zone. In Hopkinton's build-out study, this formula produced a "gross available land" total of 7,614 acres.
- Net developable land = potentially developable land *adjusted* to reflect partial constraints such as poorly drained soils or lot area requirements. Given variations in local zoning, the adjustment factor for partial constraints differed across communities. To estimate "net developable land" in Hopkinton, MAPC assigned a "build factor" ranging from 0.76-0.82 to each of the town's four residential zoning districts and an "effective floor area ratio" to each of the town's five commercial/industrial zoning districts.<sup>7</sup> These multipliers were applied to the "gross developable land" in each district.<sup>8</sup> In using these multipliers and eliminating the identifiable wetlands, MAPC arrived at a net developable land calculation of 6,786 acres.

Analysts were instructed to use "net developable land" as a starting point for estimating how many new homes or businesses could be developed in each zoning district. Of course, not all of a community's developable acres can be converted to house lots because new subdivision roads and drainage areas will absorb some of the land. In addition, the development process often produces irregularly shaped, somewhat larger-than-required lots in order to comply with a community's lot area, upland and dimensional regulations. To account for these and other conditions, EOEAs advised analysts to reduce "net developable land" by a factor that had to be determined town-by-town, considering local zoning, road and drainage requirements, irregular lot shapes and other regulations. Across the state, the factors ranged from 10-30%.

For Hopkinton, MAPC estimated the number of house lots by reducing "net developable land" in each residential zoning district by a unique factor for roads and irregular lots. In areas partially constrained by wetlands and floodplains, MAPC assumed that 75% of the area would not be available for development. MAPC also assumed that new growth in every residential district would be single-family homes. This procedure culminated in a buildout forecast of 4,632 new house lots.

### Noteworthy Similarities and Differences

Analytical methods, available data and technology largely account for the different buildout conclusions reached by local officials in 1995 and MAPC in 2001. For example, the town's study calculated potential house lots by a single "conversion" factor, which may have under-stated the number of house lots that could be developed. A uniform multiplier is not very sensitive to natural constraints such as wetlands, the 100-year floodplain and Rivers Protection Act buffer zones, or to regulatory constraints that differ by zoning district. The one house per three acres "conversion factor" may be too large since the lot sizes in Hopkinton's residential zoning districts range from

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<sup>7</sup> Floor Area Ratio (FAR) is the ratio of a building's total floor area to the area of its lot. Four major constraints – building height limits, FAR limits, parking requirements and percentage of lot coverage – determine the floor area ratio. A weighted effective FAR was applied to each commercial/industrial zoning district.

<sup>8</sup> See notes to Table 2, which summarize the build factors and effective FAR used in Hopkinton's zoning districts.

15,000-60,000 ft<sup>2</sup>. Just over 63 percent of the town's land is zoned Residential Agricultural, which requires 1 ½ acre (60,000 ft<sup>2</sup>) lots.<sup>9</sup>

An important distinction between the two buildout studies lies in the amount of open space they classified as “permanent.” The town's 1995 study estimated there were 300 acres of permanently protected open space and 3,800 acres of “semi-permanently” protected open space. The MAPC study recognized 2,823 acres of permanently protected open space and 1,943 acres of unprotected open space. Both studies consider land that is not permanently protected with a deed restriction as developable. It appears that in 1995, local assessment records were used to compute the amount of open space in Hopkinton. However, MAPC's open space calculations are based on the size of GIS shapes (polygons) in the data set used for the 2001 buildout study. In some cases, the assessor's records and calculations taken from GIS data disagree significantly. These differences are so common in cities and towns that all of the open space data sets maintained by MassGIS include *three* measures of land area: the size of the GIS parcel, the parcel size recorded by local assessors, and (when known) the parcel size referenced in the deed to the property.

### Important Considerations

While EOE's model is capable of supporting a refined buildout analysis, it may overestimate or underestimate the number of potential houselots and residents. A review of other, or more recent, spatial data sets from the MassGIS library and information supplied by the town suggest that some of the land MAPC identified as “developable” may not be developable at the projected density.

#### *Open Space*

MassGIS classifies open space according to a level-of-protection framework that recognizes “permanent,” “temporary,” “limited” or “no” use restrictions. In Hopkinton's 2001 buildout study, every open space parcel not categorized as permanently protected in the MassGIS open space data layer was included by MAPC in the gross area available for development. “Permanently” protected open space includes only land owned for conservation and wildlife habitat by federal and state agencies or non-profit organizations, and privately-owned land bound by conservation easements or an Agricultural Preservation Restriction (APR). “Temporary” and “limited” open space includes land covered by revocable restrictions against development or change in use. A farm that is differentially assessed for tax purposes as long as the land is used for agriculture is an example of temporarily protected open space. Limited open space includes land uses such as cemeteries or ball fields that could be redeveloped, but are not likely to be. “Unprotected” open space is land with no legal restrictions against future development.

Since the Buildout Study was prepared, MassGIS has updated its open space data and several parcels in Hopkinton have been reclassified. Table 4 summarizes the two open space data sets. Large unprotected parcels such as the Saddle Hill Country Club, Southboro Rod and Gun Club, the YMCA property and Framingham Sportsmen Association land are vulnerable to development, as are Hopkinton's 1,242 acres of Chapter 61, 61-A and 61-B land. Though Hopkinton's strong conservation ethic makes it unlikely that all unrestricted land will be developed as projected in MAPC's buildout study, important open spaces are at risk.

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<sup>9</sup> MAPC, Hopkinton Buildout Study.

Table 3. Open Space and Levels of Protection

	EOEA Study		MassGIS Data	
	Acres	% of Open Space	Acres	% of Open Space
In Perpetuity	2823.1	59.2	2888.3	61.4
Temporary	1242.3	26.1	1242.3	26.4
Limited	9.5	0.2	25.1	0.5
No Protection	564.6	11.8	550.9	11.7
Unknown	126.7	2.7		
Totals	4766.2	100	4706.6	100

Sources: MassGIS, Statewide Vector Data, filename "osp139.dbf," updated January 2003; MAPC, Hopkinton Buildout Study.

### Wetlands

MAPC's buildout study for Hopkinton included a number of small wetland complexes that probably should have been subject to a partial constraints reduction in the amount of "developable" land. There are several GIS sources of wetlands data, though not all are equally available statewide. The organizations that worked on EOEAs buildout studies were allowed to use one of the following wetland data sets:

- The United States Geological Survey's (USGS) digitized Hydrography data.
- The National Fish and Wildlife Service's National Wetlands Inventory.
- The Massachusetts Department of Environmental Protection (DEP) Wetlands Conservancy Program maps.

The USGS Hydrography data layer is the least accurate, in part because it was not developed at a scale to capture small wetlands. The National Wetlands Inventory is a more accurate source, and DEP's Wetlands Conservancy Program is generally considered the most reliable because its GIS data sets are based on high-quality aerial photographs. It is clear that MAPC used the USGS hydrography data to identify Hopkinton's wetlands, most likely because the USGS data set was the only one available for Hopkinton when the buildout study was prepared. However, MassGIS has continued to upgrade the library of DEP Wetlands Conservancy Program maps and as of January 2003, new wetland maps became available for the entire state. Table 5 compares the data set used in the buildout study to the recently released data set from DEP.

These numbers alone provide an incomplete picture of wetlands in Hopkinton, however. For example, the USGS data set recognizes 360 more acres of wetlands than DEP's data set. The discrepancy appears to stem from the omission of three large wetlands west of I-495 from DEP's data. There are also numerous small deciduous swamp complexes west of I-495 and south of West Main Street that appear in the DEP data but not the USGS data. In addition, one orthophoto quad<sup>10</sup> representing a small area in the southernmost point of Hopkinton with wetlands on the eastern boundary is not available in the DEP data set. Since wetlands are a partial development constraint in Hopkinton rather than an absolute constraint, these discrepancies may be less significant to a build-out estimate than they would be in another community. MAPC analysts classified 75% of

<sup>10</sup> MassGIS is a repository for orthophotos of the entire state. The orthophotos are not organized by town. Rather, they are organized in quads, or square tiles, that cover relatively small areas. A given community may be divided into 8-12 orthophoto quads; Hopkinton is comprised of 11.

residential land constrained by wetlands or floodplain as “not developable.” Finally, the town’s Water Resources Protection Overlay District was not categorized as a partial constraint because its purpose is to limit impervious surfaces, ban underground storage tanks and regulate hazardous materials rather than to limit growth.

**Table 4. Comparative Wetlands Data**

DEP Wetlands Conservancy Data		USGS Hydrography Data	
Description	Acres	Description	Acres
Bog	41.5	Land/Island	353.0
Deep Marsh	68.8	Reservoir	712.6
Fen	75.5	Wetland	1,348.7
Open Water	1,141.6	Lake or Pond	305.5
Shrub Swamp	164.7		
Deciduous Swamp	1,738.6		
Coniferous Swamp	64.0		
Mixed Swamp	206.1		
Upland	17,477.0		
Totals	20,977.8		2,719.8
Percent Wetlands	11.2		13.0

Sources: MassGIS, Statewide Vector Data, filenames “w2585.dbf, w2667.dbf, w2586.dbf, w2587.dbf, w2750.dbf, w2587.dbf, w2669.dbf, w2751.dbf, w2588.dbf and w2670.dbf,” updated January 2003; and MAPC, Hopkinton Buildout Study.

#### *Commercial/Industrial Districts and Floor Area Ratio*

Although nearly 93% of the land in Hopkinton is zoned for residential use, MAPC and local officials created a detailed model to project future development in the town’s five commercial and industrial zoning districts. This model included the following assumptions about the percentages of future development types in each district:

- Rural Business District (BR): 50% one floor retail, 45% two floor office and 5% restaurant
- Central Business District (CB): 50% one floor retail, 45% two floor office and 5% restaurant
- Industrial District (I): 50% one and two floor office and R&D, 50% one floor manufacturing
- Professional Office District (P): 100% three-floor office

In each districts, an “effective FAR” was calculated using these development projections and the maximum lot coverages allowed in the zoning bylaw. The FAR was reduced by 25% in the BR, CB and P districts and 50% in the I district in areas with partial development constraints. (See Table 2 for a summary of the effective FAR and development projections.) The Highway District, which contains 512 acres, was excluded from MAPC’s study. Since the composition of development in Hopkinton’s commercial and industrial districts could be different at buildout and the state’s model presumes there will be no redevelopment, commercial and industrial buildout projections made in the future could vary significantly.

#### *Zoning*

An important step in EOEAs buildout methodology required analysts to assign undeveloped acres to their respective zoning districts in order to calculate the amount of development that could occur under local regulations. The GIS version of a community’s zoning map supplied the foundation for

creating a new, single data set to represent all undeveloped land, complete with attributes for zoning and partial development constraints. An error in the assignment of land to its proper zoning district could therefore distort the final calculation of buildout capacity.

There are two discrepancies between the zoning map used by MAPC and a newer one prepared for the town by Hopkinton's GIS consultants (EarthTech and Faye, Spofford & Thorndike). There is a small amount of land zoned Residential Agricultural east of the highway and west of the Central Business District and located within the town's Residential B District. The Residential Agricultural District extends all the way to the town's southern boundary on the newer zoning map and it stops short of the boundary on the zoning map used by MAPC in the buildout study. This is a very minor discrepancy, but the minimum lot size in the Residential Agricultural District is 60,000 ft<sup>2</sup> and the minimum lot size in the Residential B District is 45,000 ft<sup>2</sup>. Therefore, MAPC's study may overestimate a few houselots. In addition, the newer zoning map does not include the town's Highway District, which runs along I-495. However, the Highway District is not included in the buildout study so the calculations will not change.

### *Housing and Chapter 40B*

Like any other analytical model, EOEAs build-out methodology embraced several assumptions. Among them: all municipalities would be in compliance with the 10% low- and moderate-income housing standard set by Chapter 40B, the Anti-Snob Zoning Act. Chapter 40B creates a streamlined permitting process to build low- and moderate-income housing and assigns permit granting responsibility to local zoning boards of appeal. Since the law's purpose is to assure an equitable distribution of low-income housing throughout Massachusetts, it sets a minimum goal of 10% low and moderate-income housing in every community. While processing a comprehensive permit application, the board of appeals has jurisdiction to waive local zoning regulations that impede low-income housing production – regulations such as a ban on multi-family and townhouse development, a large minimum lot size for new homes, or a low unit/acre density cap that makes multi-family development impractical even when it is allowed.

When less than 10% of a community's year-round homes qualify as low-income housing under Chapter 40B, the board of appeals is essentially obligated to issue a comprehensive permit. If the board denies or places burdensome conditions on a permit, the developer may appeal to the state's Housing Appeals Committee (HAC). Communities that do not meet the 10% threshold find it almost impossible to prevail when a developer appeals to HAC because Chapter 40B creates a statutory presumption that the need for low-income housing outweighs other local considerations.

The "maximum" residential build-out projections released by EOEAs make no provision for additional homes generated by comprehensive permits. It is not clear why EOEAs took this position because at the time, only 27 communities in Massachusetts met or exceeded 10%. According to the most recent Chapter 40B Subsidized Housing Inventory, Hopkinton's 122 low- and moderate-income housing units equal 2.7% of its year-round housing stock, which means that Hopkinton has a yet-to-be-built liability of 331 low-income housing units. Discounting the 43 towns that have no low- and moderate-income housing, the average percentage of Chapter 40B units in Massachusetts communities today is 5.14%. Statewide, the low-income housing shortfall (as defined by Chapter 40B) is 37,076 units.<sup>11</sup>

Presumably, EOEAs decided to assume Chapter 40B compliance because the main purpose of a build-out study is to consider the impact of a zoning on a community's remaining developable land. If

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<sup>11</sup> DHCD, Chapter 40B Subsidized Housing Inventory (April 2002; updated February 2003).

Hopkinton's developable land can accommodate up to 4,632 new homes under current zoning, then there is no remaining land for additional development. In effect, however, the acreage that MAPC allocated to 4,632 housing units may be tapped to support other land uses – including future Chapter 40B developments. Since it is not economically feasible to build low-income housing at a density of one unit/40,000 ft<sup>2</sup>, Hopkinton's build-out forecast of 4,632 homes seemingly underestimates the amount of residential development that will occur in the future. However, the usable land calculations on which the 4,632-unit forecast is based need to be revisited.

### **Conclusion**

When the state's build-out studies were released to cities and towns, EOE and regional planning agency representatives explained that their future development estimates should be viewed as "worstcase" scenarios – that is, a high-end forecast designed to illustrate the implications of local land use policies. The build-out study for Hopkinton probably overestimates the number of acres available for new growth, but its findings should not be dismissed out of hand. If used as an order-of-magnitude projection, the build-out study can be a valuable guide for local policy and planning decisions.

**Notes to Table 2**

1. Land within the 0'-100' buffer zone of the Rivers Protection Act was removed as an absolute constraint.
2. Wetlands, floodplain and the 100'-200' River Zone were considered partial constraints within all zoning districts and land within the partial constraints resulted in a reduction in the developable area.
3. Within A, RA, RB, and RLF, 75% of the land with partial constraints was subtracted from the buildout calculation.
4. Within BR, future development was assumed to be 50% one floor retail, 45% two floor office and 5% restaurant, yielding an FAR of .36 within the unconstrained land. This FAR was reduced by 25% to yield a .27 FAR within partially constrained land. The FAR was based upon a 25% maximum lot coverage.
5. Within CB, future development was assumed to be 50% one floor retail, 45% two floor office and 5% restaurant, yielding an FAR of .44 within the unconstrained land. This FAR was reduced by 25% to yield a .33 FAR within partially constrained land. The FAR was based upon a 40% lot coverage defined as areas covered by buildings.
6. Within I, future development was assumed to be 50% one and two floor office and R&D, 50% one floor manufacturing yielding an FAR of .45 within the unconstrained land. This FAR was reduced by 50% to yield a .33 FAR within partially constrained land. The FAR was based upon a Floor Area Ratio of .5 and a maximum lot coverage of 40%.
7. Within P, future development was presumed to be 100% three-floor office yielding and FAR of .3 based upon a 40% open space requirement. This FAR was reduced by 25% to yield a .22 FAR within partially constrained lands.

Source: MAPC, Hopkinton Buildout Study.

## MEMORANDUM

To: Judi Barrett  
 From: Carole Hamilton  
 Date: March 13, 2003  
 Re: Review of Affordable Housing Deed Riders  
 Hopkinton Chapter 40B Developments

For this review, the Town of Hopkinton supplied us with the most recent record of property transfer for the nineteen condominium units at Pinecrest Village receiving affordability subsidy through the Housing Opportunity Program (HOP) and the eight units in Wood Hollow subdivision made affordable through the Local Initiative Program (LIP). The Massachusetts Department of Housing and Community Development (DHCD) oversees both of these programs. DHCD sets the discount rate that determines the allowed sales price. (Please refer to "Concerns" section of this memorandum for a discussion of how the discount rate is applied.) The discount rate is the mechanism for preserving the affordability of each unit and is to be included in a deed rider accompanying every transfer/resale.

### Pinecrest Village Condominiums

Of the nineteen transactions reviewed, all contain deed riders as required. As is typical of HOP, the only notification of unit availability for purchase is to DHCD. There is no requirement that the municipality be notified, although in practice it appears that DHCD does notify the Town when the Department exercises its first refusal option. Nine (9) units appear to be owned by the household that originally purchased the property from the developer, Pinecrest Village, Inc. The earliest of these transactions occurred in 1990 and the most recent in 1997. One transaction, #32, contains a deed rider only. The rider is unsigned and does not identify the owner of the property. The remaining transactions occurred between 1994 and 2000.

Discount rates appear in the deed riders of five (5) of the nineteen units. For the remaining units the discount rate appears as 100%, 0% or blank, no rate is filled in.

Unit 3, last transferred in 1990 for \$82,000, has a discount rate of 61.7%.  
 Unit 4, last transferred in 1999 for \$82,000, has a discount rate of 75%.  
 Unit 9, last transferred in 1990 for \$82,000, has a discount rate of 61.7%.  
 Unit 10, last transferred in 1998 for \$98,382, has a discount rate of 86.3%.  
 Unit 23, last transferred in 1990 for \$95,000, has a discount rate of 82.7%.

### Wood Hollow Subdivision

Of the eight transactions reviewed, seven (7) contain "Exhibit A," the deed rider required for LIP. For six of these transactions, the selling price was \$100,000. All transactions occurred between 1997 and 1999. All of the deed riders contain discount rates. The discount rates are 29.9% for a transaction in December 1997, 35% July 1998, 37% March 1998, 37.7% November 1998 and January 1999 and 39% October 1997.

LIP requires that notification of availability for sale be sent to the municipality and to DHCD. The town determines whether it will exercise its right of first refusal before DHCD makes a similar determination. Addresses for parties to be notified are supplied in all exhibits except 8 Oliver Lane. The rider for 8 Oliver Lane is missing page 10, therefore no instructions for notification requirements

are provided, and the town is removed from the notification process. The rider for 17 Oliver Lane excludes the address and authority to be contacted for notification of the municipality.

### Concerns

For Pinecrest Condominiums, it appears that affordability may have been lost on all except five units. As DHCD is not required to notify the town when Pinecrest units are available for purchase, Hopkinton's ability to insure the long-term affordability of units is at risk. The Town maintains a waiting list of people looking for affordable units, so it is in a position to provide valuable assistance in finding an eligible buyer within the timeframe allowed in the deed rider.

The application of the "discount rate" appears to differ between the HOP and LIP deed riders. For HOP units, the discount rate appears to be the percent of the fair market value for which the property is to be sold. For example, a value of \$100,000 with a discount rate of 75% would be allowed to sell for \$75,000. For LIP units, the discount rate appears to be the percent by which the fair market value is reduced to determine the sale price, i.e. a value of \$100,000 with a discount rate of 35% would be marketed for \$65,000. The deed riders do not specify how the discount rate is applied, which could leave it open to interpretation.

In Wood Hollow subdivision, the Quitclaim Deed for 11 Baker Lane references the attachment of Exhibit A even though it is not attached.

For both projects, the timely notification of units available for sale may be problematic. Owners "forget;" they do not have copies of the deed rider, which they consult prior to marketing; or they simply hope no one will notice. The requirements of the deed rider may not be noticed until a title search is conducted after the property is under agreement.

The timeframe for the town to exercise its right of first refusal by purchasing a unit is tight if funds for this purpose must be appropriated.

### Recommendations

Consult with Town Counsel immediately to determine whether missing deed riders for the two units in Wood Hollow can be filed.

Consider an affirmative outreach to owners of affordable units, at least on an annual basis, by sending reminders that their property is restricted and outlining a notification process even if the process differs from the deed rider. For HOP units, ask specifically that the town be notified. Remind owners their marketing effort should not begin until the time for first refusal options expires unless the prospective purchasers are notified that their interest is contingent on no action by the holder of the first refusal option.

Request a meeting with DHCD for several purposes:

1. To receive an explanation of the meaning and impact of the 100% or 0% discount rates in the HOP deed riders. Are these units lost as affordable units? Several riders have missing discount rates. What does that mean? Are these units also lost?
2. To clarify the application of discount rates for the HOP and LIP units as previously noted in "Concerns." Should questions come to the Town concerning the application of these rates on homes, which may be coming on the market for sale, someone should be able to advise

prospective sellers. Owners need to know what they can expect to receive from the sale of their property as it affects their ability to purchase their next homes.

3. To obtain information concerning any changes DCHD has made to the "discount rate" to insure future affordability is maintained in fluctuating real estate markets. Some communities have perpetual affordability restrictions. What is done to insure that the unit responds to the market to allow owners to take advantage of market increases, protect them from market dips and yet maintain the unit as affordable? It is not enough to maintain affordability for "counting" purposes because that does not provide affordable homes over the long term. At Pinecrest Condominiums owners who currently have discount rates of 0% or 100% will receive a substantial windfall profit if they sell their units in the near future. This was clearly not the town's or DHCD's intention when the units were constructed and sold.
4. To negotiate an agreement that the Town will be notified by fax or phone as soon as DHCD is notified of the availability for purchase of one of the five remaining Pinecrest affordable units.

## Community Development Plan Narrative Summary

### LAND USE

The following goals and strategies for implementation have been recommended to protect, maintain and encourage specific land uses in the Town. It is the intent of this plan that the rural residential character of Hopkinton be preserved to retain the quality of life that residents and visitors enjoy.

### Goals

Goal 1. Coordinate residential development in order for Town services to keep pace with the growth. Study methods that would allow the Town to impose development phasing requirements.

Goal 2. Ensure the protection of natural resources. Incorporate additional areas that should be included in the Water Resources Protection Overlay District, including around Lake Maspenock, the Hopkinton Reservoir and other public water supplies.

Goal 3. Increase the amount of permanent open space. Continue to encourage the use of the Open Space and Landscape Preservation Development (OSLPD) bylaw.

Goal 4. Ensure that commercial, industrial and multi-family uses are compatible with the rural character of the Town and the surrounding residential neighborhoods. Study the concept of requiring buffer zones between land uses. The buffers would help separate and screen the uses and retain green space as surrounding land is developed.

Goal 5. Improve the appearance of the center of Town. Plant street trees in sidewalks where appropriate.

Goal 6. Ensure that future development in the vicinity of Lake Maspenock, Echo Lake, Hopkinton Reservoir and Lake Whitehall is appropriate and environmentally responsible. Investigate the feasibility of requiring a special permit for the construction of structures or additions within a specified distance from the high water line.

Goal 7. Evaluate cemetery space needs. Identify needs and alternatives for providing adequate space for future cemeteries.

### Strategies

- Study a building envelope concept to define limits of areas suitable for development on individual lots.
- Study ways in which mitigation costs can be recovered from developers for situations where plans, as constructed, do not perform as designed.
- Develop regulations which eliminate adverse impacts due to development of severe slopes.
- Require more open space to be set aside in conventional subdivision plans.
- Review current zoning requirements to reduce density and increase the amount of permanent open space in the Town.
- Study the feasibility of removing utility poles along Main Street and work to bury transmission lines.

- Ensure that new off-street parking is screened from view to retain the pedestrian scale and character of the area.
- Facilitate redevelopment of downtown buildings and facilities by coordination and promotion of early participation in the planning, design and permitting processes by Town Boards and Committees.

## ECONOMIC DEVELOPMENT

The following goals and strategies have been established in order to encourage a mix of industry in Hopkinton located in areas suitable for those uses with respect to the transportation network and environmental constraints.

### Goals

Goal 1. Plan for future demand for commercial uses to support the retail and service needs of Hopkinton businesses and residents of all ages. Develop design standards for commercial areas to maintain the rural residential character and respect the environmental constraints of the Town.

Goal 2. Increase the utilization of non-residentially zoned areas. Study zoning requirements to determine the additional development potential of already developed parcels.

Goal 3. Establish a wide mix of industries on South Street to provide steady economic growth and avoid boom and bust cycles of specific private sectors. Encourage and allow for the following types of industries on South Street: research and development; light manufacturing; warehousing; biotechnology; computer hardware/software; services and offices.

Goal 4. In order to retain a small town village character, small retail and specialty shops should be encouraged. Encourage small commercial establishments as an alternative to large shopping centers or commercial ventures.

Goal 5. Protect non-residentially zoned land from encroachment by incompatible land uses. Ensure that land set aside for non-residential uses is available for those uses in the future and avoid encroachment by uses incompatible with future industry.

Goal 6. Incorporate economic growth in the Town's long range fiscal planning. Include economic growth as a factor in the Town's fiscal planning to give consideration to policies and investments that will enhance Hopkinton to the business community.

Goal 7. Provide community services to the commercial and industrial areas. Provide sewer and water to the Industrially zoned areas of Lumber Street, South Street and Elmwood Park.

### Strategies

- Encourage planned commercial growth along West Main Street near the Route 495 interchange to tap the east-west commuter market and serve the needs of businesses and residents.
- Provide for continued review of industrial uses, development standards and permitting procedures to ensure they are appropriate and address specific concerns of current non-residentially zoned land.
- Support the Industrial Development Commission in its efforts to attract target industries, retain existing industries, and stay abreast of opportunities on the state level to assist desired industries in locating in Hopkinton.

- Identify land appropriate for industrial growth which will have minimal impact on quality of life.
- Study the feasibility of removing utility poles along South Street and work to bury transmission lines.
- Develop a fiscal impact model to evaluate the financial impacts of land use choices.

## NATURAL RESOURCES

The goals and implementation strategies for the Town's natural resources are intended to address the open space, recreation, historic and cultural resources of Hopkinton. The intent is to propose methods to create, preserve and enhance the Town's natural resources for the benefit of all residents.

### Goals

Goal 1. Preserve and enhance large private open space parcels currently in agricultural and recreational use. Provide incentives for owners of large undeveloped parcels to keep and maintain them as open space. This includes Weston Nurseries, Saddle Hill Country Club, the fish and game clubs, Commonwealth of Mass. and the N. E. Laborers Training Center.

Goal 2. Link public, private and semi-public open spaces together to form corridors for wetlands, wildlife and recreational uses. Implement the Open Space and Recreation Plan.

Goal 3. Learn about the Town's natural resources and features and encourage responsible land planning. Study methods to ensure that runoff from new development is not detrimental to the quality of lakes, streams, rivers and wetlands.

Goal 4. Improve existing active recreation facilities and create additional facilities to serve the needs of Hopkinton residents. Improve Reed Park.

Goal 5. Retain the rural historic fabric of Hopkinton. Investigate expanding or creating new historic districts in the center of the Town and in more rural areas.

### Strategies

- Expand the role of the Hopkinton Area Land Trust.
- Implement the recommendations of the 1997 Land Evaluation Study and continue a dialogue with MGL Chapter 61, 61A and 61B property owners.
- Obtain land and/or conservation restrictions funded through a combination of appropriations and property transfer tax. Seek an equitable approach that involves participation and contribution by current and future residents.
- Expand the role of the Open Space Preservation Commission and support the effort to obtain conservation and recreation land for the Town. Utilize the Commission as the primary department spearheading open space purchase by the Town. Fund the Open Space Preservation Fund.
- Create open space and links between open spaces through the Open Space and Landscape Preservation Development subdivision process, land trusts, donations of land, and conservation easements in designated areas.
- Create a pedestrian link between Lake Whitehall and the Upton State Forest.

- Consider a Wildlife Corridor Overlay District.
- Require Open Space and Landscape Preservation Development in the Water Resources Protection Overlay District.
- Preserve the views from roads, lakes, high points, and across fields.
- Provide athletic fields adequate to serve the needs of the schools and all residents.
- Support development of the Upper Charles Trail and the Hopkinton Center Trail.
- Develop neighborhood open space and recreation areas.
- Investigate the use of historic facade easements and pursue National Register nominations of significant properties.

## HOUSING

The Housing goals and implementation strategies have been established in order to encourage a mix of housing in Hopkinton. The intent of the housing element of the Master Plan is to identify and analyze existing and future housing needs and objectives and identify policies and strategies to provide a balance of housing opportunities for all citizens.

### Goals

Goal 1. Provide sound and affordable housing for all ages and income levels. Consider providing affordable housing units through the state's Local Initiative Program, through negotiation with private developers.

Goal 2. Provide for a variety of housing types within the rural residential character of Hopkinton. Continue to provide housing through the Open Space and Landscape Preservation Development (OSLPD) process.

### Strategies

- Implement the Hopkinton Housing Plan.
- Support the Hopkinton Housing Authority in its efforts to provide adequate, safe, handicapped accessible and affordable housing for residents.
- Consider a "rent-to-own" program that would allow Hopkinton public housing residents to purchase a home in Hopkinton.
- Consider incentives tied to the provision of affordable housing units in single family subdivisions, or inclusionary zoning.
- Study the feasibility of requiring linkage funds for affordable housing.
- Establish design/architectural review for multi-family residential dwelling proposals.
- Establish Rural Appearance Guidelines for residential development.

## TRANSPORTATION

The goals and implementation strategies for Hopkinton's transportation and circulation systems are designed to address identified problems, issues and future plans. The economic development, land

use and housing elements of the Master Plan, in particular, propose changes that will affect the existing circulation systems. This section is designed to address the issues that will arise in the future and those that currently exist.

## Goals

Goal 1. Improve and maintain the existing transportation system to adequately serve future growth. Ensure that the Department of Public Works can meet the goal of maintaining the existing secondary road system through a funded maintenance program.

Goal 2. Establish a program for new street acceptances by Town Meeting of streets constructed in accordance with the Town's standards and currently unaccepted. Develop and adopt a program to accept completed subdivision streets to ensure the continued maintenance and improvement of those streets in the future.

Goal 3. Coordinate with regional and state agencies to assist in meeting Clean Air Act requirements and other regional environmental laws and policies. Encourage the use of public transportation.

Goal 4. Provide alternatives to automobile transportation. Work toward construction of the Upper Charles Trail and investigate providing bikeways around Hopkinton and connecting to other surrounding communities.

Goal 5. Improve public safety by addressing hazardous intersections. Review available data and reports, seek input from public safety officials, identify hazardous intersections and propose methods to correct existing problems. previously identified problems to be addressed are: West Main St./Lumber St.; West Main St./South St./West Elm St., Wood St./West Main St. and Grove St./Hayden Rowe St.

Goal 6. Prepare for changes in transportation modes in the future. Study the possible impact of a heliport serving the industrial areas of Hopkinton in the future and assess its impacts.

## Strategies

- Eliminate paper streets created prior to existing regulations to ensure that future development of those areas is environmentally responsible and compatible.
- Evaluate the impacts and work with state transportation agencies and surrounding communities on the Worcester-Boston commuter rail extension and recognize the need to provide transportation links to serve future demand.
- Encourage carpooling of Hopkinton residents to major employment centers such as Hopkinton, Boston, Framingham, Natick and Marlborough.
- Provide all-day parking for carpooling commuters by developing a park and ride facility at Route 495 and Rtes. 85/135.
- Provide a shuttle-bus from a park and ride facility in Hopkinton to a commuter rail station.
- Provide sidewalks throughout the Town, including a sidewalk along West Main St. from School St. to the center of Town.
- Provide pedestrian links from Hopkinton to the future MBTA station in Southborough on Route 85.
- Assess Hopkinton's role in the Worcester/Cambridge/Boston transportation corridor.

## COMMUNITY FACILITIES AND SERVICES

The Community Facilities and Services goals and strategies for implementation have been established to ensure that services and facilities are provided in the future to adequately serve the community.

### Goals

Goal 1. Provide water service for the community in the future to areas presently served by Town water, areas in need based on water quantity or quality problems, and for fire protection.

Goal 2. Provide adequate space for Town facilities. Identify the space needs of municipal departments and organizations and propose methods to meet those needs.

Goal 3. Provide sewer services to areas of greatest need. Provide municipal sewer service to industrial and commercial uses and areas.

### Strategies

- Protect land around public water supplies.
- Search for additional water sources, pursue obtaining the resource and protect the surrounding area from harmful uses.
- Aquifer Recharge
- Provide municipal sewer service to areas with a high percentage of failing septic systems coupled with few repair options, and to solve environmental problems.